



Dave Yost • Auditor of State

CITY OF TALLMADGE
SUMMIT COUNTY

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Dave Yost • Auditor of State

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

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

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tallmadge, Summit County, (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 3, 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

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

Dave Yost
Auditor of State

June 3, 2011



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

To the City Council:

Compliance

We have audited the compliance of the City of Tallmadge (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City of Tallmadge's major federal program for the year ended December 31, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Tallmadge complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2010.

Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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

Federal Awards Expenditures Schedule

We have also audited the financial statements of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Tallmadge, Summit County, (the City) as of and for the year ended December 31, 2010, and have issued our report thereon dated June 3, 2011. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The accompanying federal awards expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, City Council, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Dave Yost
Auditor of State

June 3, 2011

**CITY OF TALLMADGE
SUMMIT COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed Through Ohio Department of Transportation</i>			
<u>Highway Planning and Construction</u>			
Northeast Roundabout Road Construction	81533	20.205	\$854,818
<u>ARRA Highway Planning and Construction</u>			
Northeast Roundabout Road Construction	81533	20.205	<u>268,800</u>
Total U.S. Department of Transportation			1,123,618
<u>U.S. DEPARTMENT OF ENERGY</u>			
<i>Passed Through Summit County</i>			
ARRA Energy Efficiency and Conservation Block Grant	N/A	81.128	90,000
<u>U.S. DEPARTMENT OF PUBLIC SAFETY</u>			
<i>Direct</i>			
Assistance to Firefighters Grant	Direct	97.044	7,245
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Direct</i>			
ARRA Community Development Block Grant	Direct	14.235	<u>100,000</u>
Total			<u><u>\$1,320,863</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

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**CITY OF TALLMADGE
SUMMIT COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2010**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the City of Tallmadge (the City's) federal award programs' disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

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

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**CITY OF TALLMADGE
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Highway Planning and Construction Grant (20.205)
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

NONE

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE

CITY OF TALLMADGE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010

PREPARED BY THE OFFICE OF:

JILL STRITCH, DIRECTOR OF FINANCE - C.P.F.A

*46 NORTH AVENUE
TALLMADGE, OH 44278*

INTRODUCTORY SECTION

CITY OF TALLMADGE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010

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

June 3, 2011

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

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of the City of Tallmadge, Ohio (the City) is hereby presented. This CAFR represents the official report of the City of Tallmadge's operations and financial position for the year ended December 31, 2010, and has been developed to accurately detail the status of City finances to Tallmadge residents and elected officials, investment banks, underwriters and all other interested parties. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge, the data contained in this report is accurate in all material respects, and is presented in a manner designed to set forth fairly the financial position and results of operations of the City. All disclosures necessary to provide the reader with a better understanding of the City's financial activities have been included.

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

Ohio law requires independent audits to be performed on all financial operations of the City either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. The Auditor of State's office performed the audit for the year ended December 31, 2010. The Independent Accountants' Report on the basic financial statements is included in the financial section of this report.

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2010 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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

THE REPORTING ENTITY

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

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

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

THE CITY OF TALLMADGE

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

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

The City is located in Summit and Portage Counties, with over 97% of the property located in Summit County and the remainder in Portage County. The City is approximately 13.5 square miles in size, is located approximately 35 miles south of Cleveland, Ohio and is contiguous to Akron, Ohio. The City's 2010 population of 17,537 makes it the eighth largest City in Summit County.

CITY GOVERNMENT

The City operates under and is governed by its Charter, first adopted in 1995, effective January 1, 1996. The City is a home-rule municipal corporation operating under the laws of the State of Ohio. The laws of the State of Ohio prevail when conflicts exist between the Charter and the state constitution and in matters where the charter is silent. The City's Charter can only be amended by a majority vote of the City's registered voters. There will be a charter review in 2011.

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

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

ECONOMIC CONDITION AND OUTLOOK

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

The City operates a Community Reinvestment Area Tax Abatement Program. This program is available for commercial and industrial expansions and new construction. The abatement is for property taxes on the increased values of real estate attributable to the improvements or new construction. This program will abate real estate taxes on the building for seven years at 100%. To date 110 companies have taken advantage of the tax abatement program. In addition, in 2006 the City instituted a New Jobs Grant Program, which was amended in 2011. This program is aimed at businesses occupying vacant buildings in the City. Commercial and industrial businesses that locate in these structures and have a payroll exceeding \$250,000 per year are eligible for a grant equal to the amount of 50% of payroll taxes paid in the previous calendar year for up to five (5) years.

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

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

In efforts to stabilize the largest source of general fund revenue, the citizens voted in 2004 to make the City 2% income tax permanent. The income tax collections at the end of fiscal year 2010 experienced an increase of 3.17% from the prior fiscal year. In December of 2009, the City joined a council of governments, The Regional Income Tax Agency (RITA) for the collection of income tax.

Residential development has closely paralleled industrial and commercial development during the same period. A total of 23 single family dwellings were built in 2010. There were 52 permits for additions and alterations in 2010.

The City is meeting the demands of a changing population with several developments. There continues to be a number of single family developments underway consisting of Shadyside Farm Estates, Fox Ridge Development, Stonegate Reserve, Green Valley Estates, and Eastwood Glen.

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

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

The Cascades development is located within the JEDD totaling about 114 acres consisting of 216 apartment units, commercial and retail stores. In 2008, 600,000 square feet of retail development was completed including Wal-Mart, Applebee's Restaurant, Lowe's Home Center, Arabica Coffee Shop, Strickland's Ice Cream, Beef O' Brady's, St. Nails, and The Dollar Store - all located at the Cascades of Brimfield retail park as well as development of a large residential apartment complex located in the back of the project. In 2010, Kohl's opened its doors as one of the new anchor department stores with 15,000 square feet of retail space.

LONG-TERM FINANCIAL PLANNING

The City of Tallmadge has strong financial management and is aided by financial policies adopted by Council. The City established a minimum fund balance policy in 1998 with amendments and updates to the policy in 2005. The amendments in 2005 provided additional financial guidelines. The purpose of the policy is to be proactive in financial management and establish minimum levels to be maintained in the major operating funds, which include the general, fire/EMS levy, street maintenance and repair, sewer and water funds. With the downturn of the economy, this policy served a significant purpose for the 2010 budget as it forced the elected officials to cut the budget in such a way that the City still managed to adhere to the financial policy of maintaining a minimum fund balance. The 2010 budget was reduced in order to not lower the necessary reserves and maintain financial stability.

In order to direct plans that promote a sound pattern of development, the City utilizes a Comprehensive Plan adopted by the administration and Council. The document, which is being updated in 2011/2012, serves as a guide in defining community objectives, policies and goals. Further, to guide the direction of land development, this plan provides a thoroughfare map, zoning district map and future land use map.

MAJOR INITIATIVES

Current

In 2010 the City forged a partnership with Summa Health System, a private enterprise associated with Summa Hospital. Summa is now housed within the recreation center. Summa is leasing office space to perform physical therapy to local patients. This provides a much needed service to the residents and provides a stable flow of income to the center.

The City, in efforts to embrace regionalism and operate cost effectively, moved their dispatching to the neighboring City of Stow in 2009. The City no longer employs telecommunicators to provide dispatching services but instead contracts with Stow to provide that necessary function to the citizens of Tallmadge at a reduced cost and with state of the art technology. This collaboration of services continued to be very successful for the City during 2010 and has served as a model across the State.

The City, in December of 2009, in another consolidation effort joined a Council of Governments, the Regional Income Tax Agency (RITA), for the collection of income tax. RITA provides income collection services to over 185 municipalities throughout Ohio. In 2010, this proved to be very cost effective and efficient for the City and the citizens.

In 2010, the City completed the Northeast High Pressure Water District and Pump Station to upgrade the existing flow of water throughout the northeast end of the community as well as to provide adequate water pressure for future development in this quadrant of the City. This project was paid by water fund revenue and financed through the Ohio Water Development Authority (OWDA).

In 2010, the City substantially completed construction of the Northeast Roundabout, a modern 6 legged roundabout. The modern roundabout at Howe Road and Northeast Avenue is a one-way circular where traffic flows around a smaller center island approximately 200 feet in diameter. This is a \$2.2 million dollar project that is primarily federally funded through CMAQ (Congestion Mitigation and Air Quality and ARRA (American Recovery and Reinvestment Act) funds, in addition to some City funds.

In 2010, the City began construction of the North Thomas Road Waterline. This line replaces 8,600 linear feet of existing waterline that was constructed in 1956. This project cost is \$276,000 and is being paid from \$100,000 in Community Development Block Grant Recovery Funds and water fund revenue.

In 2010, the City purchased land to be used for the Tallmadge Shooting Range. This is property off North Munroe Road where the current range is located. The project will consist of purchasing the land, cleaning up any contaminants from lead and rebuilding it as a new shooting range. This purchase was funded 100% with funds from the State. Both the purchase and the subsequent cleanup are funded with State of Ohio Capital Project Program money.

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

Future

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

Effective May 1, 2011, the City will collaborate with Summit County and consolidate the building functions of the City to the County. Summit County Department of Building Standards will absorb all the building functions of the City. There will be no cost to the City and the building fees charged and collected will remain with Summit County. This will eliminate duplicative efforts by the City and County and result in cost savings for the City.

In 2011, the City will be preparing bid specifications for the cleanup of the Police Shooting range. This project is expected to be completed in 2011 and is funded through the State of Ohio Capital Projects Program.

In 2011, the City will be replacing the HVAC system at the Police Department as the current system is outdated and very inefficient in terms of energy usage. The total cost of the project is \$154,900 with a \$90,000 grant from the Energy Efficiency Conservation Block Grant Program Recovery Funds.

In 2011, the City will be taking over the billing of the Summit County sewer customers located in the City of Tallmadge. In doing so, the Mayor is negotiating a different rate structure for those customers that will result in the reduction of the sewer bills for the majority of Tallmadge residents. Tallmadge will collect the fees and submit them to the County based on total usage.

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

AWARDS

GFOA Certificate of Achievement

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

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

A Certificate of Achievement is valid for a period of one year only. The City of Tallmadge has received a Certificate of Achievement for the last eighteen consecutive years (1992 - 2009). We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to the GFOA.

ACKNOWLEDGEMENTS

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

Respectfully Submitted,

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

Jill Stritch, Director of Finance, CPFA

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Tallmadge
Ohio

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

**CITY OF TALLMADGE, OHIO
LISTING OF PRINCIPAL CITY OFFICIALS
AS OF DECEMBER 31, 2010**

ELECTED OFFICIALS

Mayor
Director of Finance
Director of Law
President of Council
Council Member
Council Member
Council Member
Council Member
Council Member
Council Member

David Kline
Jill Stritch
Penny Taylor
Linda Poinar
James Donovan
Robert Maguire
Kim Ray
John Rensel
Jack Sarver
Gene Stalnaker

APPOINTED OFFICIALS

Service Director
Director of Administration
Economic Developer
Community Development Manager
Assistant Director of Law
Assistant Director of Finance
Clerk of Council
Deputy Clerk of Council

Robert O'Bryan
Thomas Pascarella
Patrick Carano
Ross Pat Sauner
Megan Raber
Mollie Gilbride
Susan Burton
Dennis DiMascio

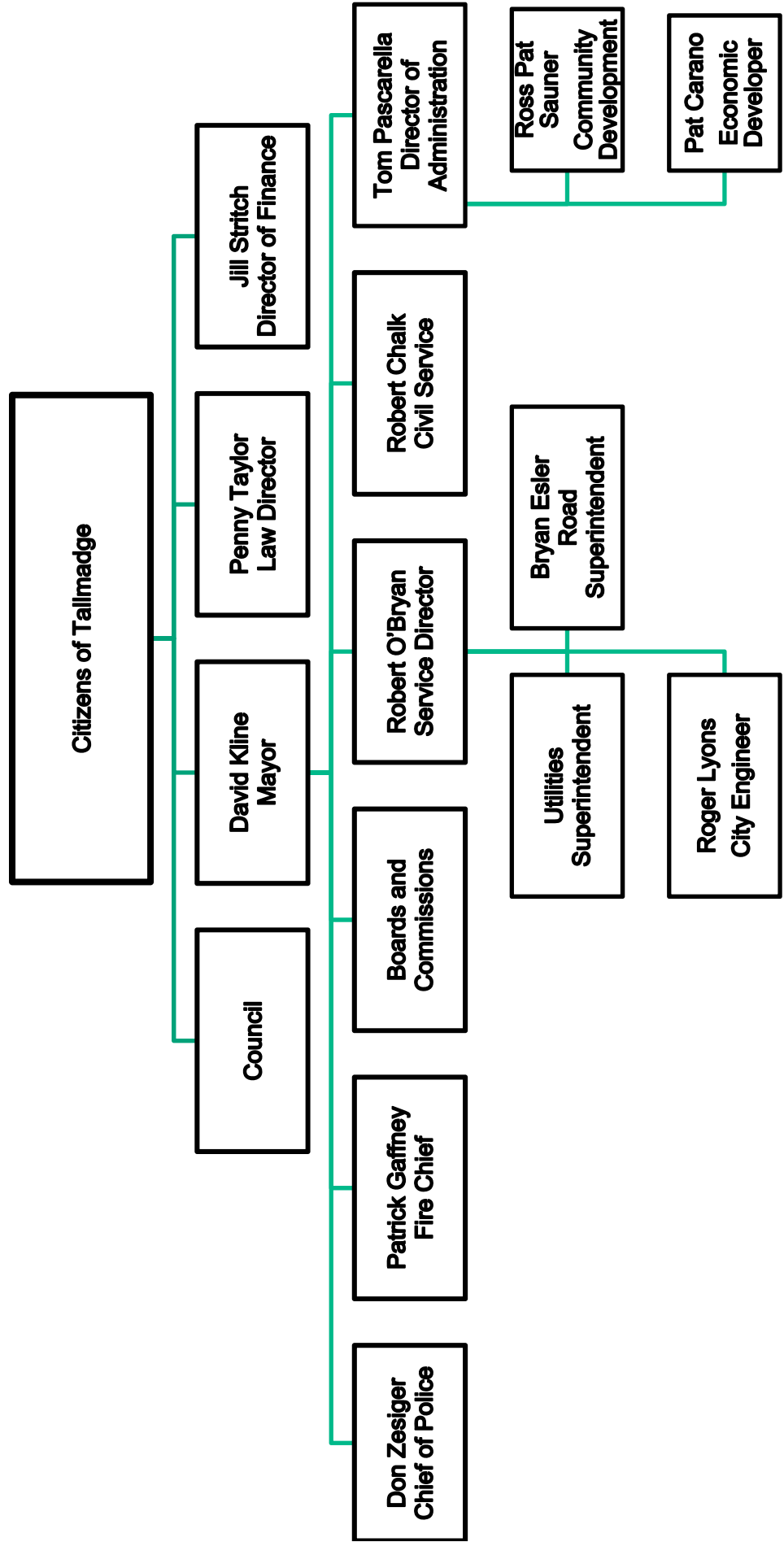
DEPARTMENT OFFICIALS

Chief of Police
Chief of Fire
Road Superintendent
City Engineer
Civil Service Chairman

Don Zesiger
Patrick Gaffney
Bryan Esler
Roger Lyons
Robert Chalk

CITY OF TALLMADGE – 2010

ORGANIZATIONAL CHART



FINANCIAL SECTION



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tallmadge, Summit County, Ohio (the City), as of and for the year ended December 31, 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's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tallmadge, Summit County, Ohio, as of December 31, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Fire/EMS Levy, and Street Maintenance and Repair Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Dave Yost
Auditor of State

June 3, 2011

CITY OF TALLMADGE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 UNAUDITED

The management's discussion and analysis of the City of Tallmadge's (the "City") financial statements provides an overall review of the City's financial activities for the year ended December 31, 2010. The intent of this discussion and analysis is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements.

Financial Highlights

Key financial highlights for 2010 are as follows:

- The total net assets of the City increased \$1,242,205 or 2.83% from 2009. Net assets of governmental activities increased \$1,494,704 or 6.54% from 2009 and net assets of business-type activities decreased \$252,499 or 1.20% from 2009.
- Total assets of the City increased \$828,916, an increase of 1.33% from 2009.
- Total current liabilities increased \$4,158 from 2009.
- Total long-term liabilities decreased \$417,447 during 2010.

Using this Comprehensive Annual Financial Report

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

Government-Wide Financial Statements

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

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

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

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

CITY OF TALLMADGE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 UNAUDITED

Fund Financial Statements

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

Governmental Funds

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

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

Proprietary Funds

The City maintains three proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer, water, and storm water operations. The basic proprietary fund financial statements can be found on pages 26-28 of this report.

Fiduciary Funds

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31-62 of this report.

The nonmajor governmental funds are presented immediately following the notes to the basic financial statements and can be found beginning on page 63 of this report.

CITY OF TALLMADGE, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED*

Government-Wide Financial Analysis

The statement of net assets serves as a useful indicator of a government's financial position. The table below provides a summary of the City's net assets for 2010 and 2009:

	Net Assets					
	Governmental	Business-type	Governmental	Business-type	2010	2009
	Activities	Activities	Activities	Activities	Total	Total
	<u>2010</u>	<u>2010</u>	<u>2009</u>	<u>2009</u>		
<u>Assets</u>						
Current and other assets	\$ 11,534,766	\$ 7,813,012	\$ 10,926,374	\$ 8,095,878	\$ 19,347,778	\$ 19,022,252
Nondepreciable capital assets	4,690,555	676,419	2,889,904	1,507,304	5,366,974	4,397,208
Depreciable capital assets, net	<u>23,873,453</u>	<u>14,519,939</u>	<u>25,342,567</u>	<u>13,517,201</u>	<u>38,393,392</u>	<u>38,859,768</u>
Capital assets, net	<u>28,564,008</u>	<u>15,196,358</u>	<u>28,232,471</u>	<u>15,024,505</u>	<u>43,760,366</u>	<u>43,256,976</u>
Total assets	<u>40,098,774</u>	<u>23,009,370</u>	<u>39,158,845</u>	<u>23,120,383</u>	<u>63,108,144</u>	<u>62,279,228</u>
<u>Liabilities</u>						
Current and other liabilities	3,359,424	488,235	3,218,161	625,340	3,847,659	3,843,501
Long-term liabilities:						
Due within one year	915,733	181,610	1,162,181	225,036	1,097,343	1,387,217
Due in more than one year	<u>11,480,703</u>	<u>1,542,184</u>	<u>11,930,293</u>	<u>1,220,167</u>	<u>13,022,887</u>	<u>13,150,460</u>
Total liabilities	<u>15,755,860</u>	<u>2,212,029</u>	<u>16,310,635</u>	<u>2,070,543</u>	<u>17,967,889</u>	<u>18,381,178</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt (See Note 2.T.)	18,369,056	13,520,720	17,647,995	13,666,756	30,677,297	29,944,751
Restricted:						
Debt service	702,565	-	702,033	-	702,565	702,033
Capital projects	413,042	-	934,667	-	413,042	934,667
Fire/EMS levy	361,340	-	428,826	-	361,340	428,826
Street maintenance	818,098	-	790,738	-	818,098	790,738
State highway	65,145	-	81,809	-	65,145	81,809
Community environment	7,027	-	11,804	-	7,027	11,804
Law enforcement	19,169	-	23,470	-	19,169	23,470
Unrestricted (See Note 2.T.)	<u>3,587,472</u>	<u>7,276,621</u>	<u>2,226,868</u>	<u>7,383,084</u>	<u>12,076,572</u>	<u>10,979,952</u>
Total net assets	<u>\$ 24,342,914</u>	<u>\$ 20,797,341</u>	<u>\$ 22,848,210</u>	<u>\$ 21,049,840</u>	<u>\$ 45,140,255</u>	<u>\$ 43,898,050</u>

Total assets exceeded total liabilities in 2010 by \$45,140,255, compared to \$43,898,050 in 2009, an increase of 2.83% from 2009. During 2010, the City's total assets increased by \$828,916 or 1.33% and total liabilities decreased by \$413,289 or 2.25%.

CITY OF TALLMADGE, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED*

The following table shows the changes in net assets for 2010 and 2009.

