



OHIO AUDITOR OF STATE
KEITH FABER



CITY OF TALLMADGE
SUMMIT COUNTY
DECEMBER 31, 2021

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**CITY OF TALLMADGE
SUMMIT COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

FEDERAL GRANTOR			
Federal Grantor Agency Division	Pass Through	Federal	
<i>State Pass Through Grantor</i>	Entity	CFDA	
Program Title	Number	Number	Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
Federal Highway Administration			
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning & Construction			
SUM-CR630-2.4 East Avenue Widening	112869	20.205	<u>\$ 724,826</u>
Total Highway Planning and Construction Cluster			724,826
Total U.S. Department of Transportation			724,826
FEDERAL EMERGENCY MANAGEMENT AGENCY			
<i>Passed Through Ohio Department of Public Safety</i>			
Disaster Relief Funds Public Assistance Grants	DR-153-76106-00	97.042	61,916
Hazard Mitigation Grant	DR-4424-OH	97.039	<u>1,456</u>
Total Federal Emergency Management Agency			63,372
U.S. DEPARTMENT OF JUSTICE			
<i>Direct</i>			
Bullet Proof Vest Partnership Program	N/A	16.607	<u>750</u>
Total U.S Department of Justice			750
TOTAL DISBURSEMENTS OF FEDERAL AWARDS			<u><u>\$ 788,948</u></u>

The accompanying notes are an integral part of this schedule.

**CITY OF TALLMADGE
SUMMIT COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FISCAL YEAR ENDED DECEMBER 31, 2021**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Tallmadge (the City) under programs of the federal government for the year ended December 31, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures may or may not be allowed or may be limited to reimbursement.

NOTE C – INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – 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.

OHIO AUDITOR OF STATE KEITH FABER



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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 13, 2022, wherein we noted the City referred to the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the City.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

June 13, 2021

OHIO AUDITOR OF STATE KEITH FABER



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

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

To the City Council:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited City of Tallmadge's (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2021. The City's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the City of Tallmadge complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The City's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings as item 2021-001. Our opinion on the major federal program is not modified with respect to these matters.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain a deficiency in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2021-001, to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

June 13, 2021

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**CITY OF TALLMADGE
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list):	Highway Planning and Construction Cluster AL: #20.205
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None

3. FINDINGS FOR FEDERAL AWARDS

2 CFR 180 - Procurement, Suspension, Debarment

Finding Number:	2021-001
Assistance Listing Number and Title:	AL # 20.205 Highway Planning and Construction Cluster
Federal Award Identification Number / Year:	2021
Federal Agency:	U.S. Department of Transportation
Compliance Requirement:	Procurement, Suspension, Debarment
Pass-Through Entity:	Ohio Department of Transportation
Repeat Finding from Prior Audit?	No

2 CFR 180.305 states that Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred, unless the Federal agency responsible for the transaction grants an exception under 2 CFR § 180.135. “Covered transactions” include nonprocurement or procurement transactions at the primary tier, between a Federal agency and a person; or at the lower tier, between a participant in a covered transaction and another person. Procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) are covered transactions if the contracts are expected to equal or exceed \$25,000 or meet certain other specified criteria outlined in 2 CFR § 180.220s. All nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless listed in the exemptions in 2 CFR § 180.215.

When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking SAM exclusions (<https://sam.gov/SAM/pages/public/searchRecords/advancedEMRSearch.jsf>);, collecting a certification from the entity, or adding a clause or condition to the covered transactions with that entity.

The City's Uniform Guidance Procedures state, in part, in accordance with 2 C.F.R. § 180.200, for contracts over \$25,000, the City shall confirm that the vendor is not debarred or suspended by either checking the federal government's System for Award Management; collecting a certification from the vendor; or adding a clause or condition to the covered transaction with the vendor.

The City did not have the proper internal controls in place to verify that all entities, with whom the City had entered into covered transactions, had not been suspended or debarred. During testing of on-behalf contract disbursements for the Highway Planning and Construction Cluster, we noted instances in which the program had payments to a vendor of more than \$25,000 and there was no evidence the City checked the SAM exclusions, collected a certification from the entity, or added a clause or condition to the covered transaction with the vendor. Due to the deficient internal control structure, the required verifications were not completed for the covered transactions in the Highway Planning and Construction Cluster during Fiscal Year 2021.

Failing to have the appropriate controls in place may result in vendors receiving federal funds that are suspended or debarred.

Prior to contracting with vendors that will be paid with federal funds, the City should verify the vendor is not suspended or debarred by checking the SAM exclusions, collecting a certification from the vendor, or adding a clause or condition to the covered transaction with the vendor.

Officials' Response: See Corrective Action Plan



CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
December 31, 2021

Finding Number: 2021-001

Planned Corrective Action: The City will incorporate a certification from its contractors and subcontractors on contracts that award federal dollars that they are currently not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency. Additionally, the City will utilize its sam.gov account to verify the certifications.

Anticipated Completion Date: April 6, 2022

Responsible Contact Person: Mollie Gilbride



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CITY OF TALLMADGE, OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021

PREPARED BY THE OFFICE OF:

**MOLLIE GILBRIDE,
DIRECTOR OF FINANCE**

*46 NORTH AVENUE
TALLMADGE, OH 44278*

INTRODUCTORY SECTION

CITY OF TALLMADGE, OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021

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June 13th, 2022

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

Ladies and Gentlemen:

The Annual Comprehensive Financial Report (ACFR) of the City of Tallmadge, Ohio (the City) is hereby presented. This ACFR represents the official report of the City of Tallmadge's operations and financial position for the year ended December 31, 2021 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, 2021. The Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2021 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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

THE REPORTING ENTITY

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

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

The City participates in the Akron Metropolitan Area Transportation Study (AMATS), the Brimfield Township-City of Tallmadge Joint Economic Development District, Summit Area Council of Governments, and the Regional Income Tax Agency. These organizations are described in more detail in the notes to 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 2021 population of 18,114 makes it the eighth largest City in Summit County.

CITY GOVERNMENT

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

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

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

ECONOMIC CONDITION AND OUTLOOK

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

The City operates a Community Reinvestment Area Tax Abatement Program. This program is available for commercial and industrial expansions and new construction. The abatement is for property taxes on the increased values of real estate attributable to the improvements or new construction. This program will abate real estate taxes on the building from four up to ten years and from 50% up to 100%. To date 116 companies have taken advantage of the tax abatement program. In addition, in 2006 the City instituted a New Jobs Grant Program, which was last amended in 2019. Prior to 2019, this program was aimed at new business attraction and existing business growth. New businesses that locate in the City and have a payroll exceeding \$500,000 per year (\$1 million for retail) are eligible for a grant equal to the amount of 50% of payroll taxes paid in the previous calendar year for five (5) years. Existing Tallmadge businesses only need to create new job payroll of \$250,000 to qualify. In 2019 the program was amended to primarily focus on attracting new businesses that create additional payroll of \$500,000 per year. Incentives for existing businesses will be considered on a case-by-case basis.

Net employment because of these expansions and other developments has allowed the City's withholding tax to maintain modest growth year over year, averaging 3.32 percent growth per year since 2015. Most employment within the City occurs in businesses housed in 5,000 to 20,000 square foot buildings. Tallmadge's employment rate remains stable due to this large number of small businesses in the City. Unemployment rates tend to run at least one percent lower than the Akron Metropolitan Area.

In efforts to stabilize the largest source of general fund revenue, the citizens voted in 2004 to make the City 2% income tax permanent. In 2019, the citizens voted to increase the City's income tax rate in 2021 by .25 percent to provide additional funds for safety services. The income tax collections at the end of fiscal year 2021 experienced an increase of 21.23 percent from the prior fiscal year due to a combination of the increased tax rate and increased collections as businesses began to rebound from the effects of COVID. Without the rate increase, the City would have still seen a 18.28% percent increase over the prior year.

The City is meeting the demands of a changing population with several residential and commercial developments. An additional 41 new lots were added in 2017 in Phase 2 of the Baker's Acres development with ten percent being completed or under construction. A 208-lot housing development, Tallmadge Reserve, began selling lots in Phases I-IV of the development in early 2021 and permitted 57 new dwellings before year end. The developer plans to move to Phase V of the six phase development in 2022. Additionally, Phase III of the Village at Town Centre development continued in 2019 with the construction of a two-story medical complex owned by Summa Health Systems. The second floor of the complex was built out and occupied in 2019 with medical offices. The first-floor buildout was completed in 2021 and is operated as an urgent care center.

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. The Township receives 50 percent of the annual collections, with 10 percent set aside for the JEDD Maintenance and Capital Improvement Fund. There are significant areas for development in the JEDD in addition to the already established industrial park land adjacent to the Interstate 76/Route 18 interchange. The shared collection rate increased in 2019 by a quarter percent to 1.50 percent. The tax rate has scheduled increases in quarter percent increments until it reaches 2.25 percent by 2028. Income tax revenue generated in the JEDD for 2021 exceeded \$2.7 million.

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

The JEDD also continues to be a major component of the economic growth in the City. In addition to the Cascades development which encompasses 114 acres consisting of 216 apartment units, commercial and retail stores, that include Walmart, Lowe's and Kohls, and the Insight Rubbermaid projects 815,000-square foot distribution facility built by Newell Rubbermaid, Inc., the 130 acre Maplecrest Golf Course Development began to take shape in 2019. Retail locations for Meijer and Menards opened in 2021. Several fast-food establishments that include Starbucks and Burger King opened in 2019 on the property. The back portion of the property was rezoned for light industrial. The developer of the Maplecrest property has also acquired additional property up the Tallmadge-Brimfield corporate boundaries for further commercial development planned. In June 2021, Hamrick Packaging Systems broke ground in the development for a 64,00 square foot building to employ 47 new full-time employees. The facility is anticipated to open in April 2022.

The City is in the processing to adapting to the ever-changing economic landscape that has been created by the COVID-19 pandemic. At this time, the City cannot predict the long-term economic impact of the pandemic. The City continues to closely monitor all revenue sources that were significantly impacted by the pandemic in 2021 and adjusts its operations accordingly.

LONG-TERM FINANCIAL PLANNING

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

In February of 2006 the City was assigned for the first time a bond rating of 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. Moody's reaffirmed this rating for the City in May 2015 and again in July 2021.

To direct plans that promote a sound pattern of development, the City utilizes a Comprehensive Plan adopted by the administration and Council. The document serves as a guide in defining community objectives, policies and goals. Further, to guide the direction of land development, this plan provides a thoroughfare map which was updated in 2012, a zoning district map and future land use map. The City completed an update of its Comprehensive Plan to meet the current needs of the City and in 2017. In 2021, the City completed the process of updating its zoning code to match the Comprehensive Plan.