	Change in Net Assets					
	Governmental		Business-type		2010	2009
	Activities	Activities	Activities	Activities		
	<u>2010</u>	<u>2010</u>	<u>2009</u>	<u>2009</u>	<u>Total</u>	<u>Total</u>
Revenues						
Program revenues:						
Charges for services	\$ 2,628,647	\$ 3,774,728	\$ 2,671,072	\$ 3,372,172	\$ 6,403,375	\$ 6,043,244
Operating grants and contributions	932,825	-	828,557	-	932,825	828,557
Capital grants and contributions	<u>1,465,130</u>	<u>100,000</u>	<u>500,000</u>	<u>-</u>	<u>1,565,130</u>	<u>500,000</u>
Total program revenues	<u>5,026,602</u>	<u>3,874,728</u>	<u>3,999,629</u>	<u>3,372,172</u>	<u>8,901,330</u>	<u>7,371,801</u>
General revenues:						
Property and other local taxes	2,258,920	-	2,225,056	-	2,258,920	2,225,056
Municipal income taxes	7,455,553	-	7,226,715	-	7,455,553	7,226,715
Grants and entitlements	2,148,650	-	2,223,903	-	2,148,650	2,223,903
Interest	43,871	-	141,630	-	43,871	141,630
Miscellaneous	<u>47,331</u>	<u>11,752</u>	<u>265,173</u>	<u>10,599</u>	<u>59,083</u>	<u>275,772</u>
Total general revenues	<u>11,954,325</u>	<u>11,752</u>	<u>12,082,477</u>	<u>10,599</u>	<u>11,966,077</u>	<u>12,093,076</u>
Total revenues	<u>16,980,927</u>	<u>3,886,480</u>	<u>16,082,106</u>	<u>3,382,771</u>	<u>20,867,407</u>	<u>19,464,877</u>
Program Expenses:						
General government	3,075,749	-	3,254,377	-	3,075,749	3,254,377
Security of persons and property						
Police	3,707,305	-	3,822,765	-	3,707,305	3,822,765
Street lighting	33,874	-	28,469	-	33,874	28,469
Fire	2,633,358	-	2,901,712	-	2,633,358	2,901,712
Public health and welfare	67,526	-	49,994	-	67,526	49,994
Transportation	3,132,926	-	2,655,392	-	3,132,926	2,655,392
Community environment	313,757	-	355,154	-	313,757	355,154
Leisure time activity	2,066,476	-	2,003,019	-	2,066,476	2,003,019
Interest and fiscal charges	455,252	-	479,892	-	455,252	479,892
Sewer operating	-	1,822,095	-	1,805,970	1,822,095	1,805,970
Water operating	-	1,808,067	-	1,700,746	1,808,067	1,700,746
Storm water operating	<u>-</u>	<u>508,817</u>	<u>-</u>	<u>466,800</u>	<u>508,817</u>	<u>466,800</u>
Total expenses	<u>15,486,223</u>	<u>4,138,979</u>	<u>15,550,774</u>	<u>3,973,516</u>	<u>19,625,202</u>	<u>19,524,290</u>
Increase (decrease) in net assets	1,494,704	(252,499)	531,332	(590,745)	1,242,205	(59,413)
Net assets beginning of year	<u>22,848,210</u>	<u>21,049,840</u>	<u>22,316,878</u>	<u>21,640,585</u>	<u>43,898,050</u>	<u>43,957,463</u>
Net assets end of year	<u>\$ 24,342,914</u>	<u>\$ 20,797,341</u>	<u>\$ 22,848,210</u>	<u>\$ 21,049,840</u>	<u>\$ 45,140,255</u>	<u>\$ 43,898,050</u>

CITY OF TALLMADGE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 UNAUDITED

Governmental Activities

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

Program revenues increased in total by 25.68 percent from 2009. Operating grants and contributions were comparable to 2009. The most significant changes in program revenues were capital grants and contributions. The increase in capital grants and contributions is the result of grant monies received during the year related to the City's Northeast Avenue Roundabout project. General revenues decreased from 2009 by 1.06 percent, which is primarily the result of decreased grant revenue.

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

The operations of the City's police department account for the largest expenses of the governmental activities, representing 23.94 percent and 24.58 percent of the total governmental activities expenses during 2010 and 2009, respectively. During 2010, the City's police department consisted of 1 Chief, 1 lieutenant, 5 sergeants, 16 patrol and 3 full-time office staff. The police department also employs on a part-time basis 6 records clerks, 1 school crossing guard, and 7 auxiliary police. In 2008, the City entered into a cooperative with the City of Stow to provide dispatching services which had previously been housed at the City. The citizens enjoy cost savings while utilizing the state of the art equipment that the City of Stow provides in their dispatching center. The police department provides a full range of services including patrol, detective services, bike patrol, juvenile diversionary program, neighborhood crime watch, and residential and commercial security surveys. Security of persons and property expenses related to the police department decreased 3.02 percent during 2010.

The City has operated a fire department since 1945. During 2010, the fire department employed 1 full time Chief, 3 full time Battalion Chiefs, 1 full-time fire marshal, 8 full-time firefighter paramedics, 41 part-time paramedics/firefighters, and 1 full time clerk. The fire expenses account for 17.00 percent and 18.66 percent of the total governmental activities expenses during 2010 and 2009, respectively. The Fire/EMS department is accounted for in a separate fund which receives tax proceeds from a 3.75 mill property tax levy. Security of persons and property expenses related to the fire department decreased 9.25 percent during 2010, which is primarily the result of controlling wages and benefits costs.

The Street Maintenance and Repair department employs 16 full time employees who provide the City and the citizens with road maintenance, road salting, ditching, leaf pickup program, cemetery maintenance, park maintenance and many other services. The transportation expenses accounted for 20.23 and 17.08 percent of the total governmental activities expenses during 2010 and 2009, respectively. Transportation expenses increased 17.98 percent during 2010, due primarily to increased road maintenance expenses.

CITY OF TALLMADGE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 UNAUDITED

Business-Type Activities

Proprietary funds account for the business-type activities of the City of Tallmadge which consist of sewer, water and storm water operating activities. The City currently has 7,207 water customers, 5,779 sewer customers, and 5,866 storm water customers. The City owns and maintains all water and sewer lines within the City. In striving to keep revenues in balance with expenses, effective May 1, 2002 water rates for the City have increased 1 percent every year. In August of 2010 there was a 9.5% water rate increase as a result of a pass thru from the City of Akron. In March of 2010 there was a 20% sewer rate increase for basic operations. The sewage is treated by Summit County. The storm water fee has not changed since 2008 when it dropped from \$3 to \$2 per equivalent residential unit (ERU).

The revenues and expenses for the water, sewer and storm water activities are reported under the business-type activities. The revenues are primarily from charges for services. In 2010, charges for services in the amount of \$3,774,728 accounted for 97.12 percent of the total business-type revenues compared to 99.69 percent in 2009. The total expenses for the utilities were \$4,138,979, resulting in a decrease in net assets of \$252,499.

The City's Funds

Information about the City's governmental funds begins on page 16. These funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues of \$17,248,186 and expenditures of \$16,689,826. The excess of revenues over expenditures is augmented by transfers, a bond issuance, the repayment of notes, premium on bonds, discount on bonds and a payment to refunded bond escrow agent.

The City's chief operating fund is the general fund. During 2010, the City's general fund had total revenues and other financing sources of \$12,496,056 and expenditures and other financing uses of \$11,179,902, resulting in an increase in fund balance of \$1,316,154. The increase in fund balance is primarily attributable to reductions in costs resulting from decreases in personnel and capital expenditures.

The City's major special revenue fund, the fire/EMS levy fund, had a decrease in fund balance of \$67,127. Total combined revenues and other financing sources were \$2,551,491 and expenditures were \$2,618,618. Revenues did not exceed expenditures even with transfers of income tax money.

The City's major special revenue fund, the street maintenance and repair fund had an increase in fund balance of \$3,882. Total combined revenues and other financing sources were \$2,015,677 and expenditures were \$2,011,795. Revenues exceeded expenditures due to transfers of income tax money.

The City's major bond retirement fund had an increase in fund balance of \$12,981. During 2010, the bond retirement fund received \$91,410 in special assessments, \$1,420,190 in premiums and the sale of bonds, and \$900,000 in transfers in to provide for \$2,398,619 in principal and interest payments on general obligation and special assessment bonds and to the refunded bond escrow agent.

The City's major capital projects fund, the Northeast Avenue Roundabout fund, accounts for the construction of a roundabout for the City. Expenditures for the project of \$1,706,877 exceeded revenues and other financing sources of \$1,616,630, resulting in a decrease in fund balance of \$90,247.

CITY OF TALLMADGE, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED*

Information about the proprietary funds begins on page 26. These funds are accounted for on an accrual basis. All proprietary funds had operating revenues of \$3,771,467, which were less than operating expenses of \$4,048,780. The total depreciation expense for these business-type funds was \$653,733. The cash and cash equivalents at year end for the proprietary funds total \$6,235,431. Net assets for two of the City's business-type activities funds decreased in 2010. Net assets of the sewer fund decreased \$79,988 or .89% from 2009. During 2010 net assets of the water fund increased .32% or \$26,952 to \$8,364,902. For the storm water fund, net assets decreased \$199,463, from \$3,735,195 at December 31, 2009 to \$3,535,732 at December 31, 2010. The overall decrease in net assets for all business-type activities in 2010 was \$252,499 or 1.20%.

Budgeting Highlights

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

City Council adjusted the level of appropriations in various funds several times in 2010. In total the increase in appropriations accounted for an increase of .67 percent over the total general fund budget. The total actual expenditures at year end were \$317,987 less than the total final budget. In addition, at year end the prior year encumbrances that are determined to be unnecessary are decertified to the County on the final amended certificate and that amount is returned to the fund balance and becomes available resources.

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

The total budgetary variance for general fund expenditures was \$317,987 or 2.67%. None of this variance was due to the City transferring money out of the general fund. The other major variances were in the general government, leisure time activity and community environment functions, which had positive variances of \$127,959, \$80,472 and \$66,884, respectively. In addition, positive variances also existed in the transportation and security of persons and property functions. These positive variances in all departments were an effort to contain the budget and control expenditures. Management was aware that the income tax collections were higher than expected. The total variance in general fund revenues was a positive variance of \$471,542 or 4.12%. The variance was primarily the result of income tax collections, which were \$340,913 more than anticipated.

CITY OF TALLMADGE, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED*

Capital Assets and Debt Administration

Capital Assets

At the end of 2010, the City had \$43,760,366 (net of accumulated depreciation) invested in land, buildings and improvements, machinery and equipment, infrastructure and construction in progress. Of this total, \$28,564,008 was reported in governmental activities and \$15,196,358 was reported in business-type activities. The following table shows 2010 balances compared to 2009:

Capital Assets at December 31 (Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 2,889,359	\$ 2,626,444	\$ 375,519	\$ 375,519	\$ 3,264,878	\$ 3,001,963
Construction in progress	1,801,196	263,460	300,900	1,131,785	2,102,096	1,395,245
Buildings and improvements	12,616,771	13,072,707	1,225,032	579,561	13,841,803	13,652,268
Machinery and equipment	1,419,804	1,724,316	329,282	412,429	1,749,086	2,136,745
Infrastructure						
Street subsystem	9,836,878	10,545,544	-	-	9,836,878	10,545,544
Storm sewer subsystem	-	-	3,178,931	3,328,775	3,178,931	3,328,775
Sewer lines	-	-	4,499,512	4,678,146	4,499,512	4,678,146
Water lines	-	-	5,287,182	4,518,290	5,287,182	4,518,290
Totals	<u>\$ 28,564,008</u>	<u>\$ 28,232,471</u>	<u>\$ 15,196,358</u>	<u>\$ 15,024,505</u>	<u>\$ 43,760,366</u>	<u>\$ 43,256,976</u>

The overall increase of \$503,390 is a result of capital outlays of \$2,706,905 exceeding depreciation expense of \$2,203,185 and disposals of \$333 (net of accumulated depreciation). See Note 7 in the notes to the financial statements for more information regarding the City's capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2010 and 2009:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Special assessment bonds	\$ 690,000	\$ 740,000	\$ 316,000	\$ 445,000
General obligation bonds	10,579,000	7,100,000	-	-
Bond anticipation note	-	3,800,000	-	-
OWDA loans	-	-	1,359,638	912,749
Pollution remediation obligation	250,000	250,000	-	-
Capital leases	<u>132,950</u>	<u>231,324</u>	<u>-</u>	<u>-</u>
Total long-term obligations	<u>\$ 11,651,950</u>	<u>\$ 12,121,324</u>	<u>\$ 1,675,638</u>	<u>\$ 1,357,749</u>

The long-term outstanding debt for the City of Tallmadge as of December 31, 2010 was \$13,327,588. This balance reflects \$1,006,000 in special assessment bonds, \$10,579,000 in general obligation bonds, \$1,359,638 in OWDA loans, \$250,000 in pollution remediation obligations, and \$132,950 in capital lease obligations. This is a decrease in long-term debt of 1.12 percent. For more detailed information on long-term obligations refer to Note 10 of this report.

CITY OF TALLMADGE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 UNAUDITED

The Ohio Revised Code provides that the general obligation bonds less self supporting debt (e.g., assessment debt) of the municipal corporation, whether voted or unvoted, shall not exceed 10.50 percent of the assessed valuation of the total property. In addition, the unvoted net debt cannot exceed 5.50 percent of total assessed value of property. The City's legal total debt limit at the 10.50 percent margin is \$32,554,140, and the total unvoted net debt limit at the 5.50 percent margin is \$22,566,898.

Economic Factors and Next Year's Budget and Rates

- The City prepared the annual budget using zero based budgeting for 2011. Most departments experienced reductions in their departmental budget.
- Employees took a 0% pay increase for 2011 and will continue to participate in paying a portion of hospitalization.
- The City offered an early retirement incentive at the end of 2009 and many of those positions either were not filled or were filled with part time employees. This has resulted in a reduction of staff for the City.
- In March of 2010 the City raised the sewer rates by 20%.
- In August of 2010 the City raised water rates by 9.5%.

Contacting the City's Financial Management

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

**BASIC
FINANCIAL STATEMENTS**

CITY OF TALLMADGE, OHIO

*STATEMENT OF NET ASSETS
DECEMBER 31, 2010*

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents . . .	\$ 5,090,664	\$ 6,235,431	\$ 11,326,095
Receivables:			
Income taxes.	1,572,931	-	1,572,931
Real and other taxes	2,363,995	-	2,363,995
Accounts.	118,093	1,138,190	1,256,283
Accrued interest	8,722	-	8,722
Special assessments	804,664	367,655	1,172,319
Intergovernmental	1,257,025	-	1,257,025
Materials and supplies inventory.	139,989	71,736	211,725
Deferred charges	178,683	-	178,683
Capital assets:			
Land and construction in progress.	4,690,555	676,419	5,366,974
Depreciable capital assets, net.	23,873,453	14,519,939	38,393,392
Total capital assets, net.	28,564,008	15,196,358	43,760,366
Total assets	40,098,774	23,009,370	63,108,144
Liabilities:			
Accounts payable.	127,006	10,099	137,105
Contracts payable.	310,069	-	310,069
Accrued wages and benefits payable	132,261	13,007	145,268
Intergovernmental	505,333	430,929	936,262
Unearned revenue	2,246,440	-	2,246,440
Accrued interest payable	38,315	34,200	72,515
Long-term liabilities:			
Due within one year	915,733	181,610	1,097,343
Due in more than one year.	11,480,703	1,542,184	13,022,887
Total liabilities	15,755,860	2,212,029	17,967,889
Net assets:			
Invested in capital assets, net of related debt (see Note 2.T)	18,369,056	13,520,720	30,677,297
Restricted for:			
Debt service	702,565	-	702,565
Capital projects	413,042	-	413,042
Other purposes:			
Fire/EMS levy	361,340	-	361,340
Street maintenance.	818,098	-	818,098
State highway	65,145	-	65,145
Community environment.	7,027	-	7,027
Law enforcement.	19,169	-	19,169
Unrestricted (see Note 2.T)	3,587,472	7,276,621	12,076,572
Total net assets	\$ 24,342,914	\$ 20,797,341	\$ 45,140,255

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 3,075,749	\$ 441,489	\$ -	\$ -
Security of persons and property:				
Police	3,707,305	9,438	480	-
Street lights	33,874	-	-	-
Fire	2,633,358	358,781	-	-
Public health and welfare	67,526	2,790	37,395	-
Transportation	3,132,926	50,195	738,848	1,465,130
Community environment	313,757	151,381	-	-
Leisure time activity	2,066,476	1,614,573	156,102	-
Interest and fiscal charges	455,252	-	-	-
Total governmental activities	<u>15,486,223</u>	<u>2,628,647</u>	<u>932,825</u>	<u>1,465,130</u>
Business-type activities:				
Sewer operating fund	1,822,095	1,739,256	-	-
Water operating fund	1,808,067	1,726,179	-	100,000
Storm water fund	508,817	309,293	-	-
Total business-type activities	<u>4,138,979</u>	<u>3,774,728</u>	<u>-</u>	<u>100,000</u>
Totals	<u>\$ 19,625,202</u>	<u>\$ 6,403,375</u>	<u>\$ 932,825</u>	<u>\$ 1,565,130</u>

General revenues:

Property taxes levied for:

- General purposes
- Fire/EMS levy
- Police pension

Municipal income taxes levied for:

- General purposes

Grants and entitlements not restricted to specific programs

Investment earnings

Miscellaneous

Total general revenues

Change in net assets

Net assets at beginning of year

Net assets at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
\$ (2,634,260)	\$ -	\$ (2,634,260)
(3,697,387)	-	(3,697,387)
(33,874)	-	(33,874)
(2,274,577)	-	(2,274,577)
(27,341)	-	(27,341)
(878,753)	-	(878,753)
(162,376)	-	(162,376)
(295,801)	-	(295,801)
(455,252)	-	(455,252)
<u>(10,459,621)</u>	<u>-</u>	<u>(10,459,621)</u>
-	(82,839)	(82,839)
-	18,112	18,112
-	<u>(199,524)</u>	<u>(199,524)</u>
-	<u>(264,251)</u>	<u>(264,251)</u>
<u>(10,459,621)</u>	<u>(264,251)</u>	<u>(10,723,872)</u>
759,648	-	759,648
1,390,985	-	1,390,985
108,287	-	108,287
7,455,553	-	7,455,553
2,148,650	-	2,148,650
43,871	-	43,871
47,331	11,752	59,083
<u>11,954,325</u>	<u>11,752</u>	<u>11,966,077</u>
1,494,704	(252,499)	1,242,205
<u>22,848,210</u>	<u>21,049,840</u>	<u>43,898,050</u>
<u>\$ 24,342,914</u>	<u>\$ 20,797,341</u>	<u>\$ 45,140,255</u>

CITY OF TALLMADGE, OHIO

*BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010*

	General	Fire/EMS Levy	Street Maintenance and Repair	Bond Retirement
Assets:				
Equity in pooled cash and cash equivalents . . .	\$ 3,514,103	\$ 419,941	\$ 473,635	\$ 50,880
Receivables:				
Income taxes.	1,572,931	-	-	-
Real and other taxes	807,758	1,440,839	-	-
Accounts.	65,628	52,183	-	-
Interfund loans.	200,000	-	-	-
Accrued interest	8,646	-	76	-
Special assessments	39,467	-	75,197	690,000
Intergovernmental	524,646	101,380	379,804	-
Materials and supplies inventory.	96,818	-	43,171	-
Total assets	<u>\$ 6,829,997</u>	<u>\$ 2,014,343</u>	<u>\$ 971,883</u>	<u>\$ 740,880</u>
Liabilities:				
Accounts payable.	\$ 108,671	\$ 4,345	\$ 13,990	\$ -
Contracts payable.	-	-	-	-
Accrued wages and benefits payable	76,822	41,182	13,222	-
Compensated absences payable	17,642	3,188	-	-
Interfund loans payable.	-	-	-	-
Intergovernmental	300,485	98,112	18,425	-
Deferred revenue	763,201	173,060	328,217	690,000
Unearned revenue	767,617	1,369,159	-	-
Total liabilities	<u>2,034,438</u>	<u>1,689,046</u>	<u>373,854</u>	<u>690,000</u>
Fund balances:				
Reserved for encumbrances	69,411		3,481	
Reserved for materials and supplies inventory	96,818		43,171	
Unreserved, undesignated, reported in:				
General fund.	4,629,330	-	-	-
Special revenue funds	-	325,297	551,377	-
Debt service fund	-	-	-	50,880
Capital projects funds	-	-	-	-
Total fund balances.	<u>4,795,559</u>	<u>325,297</u>	<u>598,029</u>	<u>50,880</u>
Total liabilities and fund balances	<u>\$ 6,829,997</u>	<u>\$ 2,014,343</u>	<u>\$ 971,883</u>	<u>\$ 740,880</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Northeast Avenue Roundabout	Other Governmental Funds	Total Governmental Funds
\$ 85,381	\$ 546,724	\$ 5,090,664
-	-	1,572,931
-	115,398	2,363,995
-	282	118,093
-	-	200,000
-	-	8,722
-	-	804,664
212,782	38,413	1,257,025
-	-	139,989
<u>\$ 298,163</u>	<u>\$ 700,817</u>	<u>\$ 11,556,083</u>
\$ -	\$ -	\$ 127,006
288,858	21,211	310,069
-	1,035	132,261
-	-	20,830
200,000	-	200,000
-	88,311	505,333
-	33,861	1,988,339
-	109,664	2,246,440
<u>488,858</u>	<u>254,082</u>	<u>5,530,278</u>
247,517	150,623	471,032
-	-	139,989
-	-	4,629,330
-	33,693	910,367
-	-	50,880
(438,212)	262,419	(175,793)
<u>(190,695)</u>	<u>446,735</u>	<u>6,025,805</u>
<u>\$ 298,163</u>	<u>\$ 700,817</u>	<u>\$ 11,556,083</u>