MAJOR INITIATIVES

Maintaining the City's infrastructure is an ongoing commitment. The City continues with the maintenance of sanitary sewers, water improvements, storm water improvements, road paving, concrete maintenance programs and general infrastructure improvements. In 2019, the City completed a review of its water and sewer rates to ensure that a system for evaluating future rate increases is in place which provides adequate funding for infrastructure maintenance. In 2022 the City will use the model that was developed during that study to evaluate the need for any utility rate increases.

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

In 2021, the City continued the process of joining the Summit Area Council of Governments for a county-wide dispatch center with Summit County and the cities of Stow, Cuyahoga Falls, and Fairlawn. The first step in this process was the joint purchase of an updated computer aided dispatch software with those communities and the City of Akron which was completed in 2018 and is in the final phases of implementation. The agreements to join the Summit Area Council of Governments will be finalized in 2022.

The City began the construction of an \$8 million fire station in 2021 to replace its aging Fire Station #2. The City issued \$8 million worth of bonds at a rate of 1.69 percent to finance the project. The additional .25 percent income tax approved by voters in 2019 will be used to make future debt payments for this project. Once the new station is complete the current Fire Station #2 will be demolished. It is anticipated that the new Fire Station #2 will open in October 2022.

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 Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. 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 Annual Comprehensive Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Tallmadge has received a Certificate of Achievement for the last twenty-nine consecutive years (1992 - 2020). 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 her staff. As Director of Finance, I would like to express my sincere appreciation to my staff, who assisted in this endeavor and whose dedication and commitment made the publication of this Annual Comprehensive Financial Report a successful accomplishment. Furthermore, I would like to thank the City Administration and the Members of Council for their continued support and commitment.

Respectfully Submitted,



Mollie Gilbride, Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Tallmadge
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

**CITY OF TALLMADGE, OHIO
LISTING OF PRINCIPAL CITY OFFICIALS
AS OF DECEMBER 31, 2021**

ELECTED OFFICIALS

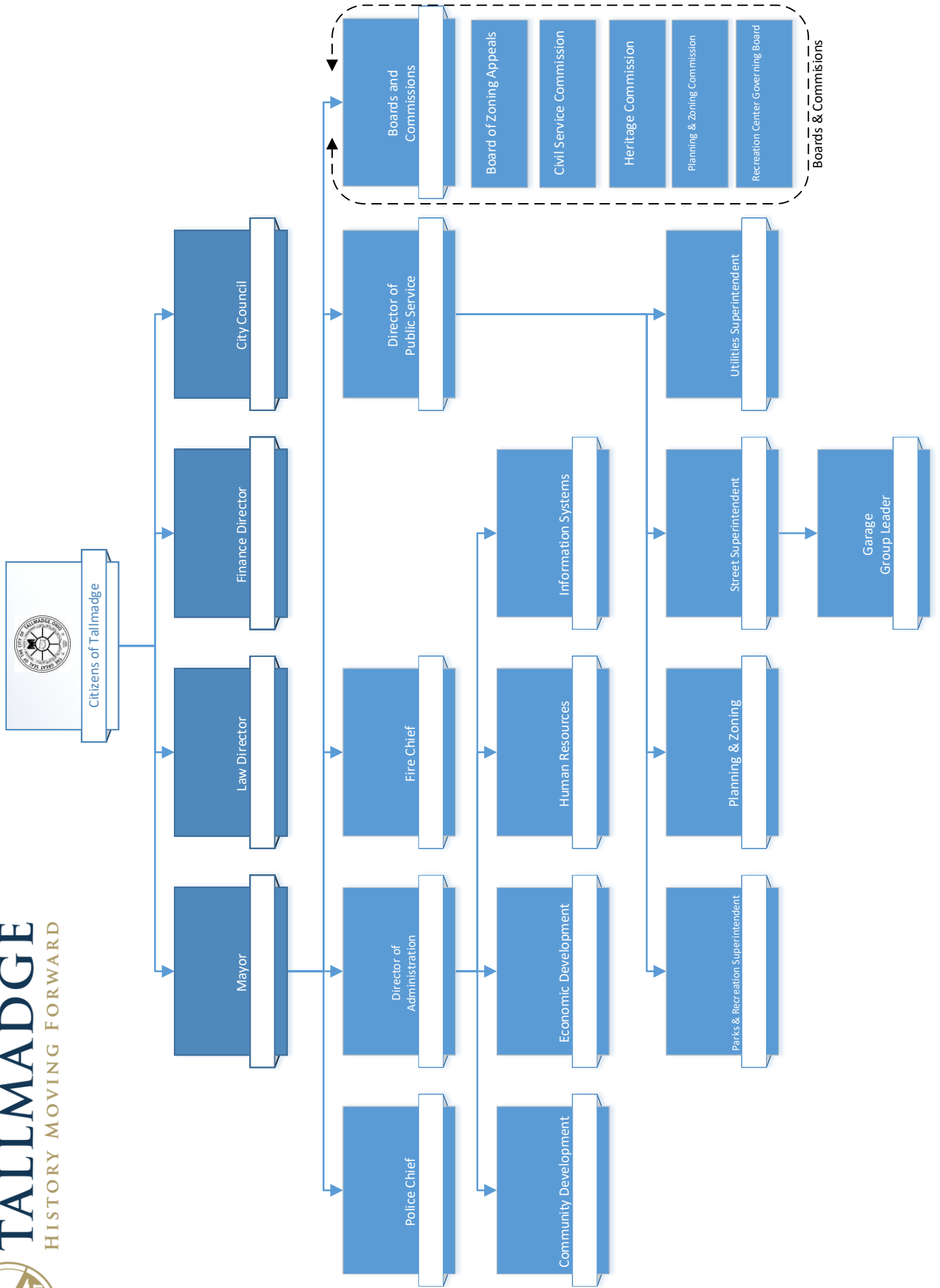
Mayor	David Kline
Director of Finance	Mollie Gilbride
Director of Law	Megan Raber
President of Council	Carol Kilway
Council Member	Rebecca Allman
Council Member	Jonathon Bollas
Council Member	James Donovan
Council Member	Christopher Grimm
Council Member	Dennis Loughry
Council Member	Craig Sisak

APPOINTED OFFICIALS

Director of Public Service	Michael Rorar
Director of Administration	Donald Cooper
Community Development Manager	Andrea Kidder
Economic Development Manager	Matthew Springer
Assistant Director of Law	Melody Briand
Assistant Director of Finance	Carissa Burns
Clerk of Council	Susan Burton
Deputy Clerk of Council	Regina Conti

DEPARTMENT OFFICIALS

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



FINANCIAL SECTION

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OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

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

To the Governing Body:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tallmadge, Summit County, Ohio (City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Fire/EMS Levy, Street Maintenance and Repair and American Rescue Plan Act funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 22 to the financial statements, the financial impact of COVID-19 and the continuing emergency measure may impact subsequent periods of the City. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting 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 assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements and individual fund schedules, and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, combining statements and individual fund schedules, and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2022, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

June 13, 2022

CITY OF TALLMADGE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021. 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 2021 are as follows:

- The total net position of the City increased \$9,026,417 or 25.31% from 2020's net position. Net position of governmental activities increased \$7,794,507 or 54.16% from 2020's net position and business-type activities increased \$1,231,910 or 5.79% from 2020.
- Total assets and deferred outflows of resources increased \$16,159,037 from 2020's net position.
- Total current liabilities and deferred inflows of resources increased \$4,094,293 from 2020's net position.
- Total long-term liabilities increased \$3,038,327 during 2021. The City issued bonds in 2021.

Using this Annual Comprehensive Financial Report (ACFR)

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

Government-Wide Financial Statements

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

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

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

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

CITY OF TALLMADGE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

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.

Governmental Funds

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

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, American Rescue Plan Act, fire station construction, and street maintenance and repair 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.

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 custodial fund are the City's fiduciary fund types.

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.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability/asset, pension contributions, net other postemployment benefits (OPEB) liability/asset, and OPEB contributions.

CITY OF TALLMADGE, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021*

Government-Wide Financial Analysis

The statement of net position serves as a useful indicator of a government's financial position. The table below provides a summary of the City's net position for 2021 and 2020.

Net Position

	Governmental Activities 2021	Business-type Activities 2021	Governmental Activities 2020	Business-type Activities 2020	Total 2021	Total 2020
Assets						
Current and other assets	\$ 31,263,219	\$ 9,597,690	\$ 19,621,855	\$ 9,505,460	\$ 40,860,909	\$ 29,127,315
Net OPEB asset	437,450	79,314	-	-	516,764	-
Net pension asset	44,063	7,989	3,782	734	52,052	4,516
Capital assets, net	<u>29,600,107</u>	<u>16,522,463</u>	<u>25,575,023</u>	<u>15,842,172</u>	<u>46,122,570</u>	<u>41,417,195</u>
Total assets	<u>61,344,839</u>	<u>26,207,456</u>	<u>45,200,660</u>	<u>25,348,366</u>	<u>87,552,295</u>	<u>70,549,026</u>
Deferred outflows of resources						
Unamortized deferred charges	94,127	-	104,215	-	94,127	104,215
Pension	2,307,717	131,057	2,522,813	273,539	2,438,774	2,796,352
OPEB	<u>1,275,102</u>	<u>55,160</u>	<u>1,629,587</u>	<u>177,241</u>	<u>1,330,262</u>	<u>1,806,828</u>
Total deferred outflows of resources	<u>3,676,946</u>	<u>186,217</u>	<u>4,256,615</u>	<u>450,780</u>	<u>3,863,163</u>	<u>4,707,395</u>
Liabilities						
Current and other liabilities	2,944,797	873,857	908,121	818,560	3,818,654	1,726,681
Long-term liabilities:						
Due within one year	1,384,912	338,318	1,285,616	261,720	1,723,230	1,547,336
Due in more than one year:						
Net pension liability	13,959,409	685,622	15,364,613	1,064,510	14,645,031	16,429,123
Net OPEB liability	1,581,864	-	5,097,907	708,331	1,581,864	5,806,238
Other long-term liabilities	<u>15,574,458</u>	<u>1,291,333</u>	<u>6,644,714</u>	<u>1,350,178</u>	<u>16,865,791</u>	<u>7,994,892</u>
Total liabilities	<u>35,445,440</u>	<u>3,189,130</u>	<u>29,300,971</u>	<u>4,203,299</u>	<u>38,634,570</u>	<u>33,504,270</u>
Deferred inflows of resources						
Property taxes	2,437,505	-	2,444,443	-	2,437,505	2,444,443
Pension	2,869,095	404,814	2,218,748	226,069	3,273,909	2,444,817
OPEB	<u>2,083,958</u>	<u>299,806</u>	<u>1,101,833</u>	<u>101,765</u>	<u>2,383,764</u>	<u>1,203,598</u>
Total deferred inflows of resources	<u>7,390,558</u>	<u>704,620</u>	<u>5,765,024</u>	<u>327,834</u>	<u>8,095,178</u>	<u>6,092,858</u>

- (Continued)

CITY OF TALLMADGE, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021*

Net Position - (Continued)

	Governmental Activities 2021	Business-type Activities 2021	Governmental Activities 2020	Business-type Activities 2020	Total 2021	Total 2020
Net Position						
Net investment in capital assets	\$ 18,127,401	\$ 15,006,026	\$ 18,829,238	\$ 14,255,462	\$ 33,133,427	\$ 33,084,700
Restricted	2,649,980	-	981,141	-	2,649,980	981,141
Unrestricted (deficit)	<u>1,408,406</u>	<u>7,493,897</u>	<u>(5,419,099)</u>	<u>7,012,551</u>	<u>8,902,303</u>	<u>1,593,452</u>
Total net position	<u>\$ 22,185,787</u>	<u>\$ 22,499,923</u>	<u>\$ 14,391,280</u>	<u>\$ 21,268,013</u>	<u>\$ 44,685,710</u>	<u>\$ 35,659,293</u>

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB, net pension asset and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability/asset or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability/asset and the net OPEB liability/asset to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" - that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

CITY OF TALLMADGE, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021*

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability/asset and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources in 2021 by \$44,685,710, compared to \$35,659,293 in 2020, an increase of 25.31%. During 2021, the City's total assets and deferred outflows of resources increased by \$16,159,037, and total liabilities and deferred inflows of resources increased by \$7,132,620.