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CITY OF TALLMADGE, OHIO

*RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2010*

Total governmental fund balances		\$ 6,025,805
<i>Amounts reported for governmental activities on the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		28,564,008
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Delinquent property taxes receivable	\$ 117,555	
Special assessments receivable	804,664	
Municipal income taxes receivable	330,686	
Investment income receivable	7,308	
Intergovernmental receivable	717,294	
Other receivables	<u>10,832</u>	
Total		1,988,339
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences	(718,175)	
General obligation bonds	(10,579,000)	
Special assessment bonds	(690,000)	
Capital lease obligation	(132,950)	
Pollution remediation obligation	<u>(250,000)</u>	
Total		(12,370,125)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(38,315)
Unamortized deferred charges on refundings are not recognized in the funds.		68,224
Unamortized premiums on bond issuance are not recognized in the funds.		(99,801)
Unamortized discounts on bond issuance are not recognized in the funds.		26,096
Unamortized bond issuance costs are not recognized in the funds.		<u>178,683</u>
Net assets of governmental activities		<u><u>\$ 24,342,914</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010*

	General	Fire/EMS Levy	Street Maintenance and Repair	Bond Retirement
Revenues:				
Property and other taxes	\$ 749,402	\$ 1,372,689	\$ -	\$ -
Municipal income taxes	7,657,243	-	-	-
Intergovernmental	1,811,922	373,907	821,454	-
Investment income.	49,059	-	462	-
Fines, licenses and permits	540,076	66	-	-
Special assessments	11,134	-	12,551	91,410
Charges for services.	1,616,399	358,715	61,130	-
Miscellaneous	21,333	14,114	10,080	-
Total revenues	12,456,568	2,119,491	905,677	91,410
Expenditures:				
Current:				
General government	2,995,338	-	-	-
Security of persons and property:				
Police	3,327,196	-	-	-
Street lights	33,874	-	-	-
Fire	-	2,477,164	-	-
Public health and welfare.	-	-	66,410	-
Transportation	223,425	-	1,194,592	-
Community environment	307,770	-	-	-
Leisure time activity	1,454,787	-	277,223	-
Capital outlay	-	32,464	473,570	-
Debt service:				
Principal retirement.	-	98,374	-	521,000
Interest and fiscal charges	-	10,616	-	421,304
Bond issuance costs	-	-	-	30,670
Total expenditures	8,342,390	2,618,618	2,011,795	972,974
Excess (deficiency) of revenues over (under) expenditures.	4,114,178	(499,127)	(1,106,118)	(881,564)
Other financing sources (uses):				
Bond issuance.	-	-	-	1,405,000
Premium on bond issuance	-	-	-	15,190
Discount on bond issuance	-	-	-	-
Refunding of notes	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	(1,425,645)
Transfers in	39,488	432,000	1,110,000	900,000
Transfers (out).	(2,837,512)	-	-	-
Total other financing sources (uses)	(2,798,024)	432,000	1,110,000	894,545
Net change in fund balances	1,316,154	(67,127)	3,882	12,981
Fund balances at beginning of year	3,479,405	392,424	594,147	37,899
Fund balances at end of year	\$ 4,795,559	\$ 325,297	\$ 598,029	\$ 50,880

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Northeast Avenue Roundabout	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 106,824	\$ 2,228,915
-	-	7,657,243
1,465,130	90,968	4,563,381
-	21	49,542
-	8,493	548,635
-	-	115,095
-	-	2,036,244
1,500	2,104	49,131
<u>1,466,630</u>	<u>208,410</u>	<u>17,248,186</u>
-	-	2,995,338
-	320,177	3,647,373
-	-	33,874
-	13,274	2,490,438
-	-	66,410
33,639	82,926	1,534,582
-	-	307,770
-	-	1,732,010
1,673,238	479,192	2,658,464
-	-	619,374
-	53,445	485,365
-	88,158	118,828
<u>1,706,877</u>	<u>1,037,172</u>	<u>16,689,826</u>
<u>(240,247)</u>	<u>(828,762)</u>	<u>558,360</u>
-	3,915,000	5,320,000
-	-	15,190
-	(26,842)	(26,842)
-	(3,800,000)	(3,800,000)
-	-	(1,425,645)
150,000	245,512	2,877,000
-	(39,488)	(2,877,000)
<u>150,000</u>	<u>294,182</u>	<u>82,703</u>
(90,247)	(534,580)	641,063
(100,448)	981,315	5,384,742
<u>\$ (190,695)</u>	<u>\$ 446,735</u>	<u>\$ 6,025,805</u>

CITY OF TALLMADGE, OHIO

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010*

Net change in fund balances - total governmental funds		\$ 641,063
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital asset additions	\$ 1,880,986	
Current year depreciation	(1,549,449)	
Total		331,537
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	30,005	
Municipal income taxes	(201,690)	
Intergovernmental	(16,776)	
Investment income	(5,671)	
Special assessments	(71,327)	
Other revenue	(1,800)	
Total		(267,259)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets.		
		619,374
Refunding of notes is an other financing use in the governmental funds, but the payment reduces long-term liabilities on the statement of net assets.		
		3,800,000
Payments to refunding bond escrow agents are an other financing use in the governmental funds, but the payment reduces long-term liabilities on the statement of net assets.		
		1,370,000
The issuance of bonds are recorded as revenue in the funds; however, in the statement of activities, they are not reported as revenue as they increase liabilities on the statement of net assets.		
		(5,320,000)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.		
Accrued interest	37,551	
Bond premium	3,345	
Bond discount	26,096	
Deferred charges on refunding	48,230	
Bond issuance costs	101,016	
Total		216,238
Some expenses, such as compensated absences, reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		103,751
Change in net assets of governmental activities		\$ 1,494,704

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other taxes	\$ 761,657	\$ 761,657	\$ 749,402	\$ (12,255)
Municipal income taxes	6,758,728	6,758,728	7,099,641	340,913
Intergovernmental	1,554,666	1,554,666	1,796,169	241,503
Investment income	93,487	93,487	54,003	(39,484)
Fines, licenses and permits	330,000	330,000	487,767	157,767
Special assessments	14,904	14,904	11,134	(3,770)
Charges for services	1,643,609	1,643,609	1,615,001	(28,608)
Miscellaneous	96,000	96,000	71,988	(24,012)
Total revenues	<u>11,253,051</u>	<u>11,253,051</u>	<u>11,885,105</u>	<u>632,054</u>
Expenditures:				
Current:				
General government	3,337,525	3,267,317	3,139,358	127,959
Security of persons and property	3,490,293	3,517,634	3,495,428	22,206
Transportation	260,805	260,091	239,625	20,466
Community environment	399,633	395,236	328,352	66,884
Leisure time activity	1,543,137	1,550,328	1,469,856	80,472
Capital outlay	60,000	60,000	60,000	-
Total expenditures	<u>9,091,393</u>	<u>9,050,606</u>	<u>8,732,619</u>	<u>317,987</u>
Excess of revenues over expenditures	<u>2,161,658</u>	<u>2,202,445</u>	<u>3,152,486</u>	<u>950,041</u>
Other financing sources (uses):				
Advances in	200,000	200,000	-	(200,000)
Transfers in	-	-	39,488	39,488
Transfers out	(2,717,512)	(2,837,512)	(2,837,512)	-
Total other financing sources (uses)	<u>(2,517,512)</u>	<u>(2,637,512)</u>	<u>(2,798,024)</u>	<u>(160,512)</u>
Net change in fund balance	(355,854)	(435,067)	354,462	789,529
Fund balance at beginning of year	2,511,748	2,511,748	2,511,748	-
Prior year encumbrances appropriated	276,065	276,065	276,065	-
Fund balance at end of year	<u>\$ 2,431,959</u>	<u>\$ 2,352,746</u>	<u>\$ 3,142,275</u>	<u>\$ 789,529</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE/EMS LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other taxes	\$ 1,363,091	\$ 1,363,091	\$ 1,372,689	\$ 9,598
Intergovernmental	370,507	370,507	373,907	3,400
Fines, licenses and permits	49	100	66	(34)
Charges for services	188,366	383,450	376,452	(6,998)
Miscellaneous	5,045	10,270	14,114	3,844
Total revenues.	<u>1,927,058</u>	<u>2,127,418</u>	<u>2,137,228</u>	<u>9,810</u>
Expenditures:				
Current:				
Security of persons and property.	2,572,406	2,574,419	2,521,696	52,723
Capital outlay.	142,000	142,000	141,454	546
Total expenditures	<u>2,714,406</u>	<u>2,716,419</u>	<u>2,663,150</u>	<u>53,269</u>
Deficiency of revenues under expenditures	<u>(787,348)</u>	<u>(589,001)</u>	<u>(525,922)</u>	<u>63,079</u>
Other financing sources:				
Transfers in	432,000	432,000	432,000	-
Total other financing sources	<u>432,000</u>	<u>432,000</u>	<u>432,000</u>	<u>-</u>
Net change in fund balance	(355,348)	(157,001)	(93,922)	63,079
Fund balance at beginning of year.	468,374	468,374	468,374	-
Prior year encumbrances appropriated	40,742	40,742	40,742	-
Fund balance at end of year	<u>\$ 153,768</u>	<u>\$ 352,115</u>	<u>\$ 415,194</u>	<u>\$ 63,079</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET MAINTENANCE AND REPAIR 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:				
Intergovernmental	\$ 749,504	\$ 749,504	\$ 821,274	\$ 71,770
Investment income	-	-	476	476
Special assessments	10,000	10,000	12,551	2,551
Charges for services	50,000	50,000	61,130	11,130
Other	4,232	4,232	10,080	5,848
Total revenues.	<u>813,736</u>	<u>813,736</u>	<u>905,511</u>	<u>91,775</u>
Expenditures:				
Current:				
Public health and welfare.	75,618	75,618	66,431	9,187
Transportation	1,367,019	1,354,099	1,264,240	89,859
Leisure time activities	291,586	291,580	279,452	12,128
Capital outlay	485,000	485,000	474,955	10,045
Total expenditures	<u>2,219,223</u>	<u>2,206,297</u>	<u>2,085,078</u>	<u>121,219</u>
Deficiency of revenues under expenditures	<u>(1,405,487)</u>	<u>(1,392,561)</u>	<u>(1,179,567)</u>	<u>212,994</u>
Other financing sources:				
Transfers in	1,110,000	1,110,000	1,110,000	-
Total other financing sources	<u>1,110,000</u>	<u>1,110,000</u>	<u>1,110,000</u>	<u>-</u>
Net change in fund balance	(295,487)	(282,561)	(69,567)	212,994
Fund balance at beginning of year	425,528	425,528	425,528	-
Prior year encumbrances appropriated	100,220	100,220	100,220	-
Fund balance at end of year	<u>\$ 230,261</u>	<u>\$ 243,187</u>	<u>\$ 456,181</u>	<u>\$ 212,994</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2010*

	Business-type Activities - Enterprise Funds			
	Sewer Operating	Water Operating	Storm Water	Total
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents . . .	\$ 3,519,056	\$ 2,578,123	\$ 138,252	\$ 6,235,431
Receivables:				
Accounts	556,590	481,843	99,757	1,138,190
Special assessments	227,897	139,758	-	367,655
Materials and supplies inventory	35,868	35,868	-	71,736
Total current assets	4,339,411	3,235,592	238,009	7,813,012
Noncurrent assets:				
Capital assets:				
Land and construction in progress	94,403	453,539	128,477	676,419
Depreciable capital assets, net.	4,855,827	6,485,181	3,178,931	14,519,939
Total capital assets, net.	4,950,230	6,938,720	3,307,408	15,196,358
Total assets	9,289,641	10,174,312	3,545,417	23,009,370
Liabilities:				
Current liabilities:				
Accounts payable	3,334	6,765	-	10,099
Accrued wages and benefits payable	4,342	4,341	4,324	13,007
Compensated absences	3,363	3,363	-	6,726
Intergovernmental	140,724	284,844	5,361	430,929
Current portion of special assessment bonds payable	40,000	88,000	-	128,000
Current portion of OWDA loans payable	-	46,884	-	46,884
Accrued interest payable	1,118	33,082	-	34,200
Total current liabilities	192,881	467,279	9,685	669,845
Long-term liabilities:				
Compensated absences payable	20,715	20,715	-	41,430
Special assessment bonds payable	179,338	8,662	-	188,000
OWDA loans payable	-	1,312,754	-	1,312,754
Total long-term liabilities	200,053	1,342,131	-	1,542,184
Total liabilities	392,934	1,809,410	9,685	2,212,029
Net assets:				
Invested in capital assets, net of related debt.	4,730,892	5,482,420	3,307,408	13,520,720
Unrestricted	4,165,815	2,882,482	228,324	7,276,621
Total net assets	\$ 8,896,707	\$ 8,364,902	\$ 3,535,732	\$ 20,797,341

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010*

	Business-type Activities - Enterprise Funds			
	Sewer Operating	Water Operating	Storm Water	Total
Operating revenues:				
Charges for services	\$ 1,732,652	\$ 1,717,770	\$ 309,293	\$ 3,759,715
Other	2,851	8,840	61	11,752
Total operating revenues.	<u>1,735,503</u>	<u>1,726,610</u>	<u>309,354</u>	<u>3,771,467</u>
Operating expenses:				
Personal services	343,050	410,403	274,543	1,027,996
Contract services.	1,137,471	911,887	76,958	2,126,316
Materials and supplies.	59,207	63,608	5,813	128,628
Depreciation.	223,356	280,533	149,844	653,733
Other	42,910	67,538	1,659	112,107
Total operating expenses.	<u>1,805,994</u>	<u>1,733,969</u>	<u>508,817</u>	<u>4,048,780</u>
Operating loss	<u>(70,491)</u>	<u>(7,359)</u>	<u>(199,463)</u>	<u>(277,313)</u>
Nonoperating revenues (expenses):				
Interest and fiscal charges	(15,768)	(74,098)	-	(89,866)
Loss on sale of capital assets	(333)	-	-	(333)
Special assessments	6,604	8,409	-	15,013
Total nonoperating revenues (expenses).	<u>(9,497)</u>	<u>(65,689)</u>	<u>-</u>	<u>(75,186)</u>
Loss before capital contributions	<u>(79,988)</u>	<u>(73,048)</u>	<u>(199,463)</u>	<u>(352,499)</u>
Capital contributions.	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Change in net assets	<u>(79,988)</u>	<u>26,952</u>	<u>(199,463)</u>	<u>(252,499)</u>
Net assets at beginning of year.	<u>8,976,695</u>	<u>8,337,950</u>	<u>3,735,195</u>	<u>21,049,840</u>
Net assets at end of year	<u>\$ 8,896,707</u>	<u>\$ 8,364,902</u>	<u>\$ 3,535,732</u>	<u>\$ 20,797,341</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Business-type Activities - Enterprise Funds			
	Sewer Operating	Water Operating	Storm Water	Total
Cash flows from operating activities:				
Cash received from customers	\$ 1,634,131	\$ 1,658,594	\$ 314,527	\$ 3,607,252
Cash received from other operations.	2,851	8,840	61	11,752
Cash payments for personal services.	(392,131)	(420,407)	(271,015)	(1,083,553)
Cash payments for contract services	(1,190,760)	(972,354)	(77,008)	(2,240,122)
Cash payments for materials and supplies	(50,926)	(56,778)	(5,813)	(113,517)
Cash payments for other expenses	(42,910)	(67,538)	(1,659)	(112,107)
Net cash provided by (used in) operating activities	<u>(39,745)</u>	<u>150,357</u>	<u>(40,907)</u>	<u>69,705</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	-	(825,919)	-	(825,919)
Capital contributions	-	100,000	-	100,000
Special assessments	44,960	93,363	-	138,323
Principal retirement on special assessment bonds	(41,000)	(88,000)	-	(129,000)
Principal retirement on OWDA loans	-	(45,299)	-	(45,299)
Loan issuance	-	492,188	-	492,188
Interest and fiscal charges	(15,982)	(75,479)	-	(91,461)
Net cash used in capital and related financing activities.	<u>(12,022)</u>	<u>(349,146)</u>	<u>-</u>	<u>(361,168)</u>
Net decrease in cash and cash cash equivalents	(51,767)	(198,789)	(40,907)	(291,463)
Cash and cash equivalents at beginning of year.	<u>3,570,823</u>	<u>2,776,912</u>	<u>179,159</u>	<u>6,526,894</u>
Cash and cash equivalents at end of year	<u><u>\$ 3,519,056</u></u>	<u><u>\$ 2,578,123</u></u>	<u><u>\$ 138,252</u></u>	<u><u>\$ 6,235,431</u></u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating loss	\$ (70,491)	\$ (7,359)	\$ (199,463)	\$ (277,313)
Adjustments:				
Depreciation.	223,356	280,533	149,844	653,733
Changes in assets and liabilities:				
Decrease in materials and supplies inventory	6,276	6,276	-	12,552
(Increase) decrease in accounts receivable.	(98,521)	(59,176)	5,234	(152,463)
Decrease in prepayments	4,254	3,750	-	8,004
Increase (decrease) in accounts payable	67	(67,047)	(50)	(67,030)
Increase (decrease) in accrued wages and benefits.	(8,841)	(7,746)	4,324	(12,263)
Increase (decrease) in intergovernmental payable	(56,937)	1,516	(796)	(56,217)
Decrease in compensated absences payable	(38,908)	(390)	-	(39,298)
Net cash provided by (used in) operating activities.	<u><u>\$ (39,745)</u></u>	<u><u>\$ 150,357</u></u>	<u><u>\$ (40,907)</u></u>	<u><u>\$ 69,705</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010*

	<u>Private Purpose Trust</u>	<u>Agency</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 39,188	\$ 171,799
Receivables:		
Accrued interest.	30	-
Income taxes	-	35,244
	<u>39,218</u>	<u>207,043</u>
Total assets	<u>39,218</u>	<u>\$ 207,043</u>
Liabilities:		
Deposits held and due to others.	-	\$ 207,043
	<u>-</u>	<u>\$ 207,043</u>
Total liabilities.	<u>-</u>	<u>\$ 207,043</u>
Net assets:		
Held in trust for indigents and the needy	<u>\$ 39,218</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Private Purpose Trust</u>
Additions:	
Interest	\$ 148
Gifts and contributions	1,500
Total additions	<u>1,648</u>
Deductions:	
Expenses per trust agreement	<u>1,500</u>
Total deductions	<u>1,500</u>
Change in net assets	148
Net assets at beginning of year	<u>39,070</u>
Net assets at end of year	<u><u>\$ 39,218</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 1 - DESCRIPTION OF THE CITY

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

B. Basis of Presentation - Fund Accounting

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

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

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

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

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

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

C. Fund Accounting

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

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

General fund - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City of Tallmadge and/or the general laws of Ohio.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

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

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

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

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

Northeast Avenue Roundabout fund: The Northeast Avenue Roundabout fund is used to account for improvements made to the roundabout.

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

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

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

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

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

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

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

D. Measurement Focus

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

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

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

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

E. Basis of Accounting

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

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

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

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

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2010, but which were levied to finance year 2011 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as unearned revenue. Income taxes and special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2010, are recorded as deferred revenue in governmental funds.

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

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

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

F. Budgetary Process

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

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

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

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

G. Cash and Investments

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

During 2010, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio).

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

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on December 31, 2010.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2010 amounted to \$49,059, which includes \$35,608 assigned from other City funds.

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

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

H. Materials and Supplies Inventory

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

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

I. Capital Assets

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

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

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

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

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

J. Compensated Absences

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

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

K. Prepaid Items

Payments made to vendors for services that will benefit beyond December 31, 2010, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which the services are consumed. The City had no prepaid items to report at December 31, 2010.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

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

L. Accrued Liabilities and Long-Term Obligations

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

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, notes and capital leases are recognized as a liability on the governmental fund financial statements when due.

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

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

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

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

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

N. Interfund Balances

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

O. Interfund Activity

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

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

P. Fund Balance Reserves

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

Q. Estimates

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. The City did not have any extraordinary or special items transactions during 2010.

S. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

T. Total Column

A total column is presented on the entity-wide statement of net assets and statement of activities. The storm water improvement refunding bonds, net of unamortized deferred charges and bond issue premium of \$51,609 and \$14,088, respectively, have been included in invested in capital assets, net of related debt in the total column on the statement of net assets. The storm water improvement refunding bonds have been excluded from invested in capital assets, net of related debt in the governmental activities and the business-type activities on the statement of net assets.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2010, the City has implemented GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", and GASB Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 51 addresses accounting and financial reporting standards for intangible assets, which are assets that lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, water rights, computer software, patents, and trademarks. GASB Statement No. 51 improves the quality of financial reporting by creating consistency in the recognition, initial measurement, and amortization of intangible assets. The implementation of GASB Statement No. 51 did not have an effect on the financial statements of the City.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are financial arrangements used by governments to manage specific risks or to make investments. Common types of derivative instruments include interest rate and commodity swaps, interest rate locks, options, swaptions, forward contracts, and futures contracts. The implementation of GASB Statement No. 53 did not have an effect on the financial statements of the City.