The table on the following page shows the changes in net position for 2021 and 2020.

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CITY OF TALLMADGE, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021*

	Change in Net Position					
	Governmental	Business-type	Governmental	Business-type	2021	2020
	Activities	Activities	Activities	Activities	Total	Total
	2021	2021	2020	2020		
Revenues						
Program revenues:						
Charges for services and sales	\$ 2,397,224	\$ 6,960,802	\$ 1,622,674	\$ 6,205,972	\$ 9,358,026	\$ 7,828,646
Operating grants and contributions	2,104,155	-	3,814,475	-	2,104,155	3,814,475
Capital grants and contributions	<u>905,398</u>	<u>1,051,002</u>	<u>78,762</u>	<u>522,192</u>	<u>1,956,400</u>	<u>600,954</u>
Total program revenues	<u>5,406,777</u>	<u>8,011,804</u>	<u>5,515,911</u>	<u>6,728,164</u>	<u>13,418,581</u>	<u>12,244,075</u>
General revenues:						
Property and other local taxes	2,401,946	-	2,282,011	-	2,401,946	2,282,011
Municipal income taxes	14,848,907	-	11,709,492	-	14,848,907	11,709,492
Grants and entitlements	2,697,890	-	2,004,132	-	2,697,890	2,004,132
Interest	71,281	12	195,287	-	71,293	195,287
Change in fair value of investments	(62,344)	-	40,959	-	(62,344)	40,959
Miscellaneous	<u>301,725</u>	<u>77,518</u>	<u>659,262</u>	<u>92,087</u>	<u>379,243</u>	<u>751,349</u>
Total general revenues	<u>20,259,405</u>	<u>77,530</u>	<u>16,891,143</u>	<u>92,087</u>	<u>20,336,935</u>	<u>16,983,230</u>
Total revenues	<u>25,666,182</u>	<u>8,089,334</u>	<u>22,407,054</u>	<u>6,820,251</u>	<u>33,755,516</u>	<u>29,227,305</u>
Program Expenses:						
General government	3,664,086	-	4,747,031	-	3,664,086	4,747,031
Security of persons and property						
Police	4,714,491	-	5,352,730	-	4,714,491	5,352,730
Street lighting	28,439	-	36,182	-	28,439	36,182
Fire	4,123,991	-	4,110,228	-	4,123,991	4,110,228
Public health and welfare	136,525	-	131,468	-	136,525	131,468
Transportation	2,693,858	-	3,933,604	-	2,693,858	3,933,604
Community environment	237,615	-	262,442	-	237,615	262,442
Leisure time activity	1,860,081	-	2,456,690	-	1,860,081	2,456,690
Utility services	89,909	-	47,353	-	89,909	47,353
Interest and fiscal charges	322,680	-	218,601	-	322,680	218,601
Sewer operating	-	4,303,032	-	4,365,118	4,303,032	4,365,118
Water operating	-	2,093,789	-	2,288,670	2,093,789	2,288,670
Storm water operating	<u>-</u>	<u>460,603</u>	<u>-</u>	<u>652,502</u>	<u>460,603</u>	<u>652,502</u>
Total expenses	<u>17,871,675</u>	<u>6,857,424</u>	<u>21,296,329</u>	<u>7,306,290</u>	<u>24,729,099</u>	<u>28,602,619</u>
Increase (decrease) in net position	7,794,507	1,231,910	1,110,725	(486,039)	9,026,417	624,686
Net position beginning of year	<u>14,391,280</u>	<u>21,268,013</u>	<u>13,280,555</u>	<u>21,754,052</u>	<u>35,659,293</u>	<u>35,034,607</u>
Net position end of year	<u>\$ 22,185,787</u>	<u>\$ 22,499,923</u>	<u>\$ 14,391,280</u>	<u>\$ 21,268,013</u>	<u>\$ 44,685,710</u>	<u>\$ 35,659,293</u>

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.

CITY OF TALLMADGE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

Program revenues decreased in total by 1.98% from 2020. Operating grants and contributions decreased 44.84% from 2020 due to a decrease in operating grants and contributions received for public safety, community environment, utility services, and leisure time activity programs from CARES Act funding to provide assistance in the City's response to the COVID-19 pandemic. Capital grants and contributions increased in 2021 due to grant funding received during 2021 for the East Avenue improvement project. General revenues increased from 2020 by 19.94%, which is primarily the result of increased property and other local taxes, income taxes, unrestricted grants and entitlements (collections from the Brimfield Township-City of Tallmadge JEDD), and investment earnings.

The City's municipal income tax was established by Ordinance 57 in 1967 at a rate of 1.25 percent to be renewed every 5 years. The municipal income tax experienced several small increases in following years. In 1975 the tax rate was increased to 1.5% and remained at that rate until 1985 when the rate increased to 2 percent. In February of 2004 the citizens voted to make the 2% tax rate permanent tax effective March 1, 2004. The City, by ordinance, designates the income tax for capital outlay and general governmental operations for programs within the general fund. The City also allows for a 100% credit of taxes paid to other municipalities. In November of 2019, the voters passed an additional .25% permanent tax to be used for the purpose of funding fire/EMS and police protections and related safety services effective January 1, 2020.

The operations of the City's police department account for the largest security of persons and property expenses of governmental activities, representing 26.38% and 25.13% of the total governmental activities expenses during 2021 and 2020, respectively. During 2021, the City's police department consisted of one Chief, one captain, four sergeants, eighteen patrol officers and four full-time office staff. The police department also employs on a part-time basis seven records clerks and sixteen auxiliary police. The police department provides a full range of services including patrol, detective services, bike patrol, juvenile diversionary program, school resource officer services, neighborhood crime watch, and residential and commercial security surveys. Security of persons and property expenses related to the police department increased significantly during 2020, which is primarily the result of a stipend-based health care model implemented by Ohio Police and Fire (OP&F), which caused a significant increase in the 2020 security of persons and property expenses. During 2021, security of persons and property expenses decreased due to less OP&F pension expenses.

The City has operated a fire department since 1945. During 2021, the fire department employed 1 full-time Chief, 1 full-time Deputy Chief, 3 full-time Battalion Chiefs, 1 full-time fire marshal, 11 full-time paramedics/firefighters, 50 part-time paramedics/firefighters, 1 full-time clerk and 1 part-time clerk. The Fire/EMS department is accounted for in a separate fund which receives tax proceeds from a 3.75 mill property tax levy. The fire expenses account for 23.08% and 19.30% of the total governmental activities expenses during 2021 and 2020, respectively.

The Street Maintenance and Repair department employs 19 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 15.07% and 18.47% of the total governmental activities expenses during 2021 and 2020, respectively.

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 7,589 water customers, 8,456 sewer customers, and 6,333 storm water customers. The City owns and maintains all water lines within the City. The water rates were last increased in July 2012 by 8 percent. The majority of sewer lines within the City are owned and maintained by the City. The remaining sewer lines are owned and maintained by Summit County. In 2011 the City took over the billing for sewer customers being serviced by Summit County. The storm water fee has not changed since 2008 when it dropped from \$3 to \$2 per equivalent residential unit (ERU).

The revenues and expenses for the water, sewer and storm water activities are reported under the business-type activities. The revenues are primarily from charges for services. In 2021, charges for services in the amount of \$6,960,802 accounted for 86.05% of the total business-type revenues compared to 90.99% in 2020. The total expenses for the utilities were \$6,857,424, 6.14% less than 2020.

CITY OF TALLMADGE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

The City's Funds

Governmental funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues of \$39,519,717 including other financing sources and expenditures of \$30,907,137 including other financing uses.

The City's chief operating fund is the general fund. During 2021, the City's general fund had total revenues and other financing sources of \$17,912,167 and expenditures and other financing uses of \$15,481,072, resulting in an increase in fund balance of \$2,431,095. The increase in fund balance is primarily attributable to higher than anticipated increase in income tax collections. Expenditures and other financing uses in 2021 were 5.19% greater than 2020.

A major special revenue fund, the fire/EMS levy fund had total combined revenues and other financing sources were \$3,080,871 and expenditures were \$3,817,375. Expenses exceeded revenues with transfers of \$970,000 from income tax collections. Fund balance decreased by \$736,504 during 2021 as a result of salaries, wages and fringe benefits for fire/EMS personnel being paid from the local coronavirus relief and Summit County COVID-19 payroll support grant program nonmajor special revenue funds in 2020 that were paid from the fire/EMS levy fund in 2021, and a decrease of \$760,000 from transfers in from the general fund compared to the prior year.

A major special revenue fund, the street maintenance and repair fund had an increase in fund balance of \$410,922. Total combined revenues and other financing sources were \$3,979,528 and expenditures were \$3,568,606. Revenues and other financing sources with transfers of \$2,027,104 from income tax collections exceeded expenditures. The increase in fund balance was the result of a \$777,104 increase in transfers in from the general fund to support personnel, operating and capital street maintenance and repair programs, in response to the COVID-19 pandemic.

A major special revenue fund, the American Rescue Plan Act fund had no change in fund balance during the year. As of December 31, 2021, the fund balance is \$0.

A major capital projects fund, the fire station construction fund had an increase in fund balance of \$5,988,106. Total combined revenues and other financing sources were \$8,390,000 and expenditures were \$2,401,894. The increase in fund balance was primarily the result of a \$8,000,000 bond issuance during 2021.

Proprietary funds are accounted for on an accrual basis. All proprietary funds had operating revenues of \$7,038,320, which was more than operating expenses of \$6,802,711. The total depreciation expense for these business-type funds was \$805,759. The cash and cash equivalents at year end for the proprietary funds total \$7,632,773. Net position of the sewer operating fund increased \$205,429 or 2.79% from 2020. During 2021, net position of the water operating fund increased 4.54% or \$384,843 to \$8,853,493. In the storm water fund, net position increased \$641,638 to \$6,084,073 at December 31, 2021. The overall increase in net position for all proprietary funds in 2021 was \$1,231,910, which is primarily the result of utility collections exceeding operating expenses.

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 2021. In total the adjustments in appropriations accounted for an increase of 15.05% over the total general fund budget. The total actual expenditures and other financing uses at year end were \$17,700,940, which was \$1,179,484 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.

CITY OF TALLMADGE, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021*

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

The total budgetary variance for general fund expenditures was \$1,179,484 or 6.25%. Total variance in general fund revenues and other financing sources was a positive variance of \$2,308,959 or 13.90%.

Capital Assets and Debt Administration

Capital Assets

At the end of 2021, the City had \$46,122,570 (net of accumulated depreciation) invested in land, buildings and improvements, equipment, infrastructure, right of ways, easements and construction in progress. Of this total, \$29,600,107 was reported in governmental activities and \$16,522,463 was reported in business-type activities.

The following table shows 2021 balances compared to 2020:

Capital Assets at December 31 (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 3,577,816	\$ 3,617,825	\$ 375,519	\$ 375,519	\$ 3,953,335	\$ 3,993,344
Right of ways/easements	80,218	80,218	285,260	279,260	365,478	359,478
Construction in progress	4,019,507	1,419,426	-	-	4,019,507	1,419,426
Buildings and improvements	8,183,981	8,602,204	579,611	633,065	8,763,592	9,235,269
Equipment	3,809,660	2,531,066	1,023,691	885,681	4,833,351	3,416,747
Infrastructure						
Street subsystem	9,928,925	9,324,284	-	-	9,928,925	9,324,284
Water lines	-	-	5,625,013	5,408,222	5,625,013	5,408,222
Sewer lines	-	-	3,075,769	3,246,561	3,075,769	3,246,561
Storm water subsystem	-	-	5,557,600	5,013,864	5,557,600	5,013,864
Totals	<u>\$ 29,600,107</u>	<u>\$ 25,575,023</u>	<u>\$ 16,522,463</u>	<u>\$ 15,842,172</u>	<u>\$ 46,122,570</u>	<u>\$ 41,417,195</u>

The overall increase of \$4,705,375 is a result of current year additions exceeding depreciation expense and disposals. See Note 8 in the notes to the financial statements for more information regarding the City's capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2021 and 2020:

	Governmental Activities		Business-type Activities	
	2021	2020	2021	2020
General obligation bonds	\$ 10,970,000	\$ 2,510,000	\$ -	\$ -
Private placement general obligation bonds	3,305,000	3,645,000	-	-
OWDA loans	-	-	935,881	1,059,158
Capital leases	<u>873,305</u>	<u>638,624</u>	<u>681,690</u>	<u>527,552</u>
Total long-term obligations	<u>\$ 15,148,305</u>	<u>\$ 6,793,624</u>	<u>\$ 1,617,571</u>	<u>\$ 1,586,710</u>

CITY OF TALLMADGE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

The long-term outstanding debt for the City of Tallmadge as of December 31, 2021, was \$16,765,876. This balance reflects \$10,970,000 in general obligation bonds, \$3,305,000 in private placement general obligation bonds, \$935,881 in OWDA loans, and \$1,554,995 in capital lease obligations. This is an increase in long-term debt of 100.06% from 2020. For more detailed information on long-term obligations refer to Note 10 of this report.

The Ohio Revised Code provides that the general obligation bonds less self-supporting debt (e.g., assessment debt) of the municipal corporation, whether voted or unvoted, shall not exceed 10.50% of the assessed valuation of the total property. In addition, the unvoted net debt cannot exceed 5.50% of total assessed value of property. The City's legal total debt limit at the 10.50% margin is \$37,143,700 and the total unvoted net debt limit at the 5.50% margin is \$27,014,187.

Economic Factors and Next Year's Budget and Rates

- The City prepared the annual budget using zero based budgeting for 2022. Most departments experienced slight growth in their departmental budgets.
- The City budgeted for a decrease in its income tax receipts in the general fund in 2022 due to concerns with the long-term effects of the COVID-19 pandemic on businesses.
- The City included an average pay increase of 3.00% for employees in 2022. Employees will continue to participate in paying 15% of the health insurance premium.
- The 2022 budget includes the addition of six fulltime fire fighters to meet the expanding demands of service on the Fire Department. A reduction in the number of part-time firefighter hours needed will help offset the additional cost of the fulltime members.
- In November 2019, the voters approved a 0.25% increase to the City's income tax to be used for safety services. The 2022 budget includes a special revenue fund to account for these funds. These funds were primarily budgeted for capital improvements for the police and fire departments.
- The City issued debt in 2021 to fund the construction of a new fire station and for road improvements on one of the City's major thoroughfares. The construction of these facilities will continue into the 2022 budget year. The fire station debt will be paid for with the collections from the 0.25% income tax for safety services. The road improvement debt will be funded through a special improvement tax incentive financing district established by the City in 2020.
- In 2021, the City received its first tranche of its \$1.8 million allocation from the American Rescue Plan Act with the second tranche expected in 2022. The City did not include these funds in the original 2022 budget. The City will be developing criteria on how it would like to spend these funds in the first half of 2022 and will likely introduce appropriations legislation later in the year to begin expending those funds.

Contacting the City's Financial Management

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

CITY OF TALLMADGE, OHIO

*STATEMENT OF NET POSITION
DECEMBER 31, 2021*

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents . . .	\$ 21,995,606	\$ 7,632,773	\$ 29,628,379
Receivables:			
Income taxes	3,727,641	-	3,727,641
Real and other taxes	2,506,813	-	2,506,813
Accounts	166,656	1,852,004	2,018,660
Accrued interest	10,737	-	10,737
Intergovernmental	1,730,618	-	1,730,618
Materials and supplies inventory	233,149	142,896	376,045
Prepayments	291,251	32,432	323,683
Net OPEB asset	437,450	79,314	516,764
Net pension asset	44,063	7,989	52,052
Internal balance	189,448	(189,448)	-
Restricted assets:			
Cash with fiscal and escrow agent	411,300	127,033	538,333
Capital assets:			
Nondepreciable capital assets	7,677,541	660,779	8,338,320
Depreciable capital assets, net	21,922,566	15,861,684	37,784,250
Total capital assets, net	<u>29,600,107</u>	<u>16,522,463</u>	<u>46,122,570</u>
Total assets	<u>61,344,839</u>	<u>26,207,456</u>	<u>87,552,295</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	94,127	-	94,127
Pension	2,307,717	131,057	2,438,774
OPEB	1,275,102	55,160	1,330,262
Total deferred outflows of resources	<u>3,676,946</u>	<u>186,217</u>	<u>3,863,163</u>
Liabilities:			
Accounts payable	270,950	161,892	432,842
Contracts payable	1,093,883	-	1,093,883
Accrued wages and benefits payable	188,631	12,234	200,865
Intergovernmental payable	439,992	682,358	1,122,350
Accrued interest payable	33,774	17,373	51,147
Unearned revenue	917,567	-	917,567
Long-term liabilities:			
Due within one year	1,384,912	338,318	1,723,230
Due in more than one year:			
Net pension liability	13,959,409	685,622	14,645,031
Net OPEB liability	1,581,864	-	1,581,864
Other long-term liabilities	15,574,458	1,291,333	16,865,791
Total liabilities	<u>35,445,440</u>	<u>3,189,130</u>	<u>38,634,570</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year . . .	2,437,505	-	2,437,505
Pension	2,869,095	404,814	3,273,909
OPEB	2,083,958	299,806	2,383,764
Total deferred inflows of resources	<u>7,390,558</u>	<u>704,620</u>	<u>8,095,178</u>
Net position:			
Net investment in capital assets	18,127,401	15,006,026	33,133,427
Restricted for:			
Capital projects	907,916	-	907,916
General government	700	-	700
Law enforcement	38,859	-	38,859
Fire/EMS levy	7,514	-	7,514
Street maintenance	673,388	-	673,388
Safety services income tax levy	856,211	-	856,211
State highway	81,956	-	81,956
Fire repair and removal	83,436	-	83,436
Unrestricted (deficit)	1,408,406	7,493,897	8,902,303
Total net position	<u>\$ 22,185,787</u>	<u>\$ 22,499,923</u>	<u>\$ 44,685,710</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021*

	<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.	\$ 3,664,086	\$ 391,896	\$ 145,596	\$ -
Security of persons and property:				
Police.	4,714,491	4,583	22,848	-
Street lights.	28,439	-	-	-
Fire	4,123,991	431,212	142,159	-
Public health and welfare	136,525	7,233	95,174	-
Transportation.	2,693,858	287,592	1,333,588	905,398
Community environment	237,615	77,366	-	-
Leisure time activity.	1,860,081	1,197,342	364,790	-
Other	89,909	-	-	-
Interest and fiscal charges.	322,680	-	-	-
Total governmental activities	<u>17,871,675</u>	<u>2,397,224</u>	<u>2,104,155</u>	<u>905,398</u>
Business-type activities:				
Sewer operating	4,303,032	4,473,801	-	-
Water operating	2,093,789	2,154,825	-	289,320
Storm water	460,603	332,176	-	761,682
Total business-type activities	<u>6,857,424</u>	<u>6,960,802</u>	<u>-</u>	<u>1,051,002</u>
Total primary government	<u>\$ 24,729,099</u>	<u>\$ 9,358,026</u>	<u>\$ 2,104,155</u>	<u>\$ 1,956,400</u>

General revenues:

Property taxes levied for:
General purposes
Fire/EMS levy
Police pension
Municipal income taxes levied for:
General purposes
Special revenue
Capital purposes
Grants and entitlements not restricted
to specific programs
Investment earnings.
Change in fair value of investments.
Miscellaneous