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. GASB Statement No. 58 requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. The implementation of GASB Statement No. 58 did not have an effect on the financial statements of the City.

B. Deficit Fund Balance

Fund balances at December 31, 2010 included the following individual fund deficits:

<u>Major governmental fund</u>	<u>Deficit</u>
Northeast Avenue Roundabout	\$ 190,695
<u>Nonmajor governmental fund</u>	
Police pension	41,163

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

A. Deposits with Financial Institutions

At December 31, 2010, the carrying amount of all City deposits was \$11,249,236. As of December 31, 2010, \$8,704,505 of the City's bank balance of \$11,454,505 was exposed to custodial risk as discussed below, while \$2,750,000 was covered by the FDIC.

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

B. Investments

As of December 31, 2010, the City had the following investment and maturity:

<u>Investment type</u>	<u>Fair Value</u>	Investment <u>Maturity</u> 6 months or less
STAR Ohio	\$ 287,846	\$ 287,846

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Credit Risk: STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City's investment policy does not specifically address credit risk beyond requiring the City to only invest in securities authorized by State statute.

Concentration of Credit Risk: The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of investment type held by the City at December 31, 2010:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	<u>\$ 287,846</u>	<u>100.00%</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of December 31, 2010:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 11,249,236
Investments	<u>287,846</u>
Total	<u>\$ 11,537,082</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 5,090,664
Business type activities	6,235,431
Private-purpose trust fund	39,188
Agency funds	<u>171,799</u>
Total	<u>\$ 11,537,082</u>

NOTE 5 - INTERFUND TRANSACTIONS

- A. The general fund transferred \$150,000 and \$50,000 to the Northeast Avenue Roundabout and Maca pool capital projects funds, respectively, to pay a portion of project costs. The remaining transfers consist of \$432,000 to the fire/EMS levy special revenue fund, \$1,110,000 to the street maintenance and repair special revenue fund, \$900,000 to the bond retirement fund, and \$195,512 to the police pension special revenue fund. The general fund received a \$39,488 transfer from the Maca pool capital projects fund to close out the fund.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

<u>Major funds</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 39,488	\$ 2,837,512
Fire/EMS levy	432,000	-
Street maintenance and repair	1,110,000	-
Bond retirement	900,000	-
Northeast Avenue Roundabout	150,000	-
Total major funds	<u>2,631,488</u>	<u>2,837,512</u>
<u>Nonmajor governmental funds</u>		
Police pension	195,512	-
Maca pool	50,000	39,488
Total nonmajor governmental funds	<u>245,512</u>	<u>39,488</u>
Total	<u>\$ 2,877,000</u>	<u>\$ 2,877,000</u>

- B.** The interfund balance at December 31, 2010 as reported on the fund financial statements consist of the following interfund loan receivable/payable:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Northeast Avenue Roundabout	\$ 200,000

The primary purpose of the interfund loan is to cover expenditures in the Northeast Avenue Roundabout capital projects fund. The interfund balance is expected to repaid within the next year once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances between governmental funds at December 31, 2010 are reported on the statement of net assets.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2010, consisted primarily of municipal income taxes, property and other taxes, special assessments, accounts and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are deemed collectible in full.

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

Special assessments expected to be collected in more than one year amount to \$640,000 in the bond retirement fund. The City had no material outstanding delinquencies at December 31, 2010.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 6 - RECEIVABLES - (Continued)

A. Property Taxes

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2010 public utility property taxes became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of Tallmadge. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2010 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2010 operations and the collection of delinquent taxes has been offset by deferred revenue since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 6 - RECEIVABLES - (Continued)

The full tax rate for all City operations for the year ended December 31, 2010 was \$6.15 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

Real Property

Residential/Agricultural	\$ 330,406,340
Commercial/Industrial/Mineral	75,881,170
Tangible Personal Property	372,310
Public Utility	
Real	9,290
Personal	<u>4,010,440</u>
Total Assessed Value	<u>\$ 410,679,550</u>

B. Municipal Income Taxes

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

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 6 - RECEIVABLES - (Continued)

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental activities:</u>	<u>Amounts</u>
Local government	\$ 423,256
Homestead and rollback	166,440
Inheritance tax	36,370
Miscellaneous	8,091
Permissive tax	6,317
Auto license tax	327,997
Gas tax and municipal cents per gallon tax	75,772
Ohio Department of Transportation	<u>212,782</u>
Total	<u>\$ 1,257,025</u>

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CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010, was as follows:

<u>Governmental activities:</u>	Balance			Balance
	<u>12/31/09</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/10</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,626,444	\$ 262,915	\$ -	\$ 2,889,359
Construction in progress	<u>263,460</u>	<u>1,537,736</u>	<u>-</u>	<u>1,801,196</u>
Total capital assets, not being depreciated	<u>2,889,904</u>	<u>1,800,651</u>	<u>-</u>	<u>4,690,555</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	17,350,805	-	-	17,350,805
Equipment	7,836,986	80,335	(81,350)	7,835,971
Infrastructure - streets subsystem	<u>18,915,182</u>	<u>-</u>	<u>-</u>	<u>18,915,182</u>
Total capital assets, being depreciated	<u>44,102,973</u>	<u>80,335</u>	<u>(81,350)</u>	<u>44,101,958</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(4,278,098)	(455,936)	-	(4,734,034)
Equipment	(6,112,670)	(384,847)	81,350	(6,416,167)
Infrastructure - streets subsystem	<u>(8,369,638)</u>	<u>(708,666)</u>	<u>-</u>	<u>(9,078,304)</u>
Total accumulated depreciation	<u>(18,760,406)</u>	<u>(1,549,449)</u>	<u>81,350</u>	<u>(20,228,505)</u>
Total capital assets, being depreciated, net	<u>25,342,567</u>	<u>(1,469,114)</u>	<u>-</u>	<u>23,873,453</u>
Governmental activities capital assets, net	<u>\$ 28,232,471</u>	<u>\$ 331,537</u>	<u>\$ -</u>	<u>\$ 28,564,008</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 147,084
Security of persons and property - police	130,967
Security of persons and property - fire	123,368
Public health and welfare	1,116
Transportation	808,936
Community environment	5,020
Leisure time activity	<u>332,958</u>
Total depreciation expense	<u>\$ 1,549,449</u>

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 7 - CAPITAL ASSETS - (Continued)

Capital asset activity for the year ended December 31, 2010, was as follows:

	Balance			Balance
<u>Business-type activities:</u>	<u>12/31/09</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/10</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 375,519	\$ -	\$ -	\$ 375,519
Construction in progress	<u>1,131,785</u>	<u>300,900</u>	<u>(1,131,785)</u>	<u>300,900</u>
Total capital assets, not being depreciated	<u>1,507,304</u>	<u>300,900</u>	<u>(1,131,785)</u>	<u>676,419</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	1,464,561	698,497	-	2,163,058
Equipment	1,142,656	-	(9,975)	1,132,681
Infrastructure				
Water lines	8,569,451	958,307	-	9,527,758
Sewer lines	8,824,383	-	-	8,824,383
Storm sewer subsystem	<u>4,495,246</u>	<u>-</u>	<u>-</u>	<u>4,495,246</u>
Total capital assets, being depreciated	<u>24,496,297</u>	<u>1,656,804</u>	<u>(9,975)</u>	<u>26,143,126</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(885,000)	(53,026)	-	(938,026)
Equipment	(730,227)	(82,814)	9,642	(803,399)
Infrastructure				
Water lines	(4,051,161)	(189,415)	-	(4,240,576)
Sewer lines	(4,146,237)	(178,634)	-	(4,324,871)
Storm sewer subsystem	<u>(1,166,471)</u>	<u>(149,844)</u>	<u>-</u>	<u>(1,316,315)</u>
Total accumulated depreciation	<u>(10,979,096)</u>	<u>(653,733)</u>	<u>9,642</u>	<u>(11,623,187)</u>
Total capital assets, being depreciated, net	<u>13,517,201</u>	<u>1,003,071</u>	<u>(333)</u>	<u>14,519,939</u>
Business-type activities capital assets, net	<u>\$ 15,024,505</u>	<u>\$ 1,303,971</u>	<u>\$ (1,132,118)</u>	<u>\$ 15,196,358</u>

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 7 - CAPITAL ASSETS - (Continued)

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

Sewer operating	\$ 223,356
Water operating	280,533
Storm water	<u>149,844</u>
Total depreciation expense	<u>\$ 653,733</u>

NOTE 8 - CAPITAL LEASES

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

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Assets:	
Equipment	\$ 542,092
Less: accumulated depreciation	<u>(168,640)</u>
Total	<u>\$ 373,452</u>

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2010:

	<u>Year Ended</u>	<u>Amount</u>
	2011	\$ 108,991
	2012	<u>31,220</u>
Total		<u>140,211</u>
Less: amount representing interest		<u>(7,261)</u>
Present value of net minimum lease payments		<u>\$ 132,950</u>

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 9 - OPERATING LEASE

During 2008, the City entered into an operating lease with Tallmadge Asphalt & Paving Co., Inc. for a tract of land. The land is used as a shooting range, and it has been determined that lead pollution currently exists on the site. As stipulated in the lease agreement, the City has assumed the responsibility of cleaning up the pollution (see Note 10 for detail). During 2010 the City purchased the land that was being leased. Operating lease payments are reported as program expenditures on the financial statements and totaled \$12,000 in the general fund for 2010.

NOTE 10 - LONG-TERM OBLIGATIONS

The interest rate, original issue amount and date of maturity of each of the City's bonds outstanding at December 31, 2010 are as follows:

	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Maturity Date</u>
<u>Special assessment bonds</u>			
1992 Southwest sanitary sewer and water	6.390%	\$ 493,000	6/1/2012
1996 Northwest quad sanitary sewer	5.862%	450,000	12/1/2016
2001 Elm/Ferguson waterline	4.725%	425,000	12/1/2011
2001 Parker/Milton waterline	4.725%	250,000	12/1/2011
2000 West avenue street improvement	6.000%	1,070,000	12/1/2020
<u>General obligation bonds</u>			
1992 Tallmadge woods	6.390%	852,000	6/1/2012
2001 City building improvement	4.725%	2,270,000	12/1/2021
2006 Various purpose refunding	4.124%	870,000	12/31/2015
2006 Recreation center	4.427%	3,800,000	12/31/2031
2010 Storm water improvement refunding	2.672%	1,405,000	12/1/2018
2010 Recreation various purpose	3.762%	3,915,000	12/1/2030

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

	<u>Balance 12/31/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/10</u>	<u>Amounts Due in One Year</u>
Business-type activities:					
<u>Special assessment bonds</u>					
1992 Southwest sanitary sewer and water	\$ 70,000	\$ -	\$ (24,000)	\$ 46,000	\$ 23,000
1996 Northwest quad sanitary sewer	215,000	-	(25,000)	190,000	25,000
2001 Elm/Ferguson waterline	100,000	-	(50,000)	50,000	50,000
2001 Parker/Milton waterline	<u>60,000</u>	<u>-</u>	<u>(30,000)</u>	<u>30,000</u>	<u>30,000</u>
Total special assessment bonds	<u>445,000</u>	<u>-</u>	<u>(129,000)</u>	<u>316,000</u>	<u>128,000</u>
OWDA loan - Northeast water system	912,749	492,188	(45,299)	1,359,638	46,884
Compensated absences	<u>87,454</u>	<u>11,959</u>	<u>(51,257)</u>	<u>48,156</u>	<u>6,726</u>
Total business-type activities					
Long-term obligations	<u>\$ 1,445,203</u>	<u>\$ 504,147</u>	<u>\$ (225,556)</u>	<u>\$ 1,723,794</u>	<u>\$ 181,610</u>

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

	Balance			Balance	Amounts
Governmental activities:	<u>12/31/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/10</u>	<u>Due in</u> <u>One Year</u>
<u>General obligation bonds</u>					
1992 Tallmadge woods	\$ 125,000		\$ (41,000)	\$ 84,000	\$ 42,000
1998 Storm water improvement	1,370,000		(1,370,000)	-	-
2001 City building improvement	1,530,000		(95,000)	1,435,000	105,000
2006 Various purpose refunding	550,000		(80,000)	470,000	85,000
2006 Recreation center	3,525,000		(100,000)	3,425,000	100,000
2010 Storm water improvement refunding	-	1,405,000	(155,000)	1,250,000	145,000
2010 Recreation various improvement	-	3,915,000	-	3,915,000	145,000
	<u>7,100,000</u>	<u>5,320,000</u>	<u>(1,841,000)</u>	<u>10,579,000</u>	<u>622,000</u>
<u>Special assessment bonds</u>					
2000 West avenue street improvement	740,000	-	(50,000)	690,000	50,000
<u>Bond anticipation notes</u>					
2009 Recreation improvement	3,800,000	-	(3,800,000)	-	-
	<u>3,800,000</u>	<u>-</u>	<u>(3,800,000)</u>	<u>-</u>	<u>-</u>
<u>Other long-term obligations</u>					
Capital lease	231,324	-	(98,374)	132,950	102,960
Pollution remediation	250,000	-	-	250,000	-
Compensated absences	887,998	178,814	(327,807)	739,005	140,773
	<u>1,369,322</u>	<u>178,814</u>	<u>(426,181)</u>	<u>1,121,955</u>	<u>243,733</u>
Total governmental activities					
Long-term obligations	<u>\$ 13,009,322</u>	<u>\$ 5,498,814</u>	<u>\$ (6,117,181)</u>	12,390,955	<u>\$ 915,733</u>
Add: Unamortized premium on bond issue				99,801	
Less: Unamortized discount on bond issue				(26,096)	
Less: Unamortized deferred charges on refunding				<u>(68,224)</u>	
Total reported on statement of net assets				<u>\$ 12,396,436</u>	

Special Assessment Bonds Payable:

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

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

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

OWDA Loan:

During 2009, the City entered into a debt financing arrangement through the Ohio Water Development Authority (OWDA) to fund improvements and upgrades to the water system in the northeast portion of the City. The amount due to the OWDA is payable solely from water revenues and is payable through 2029. The loan agreement functions similar to a line-of-credit agreement. At December 31, 2010, the City had outstanding borrowings of \$1,359,638. The loan agreement requires semi-annual payments based on the permissible borrowings rather than the actual amount loaned. The loan is not closed out as of December 31, 2010. Therefore, future annual debt service principal and interest requirements and pledged revenue coverage information is not available.

General Obligation Bonds Payable:

Under governmental activities Tallmadge Woods, storm water improvement, city building improvement, and recreation various improvement bonds are twenty year general obligations bonds. The recreation center bonds are twenty five year bonds. These bonds are backed by the full faith and credit of the City and are paid from the bond retirement fund. During 2010, the 1998 storm water improvement bonds were refunded.

Various Purpose Refunding Bonds Payable:

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

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

Storm Water Improvement Refunding Bonds Payable:

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

The reacquisition price exceeded the net carrying amount of the old debt by \$55,645. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next nine years by \$179,492.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Bond Anticipation Notes Payable:

On June 3, 2009, the City issued a \$3,800,000 note. The note was issued in anticipation of the issuance of bonds for the purpose of paying a portion of the costs of expanding and improving the City's recreation center and constructing an outdoor swimming pool. The note bore an interest rate of 2.00% and matured on June 2, 2010. Proceeds of the \$3,915,000 recreation various improvement general obligation bonds issued in 2010 were used to retire the note.

Capital Lease Obligations:

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

Compensated Absences:

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

Pollution Remediation Obligation:

During 2008, the City entered into an operating lease for land that is used as a shooting range, and it has been determined that lead pollution currently exists on the site. As stipulated in the lease agreement, the City has assumed the responsibility of cleaning up the existing pollution. During 2010 the City purchased the land that was being leased. The estimated cost of the cleanup is \$250,000, which is derived from a construction contract that assumes no unexpected change orders. The City received a grant in 2009 from the Ohio Department of Public Safety (ODPS) which will fully cover the costs of the pollution remediation. However, since ODPS is not a potential responsible party, a liability to the City still exists.

As of December 31, 2010, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$32,554,140 and the unvoted legal debt margin was \$22,566,898. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2010 are as follows:

Year Ended	Governmental Activities					
	General Obligation Bonds			West Avenue Special Assessment		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 622,000	\$ 418,373	\$ 1,040,373	\$ 50,000	\$ 41,400	\$ 91,400
2012	637,000	398,719	1,035,719	55,000	38,400	93,400
2013	620,000	378,018	998,018	60,000	35,100	95,100
2014	635,000	359,390	994,390	60,000	31,500	91,500
2015	660,000	339,406	999,406	65,000	27,900	92,900
2016 -2020	2,765,000	1,353,574	4,118,574	400,000	75,900	475,900
2021 - 2025	2,050,000	822,413	2,872,413	-	-	-
2026 - 2030	2,340,000	365,025	2,705,025	-	-	-
2031	250,000	11,000	261,000	-	-	-
Total	\$ 10,579,000	\$ 4,445,918	\$ 15,024,918	\$ 690,000	\$ 250,200	\$ 940,200

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Year Ended	Business-Type Activities Special Assessment Debt		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 128,000	\$ 17,962	\$ 145,962
2012	53,000	11,441	64,441
2013	30,000	8,100	38,100
2014	35,000	6,300	41,300
2015	35,000	4,200	39,200
2016	<u>35,000</u>	<u>2,100</u>	<u>37,100</u>
Total	<u>\$ 316,000</u>	<u>\$ 50,103</u>	<u>\$ 366,103</u>

NOTE 11 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2010, the City contracted with Selective Insurance of South Carolina for general liability, automobile, firefighters, errors and omissions, and police and professional liability for the policy period covering January 1, 2010 through December 31, 2010. Selective Insurance also covers buildings and contents and boiler and machinery. The City carries a \$2,000,000 general liability with \$1,000,000 occurrence and a \$1,000,000 automobile liability and a \$10,000,000 umbrella liability extending coverage on the general, automobile, police professional liability, firefighter's errors and omissions and public official's liability.

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

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

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 12 - PENSION PLANS

A. Ohio Public Employees Retirement System

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

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

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2010, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2010 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.5% and 11.1%, respectively. The City's contribution rate for 2010 was 14.00%, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.87% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan for 2010 was 8.50% from January 1 through February 28, 2010 and 9.00% from March 1 through December 31, 2010. The City's contribution rate for pension benefits for members in the Combined Plan for 2010 was 9.27% from January 1 through February 28, 2010 and 9.77% from March 1 through December 31, 2010. For those plan members in law enforcement and public safety pension contributions were 12.37% from January 1 through February 28, 2010 and 12.87% from March 1 through December 31, 2010. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009, and 2008 were \$336,497, \$346,236, and \$294,802, respectively; 92.15% has been contributed for 2010 and 100% has been contributed for 2009 and 2008. Contributions to the member-directed plan for 2010 were \$8,506 made by the City and \$6,076 made by the plan members.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 12 - PENSION PLANS - (Continued)

B. Ohio Police and Fire Pension Fund

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

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2010, the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$214,275 and \$162,917 for the year ended December 31, 2010, \$219,079 and \$165,604 for the year ended December 31, 2009, and \$227,421 and \$150,997 for the year ended December 31, 2008. The full amount has been contributed for 2009 and 2008. 73.31% has been contributed for police and 71.57% has been contributed for firefighters for 2010.

NOTE 13 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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

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

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010, local government employers contributed 14.00% of covered payroll (17.87% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan for 2010 was 5.50% from January 1 through February 28, 2010 and 5.00% from March 1 through December 31, 2010. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2010 was 4.73% from January 1 through February 28, 2010 and 4.23% 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 benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009, and 2008 were \$191,655, \$250,356, and \$294,802, respectively; 92.15% has been contributed for 2010 and 100% has been contributed for 2009 and 2008.

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

B. Ohio Police and Fire Pension Fund

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

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

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$113,362 and \$63,672 for the year ended December 31, 2010, \$115,904 and \$64,722 for the year ended December 31, 2009, and \$120,317 and \$59,013 for the year ended December 31, 2008. The full amount has been contributed for 2009 and 2008. 73.31% has been contributed for police and 71.57% has been contributed for firefighters for 2010.

NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS

A. Compensated Absences

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

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

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

B. Life Insurance

The City provides life insurance to its employees through MetLife.

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

	Net Change in Fund Balance		
	<u>General</u>	<u>Fire/EMS Levy</u>	<u>Street Maintenance and Repair</u>
Budget basis	\$ 354,462	\$ (93,922)	\$ (69,567)
Net adjustment for revenue accruals	571,463	(17,737)	166
Net adjustment for expenditure accruals	20,752	27,099	68,536
Adjustment for encumbrances	<u>369,477</u>	<u>17,433</u>	<u>4,747</u>
GAAP basis	<u>\$1,316,154</u>	<u>\$ (67,127)</u>	<u>\$ 3,882</u>

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

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

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

Regional Income Tax Agency (RITA)

In 1971, 38 municipalities joined together to organize a Regional Council of Governments (RCOG) under the authority of Chapter 167 of the Ohio Revised Code to administer tax collection and enforcement concerns facing the cities and villages. The purpose of the RCOG is to foster cooperation between the municipalities through sharing facilities for their common benefit. This includes the establishment of a central collection facility for the purpose of administering the income tax laws of the various municipal corporations who are members of the RCOG and for the purpose of collecting income taxes on behalf of each member municipality, doing all things allowed by law to accomplish such purpose. The first official act of the RCOG was to form RITA. Today RITA serves as the income tax collection agency for 185 municipalities throughout the State of Ohio. The City began using RITA for its income tax collection services in December 2009.

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

Akron Metropolitan Area Transportation Study (AMATS)

The City participates in the Akron Metropolitan Area Transportation Study. This organization is responsible for fulfilling the area's continuous, cooperative and comprehensive transportation planning process. The AMATS service area consists of Summit, Portage, and Chippewa Township of Wayne County. AMATS is led by the AMATS Transportation Policy Committee. The City is a member of the 43 member Policy Committee that is responsible for the preparation of regional transportation policies, plans and programs that meet the areas present and future needs. In 2010, the City contributed \$2,830 to the Akron Metropolitan Area Transportation Study, which represents the City's formula share.

NOTE 17 - CONTRACTUAL COMMITMENTS

On December 31, 2010, the City had a total of \$553,346 in contractual commitments. These included \$64,900 to the K Company for the police department heating and air conditioning system, \$46,655 to Ball General Contractors for the recreation center office remodeling project, and \$441,791 to Karvo Paving for the Northeast Avenue Roundabout project.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

NOTE 18 - CONTINGENCIES

A. Grants

The City received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2010.

B. Litigation

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

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

CITY OF TALLMADGE, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

GENERAL FUND

The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City and/or the general laws of Ohio.

SPECIAL REVENUE FUNDS

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

Major Special Revenue Funds

Fire/EMS Levy Fund

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

Street Maintenance and Repair Fund

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

Nonmajor Special Revenue Funds

State Highway Fund

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

Community Development Fund

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

Alcohol Enforcement and Education Fund

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

Law Enforcement Trust Fund

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

Drug Law Enforcement Trust Fund

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

CITY OF TALLMADGE, OHIO

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

Nonmajor Special Revenue Funds (Continued)

Law Enforcement Assistance Fund

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

Emergency Medical Service Donation Fund

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

Police Pension Fund

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

MAJOR DEBT SERVICE FUND

Bond Retirement Fund

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

CAPITAL PROJECTS FUNDS

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

Major Capital Projects Fund

Northeast Avenue Roundabout Fund

To account for the Northeast Avenue Roundabout road improvements.

Nonmajor Capital Projects Funds

Tallmadge Shooting Range Fund

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

Maca Pool Fund

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

General Infrastructure Reserve Fund

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

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes				
Personal property	\$ 4,991	\$ 4,991	\$ 1,055	\$ (3,936)
Real estate (public utility)	756,666	756,666	748,347	(8,319)
Municipal income taxes	6,758,728	6,758,728	7,099,641	340,913
Intergovernmental				
Local government	804,904	804,904	941,845	136,941
Rollback	114,043	114,043	113,859	(184)
Inheritance	309,766	309,766	302,907	(6,859)
Personal property tax reimbursement.	73,664	73,664	78,547	4,883
JEDD income taxes	192,778	192,778	298,996	106,218
Miscellaneous	59,511	59,511	60,015	504
Investment income	93,487	93,487	54,003	(39,484)
Fines, licenses and permits	330,000	330,000	487,767	157,767
Special assessments.	14,904	14,904	11,134	(3,770)
Charges for services	1,643,609	1,643,609	1,615,001	(28,608)
Miscellaneous.	96,000	96,000	71,988	(24,012)
Total revenues.	<u>11,253,051</u>	<u>11,253,051</u>	<u>11,885,105</u>	<u>632,054</u>
Expenditures:				
Current:				
General government				
Mayor/Administration				
Personnel	528,461	528,461	517,693	10,768
Operating	56,813	56,812	54,531	2,281
Total Mayor/Administration.	<u>585,274</u>	<u>585,273</u>	<u>572,224</u>	<u>13,049</u>
Finance Director				
Personnel	586,115	596,115	584,602	11,513
Operating	216,040	215,987	213,494	2,493
Total Finance Director.	<u>802,155</u>	<u>812,102</u>	<u>798,096</u>	<u>14,006</u>
Law Director				
Personnel	253,837	253,837	241,142	12,695
Operating	113,167	108,918	105,032	3,886
Total Law Director.	<u>367,004</u>	<u>362,755</u>	<u>346,174</u>	<u>16,581</u>
Service Director				
Personnel	201,614	136,614	123,622	12,992
Operating	73,535	73,150	67,241	5,909
Total Service Director	<u>275,149</u>	<u>209,764</u>	<u>190,863</u>	<u>18,901</u>
Manager of Information Service				
Personnel	71,668	75,668	71,186	4,482
Operating	100,499	101,600	97,887	3,713
Total Manager of Information Service.	<u>172,167</u>	<u>177,268</u>	<u>169,073</u>	<u>8,195</u>
Council				
Personnel	172,307	178,307	170,309	7,998
Operating	21,801	21,754	20,695	1,059
Total Council	<u>194,108</u>	<u>200,061</u>	<u>191,004</u>	<u>9,057</u>

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CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Civil Service				
Personnel	\$ 18,541	\$ 20,541	\$ 19,802	\$ 739
Operating	1,660	1,660	1,029	631
Total Civil Service	<u>20,201</u>	<u>22,201</u>	<u>20,831</u>	<u>1,370</u>
Custodian				
Personnel	65,246	65,246	59,768	5,478
Operating	199,257	177,027	150,953	26,074
Total Custodian	<u>264,503</u>	<u>242,273</u>	<u>210,721</u>	<u>31,552</u>
General Administration				
Operating	628,412	627,068	619,758	7,310
Total General Administration	<u>628,412</u>	<u>627,068</u>	<u>619,758</u>	<u>7,310</u>
Boards and Commissions				
Personnel	5,002	5,002	2,925	2,077
Operating	1,000	1,000	252	748
Total Boards and Commissions	<u>6,002</u>	<u>6,002</u>	<u>3,177</u>	<u>2,825</u>
Historical Church				
Personnel	9,802	9,802	8,123	1,679
Operating	12,748	12,748	9,314	3,434
Total Historical Church	<u>22,550</u>	<u>22,550</u>	<u>17,437</u>	<u>5,113</u>
Total general government	<u>3,337,525</u>	<u>3,267,317</u>	<u>3,139,358</u>	<u>127,959</u>
Security of persons and property				
Police				
Personnel	2,492,618	2,512,589	2,506,634	5,955
Operating	955,147	962,517	954,920	7,597
Total Police	<u>3,447,765</u>	<u>3,475,106</u>	<u>3,461,554</u>	<u>13,552</u>
Street lighting				
Operating	42,528	42,528	33,874	8,654
Total Street lighting	<u>42,528</u>	<u>42,528</u>	<u>33,874</u>	<u>8,654</u>
Total security of persons and property	<u>3,490,293</u>	<u>3,517,634</u>	<u>3,495,428</u>	<u>22,206</u>
Transportation				
Garage				
Personnel	163,710	181,683	178,304	3,379
Operating	97,095	78,408	61,321	17,087
Total transportation	<u>260,805</u>	<u>260,091</u>	<u>239,625</u>	<u>20,466</u>
Community environment				
Building				
Personnel	201,852	201,852	165,110	36,742
Operating	37,432	35,233	18,407	16,826
Total Building	<u>239,284</u>	<u>237,085</u>	<u>183,517</u>	<u>53,568</u>

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CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Zoning				
Personnel	\$ 122,918	\$ 122,918	\$ 120,511	\$ 2,407
Operating	37,431	35,233	24,324	10,909
Total Zoning	<u>160,349</u>	<u>158,151</u>	<u>144,835</u>	<u>13,316</u>
Total community environment	<u>399,633</u>	<u>395,236</u>	<u>328,352</u>	<u>66,884</u>
Leisure time activities				
Community Center				
Personnel	16,910	16,910	11,087	5,823
Operating	56,112	55,273	50,525	4,748
Total Community Center	<u>73,022</u>	<u>72,183</u>	<u>61,612</u>	<u>10,571</u>
Recreation Center				
Personnel	688,596	688,596	641,246	47,350
Operating	600,036	594,177	584,699	9,478
Total Recreation Center	<u>1,288,632</u>	<u>1,282,773</u>	<u>1,225,945</u>	<u>56,828</u>
Maca Pool				
Personnel	89,000	114,000	110,596	3,404
Operating	92,483	81,372	71,703	9,669
Total Maca Pool	<u>181,483</u>	<u>195,372</u>	<u>182,299</u>	<u>13,073</u>
Total leisure time activities	<u>1,543,137</u>	<u>1,550,328</u>	<u>1,469,856</u>	<u>80,472</u>
Capital outlay				
Recreation equipment	60,000	60,000	60,000	-
Total capital outlay	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Total expenditures	<u>9,091,393</u>	<u>9,050,606</u>	<u>8,732,619</u>	<u>317,987</u>
Excess of revenues over expenditures	<u>2,161,658</u>	<u>2,202,445</u>	<u>3,152,486</u>	<u>950,041</u>
Other financing sources (uses):				
Advances in - Northeast Avenue Roundabout	200,000	200,000	-	(200,000)
Transfers in - Maca Pool	-	-	39,488	39,488
Transfers out				
Police pension	(195,512)	(195,512)	(195,512)	-
Fire/EMS levy	(432,000)	(432,000)	(432,000)	-
Street maintenance and repair	(1,110,000)	(1,110,000)	(1,110,000)	-
Maca pool	(80,000)	(50,000)	(50,000)	-
Northeast avenue roundabout	-	(150,000)	(150,000)	-
Bond retirement	(900,000)	(900,000)	(900,000)	-
Total other financing sources (uses)	<u>(2,517,512)</u>	<u>(2,637,512)</u>	<u>(2,798,024)</u>	<u>(160,512)</u>
Net change in fund balance	(355,854)	(435,067)	354,462	789,529
Fund balance at beginning of year	2,511,748	2,511,748	2,511,748	-
Prior year encumbrances appropriated.	276,065	276,065	276,065	-
Fund balance at end of year.	<u>\$ 2,431,959</u>	<u>\$ 2,352,746</u>	<u>\$ 3,142,275</u>	<u>\$ 789,529</u>

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CITY OF TALLMADGE, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 112,471	\$ 434,253	\$ 546,724
Receivables:			
Real and other taxes	115,398	-	115,398
Accounts	282	-	282
Intergovernmental	38,413	-	38,413
Total assets	<u>\$ 266,564</u>	<u>\$ 434,253</u>	<u>\$ 700,817</u>
Liabilities:			
Contracts payable	\$ -	\$ 21,211	\$ 21,211
Accrued wages and benefits	1,035	-	1,035
Intergovernmental payable.	88,311	-	88,311
Deferred revenue.	33,861	-	33,861
Unearned revenue	109,664	-	109,664
Total liabilities	<u>232,871</u>	<u>21,211</u>	<u>254,082</u>
Fund Balances:			
Fund balances:			
Reserved for encumbrances	-	150,623	150,623
Unreserved, undesignated, reported in:			
Special revenue funds	33,693	-	33,693
Capital projects funds	-	262,419	262,419
Total fund balances	<u>33,693</u>	<u>413,042</u>	<u>446,735</u>
Total liabilities and fund balances.	<u>\$ 266,564</u>	<u>\$ 434,253</u>	<u>\$ 700,817</u>

CITY OF TALLMADGE, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property and other taxes	\$ 106,824	\$ -	\$ 106,824
Intergovernmental	90,968	-	90,968
Investment income	21	-	21
Fines, licenses and permits	8,493	-	8,493
Miscellaneous	1,604	500	2,104
	<hr/>	<hr/>	<hr/>
Total revenues	207,910	500	208,410
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
Security of persons and property.	333,451	-	333,451
Transportation	82,926	-	82,926
Capital outlay.	-	479,192	479,192
Debt service:			
Interest and fiscal charges	-	53,445	53,445
Bond issuance costs	-	88,158	88,158
	<hr/>	<hr/>	<hr/>
Total expenditures	416,377	620,795	1,037,172
	<hr/>	<hr/>	<hr/>
Excess of expenditures over revenues.	(208,467)	(620,295)	(828,762)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Bond issuance.	-	3,915,000	3,915,000
Discount on bond issuance	-	(26,842)	(26,842)
Refunding of notes	-	(3,800,000)	(3,800,000)
Transfers in	195,512	50,000	245,512
Transfers (out).	-	(39,488)	(39,488)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	195,512	98,670	294,182
	<hr/>	<hr/>	<hr/>
Net change in fund balances.	(12,955)	(521,625)	(534,580)
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	46,648	934,667	981,315
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 33,693	\$ 413,042	\$ 446,735
	<hr/>	<hr/>	<hr/>

CITY OF TALLMADGE, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010*

	<u>State Highway</u>	<u>Community Development</u>	<u>Alcohol Enforcement and Education</u>	<u>Law Enforcement Trust</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 40,080	\$ 7,027	\$ 2,357	\$ 8,170
Receivables:				
Real and other taxes.	-	-	-	-
Accounts	-	-	70	-
Intergovernmental.	30,282	-	-	-
Total assets	<u>\$ 70,362</u>	<u>\$ 7,027</u>	<u>\$ 2,427</u>	<u>\$ 8,170</u>
Liabilities:				
Accrued wages and benefits	\$ 1,035	\$ -	\$ -	\$ -
Intergovernmental payable	4,182	-	-	-
Deferred revenue	19,996	-	-	-
Unearned revenue	-	-	-	-
Total liabilities.	<u>25,213</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Unreserved, undesignated (deficit), reported in:				
Special revenue funds	45,149	7,027	2,427	8,170
Total fund balances (deficit).	<u>45,149</u>	<u>7,027</u>	<u>2,427</u>	<u>8,170</u>
Total liabilities and fund balances	<u>\$ 70,362</u>	<u>\$ 7,027</u>	<u>\$ 2,427</u>	<u>\$ 8,170</u>

Drug Law Enforcement	Law Enforcement Assistance	Emergency Medical Service Donation	Police Pension	Totals
\$ 4,760	\$ 3,600	\$ 3,511	\$ 42,966	\$ 112,471
-	-	-	115,398	115,398
212	-	-	-	282
-	-	-	8,131	38,413
<u>\$ 4,972</u>	<u>\$ 3,600</u>	<u>\$ 3,511</u>	<u>\$ 166,495</u>	<u>\$ 266,564</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,035
-	-	-	84,129	88,311
-	-	-	13,865	33,861
-	-	-	109,664	109,664
-	-	-	207,658	232,871
<u>4,972</u>	<u>3,600</u>	<u>3,511</u>	<u>(41,163)</u>	<u>33,693</u>
<u>4,972</u>	<u>3,600</u>	<u>3,511</u>	<u>(41,163)</u>	<u>33,693</u>
<u>\$ 4,972</u>	<u>\$ 3,600</u>	<u>\$ 3,511</u>	<u>\$ 166,495</u>	<u>\$ 266,564</u>

CITY OF TALLMADGE, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>State Highway</u>	<u>Community Development</u>	<u>Alcohol Enforcement and Education</u>	<u>Law Enforcement Trust</u>
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	63,072	-	-	-
Investment income	21	-	-	-
Fines, licenses and permits	-	-	1,255	4,382
Miscellaneous	64	-	-	-
Total revenues.	<u>63,157</u>	<u>-</u>	<u>1,255</u>	<u>4,382</u>
Expenditures:				
Current:				
Security of persons and property	-	-	-	12,875
Transportation	82,926	-	-	-
Total expenditures.	<u>82,926</u>	<u>-</u>	<u>-</u>	<u>12,875</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,769)</u>	<u>-</u>	<u>1,255</u>	<u>(8,493)</u>
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(19,769)</u>	<u>-</u>	<u>1,255</u>	<u>(8,493)</u>
Fund balances (deficit) at beginning of year.	<u>64,918</u>	<u>7,027</u>	<u>1,172</u>	<u>16,663</u>
Fund balances (deficit) at end of year	<u>\$ 45,149</u>	<u>\$ 7,027</u>	<u>\$ 2,427</u>	<u>\$ 8,170</u>

Drug Law Enforcement	Law Enforcement Assistance	Emergency Medical Service Donation	Police Pension	Totals
\$ -	\$ -	\$ -	\$ 106,824	\$ 106,824
-	480	-	27,416	90,968
-	-	-	-	21
2,856	-	-	-	8,493
-	-	1,540	-	1,604
<u>2,856</u>	<u>480</u>	<u>1,540</u>	<u>134,240</u>	<u>207,910</u>
399	-	2,806	317,371	333,451
-	-	-	-	82,926
<u>399</u>	<u>-</u>	<u>2,806</u>	<u>317,371</u>	<u>416,377</u>
<u>2,457</u>	<u>480</u>	<u>(1,266)</u>	<u>(183,131)</u>	<u>(208,467)</u>
-	-	-	195,512	195,512
-	-	-	195,512	195,512
2,457	480	(1,266)	12,381	(12,955)
<u>2,515</u>	<u>3,120</u>	<u>4,777</u>	<u>(53,544)</u>	<u>46,648</u>
<u>\$ 4,972</u>	<u>\$ 3,600</u>	<u>\$ 3,511</u>	<u>\$ (41,163)</u>	<u>\$ 33,693</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE/EMS LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 1,363,091	\$ 1,363,091	\$ 1,372,689	\$ 9,598
Intergovernmental	370,507	370,507	373,907	3,400
Fines, licenses and permits	49	100	66	(34)
Charges for services	188,366	383,450	376,452	(6,998)
Miscellaneous	5,045	10,270	14,114	3,844
Total revenues	1,927,058	2,127,418	2,137,228	9,810
Expenditures:				
Current:				
Security of persons and property				
Fire				
Personnel	2,232,243	2,241,243	2,183,640	57,603
Operating	340,163	333,176	338,056	(4,880)
Total fire	2,572,406	2,574,419	2,521,696	52,723
Capital outlay				
Equipment	142,000	142,000	141,454	546
Total expenditures	2,714,406	2,716,419	2,663,150	53,269
Excess (deficiency) of revenues over (under) expenditures	(787,348)	(589,001)	(525,922)	63,079
Other financing sources:				
Transfers in	432,000	432,000	432,000	-
Total other financing sources	432,000	432,000	432,000	-
Net change in fund balance	(355,348)	(157,001)	(93,922)	63,079
Fund balance at beginning of year	468,374	468,374	468,374	-
Prior year encumbrances appropriated	40,742	40,742	40,742	-
Fund balance at end of year	\$ 153,768	\$ 352,115	\$ 415,194	\$ 63,079