Total general revenues

Change in net position

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (3,126,594)	\$ -	\$ (3,126,594)
(4,687,060)	-	(4,687,060)
(28,439)	-	(28,439)
(3,550,620)	-	(3,550,620)
(34,118)	-	(34,118)
(167,280)	-	(167,280)
(160,249)	-	(160,249)
(297,949)	-	(297,949)
(89,909)	-	(89,909)
(322,680)	-	(322,680)
<u>(12,464,898)</u>	<u>-</u>	<u>(12,464,898)</u>
-	170,769	170,769
-	350,356	350,356
-	633,255	633,255
<u>-</u>	<u>1,154,380</u>	<u>1,154,380</u>
<u>(12,464,898)</u>	<u>1,154,380</u>	<u>(11,310,518)</u>
916,251	-	916,251
1,355,188	-	1,355,188
130,507	-	130,507
13,227,179	-	13,227,179
1,371,728	-	1,371,728
250,000	-	250,000
2,697,890	-	2,697,890
71,281	12	71,293
(62,344)	-	(62,344)
301,725	77,518	379,243
<u>20,259,405</u>	<u>77,530</u>	<u>20,336,935</u>
7,794,507	1,231,910	9,026,417
<u>14,391,280</u>	<u>21,268,013</u>	<u>35,659,293</u>
<u>\$ 22,185,787</u>	<u>\$ 22,499,923</u>	<u>\$ 44,685,710</u>

CITY OF TALLMADGE, OHIO

*BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021*

	<u>General</u>	<u>Fire/EMS Levy</u>	<u>Street Maintenance and Repair</u>	<u>American Rescue Plan Act</u>
Assets:				
Equity in pooled cash and cash equivalents . . .	\$ 9,512,029	\$ 831,987	\$ 1,210,304	\$ 917,567
Receivables:				
Income taxes.	3,354,877	-	-	-
Real and other taxes	972,701	1,395,152	-	-
Accounts.	96,134	70,522	-	-
Interfund loans.	943,125	-	-	-
Accrued interest	10,737	-	-	-
Intergovernmental	640,544	90,411	585,761	-
Materials and supplies inventory.	107,501	-	125,648	-
Prepayments	184,705	63,717	40,339	-
Restricted assets:				
Cash with fiscal and escrow agent.	-	-	195,260	-
Total assets	<u>\$ 15,822,353</u>	<u>\$ 2,451,789</u>	<u>\$ 2,157,312</u>	<u>\$ 917,567</u>
Liabilities:				
Accounts payable.	\$ 128,550	\$ 15,886	\$ 55,264	\$ -
Contracts payable.	-	-	-	-
Accrued wages and benefits payable	87,770	84,460	15,447	-
Interfund loans payable.	-	-	-	-
Intergovernmental payable	353,025	42,171	10,868	-
Unearned revenue	-	-	-	917,567
Total liabilities	<u>569,345</u>	<u>142,517</u>	<u>81,579</u>	<u>917,567</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	945,760	1,356,634	-	-
Delinquent property tax revenue not available.	26,941	38,518	-	-
Accrued interest not available	8,475	-	-	-
Charges for services	-	-	-	-
Income tax revenue not available	1,380,219	-	-	-
Intergovernmental nonexchange transactions	279,815	90,411	371,094	-
Total deferred inflows of resources	<u>2,641,210</u>	<u>1,485,563</u>	<u>371,094</u>	<u>-</u>
Fund balances:				
Nonspendable	292,206	63,717	165,987	-
Restricted.	-	759,992	1,538,652	-
Committed	302,818	-	-	-
Assigned	2,442,188	-	-	-
Unassigned (deficit)	9,574,586	-	-	-
Total fund balances.	<u>12,611,798</u>	<u>823,709</u>	<u>1,704,639</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,822,353</u>	<u>\$ 2,451,789</u>	<u>\$ 2,157,312</u>	<u>\$ 917,567</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Fire Station Construction	Other Governmental Funds	Total Governmental Funds
\$ 7,216,425	\$ 2,307,294	\$ 21,995,606
-	372,764	3,727,641
-	138,960	2,506,813
-	-	166,656
-	-	943,125
-	-	10,737
-	413,902	1,730,618
-	-	233,149
-	2,490	291,251
-	216,040	411,300
<u>\$ 7,216,425</u>	<u>\$ 3,451,450</u>	<u>\$ 32,016,896</u>
\$ -	\$ 71,250	\$ 270,950
816,039	277,844	1,093,883
-	954	188,631
24,600	729,077	753,677
-	33,928	439,992
-	-	917,567
<u>840,639</u>	<u>1,113,053</u>	<u>3,664,700</u>
-	135,111	2,437,505
-	3,849	69,308
-	-	8,475
-	194,205	194,205
-	153,358	1,533,577
-	39,122	780,442
-	525,645	5,023,512
-	2,490	524,400
5,858,106	1,107,208	9,263,958
517,680	118,943	939,441
-	668,674	3,110,862
-	(84,563)	9,490,023
<u>6,375,786</u>	<u>1,812,752</u>	<u>23,328,684</u>
<u>\$ 7,216,425</u>	<u>\$ 3,451,450</u>	<u>\$ 32,016,896</u>

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CITY OF TALLMADGE, OHIO

*RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2021*

Total governmental fund balances	\$	23,328,684
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		29,600,107
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Income taxes receivable	\$ 1,533,577	
Delinquent property taxes receivable	69,308	
Accounts receivable	194,205	
Intergovernmental receivable	780,442	
Accrued interest receivable	8,475	
Total	2,586,007	2,586,007
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(33,774)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		94,127
Unamortized premiums on bond issuances are not recognized in the funds.		(899,682)
Unamortized discounts on bond issuances are not recognized in the funds.		77,169
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	44,063	
Deferred outflows of resources	2,307,717	
Deferred inflows of resources	(2,869,095)	
Net pension liability	(13,959,409)	
Total	(14,476,724)	(14,476,724)
The net OPEB liability and net OPEB asset are not available to pay for current period expenditures and is not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB asset	437,450	
Deferred outflows of resources	1,275,102	
Deferred inflows of resources	(2,083,958)	
Net OPEB liability	(1,581,864)	
Total	(1,953,270)	(1,953,270)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(988,552)	
General obligation bonds payable	(14,275,000)	
Capital lease payable	(873,305)	
Total	(16,136,857)	(16,136,857)
Net position of governmental activities	\$	22,185,787

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, 2021*

	<u>General</u>	<u>Fire/EMS Levy</u>	<u>Street Maintenance and Repair</u>	<u>Fire Station Construction</u>
Revenues:				
Property and other taxes	\$ 910,552	\$ 1,350,873	\$ -	\$ -
Municipal income taxes	12,499,992	-	-	250,000
Intergovernmental	2,440,921	186,777	1,472,988	10,000
Investment income	99,373	-	465	-
Fines, licenses and permits	412,727	-	-	-
Special assessments	10,813	-	25,824	-
Charges for services	1,273,151	431,212	100,925	-
Change in fair value of investments	(62,344)	-	-	-
Miscellaneous	301,725	142,009	156,981	-
Total revenues	<u>17,886,910</u>	<u>2,110,871</u>	<u>1,757,183</u>	<u>260,000</u>
Expenditures:				
Current:				
General government	4,567,065	-	-	-
Security of persons and property:				
Police	3,939,762	-	-	-
Street lights	28,439	-	-	-
Fire	-	3,716,300	-	-
Public health and welfare	-	-	133,241	-
Transportation	392,452	-	1,810,666	-
Community environment	284,906	-	-	-
Leisure time activity	1,637,193	-	484,688	-
Other	-	-	61,581	-
Capital outlay	213,181	44,356	912,629	2,401,894
Debt service:				
Principal retirement	58,091	49,930	150,025	-
Interest and fiscal charges	17,139	6,789	15,776	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>11,138,228</u>	<u>3,817,375</u>	<u>3,568,606</u>	<u>2,401,894</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,748,682</u>	<u>(1,706,504)</u>	<u>(1,811,423)</u>	<u>(2,141,894)</u>
Other financing sources (uses):				
Bond issuance	-	-	-	8,000,000
Premium on bond issuance	-	-	-	-
Capital lease transaction	25,257	-	195,241	-
Transfers in	-	970,000	2,027,104	130,000
Transfers (out)	(4,342,844)	-	-	-
Discount on bond issuance	-	-	-	-
Total other financing sources (uses)	<u>(4,317,587)</u>	<u>970,000</u>	<u>2,222,345</u>	<u>8,130,000</u>
Net change in fund balances	2,431,095	(736,504)	410,922	5,988,106
Fund balances at beginning of year	<u>10,180,703</u>	<u>1,560,213</u>	<u>1,293,717</u>	<u>387,680</u>
Fund balances at end of year	<u>\$ 12,611,798</u>	<u>\$ 823,709</u>	<u>\$ 1,704,639</u>	<u>\$ 6,375,786</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds
\$ 129,693	\$ 2,391,118
1,290,930	14,040,922
1,071,156	5,181,842
57	99,895
3,823	416,550
-	36,637
-	1,805,288
-	(62,344)
133,762	734,477
<u>2,629,421</u>	<u>24,644,385</u>
48,927	4,615,992
923,543	4,863,305
-	28,439
158,593	3,874,893
-	133,241
95,906	2,299,024
66,490	351,396
20,982	2,142,863
28,328	89,909
2,862,176	6,434,236
946,653	1,204,699
132,426	172,130
135,000	135,000
<u>5,419,024</u>	<u>26,345,127</u>
<u>(2,789,603)</u>	<u>(1,700,742)</u>
1,000,000	9,000,000
832,088	832,088
338,882	559,380
1,356,760	4,483,864
(141,020)	(4,483,864)
(78,146)	(78,146)
<u>3,308,564</u>	<u>10,313,322</u>
518,961	8,612,580
1,293,791	14,716,104
<u>\$ 1,812,752</u>	<u>\$ 23,328,684</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, 2021*

Net change in fund balances - total governmental funds		\$ 8,612,580
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital asset additions	\$ 5,933,172	
Current year depreciation	<u>(1,737,733)</u>	
Total		4,195,439
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(170,355)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	807,985	
Real and other taxes	10,828	
Intergovernmental revenues	92,849	
Charges for services	194,205	
Fines, licenses and permits	(55,456)	
Investment income	<u>(28,614)</u>	
Total		1,021,797
The issuances of debt obligations are recorded as other financing sources in the governmental funds; however, in the statement of activities, they are not reported as revenues as they increase long-term liabilities on the statement of net position.		
General obligation bonds	(9,000,000)	
Capital lease obligations	<u>(559,380)</u>	
Total		(9,559,380)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		1,204,699
Premiums and discounts on bond issuances are recognized as other financing sources (uses) in the governmental funds; however, they are amortized over the life of the issuance in the statement of activities.		
		(753,942)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expended when due.		
Accrued interest payable	(22,751)	
Amortization of deferred amounts on refunding	(10,088)	
Amortization of bond premium	18,266	
Amortization of bond discount	<u>(977)</u>	
Total		(15,550)
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,364,839	
OPEB	<u>20,872</u>	
Total		1,385,711

- (Continued)

CITY OF TALLMADGE, OHIO

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2021*

Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB asset/liability are reported as pension expense in the statement of activities.