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET MAINTENANCE AND REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental.	\$ 749,504	\$ 749,504	\$ 821,274	\$ 71,770
Investment income	-	-	476	476
Special assessments.	10,000	10,000	12,551	2,551
Charges for services.	50,000	50,000	61,130	11,130
Miscellaneous.	4,232	4,232	10,080	5,848
Total revenues.	<u>813,736</u>	<u>813,736</u>	<u>905,511</u>	<u>91,775</u>
Expenditures:				
Current:				
Public health and welfare				
Personnel	45,277	45,277	37,437	7,840
Operating	<u>30,341</u>	<u>30,341</u>	<u>28,994</u>	<u>1,347</u>
Total public health and welfare	<u>75,618</u>	<u>75,618</u>	<u>66,431</u>	<u>9,187</u>
Transportation				
Personnel	686,752	686,706	674,437	12,269
Operating	<u>680,267</u>	<u>667,393</u>	<u>589,803</u>	<u>77,590</u>
Total transportation	<u>1,367,019</u>	<u>1,354,099</u>	<u>1,264,240</u>	<u>89,859</u>
Leisure time activities				
Personnel	181,108	181,108	173,764	7,344
Operating	<u>110,478</u>	<u>110,472</u>	<u>105,688</u>	<u>4,784</u>
Total leisure time activities.	<u>291,586</u>	<u>291,580</u>	<u>279,452</u>	<u>12,128</u>
Capital outlay				
Road program.	<u>485,000</u>	<u>485,000</u>	<u>474,955</u>	<u>10,045</u>
Capital outlay	<u>485,000</u>	<u>485,000</u>	<u>474,955</u>	<u>10,045</u>
Total expenditures.	<u>2,219,223</u>	<u>2,206,297</u>	<u>2,085,078</u>	<u>121,219</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(1,405,487)</u>	<u>(1,392,561)</u>	<u>(1,179,567)</u>	<u>212,994</u>
Other financing sources:				
Transfers in.	<u>1,110,000</u>	<u>1,110,000</u>	<u>1,110,000</u>	-
Total other financing sources.	<u>1,110,000</u>	<u>1,110,000</u>	<u>1,110,000</u>	-
Net change in fund balance.	(295,487)	(282,561)	(69,567)	212,994
Fund balance at beginning of year	425,528	425,528	425,528	-
Prior year encumbrances appropriated	<u>100,220</u>	<u>100,220</u>	<u>100,220</u>	-
Fund balance at end of year	<u>\$ 230,261</u>	<u>\$ 243,187</u>	<u>\$ 456,181</u>	<u>\$ 212,994</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 75,000	\$ 75,000	\$ 62,777	\$ (12,223)
Investment income	150	150	25	(125)
Miscellaneous.	100	100	64	(36)
Total revenues.	<u>75,250</u>	<u>75,250</u>	<u>62,866</u>	<u>(12,384)</u>
Expenditures:				
Current:				
Transportation				
Personnel	78,041	78,041	76,912	1,129
Operating	<u>2,000</u>	<u>2,000</u>	<u>1,577</u>	<u>423</u>
Total expenditures.	<u>80,041</u>	<u>80,041</u>	<u>78,489</u>	<u>1,552</u>
Net change in fund balance	(4,791)	(4,791)	(15,623)	(10,832)
Fund balance at beginning of year.	55,650	55,650	55,650	-
Prior year encumbrances appropriated	<u>53</u>	<u>53</u>	<u>53</u>	<u>-</u>
Fund balance at end of year	<u>\$ 50,912</u>	<u>\$ 50,912</u>	<u>\$ 40,080</u>	<u>\$ (10,832)</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

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

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALCOHOL ENFORCEMENT AND EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 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	\$ 500	\$ 500	\$ 1,245	\$ 745
Total revenues	<u>500</u>	<u>500</u>	<u>1,245</u>	<u>745</u>
Net change in fund balance.	500	500	1,245	745
Fund balance at beginning of year	<u>1,112</u>	<u>1,112</u>	<u>1,112</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,612</u>	<u>\$ 1,612</u>	<u>\$ 2,357</u>	<u>\$ 745</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, licenses and permits	\$ 500	\$ 500	\$ 4,382	\$ 3,882
Total revenues	500	500	4,382	3,882
Expenditures:				
Current:				
Security of persons and property				
Operating	15,587	15,587	12,875	2,712
Total expenditures	15,587	15,587	12,875	2,712
Net change in fund balance.	(15,087)	(15,087)	(8,493)	6,594
Fund balance at beginning of year	4,076	4,076	4,076	-
Prior year encumbrances appropriated . .	12,587	12,587	12,587	-
Fund balance at end of year.	\$ 1,576	\$ 1,576	\$ 8,170	\$ 6,594

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, licenses and permits	\$ 2,300	\$ 2,300	\$ 2,644	\$ 344
Total revenues	<u>2,300</u>	<u>2,300</u>	<u>2,644</u>	<u>344</u>
Expenditures:				
Current:				
Security of persons and property				
Operating	<u>2,398</u>	<u>2,398</u>	<u>399</u>	<u>1,999</u>
Total expenditures	<u>2,398</u>	<u>2,398</u>	<u>399</u>	<u>1,999</u>
Net change in fund balance.	(98)	(98)	2,245	2,343
Fund balance at beginning of year	2,117	2,117	2,117	-
Prior year encumbrances appropriated . .	<u>398</u>	<u>398</u>	<u>398</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 2,417</u>	<u>\$ 2,417</u>	<u>\$ 4,760</u>	<u>\$ 2,343</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT ASSISTANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental.	\$ 4,000	\$ 4,000	\$ 480	\$ (3,520)
Total revenues	4,000	4,000	480	(3,520)
Expenditures:				
Current:				
Security of persons and property				
Operating	3,500	3,500	-	3,500
Total expenditures	3,500	3,500	-	3,500
Net change in fund balance.	500	500	480	(20)
Fund balance at beginning of year	3,120	3,120	3,120	-
Fund balance at end of year.	\$ 3,620	\$ 3,620	\$ 3,600	\$ (20)

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY MEDICAL SERVICE DONATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous	\$ 500	\$ 500	\$ 1,540	\$ 1,040
Total revenues	<u>500</u>	<u>500</u>	<u>1,540</u>	<u>1,040</u>
Expenditures:				
Current:				
Security of persons and property				
Operating	<u>3,000</u>	<u>3,000</u>	<u>2,806</u>	<u>194</u>
Total expenditures	<u>3,000</u>	<u>3,000</u>	<u>2,806</u>	<u>194</u>
Net change in fund balance.	(2,500)	(2,500)	(1,266)	1,234
Fund balance at beginning of year	<u>4,777</u>	<u>4,777</u>	<u>4,777</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 2,277</u>	<u>\$ 2,277</u>	<u>\$ 3,511</u>	<u>\$ 1,234</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE PENSION FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 108,779	\$ 108,779	\$ 106,824	\$ (1,955)
Intergovernmental	27,282	27,282	27,416	134
Total revenues	<u>136,061</u>	<u>136,061</u>	<u>134,240</u>	<u>(1,821)</u>
Expenditures:				
Current:				
Security of persons and property				
Personnel	335,512	335,512	319,718	15,794
Operating	<u>2,600</u>	<u>2,600</u>	<u>2,135</u>	<u>465</u>
Total expenditures	<u>338,112</u>	<u>338,112</u>	<u>321,853</u>	<u>16,259</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(202,051)</u>	<u>(202,051)</u>	<u>(187,613)</u>	<u>14,438</u>
Other financing sources:				
Transfers in.	<u>223,481</u>	<u>223,481</u>	<u>195,512</u>	<u>(27,969)</u>
Total other financing sources.	<u>223,481</u>	<u>223,481</u>	<u>195,512</u>	<u>(27,969)</u>
Net change in fund balance.	21,430	21,430	7,899	(13,531)
Fund balance at beginning of year	<u>35,067</u>	<u>35,067</u>	<u>35,067</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 56,497</u>	<u>\$ 56,497</u>	<u>\$ 42,966</u>	<u>\$ (13,531)</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessments.	\$ -	\$ 41,410	\$ 91,410	\$ 50,000
Total revenues.	-	41,410	91,410	50,000
Expenditures:				
Current:				
Principal retirement.	486,000	521,000	521,000	-
Interest and fiscal charges.	393,200	421,575	421,304	271
Bond issue costs	-	30,670	30,670	-
Total expenditures.	879,200	973,245	972,974	271
Excess (deficiency) of revenues over (under) expenditures	(879,200)	(931,835)	(881,564)	50,271
Other financing sources (uses):				
Transfers in.	900,000	900,000	900,000	-
Sale of refunding bonds	-	1,405,000	1,405,000	-
Premium on sale of refunding bonds.	-	15,190	15,190	-
Payment to refunding bond escrow agent	-	(1,425,645)	(1,425,645)	-
Total other financing sources (uses)	900,000	894,545	894,545	-
Net change in fund balance.	20,800	(37,290)	12,981	50,271
Fund balance at beginning of year	<u>37,899</u>	<u>37,899</u>	<u>37,899</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 58,699</u>	<u>\$ 609</u>	<u>\$ 50,880</u>	<u>\$ 50,271</u>

CITY OF TALLMADGE, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2010

	<u>Tallmadge Shooting Range</u>	<u>General Infrastructure</u>	<u>Totals</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 221,425	\$ 212,828	\$ 434,253
Total assets	<u>\$ 221,425</u>	<u>\$ 212,828</u>	<u>\$ 434,253</u>
Liabilities:			
Contracts payable.	\$ 5,399	\$ 15,812	\$ 21,211
Total liabilities	<u>5,399</u>	<u>15,812</u>	<u>21,211</u>
Fund Balances:			
Reserved for encumbrances	22,381	128,242	150,623
Unreserved, undesignated, reported in:			
Capital projects funds	193,645	68,774	262,419
Total fund balances	<u>216,026</u>	<u>197,016</u>	<u>413,042</u>
Total liabilities and fund balances	<u>\$ 221,425</u>	<u>\$ 212,828</u>	<u>\$ 434,253</u>

CITY OF TALLMADGE, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Tallmadge Shooting Range	Maca Pool	General Infrastructure	Totals
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 500	\$ 500
Total revenues	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
Expenditures:				
Capital outlay	283,974	-	195,218	479,192
Debt service:				
Interest and fiscal charges	-	44,400	9,045	53,445
Bond issuance costs	<u>-</u>	<u>74,705</u>	<u>13,453</u>	<u>88,158</u>
Total expenditures	<u>283,974</u>	<u>119,105</u>	<u>217,716</u>	<u>620,795</u>
Excess of expenditures over revenues. . .	<u>(283,974)</u>	<u>(119,105)</u>	<u>(217,216)</u>	<u>(620,295)</u>
Other financing sources (uses)				
Bond issuance.	-	3,317,451	597,549	3,915,000
Discount on bond issuance	-	(22,746)	(4,096)	(26,842)
Refunding of notes	-	(3,220,000)	(580,000)	(3,800,000)
Transfers in	-	50,000	-	50,000
Transfers (out).	<u>-</u>	<u>(39,488)</u>	<u>-</u>	<u>(39,488)</u>
Total other financing sources (uses) . . .	<u>-</u>	<u>85,217</u>	<u>13,453</u>	<u>98,670</u>
Net change in fund balances	(283,974)	(33,888)	(203,763)	(521,625)
Fund balances at beginning of year . . .	<u>500,000</u>	<u>33,888</u>	<u>400,779</u>	<u>934,667</u>
Fund balances at end of year	<u>\$ 216,026</u>	<u>\$ -</u>	<u>\$ 197,016</u>	<u>\$ 413,042</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NORTHEAST AVENUE ROUNDABOUT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental.	\$ 2,283,800	\$ 2,283,800	\$ 1,252,348	\$ (1,031,452)
Miscellaneous.	-	-	1,500	1,500
Total revenues.	<u>2,283,800</u>	<u>2,283,800</u>	<u>1,253,848</u>	<u>(1,029,952)</u>
Expenditures:				
Current:				
Transportation				
Operating	1,500	1,500	34,676	(33,176)
Capital outlay.	<u>2,176,650</u>	<u>2,176,650</u>	<u>1,930,207</u>	<u>246,443</u>
Total expenditures.	<u>2,178,150</u>	<u>2,178,150</u>	<u>1,964,883</u>	<u>213,267</u>
Excess (deficiency) of revenues over (under) expenditures	<u>105,650</u>	<u>105,650</u>	<u>(711,035)</u>	<u>(816,685)</u>
Other financing sources (uses):				
Transfers in	-	-	150,000	150,000
Advances out	<u>(200,000)</u>	<u>(200,000)</u>	-	<u>200,000</u>
Total other financing sources (uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>150,000</u>	<u>350,000</u>
Net change in fund balance	(94,350)	(94,350)	(561,035)	(466,685)
Fund balance at beginning of year.	101,691	101,691	101,691	-
Prior year encumbrances appropriated	<u>8,350</u>	<u>8,350</u>	<u>8,350</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 15,691</u>	<u>\$ 15,691</u>	<u>\$ (450,994)</u>	<u>\$ (466,685)</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TALLMADGE SHOOTING RANGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Capital outlay	\$ 490,000	\$ 490,000	\$ 306,355	\$ 183,645
Total expenditures	490,000	490,000	306,355	183,645
Net change in fund balance	(490,000)	(490,000)	(306,355)	183,645
Fund balance at beginning of year	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 193,645</u>	<u>\$ 183,645</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MACA POOL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Capital outlay.	\$ -	\$ 33,888	\$ -	\$ 33,888
Debt service:				
Interest and fiscal charges	80,000	80,000	44,400	35,600
Bond issue costs	-	74,705	74,705	-
Total expenditures.	<u>80,000</u>	<u>188,593</u>	<u>119,105</u>	<u>69,488</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(80,000)</u>	<u>(188,593)</u>	<u>(119,105)</u>	<u>69,488</u>
Other financing sources (uses):				
Sale of bonds.	3,220,000	3,317,451	3,317,451	-
Refunding of notes	(3,220,000)	(3,220,000)	(3,220,000)	-
Discount on sale of bonds	-	(22,746)	(22,746)	-
Transfers in.	80,000	80,000	50,000	(30,000)
Transfers out	-	-	(39,488)	(39,488)
Total other financing sources (uses)	<u>80,000</u>	<u>154,705</u>	<u>85,217</u>	<u>(69,488)</u>
Net change in fund balance	-	(33,888)	(33,888)	-
Fund balance at beginning of year	<u>33,888</u>	<u>33,888</u>	<u>33,888</u>	<u>-</u>
Fund balance at end of year	<u>\$ 33,888</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL INFRASTRUCTURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 90,000	\$ -	\$ (90,000)
Miscellaneous.	-	-	500	500
Total revenues.	-	90,000	500	(89,500)
Expenditures:				
Capital outlay	112,000	477,279	323,460	153,819
Debt service:				
Interest and fiscal charges	13,500	13,500	9,045	4,455
Bond issue costs	-	13,453	13,453	-
Total expenditures	125,500	504,232	345,958	158,274
Excess (deficiency) of revenues over (under) expenditures	(125,500)	(414,232)	(345,458)	68,774
Other financing sources (uses):				
Sale of bonds.	580,000	597,549	597,549	-
Refunding of notes	(580,000)	(580,000)	(580,000)	-
Discount on sale of bonds	-	(4,096)	(4,096)	-
Total other financing sources (uses)	-	13,453	13,453	-
Net change in fund balance	(125,500)	(400,779)	(332,005)	68,774
Fund balance at beginning of year	400,779	400,779	400,779	-
Fund balance at end of year	\$ 275,279	\$ -	\$ 68,774	\$ 68,774

CITY OF TALLMADGE, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - PROPRIETARY FUNDS*

MAJOR ENTERPRISE FUNDS

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

Sewer Operating Fund

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

Water Operating Fund

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

Storm Water Fund

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

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 1,727,900	\$ 1,727,900	\$ 1,634,131	\$ (93,769)
Special assessments	44,000	44,000	44,960	960
Miscellaneous	2,260	2,260	2,851	591
Total revenues.	<u>1,774,160</u>	<u>1,774,160</u>	<u>1,681,942</u>	<u>(92,218)</u>
Expenses:				
Personal services.	435,694	435,694	392,185	43,509
Materials and supplies	70,275	67,528	53,028	14,500
Contractual services	1,487,622	1,486,991	1,250,110	236,881
Other	52,455	52,328	43,386	8,942
Capital outlay				
Potamac/Swank sewer.	100,000	100,000	-	100,000
Sewer rehabilitation	80,000	80,000	24,500	55,500
Water meter replacement	12,500	12,500	5,014	7,486
Debt service:				
Principal retirement	41,000	41,000	41,000	-
Interest and fiscal charges.	17,000	17,000	15,982	1,018
Total expenses	<u>2,296,546</u>	<u>2,293,041</u>	<u>1,825,205</u>	<u>467,836</u>
Net change in fund equity	(522,386)	(518,881)	(143,263)	375,618
Fund equity at beginning of year.	3,558,361	3,558,361	3,558,361	-
Prior year encumbrances appropriated . . .	<u>12,462</u>	<u>12,462</u>	<u>12,462</u>	<u>-</u>
Fund equity at end of year	<u>\$ 3,048,437</u>	<u>\$ 3,051,942</u>	<u>\$ 3,427,560</u>	<u>\$ 375,618</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 1,519,576	\$ 1,519,576	\$ 1,658,594	\$ 139,018
Loan proceeds	541,227	494,256	492,188	(2,068)
Special assessments	116,000	116,000	93,363	(22,637)
Capital grants	-	-	100,000	100,000
Miscellaneous	2,160	2,160	8,840	6,680
Total revenues.	<u>2,178,963</u>	<u>2,131,992</u>	<u>2,352,985</u>	<u>220,993</u>
Expenses:				
Personal services.	435,609	435,609	420,461	15,148
Materials and supplies	72,025	69,277	57,429	11,848
Contractual services	1,228,917	1,221,081	1,123,823	97,258
Other	38,402	38,152	67,881	(29,729)
Capital outlay				
North Thomas Road waterline.	285,504	281,701	310,853	(29,152)
Water meter replacement	12,500	12,500	5,014	7,486
Northeast high pressure water	553,092	506,121	506,121	-
Northeast avenue pump station	-	-	13,900	(13,900)
Debt service:				
Principal retirement.	133,299	133,299	133,299	-
Interest and fiscal charges.	76,581	76,581	75,479	1,102
Total expenses	<u>2,835,929</u>	<u>2,774,321</u>	<u>2,714,260</u>	<u>60,061</u>
Net change in fund equity	(656,966)	(642,329)	(361,275)	281,054
Fund equity at beginning of year.	1,903,159	1,903,159	1,903,159	-
Prior year encumbrances appropriated . . .	<u>873,753</u>	<u>873,753</u>	<u>873,753</u>	<u>-</u>
Fund equity at end of year	<u>\$ 2,119,946</u>	<u>\$ 2,134,583</u>	<u>\$ 2,415,637</u>	<u>\$ 281,054</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STORM WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 300,000	\$ 300,000	\$ 314,527	\$ 14,527
Miscellaneous	-	-	61	61
Total revenues.	<u>300,000</u>	<u>300,000</u>	<u>314,588</u>	<u>14,588</u>
Expenses:				
Personal services	272,010	272,010	271,015	995
Materials and supplies	5,000	5,000	5,813	(813)
Contractual services	50,000	50,000	98,118	(48,118)
Other	10	152,149	1,659	150,490
Capital outlay				
Mapping projects	-	-	9,000	(9,000)
Total expenses	<u>327,020</u>	<u>479,159</u>	<u>385,605</u>	<u>93,554</u>
Net change in fund equity	(27,020)	(179,159)	(71,017)	108,142
Fund equity at beginning of year.	179,099	179,099	179,099	-
Prior year encumbrances appropriated	<u>60</u>	<u>60</u>	<u>60</u>	<u>-</u>
Fund equity at end of year	<u>\$ 152,139</u>	<u>\$ -</u>	<u>\$ 108,142</u>	<u>\$ 108,142</u>

CITY OF TALLMADGE, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - AGENCY FUNDS*

AGENCY FUNDS

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

Revolving Trust Fund

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

Joint Economic Development District Fund

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

CITY OF TALLMADGE, OHIO

*STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Beginning Balance 12/31/2009	Additions	Reductions	Ending Balance 12/31/2010
Revolving Trust				
Assets:				
Equity in pooled cash and cash equivalents	\$ 30,993	\$ 40,768	\$ 37,080	\$ 34,681
Total assets.	<u>\$ 30,993</u>	<u>\$ 40,768</u>	<u>\$ 37,080</u>	<u>\$ 34,681</u>
Liabilities:				
Deposits held and due to others	\$ 30,993	\$ 40,768	\$ 37,080	\$ 34,681
Total liabilities	<u>\$ 30,993</u>	<u>\$ 40,768</u>	<u>\$ 37,080</u>	<u>\$ 34,681</u>
Joint Economic Development District				
Assets:				
Equity in pooled cash and cash equivalents	\$ 117,530	\$ 244,603	\$ 225,015	\$ 137,118
Income taxes receivable	23,410	35,244	23,410	35,244
Total assets.	<u>\$ 140,940</u>	<u>\$ 279,847</u>	<u>\$ 248,425</u>	<u>\$ 172,362</u>
Liabilities:				
Deposits held and due to others	\$ 140,940	\$ 279,847	\$ 248,425	\$ 172,362
Total liabilities	<u>\$ 140,940</u>	<u>\$ 279,847</u>	<u>\$ 248,425</u>	<u>\$ 172,362</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 148,523	\$ 285,371	\$ 262,095	\$ 171,799
Income taxes receivable	23,410	35,244	23,410	35,244
Total assets.	<u>\$ 171,933</u>	<u>\$ 320,615</u>	<u>\$ 285,505</u>	<u>\$ 207,043</u>
Liabilities:				
Deposits held and due to others	\$ 171,933	\$ 320,615	\$ 285,505	\$ 207,043
Total liabilities	<u>\$ 171,933</u>	<u>\$ 320,615</u>	<u>\$ 285,505</u>	<u>\$ 207,043</u>

STATISTICAL SECTION

CITY OF TALLMADGE, OHIO

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</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.	100
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the income tax and property tax.	111
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.	120
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	124
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.	126

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

TABLE 1

CITY OF TALLMADGE, OHIO
NET ASSETS BY COMPONENT
LAST EIGHT YEARS
(ACCRUAL BASIS OF ACCOUNTING)

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

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

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 19,397,236	\$ 18,719,874	\$ 17,647,995	\$ 18,369,056
1,643,839	1,902,468	2,973,347	2,386,386
1,495,354	1,694,536	2,226,868	3,587,472
<u>\$ 22,536,429</u>	<u>\$ 22,316,878</u>	<u>\$ 22,848,210</u>	<u>\$ 24,342,914</u>
\$ 13,900,274	\$ 13,978,571	\$ 13,666,756	\$ 13,520,720
8,000,737	7,662,014	7,383,084	7,276,621
<u>\$ 21,901,011</u>	<u>\$ 21,640,585</u>	<u>\$ 21,049,840</u>	<u>\$ 20,797,341</u>
\$ 31,702,510	\$ 31,213,445	\$ 29,944,751	\$ 30,677,297
1,643,839	1,902,468	2,973,347	2,386,386
11,091,091	10,841,550	10,979,952	12,076,572
<u>\$ 44,437,440</u>	<u>\$ 43,957,463</u>	<u>\$ 43,898,050</u>	<u>\$ 45,140,255</u>

TABLE 2

CITY OF TALLMADGE, OHIO

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$	3,477,962	\$ 3,253,790	\$ 3,254,377	\$ 3,075,749
	3,859,300	3,816,522	3,822,765	3,707,305
	15,210	39,208	28,469	33,874
	2,339,952	2,585,492	2,901,712	2,633,358
	73,136	72,170	49,994	67,526
	3,284,385	3,778,324	2,655,392	3,132,926
	396,525	657,143	355,154	313,757
	1,878,053	1,817,187	2,003,019	2,066,476
	462,321	482,825	479,892	455,252
	<u>15,786,844</u>	<u>16,502,661</u>	<u>15,550,774</u>	<u>15,486,223</u>
	1,666,463	1,785,418	1,805,970	1,822,095
	1,634,790	1,890,821	1,700,746	1,808,067
	239,807	243,329	466,800	508,817
	<u>3,541,060</u>	<u>3,919,568</u>	<u>3,973,516</u>	<u>4,138,979</u>
\$	<u>19,327,904</u>	<u>20,422,229</u>	<u>19,524,290</u>	<u>19,625,202</u>
\$	174,923	\$ 193,794	\$ 310,336	\$ 441,489
	82,646	3,067	17,732	9,438
	351,813	321,641	405,050	358,781
	78,865	1,346	7,935	2,790
	210,545	30,254	239,805	50,195
	205,682	251,070	127,858	151,381
	1,572,305	1,457,708	1,562,356	1,614,573
	949,361	854,695	828,557	932,825
	786,581	151,646	500,000	1,465,130
	<u>4,412,721</u>	<u>3,265,221</u>	<u>3,999,629</u>	<u>5,026,602</u>
	1,493,098	1,518,955	1,481,699	1,739,256
	1,816,538	1,721,534	1,577,632	1,726,179
	451,756	317,288	312,841	309,293
	251,858	-	-	100,000
	<u>4,013,250</u>	<u>3,557,777</u>	<u>3,372,172</u>	<u>3,874,728</u>
\$	<u>8,425,971</u>	<u>6,822,998</u>	<u>7,371,801</u>	<u>8,901,330</u>
\$	(11,374,123)	\$ (13,237,440)	\$ (11,551,145)	\$ (10,459,621)
	472,190	(361,791)	(601,344)	(264,251)
\$	<u>(10,901,933)</u>	<u>(13,599,231)</u>	<u>(12,152,489)</u>	<u>(10,723,872)</u>

- Continued

TABLE 2

CITY OF TALLMADGE, OHIO

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

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

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

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 2,129,530	\$ 2,447,935	\$ 2,225,056	\$ 2,258,920
7,864,634	8,118,368	7,226,715	7,455,553
1,789,961	1,968,428	2,223,903	2,148,650
286,805	210,924	141,630	43,871
136,321	223,833	265,173	47,331
(171,573)	48,401	-	-
<u>12,035,678</u>	<u>13,017,889</u>	<u>12,082,477</u>	<u>11,954,325</u>
218,346	139,449	-	-
6,454	10,317	10,599	11,752
171,573	(48,401)	-	-
<u>396,373</u>	<u>101,365</u>	<u>10,599</u>	<u>11,752</u>
<u>\$ 12,432,051</u>	<u>\$ 13,119,254</u>	<u>\$ 12,093,076</u>	<u>\$ 11,966,077</u>
\$ 661,555	\$ (219,551)	\$ 531,332	\$ 1,494,704
868,563	(260,426)	(590,745)	(252,499)
<u>\$ 1,530,118</u>	<u>\$ (479,977)</u>	<u>\$ (59,413)</u>	<u>\$ 1,242,205</u>

TABLE 3

CITY OF TALLMADGE, OHIO

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund				
Reserved	\$ 123,950	\$ 181,078	\$ 65,682	\$ 141,361
Unreserved	2,487,149	2,622,779	2,647,039	1,924,934
Total general fund	<u>\$ 2,611,099</u>	<u>\$ 2,803,857</u>	<u>\$ 2,712,721</u>	<u>\$ 2,066,295</u>
All Other Governmental Funds				
Reserved	\$ 464,640	\$ 600,930	\$ 1,222,263	\$ 105,120
Unreserved (deficit), reported in:				
Special revenue funds	357,432	825,375	355,423	426,887
Debt service funds	-	-	24,123	36,601
Capital projects funds	351,804	160,882	(504,608)	(140,627)
Total all other governmental funds	<u>\$ 1,173,876</u>	<u>\$ 1,587,187</u>	<u>\$ 1,097,201</u>	<u>\$ 427,981</u>

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 119,505	\$ 215,920	\$ 346,588	\$ 318,914	\$ 374,719	\$ 166,229
<u>2,275,772</u>	<u>2,550,408</u>	<u>2,514,736</u>	<u>2,671,181</u>	<u>3,104,686</u>	<u>4,629,330</u>
<u>\$ 2,395,277</u>	<u>\$ 2,766,328</u>	<u>\$ 2,861,324</u>	<u>\$ 2,990,095</u>	<u>\$ 3,479,405</u>	<u>\$ 4,795,559</u>
\$ 255,652	\$ 1,252,535	\$ 218,875	\$ 887,039	\$ 192,535	\$ 444,792
411,964	170,674	190,731	629,334	840,684	910,367
19,751	21,558	14,757	14,778	37,899	50,880
<u>(32,187)</u>	<u>(989,740)</u>	<u>63,474</u>	<u>212,208</u>	<u>834,219</u>	<u>(175,793)</u>
<u>\$ 655,180</u>	<u>\$ 455,027</u>	<u>\$ 487,837</u>	<u>\$ 1,743,359</u>	<u>\$ 1,905,337</u>	<u>\$ 1,230,246</u>

TABLE 4

CITY OF TALLMADGE, OHIO

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

	2001	2002	2003
Revenues			
Property and other taxes	\$ 2,010,802	\$ 1,944,979	\$ 1,708,242
Municipal income taxes	6,739,909	6,617,777	6,914,659
Intergovernmental	2,119,103	2,223,887	2,256,760
Investment income	296,318	145,717	160,018
Fines, licenses, and permits	323,608	414,832	351,338
Special assessments	85,883	105,829	35,606
Charges for services	593,539	700,941	706,530
Miscellaneous	366,468	124,480	103,835
Total revenues	<u>\$ 12,535,630</u>	<u>\$ 12,278,442</u>	<u>\$ 12,236,988</u>
Expenditures			
Current:			
General government	\$ 2,639,616	\$ 2,580,493	\$ 2,667,992
Security of persons and property (2)	4,546,800	4,554,729	N/A
Police	N/A	N/A	3,204,202
Street lighting	N/A	N/A	20,798
Fire	N/A	N/A	1,929,459
Public health and welfare	173,349	178,764	164,022
Transportation	1,403,016	1,410,876	1,988,834
Community environment	385,460	382,185	408,898
Leisure time activities	727,899	695,650	649,449
Capital outlay	2,845,234	1,512,013	5,270,018
Debt service			
Principal retirement	200,000	255,000	363,906
Interest and fiscal charges	358,523	401,197	367,969
Bond issue costs	-	-	-
Total expenditures	<u>13,279,897</u>	<u>11,970,907</u>	<u>17,035,547</u>
Excess of revenues over (under) expenditures	<u>(744,267)</u>	<u>307,535</u>	<u>(4,798,559)</u>
Other Financing Sources (Uses)			
Capital lease transaction	101,441	-	-
Sale of bonds	2,175,000	-	-
Sale of notes	-	-	4,200,000
Premium on bond/note issuances	-	-	17,437
Discount on bond issuance	-	-	-
Refunding of notes	-	-	-
Payment to refunded bond escrow agent	-	-	-
Sale of assets	-	-	-
Transfers in	3,583,534	3,706,381	3,066,651
Transfers out	(3,775,531)	(3,697,688)	(3,066,651)
Total other financing sources (uses)	<u>2,084,444</u>	<u>8,693</u>	<u>4,217,437</u>
Change in reserve for inventory	<u>6,330</u>	<u>56,158</u>	<u>-</u>
Net change in fund balances	<u>\$ 1,346,507</u>	<u>\$ 372,386</u>	<u>\$ (581,122)</u>
Capital expenditures	2,845,234	1,512,013	5,349,174
Debt service as a percentage of noncapital expenditures	5.35%	6.27%	6.26%

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

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

	2004	2005	2006	2007	2008	2009	2010
\$	1,980,804	\$ 2,058,105	\$ 2,158,881	\$ 2,141,540	\$ 2,453,020	\$ 2,241,114	\$ 2,228,915
	6,860,554	7,191,712	7,582,166	7,753,824	7,873,334	7,156,634	7,657,243
	2,259,133	2,970,383	3,789,555	3,199,101	3,132,224	3,589,375	4,563,381
	61,788	162,809	279,309	291,716	209,745	141,559	49,542
	339,752	316,559	382,257	434,971	372,776	438,045	548,635
	103,835	96,587	110,518	206,524	115,781	109,413	115,095
	1,270,980	1,709,942	1,934,540	1,982,851	1,837,708	2,188,832	2,036,244
	145,496	109,857	156,581	167,176	149,833	322,541	49,131
\$	<u>13,022,342</u>	<u>\$ 14,615,954</u>	<u>\$ 16,393,807</u>	<u>\$ 16,177,703</u>	<u>\$ 16,144,421</u>	<u>\$ 16,187,513</u>	<u>\$ 17,248,186</u>
\$	2,573,741	\$ 2,738,094	\$ 2,909,319	\$ 2,876,213	\$ 3,092,863	\$ 3,062,640	\$ 2,995,338
	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	3,296,195	3,446,848	3,654,771	3,744,689	3,835,309	3,808,963	3,647,373
	18,986	12,834	6,989	15,210	39,208	28,469	33,874
	1,932,466	1,892,249	2,061,974	2,187,089	2,304,753	2,644,911	2,490,438
	208,182	65,978	61,006	72,133	69,512	48,878	66,410
	1,767,576	2,092,159	1,934,062	1,941,612	1,943,729	1,847,529	1,534,582
	382,994	394,293	413,599	391,535	744,291	355,637	307,770
	1,211,521	1,536,463	1,634,509	1,577,690	1,234,503	1,726,060	1,732,010
	1,797,036	1,053,137	2,961,006	2,390,010	4,334,123	1,068,156	2,658,464
	4,513,067	4,210,000	4,224,245	516,201	534,792	4,396,214	619,374
	422,365	416,172	534,116	464,858	439,747	515,389	485,365
	-	-	126,892	-	-	-	118,828
	<u>18,124,129</u>	<u>17,858,227</u>	<u>20,522,488</u>	<u>16,177,240</u>	<u>18,572,830</u>	<u>19,502,846</u>	<u>16,689,826</u>
	<u>(5,101,787)</u>	<u>(3,242,273)</u>	<u>(4,128,681)</u>	<u>463</u>	<u>(2,428,409)</u>	<u>(3,315,333)</u>	<u>558,360</u>
	-	41,684	397,815	-	-	144,277	-
	-	-	4,670,000	-	-	-	5,320,000
	3,900,000	3,800,000	-	-	3,800,000	3,800,000	-
	25,074	16,770	168,521	-	8,702	22,344	15,190
	-	-	-	-	-	-	(26,842)
	-	-	-	-	-	-	(3,800,000)
	-	-	(837,667)	-	-	-	(1,425,645)
	-	-	910	3,631	4,000	-	-
	3,458,795	3,111,900	3,525,813	4,005,034	3,751,926	2,618,165	2,877,000
	<u>(3,472,537)</u>	<u>(3,171,900)</u>	<u>(3,625,813)</u>	<u>(3,881,322)</u>	<u>(3,751,926)</u>	<u>(2,618,165)</u>	<u>(2,877,000)</u>
	<u>3,911,332</u>	<u>3,798,454</u>	<u>4,299,579</u>	<u>127,343</u>	<u>3,812,702</u>	<u>3,966,621</u>	<u>82,703</u>
	-	-	-	-	-	-	-
\$	<u>(1,190,455)</u>	<u>\$ 556,181</u>	<u>\$ 170,898</u>	<u>\$ 127,806</u>	<u>\$ 1,384,293</u>	<u>\$ 651,288</u>	<u>\$ 641,063</u>
	2,207,738	1,124,509	1,818,506	2,010,525	3,348,476	964,180	1,880,986
	31.01%	27.65%	26.12%	6.93%	6.40%	26.49%	8.26%

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TABLE 5

CITY OF TALLMADGE, OHIO

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

Year	Net Tax Levy (Current Billed Portion)	Current Collections	Percent of Current Collections to Net Levy	Delinquent Collections	Total Collections	Percent of Total Collections to Levy	Current Delinquent Amount
2001	\$ 1,631,483	\$ 1,568,764	96.16%	\$ 51,773	\$ 1,620,537	99.33%	\$ 62,719
2002	1,660,530	1,593,716	95.98%	46,620	1,640,336	98.78%	66,814
2003	1,789,863	1,700,547	95.01%	67,051	1,767,598	98.76%	89,316
2004	1,824,148	1,764,078	96.71%	83,855	1,847,933	101.30%	60,707
2005	1,882,841	1,819,123	96.62%	43,881	1,863,004	98.95%	63,718
2006	1,967,591	1,906,144	96.88%	69,070	1,975,214	100.39%	61,446
2007	2,001,596	1,920,043	95.93%	55,619	1,975,662	98.70%	81,553
2008	2,507,495	2,423,088	96.63%	81,032	2,504,120	99.87%	84,407
2009	2,510,557	2,428,896	96.75%	69,123	2,498,019	99.50%	81,661
2010	2,523,496	2,443,297	96.82%	55,510	2,498,807	99.02%	80,199

Source: Summit County, Ohio; County Fiscal Officer

TABLE 6

CITY OF TALLMADGE, OHIO

TANGIBLE PERSONAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year	Net Tax Levy (Current Billed Portion)	Current Collections	Percent of Current Collections to Net Levy	Delinquent Collections	Total Collections	Percent of Total Collections to Levy	Current Delinquent Amount
2001	\$ 264,479	\$ 256,127	96.84%	\$ 9,048	\$ 265,175	100.26%	\$ 8,352
2002	263,718	253,179	96.00%	9,199	262,378	99.49%	10,539
2003	254,955	252,476	99.03%	8,416	260,892	102.33%	2,479
2004	243,161	226,035	92.96%	9,025	235,060	96.67%	17,126
2005	263,235	245,108	93.11%	27,437	272,545	103.54%	18,128
2006	189,649	183,596	96.81%	19,468	203,064	107.07%	6,053
2007	119,725	116,450	97.26%	30,432	146,882	122.68%	3,275
2008	60,655	55,454	91.43%	8,290	63,744	105.09%	5,021
2009	4,580	4,567	99.72%	9,963	14,530	317.25%	12
2010	2,036	2,036	100.00%	1,052	3,088	151.67%	-

Source: Summit County, Ohio; County Fiscal Officer

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

TABLE 7

CITY OF TALLMADGE, OHIO

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Year	Real Property		Public Utility Property	
	Estimated Actual Value (A)	Assessed Value	Estimated Actual Value (B)	Assessed Value
2001	\$ 859,139,571	\$ 300,698,850	\$ 9,295,761	\$ 8,180,270
2002	886,031,029	310,110,860	8,241,420	7,252,450
2003	999,731,057	349,905,870	8,540,216	7,515,390
2004*	994,362,914	348,027,020	8,414,250	7,404,540
2005*	1,187,532,747	360,024,610	8,574,636	7,545,680
2006*	1,113,123,171	389,593,110	7,577,057	6,667,810
2007*	1,223,779,088	398,010,000	6,915,443	6,085,590
2008*	1,200,996,389	405,268,120	4,155,205	3,656,580
2009*	1,162,772,988	404,401,940	4,337,841	3,817,300
2010*	1,166,894,558	406,296,800	4,557,318	4,010,440

Note:

(A) Real property is assessed at 35% of actual value.

(B) Public utility is assessed at 88% of actual value.

(C) For 2005 and prior, tangible personal is assessed at 25% of true value for capital assets and 23% of true value for inventory included in tangible personal property.

For 2006, tangible personal is assessed at 18.75% of property value, including inventory.

For 2007, tangible personal is assessed at 12.50% of property value, including inventory.

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

For 2009 and 2010, tangible personal property tax is assessed at 0.00% of property value, including inventory, except for telephone tangible personal property which is assessed at 10% of property value, including inventory.

* Summit County valuations only - Portage County not included.

Source: Summit County, Ohio; County Fiscal Officer

Tangible Personal Property		Total		Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
Estimated Actual Value (C)	Assessed Value	Estimated Actual Value	Assessed Value		
\$ 185,788,176	\$ 46,447,044	\$ 1,054,223,508	\$ 355,326,164	6.15	33.71%
184,328,148	46,082,037	1,078,600,597	363,445,347	6.15	33.70%
168,715,748	42,178,937	1,176,987,021	399,600,197	6.15	33.95%
157,341,724	39,335,431	1,160,118,888	394,766,991	6.15	34.03%
150,316,368	37,579,092	1,346,423,751	405,149,382	6.15	30.09%
163,374,843	30,632,783	1,284,075,070	426,893,703	6.15	33.25%
159,384,432	19,923,054	1,390,078,963	424,018,644	6.15	30.50%
155,729,088	9,733,068	1,360,880,682	418,657,768	6.15	30.76%
7,502,580	750,258	1,174,613,409	408,969,498	6.15	34.82%
3,723,100	372,310	1,175,174,976	410,679,550	6.15	34.95%

TABLE 8**CITY OF TALLMADGE, OHIO**

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

	Collection Year	County Levy	School Levy	Akron/Summit Library	Tallmadge City	Total Levy	Debt Service
1	2001	13.07	53.68	1.39	6.15	74.29	0.86
2	2001	13.07	46.44		6.15	65.66	2.86
1	2002	13.07	59.73	1.35	6.15	80.30	0.82
2	2002	13.07	45.74		6.15	64.96	1.94
1	2003	13.07	59.73	1.59	6.15	80.54	1.22
2	2003	13.07	48.32		6.15	67.54	1.87
1	2004	13.07	59.73	0.78	6.15	79.73	1.47
2	2004	13.07	47.93		6.15	67.15	2.09
1	2005	13.07	64.42	2.14	6.15	85.78	6.10
2	2005	13.07	47.88		6.15	67.10	2.07
1	2006	13.07	64.42	2.04	6.15	85.68	6.10
2	2006	13.07	46.73	1.00	6.15	66.95	2.07
1	2007	14.57	64.07	2.03	6.15	86.82	5.82
2	2007	14.57	45.62	1.00	6.15	67.34	0.86
1	2008	14.26	64.46	2.07	6.15	86.94	5.82
2	2008	14.26	45.93	1.00	6.15	67.34	0.86
1	2009	14.16	64.63	2.08	6.15	87.02	5.99
2	2009	14.16	45.25	1.00	6.15	66.56	0.41
1	2010	14.16	71.57	2.10	6.15	93.98	5.88
2	2010	14.16	45.15	1.00	6.15	66.46	0.48

Source: Summit County, Ohio; County Fiscal Officer

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

TABLE 9**CITY OF TALLMADGE, OHIO**

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

	Collection Year	Inside Operating	Outside Operating	Police Pension	Fire/Ambulance	Total Tax Rate
	2001	2.10	N/A	0.30	3.75	6.15
	2002	2.10	N/A	0.30	3.75	6.15
	2003	2.10	N/A	0.30	3.75	6.15
	2004	2.10	N/A	0.30	3.75	6.15
	2005	2.10	N/A	0.30	3.75	6.15
	2006	2.10	N/A	0.30	3.75	6.15
	2007	2.10	N/A	0.30	3.75	6.15
	2008	2.10	N/A	0.30	3.75	6.15
	2009	2.10	N/A	0.30	3.75	6.15
	2010	2.10	N/A	0.30	3.75	6.15