Pension	\$ (784,797)	
OPEB	<u>2,596,011</u>	
Total		\$ 1,811,214

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

62,294

Change in net position of governmental activities

\$ 7,794,507

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, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 855,832	\$ 923,097	\$ 910,552	\$ (12,545)
Municipal income taxes	9,562,438	10,314,001	12,423,509	2,109,508
Intergovernmental.	1,600,789	1,726,606	2,405,129	678,523
Investment income.	137,169	147,950	100,584	(47,366)
Fines, licenses and permits	300,298	323,900	360,130	36,230
Special assessments	2,318	2,500	10,813	8,313
Charges for services.	1,586,469	1,711,157	1,137,396	(573,761)
Miscellaneous.	255,077	275,125	557,525	282,400
Total revenues	<u>14,300,390</u>	<u>15,424,336</u>	<u>17,905,638</u>	<u>2,481,302</u>
Expenditures:				
Current:				
General government	4,780,568	4,941,009	4,737,448	203,561
Security of persons and property	4,295,790	4,344,813	4,038,287	306,526
Transportation	463,408	469,546	408,711	60,835
Community environment	307,543	308,272	265,597	42,675
Leisure time activity	2,202,696	2,206,397	1,667,777	538,620
Capital outlay	314,418	314,418	297,151	17,267
Total expenditures	<u>12,364,423</u>	<u>12,584,455</u>	<u>11,414,971</u>	<u>1,169,484</u>
Excess of revenues over expenditures	<u>1,935,967</u>	<u>2,839,881</u>	<u>6,490,667</u>	<u>3,650,786</u>
Other financing sources (uses):				
Sale of capital assets.	464	500	17,605	17,105
Advances in	1,102,775	1,189,448	1,000,000	(189,448)
Advances (out) and not repaid	(189,448)	(1,943,125)	(1,943,125)	-
Transfers (out).	(3,856,895)	(4,352,844)	(4,342,844)	10,000
Total other financing sources (uses)	<u>(2,943,104)</u>	<u>(5,106,021)</u>	<u>(5,268,364)</u>	<u>(162,343)</u>
Net change in fund balances	(1,007,137)	(2,266,140)	1,222,303	3,488,443
Fund balance at beginning of year.	6,879,155	6,879,155	6,879,155	-
Prior year encumbrances appropriated	479,941	479,941	479,941	-
Fund balance at end of year	<u>\$ 6,351,959</u>	<u>\$ 5,092,956</u>	<u>\$ 8,581,399</u>	<u>\$ 3,488,443</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, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 1,341,245	\$ 1,344,645	\$ 1,350,873	\$ 6,228
Intergovernmental.	189,520	190,000	186,777	(3,223)
Charges for services.	441,880	443,000	465,742	22,742
Miscellaneous.	77,803	78,000	244,564	166,564
Total revenues	<u>2,050,448</u>	<u>2,055,645</u>	<u>2,247,956</u>	<u>192,311</u>
Expenditures:				
Current:				
Security of persons and property	3,824,794	3,848,376	3,730,215	118,161
Capital outlay	102,000	102,000	101,075	925
Total expenditures	<u>3,926,794</u>	<u>3,950,376</u>	<u>3,831,290</u>	<u>119,086</u>
Excess of expenditures over revenues	<u>(1,876,346)</u>	<u>(1,894,731)</u>	<u>(1,583,334)</u>	<u>311,397</u>
Other financing sources:				
Sale of capital assets.	-	-	7,870	7,870
Transfers in	967,548	970,000	970,000	-
Total other financing sources	<u>967,548</u>	<u>970,000</u>	<u>977,870</u>	<u>7,870</u>
Net change in fund balances	(908,798)	(924,731)	(605,464)	319,267
Fund balance at beginning of year.	1,340,072	1,340,072	1,340,072	-
Prior year encumbrances appropriated	81,739	81,739	81,739	-
Fund balance at end of year	<u>\$ 513,013</u>	<u>\$ 497,080</u>	<u>\$ 816,347</u>	<u>\$ 319,267</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, 2021*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 1,340,537	\$ 1,340,537	\$ 1,449,737	\$ 109,200
Investment income	650	650	446	(204)
Special assessments	5,000	5,000	25,824	20,824
Charges for services	70,000	70,000	100,925	30,925
Miscellaneous	87,000	87,000	152,231	65,231
Total revenues	<u>1,503,187</u>	<u>1,503,187</u>	<u>1,729,163</u>	<u>225,976</u>
Expenditures:				
Current:				
Public health and welfare	149,209	150,805	132,783	18,022
Transportation	1,935,170	1,977,455	1,746,155	231,300
Leisure time activity	562,001	568,387	491,003	77,384
Capital outlay	1,176,081	1,511,185	1,318,444	192,741
Total expenditures	<u>3,822,461</u>	<u>4,207,832</u>	<u>3,688,385</u>	<u>519,447</u>
Excess of expenditures over revenues	<u>(2,319,274)</u>	<u>(2,704,645)</u>	<u>(1,959,222)</u>	<u>745,423</u>
Other financing sources:				
Sale of capital assets	-	-	4,750	4,750
Transfers in	1,692,000	2,027,104	2,027,104	-
Total other financing sources	<u>1,692,000</u>	<u>2,027,104</u>	<u>2,031,854</u>	<u>4,750</u>
Net change in fund balances	(627,274)	(677,541)	72,632	750,173
Fund balance at beginning of year	561,526	561,526	561,526	-
Prior year encumbrances appropriated . . .	290,007	290,007	290,007	-
Fund balance at end of year	<u>\$ 224,259</u>	<u>\$ 173,992</u>	<u>\$ 924,165</u>	<u>\$ 750,173</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)
AMERICAN RESCUE PLAN ACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ -	\$ 917,567	\$ 917,567	\$ -
Total revenues	<u>-</u>	<u>917,567</u>	<u>917,567</u>	<u>-</u>
 Net change in fund balance.	 -	 917,567	 917,567	 -
 Fund balance at beginning of year	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 917,567</u>	 <u>\$ 917,567</u>	 <u>\$ -</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021*

	Business-type Activities - Enterprise Funds			
	Sewer Operating	Water Operating	Storm Water	Total
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 3,898,619	\$ 3,330,537	\$ 403,617	\$ 7,632,773
Receivables:				
Accounts	1,221,133	535,400	95,471	1,852,004
Materials and supplies inventory	71,448	71,448	-	142,896
Prepayments	12,730	12,730	6,972	32,432
Total current assets	<u>5,203,930</u>	<u>3,950,115</u>	<u>506,060</u>	<u>9,660,105</u>
Noncurrent assets:				
Net OPEB asset	31,353	31,353	16,608	79,314
Net pension asset	3,158	3,158	1,673	7,989
Capital assets:				
Nondepreciable capital assets	92,751	179,191	388,837	660,779
Depreciable capital assets, net	<u>3,721,657</u>	<u>6,390,205</u>	<u>5,749,822</u>	<u>15,861,684</u>
Total capital assets, net	<u>3,814,408</u>	<u>6,569,396</u>	<u>6,138,659</u>	<u>16,522,463</u>
Restricted assets:				
Cash with fiscal and escrow agent	<u>63,516</u>	<u>63,517</u>	<u>-</u>	<u>127,033</u>
Total restricted assets	<u>63,516</u>	<u>63,517</u>	<u>-</u>	<u>127,033</u>
Total noncurrent assets	<u>3,912,435</u>	<u>6,667,424</u>	<u>6,156,940</u>	<u>16,736,799</u>
Total assets	<u>9,116,365</u>	<u>10,617,539</u>	<u>6,663,000</u>	<u>26,396,904</u>
Deferred outflows of resources:				
Pension	56,145	51,012	23,900	131,057
OPEB	<u>24,368</u>	<u>21,244</u>	<u>9,548</u>	<u>55,160</u>
Total deferred outflows of resources	<u>80,513</u>	<u>72,256</u>	<u>33,448</u>	<u>186,217</u>
Liabilities:				
Current liabilities:				
Accounts payable	138,556	21,926	1,410	161,892
Accrued wages and benefits payable	4,782	4,782	2,670	12,234
Intergovernmental payable	567,917	112,562	1,879	682,358
Interfund loans payable	-	-	189,448	189,448
Compensated absences payable	5,635	5,635	-	11,270
Current portion of OWDA loans payable	-	128,102	-	128,102
Current portion of capital lease obligation	101,740	57,502	39,704	198,946
Accrued interest payable	<u>-</u>	<u>17,373</u>	<u>-</u>	<u>17,373</u>
Total current liabilities	<u>818,630</u>	<u>347,882</u>	<u>235,111</u>	<u>1,401,623</u>
Long-term liabilities:				
Compensated absences payable	405	405	-	810
OWDA loans payable	-	807,779	-	807,779
Capital lease obligations payable	265,748	130,498	86,498	482,744
Net pension liability	<u>271,028</u>	<u>271,028</u>	<u>143,566</u>	<u>685,622</u>
Total long-term liabilities	<u>537,181</u>	<u>1,209,710</u>	<u>230,064</u>	<u>1,976,955</u>
Total liabilities	<u>1,355,811</u>	<u>1,557,592</u>	<u>465,175</u>	<u>3,378,578</u>
Deferred inflows of resources:				
Pension	160,133	160,133	84,548	404,814
OPEB	<u>118,577</u>	<u>118,577</u>	<u>62,652</u>	<u>299,806</u>
Total deferred inflows of resources	<u>278,710</u>	<u>278,710</u>	<u>147,200</u>	<u>704,620</u>
Net position:				
Net investment in capital assets	3,497,487	5,496,082	6,012,457	15,006,026
Unrestricted	<u>4,064,870</u>	<u>3,357,411</u>	<u>71,616</u>	<u>7,493,897</u>
Total net position	<u>\$ 7,562,357</u>	<u>\$ 8,853,493</u>	<u>\$ 6,084,073</u>	<u>\$ 22,499,923</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021*

	Business-type Activities - Enterprise Funds			
	Sewer Operating	Water Operating	Storm Water	Total
Operating revenues:				
Charges for services	\$ 4,473,801	\$ 2,154,825	\$ 332,176	\$ 6,960,802
Other operating revenues	34,654	34,481	8,383	77,518
Total operating revenues.	<u>4,508,455</u>	<u>2,189,306</u>	<u>340,559</u>	<u>7,038,320</u>
Operating expenses:				
Personal services	244,184	239,232	151,122	634,538
Contract services.	3,469,887	1,144,646	26,648	4,641,181
Materials and supplies.	295,370	202,539	45,811	543,720
Depreciation.	231,278	341,717	232,764	805,759
Other	56,577	120,862	74	177,513
Total operating expenses.	<u>4,297,296</u>	<u>2,048,996</u>	<u>456,419</u>	<u>6,802,711</u>
Operating income (loss)	<u>211,159</u>	<u>140,310</u>	<u>(115,860)</u>	<u>235,609</u>
Nonoperating income (expenses):				
Interest and fiscal charges.	(5,736)	(41,568)	(2,740)	(50,044)
Loss on disposal of capital assets	-	(3,225)	(1,444)	(4,669)
Interest income.	6	6	-	12
Total nonoperating income (expenses)	<u>(5,730)</u>	<u>(44,787)</u>	<u>(4,184)</u>	<u>(54,701)</u>
Income (loss) before capital contributions	<u>205,429</u>	<u>95,523</u>	<u>(120,044)</u>	<u>180,908</u>
Capital contributions	<u>-</u>	<u>289,320</u>	<u>761,682</u>	<u>1,051,002</u>
Change in net position	205,429	384,843	641,638	1,231,910
Net position at beginning of year	<u>7,356,928</u>	<u>8,468,650</u>	<u>5,442,435</u>	<u>21,268,013</u>
Net position at end of year	<u>\$ 7,562,357</u>	<u>\$ 8,853,493</u>	<u>\$ 6,084,073</u>	<u>\$ 22,499,923</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, 2021*

	Business-type Activities - Enterprise Funds			
	Sewer Operating	Water Operating	Storm Water	Total
Cash flows from operating activities:				
Cash received from customers.	\$ 4,521,386	\$ 2,174,788	\$ 336,272	\$ 7,032,446
Cash received from other operations.	34,654	34,481	8,383	77,518
Cash payments for personal services	(461,934)	(461,956)	(250,615)	(1,174,505)
Cash payments for contractual services	(3,389,474)	(1,168,288)	(27,338)	(4,585,100)
Cash payments for materials and supplies.	(291,111)	(198,280)	(45,811)	(535,202)
Cash payments for other expenses.	(41,671)	(97,584)	(74)	(139,329)
Net cash provided by operating activities.	<u>371,850</u>	<u>283,161</u>	<u>20,817</u>	<u>675,828</u>
Cash flows from noncapital financing activities:				
Cash received from interfund loans	-	-	189,448	189,448
Cash flows from capital and related financing activities:				
Acquisition of capital assets.	(225,434)	(214,283)	-	(439,717)
Issuance of capital lease.	288,944	63,511	-	352,455
Principal retirement on OWDA loans	-	(123,277)	-	(123,277)
Principal retirement on capital lease obligations	(101,776)	(55,832)	(40,709)	(198,317)
Interest and fiscal charges	(5,736)	(43,720)	(2,740)	(52,196)
Net cash used in capital and related financing activities.	<u>(44,002)</u>	<u>(373,601)</u>	<u>(43,449)</u>	<u>(461,052)</u>
Cash flows from investing activities:				
Interest received	6	6	-	12
Net increase (decrease) in cash and cash equivalents	327,854	(90,434)	166,816	404,236
Cash and cash equivalents at beginning of year	<u>3,634,281</u>	<u>3,484,488</u>	<u>236,801</u>	<u>7,355,570</u>
Cash and cash equivalents at end of year	<u>\$ 3,962,135</u>	<u>\$ 3,394,054</u>	<u>\$ 403,617</u>	<u>\$ 7,759,806</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 211,159	\$ 140,310	\$ (115,860)	\$ 235,609
Adjustments:				
Depreciation	231,278	341,717	232,764	805,759
Changes in assets and liabilities:				
Change in accounts receivable.	47,585	19,963	4,096	71,644
Change in due from other governments.	14,906	23,278	-	38,184
Change in materials and supplies inventory	4,259	4,259	-	8,518
Change in prepayments	1,459	1,490	1,263	4,212
Change in net OPEB asset.	(31,353)	(31,353)	(16,608)	(79,314)
Change in net pension asset.	(2,868)	(2,868)	(1,519)	(7,255)
Change in deferred outflows - pension	55,412	51,679	35,391	142,482
Change in deferred outflows - OPEB.	46,642	45,462	29,977	122,081
Change in accounts payable	114,311	(19,835)	(690)	93,786
Change in accrued wages and benefits	189	189	343	721
Change in intergovernmental payable.	(33,553)	(3,461)	(44)	(37,058)
Change in compensated absences payable	(6,554)	(6,554)	-	(13,108)
Change in net pension liability.	(149,932)	(149,932)	(79,024)	(378,888)
Change in net OPEB liability	(280,109)	(280,109)	(148,113)	(708,331)
Change in deferred inflows - pension.	70,734	70,734	37,277	178,745
Change in deferred inflows - OPEB	78,285	78,192	41,564	198,041
Net cash provided by operating activities	<u>\$ 371,850</u>	<u>\$ 283,161</u>	<u>\$ 20,817</u>	<u>\$ 675,828</u>

Non-Cash Transactions:

The Storm Operating fund received \$761,682 in capital contributions from developers during 2021.
The Water Operating fund received \$289,320 in capital contributions from developers during 2021.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021

	<u>Private-Purpose Trust</u>	<u>Custodial</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 30,635	\$ 542,276
Receivables:		
Income taxes	-	229,851
Accrued interest	16	149
Total assets.	<u>30,651</u>	<u>772,276</u>
Liabilities:		
Intergovernmental payable	-	542,263
Total liabilities.	<u>-</u>	<u>542,263</u>
Net position:		
Held in trust.	30,651	-
Restricted for other governments	-	230,013
Total net position	<u>\$ 30,651</u>	<u>\$ 230,013</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021*

	<u>Private-Purpose Trust</u>	<u>Custodial</u>
Additions:		
Income taxes	\$ -	\$ 1,249,988
Investment income	79	938
Change in fair value of investments	(121)	(916)
Total additions	<u>(42)</u>	<u>1,250,010</u>
Deductions:		
Distributions per trust	4,225	-
Distributions to other governments	-	1,156,565
Total deductions	<u>4,225</u>	<u>1,156,565</u>
Change in net position	(4,267)	93,445
Net position at beginning of year	<u>34,918</u>	<u>136,568</u>
Net position at end of year	<u>\$ 30,651</u>	<u>\$ 230,013</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, 2021*

NOTE 1 - DESCRIPTION OF THE CITY

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

The City participates in the Akron Metropolitan Area Transportation Study, the Brimfield Township-City of Tallmadge Joint Economic Development District and the Regional Income Tax Agency. These jointly governed organizations are discussed in Note 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 position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

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

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

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

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

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

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 within the City.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

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

American Rescue Plan Act fund - The American Rescue Plan Act fund accounts for monies received from the federal government as part of the American Rescue Plan Act of 2021. This Act provides additional relief to address the continued impact of the COVID-19 pandemic.

Fire station construction fund - The fire station construction fund accounts for the construction and maintenance for the City's new fire station on Eastwood Avenue.

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

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

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 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.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial 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 only custodial fund accounts for the administering and collection of income taxes related to the Joint Economic Development District.

D. Measurement Focus

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

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

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

Like the government-wide statements, the proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. In fiduciary funds, a liability to the beneficiaries of the fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, the statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from private purpose trust and custodial funds.

E. Basis of Accounting

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

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

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.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, see Notes 12 and 13 for deferred outflows of resources related the City's net pension asset/liability and net OPEB asset/liability, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance 2022 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the City, see Notes 12 and 13 for deferred inflows of resources related to the City's net pension asset/liability and net OPEB asset/liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Director of Finance. 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.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

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

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

G. Cash and Investments

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

During 2021, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), negotiable certificates of deposit (CDs), a U.S. Government money market mutual fund, municipal bonds, commercial paper, Federal Farm Credit Bank (FFCB) securities, Federal National Mortgage Association (FNMA) securities, Federal Home Loan Bank (FHLB) securities, and Federal Home Loan Mortgage Corporation (FHLMC) securities. Investments are reported at fair value, except for nonnegotiable certificates of deposit, which are reported at cost. Fair value is based on quoted market prices.

The City invested in STAR Ohio during 2021. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2021 amounted to \$99,373, which includes \$55,362 assigned from other City funds.

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

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

H. Materials and Supplies Inventory

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

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 position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition 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, right of ways, easements and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

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

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

J. Compensated Absences

Vacation and comp time 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 and comp time when earned for all employees with more than one year of service.

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

K. Prepaid Items

Payments made to vendors for services that will benefit beyond December 31, 2021, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which the services are consumed.

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

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 and capital leases are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

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

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

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

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

N. Interfund Balances

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

O. Interfund Activity

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

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

P. Minimum Fund Balance Policy

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

Q. Operating Revenues and Expenses

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. The City did not have any extraordinary or special items transactions during 2021.

S. Fund Balance

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

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

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

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

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

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

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

T. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction and from contributions from governmental funds. During 2021, the water operating fund and the storm water fund received contributions of capital in the amount of \$289,320 and \$761,682 respectively from developers.

U. Net Position

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

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

V. Pensions/Other Postemployment Benefits (OPEB)

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

W. 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.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

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

X. Fair Value Measurements

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

Y. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include capital lease proceeds held by an escrow agent.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2021, the City has implemented GASB Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*," and GASB Statement No. 98, "*The Annual Comprehensive Financial Report*."

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the City.

GASB Statement No. 98 establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in general accepted accounting principles for state and local governments. The implementation of GASB Statement No. 98 did not have an effect on the financial statements of the City.

For 2021, the City has applied GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*" to GASB Statement Nos. 91, 92 and 93, which were originally due to be implemented in 2021 and to GASB Statement No. 87, which was originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following pronouncements are postponed by one year and the City has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

The following pronouncements are postponed by eighteen months and the City has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

B. Deficit Fund Balances

Fund balances at December 31, 2021 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Community Development	\$ 12,047
Tallmadge Reserve Incentive District TIF	72,516

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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 deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial 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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

3. Written repurchase agreements in the securities listed above provided that the fair 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, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. 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;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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. Except as noted above, 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. Cash with Fiscal and Escrow Agent

At fiscal year-end, \$538,333 was on deposit at Key Bank related to the City's equipment capital lease discussed in Note 9. This amount is not part of the City's internal investment pool and has been excluded from the total amount of deposits reported below. The balance of this account is reported on the financial statements as "cash with fiscal and escrow agent."

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Deposits with Financial Institutions

At December 31, 2021, the carrying amount of all City deposits was \$24,787,923 and the bank balance of all City deposits was \$24,916,110. Of the bank balance, \$4,500,000 was covered by the FDIC and \$20,416,110 was covered by the Ohio Pooled Collateral System (OPCS) as discussed below.

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. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2021, the City's financial institution was approved for a reduced collateral rate through the OPCS. Although 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.