Source: Summit County, Ohio; County Fiscal Officer

TABLE 10

CITY OF TALLMADGE, OHIO

REAL PROPERTY PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

		December 31, 2010	
Name of Taxpayer	Nature of Business	Valuation	Percent of Total
Big Zilla Development LLC	Retail Property Management	\$ 2,451,580	0.60%
Eastwood Square Associates LTD	Retail Property Management	2,432,490	0.60%
Tallmadge Oaks LTD	Apartment Complex	2,264,260	0.56%
Saxon Village Limited	Apartment Complex	2,015,290	0.50%
Tallmadge Shopping Center LLC	Retail Property Management	1,749,970	0.43%
Heather Knoll Rental Properties LLC	Apartment Complex	1,629,370	0.40%
Myers Family Limited Partnership	Light Manufacturing	1,554,990	0.38%
Colonial Gardens LLC	Nursing Home	1,536,210	0.38%
Tallmadge Senior Housing LTD	Apartment Complex	1,378,170	0.34%
DWEK Ohio LLC	Retail Property Management	1,369,180	0.34%
Total		<u>\$ 18,381,510</u>	<u>4.53%</u>
Total Assessed Valuation - Real Property		<u>\$ 406,296,800</u>	
		December 31, 2001	
Name of Taxpayer	Nature of Business	Valuation	Percent of Total
Tallmadge Associates	Retail Property Management	\$ 2,577,820	0.86%
Tallmadge Oaks	Apartment Complex	2,045,580	0.68%
Saxon Village LTD	Apartment Complex	1,916,130	0.64%
Colonial Gardens	Nursing Home	1,628,200	0.54%
Myers Family Limited Partnership	Light Manufacturing	1,314,660	0.44%
Eastwood Square Associates LTD	Retail Store	1,225,740	0.41%
David J. Schipper	Industrial Property Management	1,153,360	0.38%
Wolar Tallmadge & Associates	Property Management	1,114,940	0.37%
Stuart J. Graines, Trustee	Rental/Office Space	1,096,080	0.36%
Tallmadge Acres	Senior Apartment Complex	1,020,530	0.34%
Total		<u>\$ 15,093,040</u>	<u>5.02%</u>
Total Assessed Valuation - Real Property		<u>\$ 300,698,850</u>	

Source: Summit County, Ohio; County Fiscal Officer

TABLE 11

CITY OF TALLMADGE, OHIO

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

		December 31, 2010	
Name of Taxpayer	Nature of Business	Valuation	Percent of Total
Ohio Edison	Utilities	\$ 3,061,750	69.86%
East Ohio Gas	Utilities	520,850	11.88%
American Transmission	Utilities	427,840	9.76%
Ohio Bell Telephone Company	Telephone Services	230,480	5.26%
New Par	Communications	29,360	0.67%
Ohio Telephone & Telegraph Co.	Telephone Services	20,080	0.46%
T-Mobile Central LLC	Communications	9,940	0.23%
Qwest Communications Corp.	Communications	8,690	0.20%
Sprintcom Inc.	Communications	8,610	0.20%
New Cingular Wireless PCS Inc	Communications	7,890	0.18%
Total		<u>\$ 4,325,490</u>	<u>98.70%</u>
Total Assessed Valuation - Tangible and Public Utility Personal Property		<u>\$ 4,382,750</u>	
		December 31, 2001	
Name of Taxpayer	Nature of Business	Valuation	Percent of Total
Auto Sales, Inc.	Auto Parts Distribution	\$ 3,921,900	7.18%
Owens Corning	Insulation: Sheet and Foam	3,222,140	5.90%
Ohio Edison Co.	Utilities	3,219,930	5.89%
Ohio Bell Telephone	Telephone Services	2,526,200	4.62%
Steere Enterprises	Custom Plastics & Vinyl	2,100,670	3.85%
Waltco Truck Co	Electro-Hydraulic Tailgate Lifts	2,053,930	3.76%
Star Chevrolet Inc.	Auto Sales	1,567,240	2.87%
Leppo Inc.	Machinery Sales	1,552,880	2.84%
Hunt Machine & Manufacturing Co. Inc.	Manufacturing	1,348,820	2.47%
Mark-Glen Inc.	Auto Sales	1,759,890	3.22%
Total		<u>\$ 23,273,600</u>	<u>42.60%</u>
Total Assessed Valuation - Tangible and Public Utility Personal Property		<u>\$ 54,627,314</u>	

Source: Summit County, Ohio; County Fiscal Officer

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TABLE 12

CITY OF TALLMADGE

INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS

Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits
2001	2.00%	\$ 6,724,384	\$ 4,945,590	73.55%	\$ 771,159	11.47%
2002	2.00%	6,617,577	4,873,435	73.64%	740,076	11.18%
2003	2.00%	6,866,532	4,931,204	71.82%	912,822	13.29%
2004	2.00%	6,688,843	4,860,149	72.66%	821,027	12.27%
2005	2.00%	7,211,176	5,289,862	73.36%	895,984	12.42%
2006	2.00%	7,438,498	5,519,329	74.20%	960,195	12.91%
2007	2.00%	7,882,554	5,683,401	72.10%	1,273,276	16.15%
2008	2.00%	8,081,858	5,860,462	72.51%	1,134,774	14.04%
2009	2.00%	7,108,195	5,260,829	74.01%	877,343	12.34%
2010	2.00%	7,371,493	5,590,479	75.84%	852,121	11.56%

Source: City of Tallmadge Income Tax Department.

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

Taxes from Individuals	Percentage of Taxes from Individuals	Tax from Utilities	Percentage of Tax from Utilities
\$ 1,007,635	14.98%	\$ -	0.00%
1,004,066	15.17%	-	0.00%
975,582	14.21%	46,924	0.68%
959,188	14.34%	48,479	0.72%
947,627	13.14%	77,703	1.08%
936,441	12.59%	22,533	0.30%
890,414	11.30%	35,463	0.45%
1,016,927	12.58%	69,695	0.86%
916,959	12.90%	54,064	0.76%
888,177	12.05%	40,716	0.55%

TABLE 13

CITY OF TALLMADGE, OHIO

*RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS*

Year	Governmental Activities				Business-Type Activities			
	General Obligation Bonds	Special Assessment Bonds	Notes	Capital Leases	Special Assessment Bonds	OWDA Loans	Notes	Capital Leases
2001	\$ 5,804,000	\$ 1,040,000	\$ -	\$ 203,313	\$ 1,606,000	\$ -	\$ -	\$ -
2002	5,579,000	1,010,000	-	91,973	1,451,000	-	-	25,306
2003	5,324,000	980,000	500,000	13,067	1,286,000	-	-	13,068
2004	5,059,000	945,000	4,200,000	-	1,146,000	-	-	-
2005	4,784,000	910,000	3,900,000	41,684	1,006,000	-	-	-
2006	8,338,000	870,000	-	366,254	867,000	-	-	-
2007	7,937,000	830,000	-	291,053	718,000	-	-	-
2008	7,526,000	785,000	3,800,000	212,261	564,000	-	-	-
2009	7,100,000	740,000	3,800,000	231,324	445,000	912,749	-	-
2010	10,579,000	690,000	-	132,950	316,000	1,359,638	-	-

Sources:

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

(a) Total Primary Government	(b) Total Personal Income	Percentage of Personal Income	(b) Population	Per Capita
\$ 8,653,313	\$ 447,922,310	1.93%	16,390	\$ 528
8,157,279	447,922,310	1.82%	16,390	498
8,116,135	447,922,310	1.81%	16,390	495
11,350,000	447,922,310	2.53%	16,390	692
10,641,684	475,743,232	2.24%	17,408	611
10,441,254	475,743,232	2.19%	17,408	600
9,776,053	474,704,730	2.06%	17,370	563
12,887,261	472,682,384	2.73%	17,296	745
13,229,073	474,704,730	2.79%	17,390	761
13,077,588	479,268,673	2.73%	17,537	746

TABLE 14**CITY OF TALLMADGE, OHIO***RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS*

Year	General Obligation Bonds	(a) Estimated Actual Property Value	Percentage of Actual Taxable Value of Property	(b) Population	Per Capita
2001	\$ 5,804,000	\$ 1,068,299,947	0.54%	16,390	\$ 354
2002	5,579,000	1,091,080,463	0.51%	16,390	340
2003	5,324,000	1,189,919,348	0.45%	16,390	325
2004	5,059,000	1,172,860,467	0.43%	16,390	309
2005	4,784,000	1,359,408,201	0.35%	17,408	275
2006	8,338,000	1,295,548,899	0.64%	17,408	479
2007	7,937,000	1,400,550,920	0.57%	17,370	457
2008	7,526,000	1,367,172,848	0.55%	17,296	435
2009	7,100,000	1,181,182,139	0.60%	17,390	408
2010	10,579,000	1,182,076,058	0.89%	17,537	603

Sources:

(a) Summit County, Ohio; County Fiscal Officer

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

TABLE 15**CITY OF TALLMADGE, OHIO***SPECIAL ASSESSMENT TAX LEVIES AND COLLECTIONS
LAST TEN YEARS*

Year	Current Billed	Delinquent Billed	Current % Collected	Total Collected	Total % Collected	Current Delinquent
2001	\$ 253,383	\$ 18,555	95.26%	\$ 254,666	100.51%	\$ 19,256
2002	337,626	32,005	90.85%	338,236	100.18%	30,882
2003	334,470	30,984	93.08%	342,579	102.42%	23,146
2004	320,793	22,047	86.70%	310,487	96.79%	32,353
2005	324,158	23,846	44.06%	160,920	49.64%	181,334
2006	307,396	32,620	93.32%	318,301	103.55%	20,529
2007	304,976	22,574	92.45%	302,317	99.13%	23,016
2008	311,602	49,946	92.30%	312,351	100.24%	23,983
2009	292,208	27,465	91.39%	283,472	97.01%	25,167
2010	277,137	44,477	89.69%	275,412	99.38%	28,576

Source: Summit County, Ohio; County Fiscal Officer

TABLE 16

CITY OF TALLMADGE, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING
GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2010

Jurisdiction	General Tax Bonded Debt	Percentage Overlapping	Applicable to the City
Direct:			
City of Tallmadge	\$ 10,579,000	100.00%	\$ 10,579,000
Overlapping Debt:			
Summit County	29,585,000	3.29%	973,347
Portage County	33,456,278	0.42%	140,516
MRTA (Metro Regional Transit Authority)	395,000	3.29%	12,996
Tallmadge City School District	26,335,000	99.84%	26,292,864
Field Local School District	24,950,000	2.08%	518,960
Akron/Summit Library	44,065,000	4.93%	2,172,405
Total Overlapping Debt	<u>158,786,278</u>		<u>30,111,087</u>
Total Direct and Overlapping Debt	<u>\$ 169,365,278</u>		<u>\$ 40,690,087</u>

Sources: Summit County, Ohio; County Fiscal Officer

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

TABLE 17

CITY OF TALLMADGE, OHIO

COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS

Year	Debt Limit - Voted	Debt Limit - Unvoted	Net Debt Applicable to Limit	Debt Service Available Balance	Legal Debt Margin - Voted	Legal Debt Margin - Unvoted	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2001	\$ 37,309,247	\$ 19,542,939	\$ 5,804,000	\$ 51,519	\$ 31,556,766	\$ 19,542,939	15.56%
2002	38,161,761	19,989,494	5,579,000	21,151	32,603,912	19,989,494	14.62%
2003	41,958,021	21,978,011	5,324,000	24,123	36,658,144	21,978,011	12.69%
2004	41,450,534	21,712,185	5,059,000	36,601	36,428,135	21,712,185	12.20%
2005	42,540,685	22,283,216	4,784,000	19,751	37,776,436	22,283,216	11.25%
2006	44,823,839	23,479,154	8,338,000	21,558	36,507,397	23,479,154	18.60%
2007	42,173,749	22,091,011	7,937,000	14,757	34,251,506	22,091,011	18.82%
2008	42,954,132	22,499,783	7,526,000	14,778	35,442,910	22,499,783	17.52%
2009	42,885,116	22,463,632	7,100,000	37,899	35,823,015	22,463,632	16.56%
2010	43,082,260	22,566,898	10,579,000	50,880	32,554,140	22,566,898	24.56%

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

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

TABLE 18

CITY OF TALLMADGE, OHIO

*DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS*

Year	Population (a)	Personal Income (c)	Per Capita Personal Income (a)	Unemployment Rates (b)		
				Summit County	Ohio	United States
2001	16,390	\$ 447,922,310	\$ 27,329	4.6%	4.4%	4.7%
2002	16,390	447,922,310	27,329	6.0%	5.7%	5.8%
2003	16,390	447,922,310	27,329	6.0%	6.2%	6.0%
2004	16,390	447,922,310	27,329	6.1%	6.2%	5.5%
2005	17,408	475,743,232	27,329	5.8%	5.9%	5.1%
2006	17,408	475,743,232	27,329	4.9%	5.1%	4.3%
2007	17,370	474,704,730	27,329	5.4%	5.6%	4.6%
2008	17,296	472,682,384	27,329	6.1%	6.5%	5.8%
2009	17,390	475,251,310	27,329	9.8%	10.2%	9.3%
2010	17,537	479,268,673	27,329	9.9%	10.1%	9.6%

Sources:

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

TABLE 19

CITY OF TALLMADGE, OHIO

*NEW HOUSING STARTS
LAST TEN YEARS*

Year	New Housing Starts	
	Single Family	Condominium
2001	153	*
2002	123	*
2003	104	64
2004	104	54
2005	54	14
2006	78	13
2007	30	25
2008	31	10
2009	6	-
2010	23	-

* New condominium statistics were not available prior to 2003.

Source: City of Tallmadge Building Department.

TABLE 20

CITY OF TALLMADGE, OHIO

*PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO*

	2010			2001		
	Employees**	Rank	Percentage of Total City Employment	Employees**	Rank	Percentage of Total City Employment
Auto Sales, Inc.	*	1	*	*	1	*
Tallmadge City Schools	302	2	4.4%	220	3	3.2%
S. D. Myers Inc	180	3	2.6%	400	2	5.8%
Steere Enterprises Inc	175	4	2.5%	180	5	-
Waltco Truck Equipment Company	165	5	2.4%	202	4	2.9%
Giant Eagle	110	6	1.6%	130	6	1.9%
Owens Corning	110	7	1.6%	100	7	-
Acme	109	8	1.6%	75	10	1.1%
East End Welding	98	9	1.4%	-		0.0%
City of Tallmadge	90	10	1.3%	105	8	-
The Martin Wheel Co., Inc	-		-	90	9	1.3%
Total	1,339		19.4%	1,502		16.3%

Source: City of Tallmadge Economic Development Department

* Employer would not disclose the total number of employees.

** Full-time, permanent employees only.

TABLE 21

CITY OF TALLMADGE, OHIO

*MISCELLANEOUS STATISTICS
DECEMBER 31, 2010*

Founded	1806	
Incorporated as Village	1936	
Incorporated as City	1951	
Town Hall erected	1859	
Form of government	Charter	
Population	17,537	
	7,413	Dwelling units
Area	13.5	Square miles
	8,915	Acres
Education:		
Elementary schools	3	K-1, 2-3, 4-5
Middle schools	1	6-8
High schools	1	9-12
Libraries	1	(30,000 volumes)
Churches	28	

Source: Various Departments of the City of Tallmadge

TABLE 22

CITY OF TALLMADGE, OHIO

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

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Council	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Mayor	7.0	6.5	6.5	6.5	5.5	5.5	5.5	6.0	6.0	5.5
Finance	6.0	6.0	6.5	6.0	6.0	11.0	9.5	9.5	10.0	6.5
Treasurer *	4.5	5.0	4.5	4.5	5.0	-	-	-	-	-
Law	3.0	3.5	3.5	3.5	3.0	3.5	3.0	3.0	3.0	3.0
Service	7.5	5.5	8.5	6.5	5.5	5.0	5.0	5.5	3.0	2.0
Information Systems	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Civil Service	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Maintenance	0.5	1.5	1.5	2.0	2.5	1.0	1.0	1.0	1.0	1.0
Boards and Commissions	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Security of Persons and Property										
Police	53.5	52.5	55.5	51.5	52.0	51.5	51.0	42.0	48.5	34.0
Fire	34.5	33.0	35.5	35.5	36.5	36.5	37.0	39.0	38.0	39.0
Leisure Time Activities										
MACA Pool	17.5	24.0	26.5	18.0	18.5	17.5	7.0	-	15.0	15.5
Aquatics Center	-	-	-	-	9.5	-	-	-	-	-
Recreation Center	-	-	-	24.5	56.0	62.5	67.0	63.0	65.5	61.5
Community Environment										
Building & Zoning	8.5	9.0	7.5	8.0	7.5	9.0	9.5	8.5	9.5	8.5
Transportation										
Garage	4.5	5.0	5.0	6.0	4.5	4.5	4.5	4.5	4.5	4.5
Street	21.0	22.0	22.0	21.5	22.0	22.0	25.0	20.5	20.0	17.0
Utilities										
Utilities Services	8.0	9.5	9.0	11.0	9.0	8.5	8.5	8.5	8.5	8.0
Total	183.5	191.5	200.5	213.5	251.5	246.5	242.0	219.5	241.0	214.5

Source: City of Tallmadge Finance Department

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

TABLE 23

CITY OF TALLMADGE, OHIO

OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Security of Persons and Property										
Police										
Physical Arrests	816	702	654	711	793	718	544	752	850	819
Parking Violations	122	96	94	62	61	23	17	12	26	22
Traffic Violations	2,495	1,742	1,799	1,307	1,544	1,082	1,452	1,257	995	1,091
Fire										
Emergency Response Calls	1,748	1,878	2,004	2,073	2,261	2,283	2,165	2,266	2,268	2,260
Fires Extinguished	47	28	40	27	42	34	28	35	32	26
Inspections Conducted	188	153	256	603	638	605	622	626	1,024	921
Transportation										
Street resurfacing miles	6.96	6.56	7.38	4.71	7.03	6.02	9.20	3.12	-	3.14
Leisure Time Activities										
Trees Planted	14	97	10	-	8	36	68	30	-	-
Recreation Center Memberships**										
Annual	N/A	N/A	N/A	N/A	N/A	1,238	1,124	1,319	1,305	1,935
Monthly	N/A	N/A	N/A	N/A	N/A	2,902	2,925	2,866	2,767	2,665
Swimming Pool Memberships***										
Family	183	200	153	170	145	166	N/A	N/A	N/A	N/A
Adult	N/A	N/A	N/A	N/A	N/A	N/A	352	N/A	833	1,139
Child	N/A	N/A	N/A	N/A	N/A	N/A	297	N/A	433	751
Water										
Customers Served	6,226	6,342	6,514	6,629	6,723	7,088	6,913	7,309	7,028	7,207
New Connections	120	108	150	131	127	150	34	77	13	18
Water Main Breaks	20	18	14	21	16	10	17	17	16	21
Avg. Daily Consumption (gpd) million gallons per day	1.37	1.59	1.51	1.42	1.55	1.31	1.35	1.30	1.20	1.30
Peek Daily Consumption (gpd) million gallons per day	1.83	2.05	1.97	1.82	1.95	1.61	1.73	1.70	1.80	1.60
Sewer										
Customers Served	7,169	7,261	7,367	7,519	7,571	5,318	5,464	5,751	5,781	5,779
Storm Water										
Customers Served*	N/A	N/A	N/A	N/A	5,918	6,006	5,906	5,919	5,999	5,866

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

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

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

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

Source: Various City of Tallmadge Department Records

TABLE 24

CITY OF TALLMADGE, OHIO

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Security of Persons and Property										
Police:										
Stations	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Patrol Units	12.0	14.0	15.0	16.0	19.0	22.0	23.0	21.0	23.0	21.0
Fire Stations	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Public Health and Welfare										
Cemeteries	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Leisure Time Activities										
Park Acreage	103.0	103.0	103.0	161.7	161.7	161.7	161.7	161.7	161.7	161.7
Parks	8.0	8.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Swimming Pools	1.0	1.0	1.0	1.0	2.0	2.0	1.0	-	1.0	1.0
Tennis Courts	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Baseball/Softball Fields	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Soccer Fields	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Recreation Center	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Transportation										
Streets (paved miles)	89.0	89.0	89.0	91.7	91.7	108.5	96.3	96.3	96.3	96.3
Traffic Signals	186.0	186.0	186.0	186.0	186.0	187.0	188.0	188.0	188.0	188.0
Water										
Water Mains (miles)	78.1	78.1	78.1	80.5	80.5	84.5	84.5	84.5	84.5	86.1
Sewer										
Sanitary Sewers (miles)	56.1	56.1	56.1	57.8	57.8	60.7	60.7	60.7	60.7	60.7

Source: City of Tallmadge Records



Dave Yost • Auditor of State

CITY OF TALLMADGE

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 21, 2011**