C. Investments

As of December 31, 2021, the City had the following investments and maturities:

Measurement/ Investment type	Measurement Amount	Investment Maturity				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Amortized cost:</i>						
STAR Ohio	\$ 47,540	\$ 47,540	\$ -	\$ -	\$ -	\$ -
<i>Fair value:</i>						
U.S. Government money market	7,577	7,577	-	-	-	-
Commercial paper	1,564,172	1,404,430	159,742	-	-	-
Negotiable CDs	1,756,131	-	249,125	753,466	248,788	504,752
Municipal bonds	269,262	-	-	-	-	269,262
FFCB	491,794	200,142	-	-	-	291,652
FHLB	645,017	-	-	-	149,958	495,059
FNMA	483,293	-	-	-	248,638	234,655
FHLMC	148,581	-	-	-	148,581	-
Total	\$ 5,413,367	\$ 1,659,689	\$ 408,867	\$ 753,466	\$ 795,965	\$ 1,795,380

The City's investments in the U.S. Government money market are valued using quoted market prices in active markets (Level 1 inputs). The City's investments in commercial paper, negotiable CDs, FFCB, FNMA, FHLB, and FHLMC securities are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

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: Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The investment in commercial paper carries ratings of P-1 by Moodys and A-1+ and A-1 by Standard & Poor's. The investment in FFCB, FNMA, FHLB, and FHLMC securities carries ratings of Aaa by Moodys and AA+ and AAA by Standard & Poor's. The municipal bonds were rated Aa2 by Moodys. The U.S. government money market, municipal bonds, and negotiable CDs were not rated. The negotiable CDs are covered by FDIC. 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, 2021:

<u>Investment type</u>	<u>Measurement</u>	
	<u>Value</u>	<u>% to total</u>
STAR Ohio	\$ 47,540	0.88
U.S. Government money market	7,577	0.14
Commercial paper	1,564,172	28.90
Negotiable CDs	1,756,131	32.42
Municipal bonds	269,262	4.97
FFCB	491,794	9.09
FHLB	645,017	11.92
FNMA	483,293	8.93
FHLMC	<u>148,581</u>	<u>2.75</u>
Total	<u>\$ 5,413,367</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2021:

Cash and investments per note

Carrying amount of deposits	\$ 24,787,923
Cash with escrow agent	538,333
Investments	<u>5,413,367</u>
Total	<u>\$ 30,739,623</u>

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 22,406,906
Business type activities	7,759,806
Private-purpose trust fund	30,635
Custodial fund	<u>542,276</u>
Total	<u>\$ 30,739,623</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Transfers

Routine general fund transfers consist of \$970,000 to the fire/EMS levy special revenue fund, \$2,027,104 to the street maintenance and repair special revenue fund, \$130,000 to the fire station construction fund, and \$1,215,740 to nonmajor governmental funds. The safety services income tax fund, a nonmajor special revenue fund, also transferred \$141,020 to the bond retirement, a nonmajor debt service fund, to provide income tax revenue raised for bond payments.

	<u>Transfer In</u>	<u>Transfer Out</u>
<u>Major funds</u>		
General	\$ -	\$ 4,342,844
Fire/EMS levy	970,000	-
Street maintenance and repair	2,027,104	-
Fire station construction	<u>130,000</u>	<u>-</u>
Total major funds	<u>3,127,104</u>	<u>4,342,844</u>
<u>Nonmajor governmental funds</u>		
Safety services income tax	-	141,020
Community development	29,345	-
Police pension	279,895	-
Historical preservation	1,500	-
Bond retirement	1,016,020	-
General infrastructure reserve	<u>30,000</u>	<u>-</u>
Total nonmajor governmental funds	<u>1,356,760</u>	<u>141,020</u>
Total	<u>\$ 4,483,864</u>	<u>\$ 4,483,864</u>

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

B. Interfund Loans

Interfund loans consisted of the following at December 31, 2021, as reported on the fund financial statements.

Receivable fund	Payable funds	Amount
	<u>Major funds</u>	
General	Storm water fund	\$ 189,448
General	Fire station construction fund	24,600
	<u>Nonmajor governmental funds</u>	
General	Safety services income tax fund	656,561
General	Tallmadge reserve incentive district TIF fund	<u>72,516</u>
Total		<u>\$ 943,125</u>

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2021, 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.

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. 2021 public utility property taxes became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of Tallmadge. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2021 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 2021 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is reported as a deferred inflow of resources.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 6 - RECEIVABLES - (Continued)

The full tax rate for all City operations for the year ended December 31, 2021 was \$6.15 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2021 property tax receipts were based are as follows:

Real property

Residential/agricultural and commercial/industrial/mineral	\$ 483,213,560
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Public utility

Personal	<u>7,953,480</u>
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Total assessed value	<u>\$ 491,167,040</u>
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B. Municipal Income Taxes

The City levies a municipal income tax of 2.25 percent on all income earned within the City as well as on income of residents earned outside of the City. In the latter case, the City allows a credit of 100 percent on the income earned outside of the City and paid to another municipality. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax at least quarterly and file a final return annually.

Ohio law requires all City income tax rates above 1 percent to be voted by residents of the City. Additional increases in the income tax rate would require voter approval. The City, by ordinance, designates 2 percent of the income tax for capital outlay and general governmental operations for programs within the general fund. The City's income tax increased from 2 percent to 2.25 percent effective January 1, 2020. The additional .25 percent income tax was approved by voters in 2019 and is to be used for the purpose of funding fire/EMS, police protection and related safety services. The .25 percent income tax is reported in the safety services income tax levy nonmajor special revenue fund and the fire station construction fund.

In addition, the City receives income tax monies as the result of its agreement with Brimfield Township for a Joint Economic Development District (JEDD). Businesses within the JEDD currently pay a 1.50 percent income tax on all income earned within the JEDD and are required to withhold income tax on employee earnings and remit the tax to the City. The City is responsible for collection and administration of the income tax for the JEDD. The City is entitled to 55 percent of all income taxes collected from the JEDD and is required to contribute 5 percent of all income taxes collected to the JEDD Maintenance and Capital Improvement Fund maintained by the Township. The Township is entitled to the remaining 45 percent of all income taxes collected from the JEDD.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

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	\$ 271,854
Homestead and rollback	162,675
JEDD income tax	280,928
Recycle grant	17,552
Miscellaneous	24,531
Permissive tax	11,490
Auto license tax	91,010
Gas tax and municipal cents per gallon tax	510,849
Summit County reimbursement	194,205
Ohio Department of Transportation	<u>165,524</u>
Total	<u>\$ 1,730,618</u>

NOTE 7 - TAX ABATEMENTS

The County provides tax abatements through the Tallmadge Community Reinvestment Area (CRA). This program relates to the abatement of property taxes.

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

The City has entered into agreements to abate property taxes through this CRA program. During 2021, the City's property tax revenues were reduced by \$48,901 as a result of these agreements.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 8 - CAPITAL ASSETS

Governmental activities capital asset activity for the year ended December 31, 2021, was as follows:

	Balance			Balance
<u>Governmental activities:</u>	<u>12/31/20</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/21</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 3,617,825	\$ 124,815	\$ (164,824)	\$ 3,577,816
Right of ways	80,218	-	-	80,218
Construction in progress	<u>1,419,426</u>	<u>4,019,507</u>	<u>(1,419,426)</u>	<u>4,019,507</u>
Total capital assets, not being depreciated	<u>5,117,469</u>	<u>4,144,322</u>	<u>(1,584,250)</u>	<u>7,677,541</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	18,238,566	51,796	(7,500)	18,282,862
Equipment	9,525,633	1,855,405	(934,997)	10,446,041
Infrastructure - streets subsystem	<u>25,595,930</u>	<u>1,301,075</u>	<u>-</u>	<u>26,897,005</u>
Total capital assets, being depreciated	<u>53,360,129</u>	<u>3,208,276</u>	<u>(942,497)</u>	<u>55,625,908</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(9,636,362)	(464,488)	1,969	(10,098,881)
Equipment	(6,994,567)	(576,811)	934,997	(6,636,381)
Infrastructure - streets subsystem	<u>(16,271,646)</u>	<u>(696,434)</u>	<u>-</u>	<u>(16,968,080)</u>
Total accumulated depreciation	<u>(32,902,575)</u>	<u>(1,737,733)</u>	<u>936,966</u>	<u>(33,703,342)</u>
Total capital assets, being depreciated, net	<u>20,457,554</u>	<u>1,470,543</u>	<u>(5,531)</u>	<u>21,922,566</u>
Governmental activities capital assets, net	<u>\$ 25,575,023</u>	<u>\$ 5,614,865</u>	<u>\$ (1,589,781)</u>	<u>\$ 29,600,107</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 188,526
Security of persons and property - police	99,472
Security of persons and property - fire	147,138
Public health and welfare	3,284
Transportation	906,332
Community environment	3,082
Leisure time activity	<u>389,899</u>
Total depreciation expense	<u>\$ 1,737,733</u>

Business-type activities capital asset activity for the year ended December 31, 2021, was as follows:

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 8 - CAPITAL ASSETS - (Continued)

	Balance		Balance
<u>Business-type activities:</u>	<u>12/31/20</u>	<u>Additions</u>	<u>Deductions</u>
			<u>12/31/21</u>
<i>Capital assets, not being depreciated:</i>			
Land	\$ 375,519	\$ -	\$ -
Right of ways/easements	<u>279,260</u>	<u>6,000</u>	<u>-</u>
Total capital assets, not being depreciated	<u>654,779</u>	<u>6,000</u>	<u>-</u>
<i>Capital assets, being depreciated:</i>			
Buildings and improvements	2,146,092	-	-
Equipment	2,162,608	263,258	(86,492)
Infrastructure			
Water lines	11,886,339	459,779	-
Sewer lines	9,383,428	-	-
Storm water subsystem	<u>8,050,133</u>	<u>761,682</u>	<u>-</u>
Total capital assets, being depreciated	<u>33,628,600</u>	<u>1,484,719</u>	<u>(86,492)</u>
<i>Less: accumulated depreciation:</i>			
Buildings and improvements	(1,513,027)	(53,454)	-
Equipment	(1,276,927)	(120,579)	81,823
Infrastructure			
Water lines	(6,478,117)	(242,988)	-
Sewer lines	(6,136,867)	(170,792)	-
Storm water subsystem	<u>(3,036,269)</u>	<u>(217,946)</u>	<u>-</u>
Total accumulated depreciation	<u>(18,441,207)</u>	<u>(805,759)</u>	<u>81,823</u>
Total capital assets, being depreciated, net	<u>15,187,393</u>	<u>678,960</u>	<u>(4,669)</u>
Business-type activities capital assets, net	<u>\$ 15,842,172</u>	<u>\$ 684,960</u>	<u>\$ (4,669)</u>

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

Sewer operating	\$ 231,278
Water operating	341,717
Storm water	<u>232,764</u>
Total depreciation expense	<u>\$ 805,759</u>

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 9 - CAPITAL LEASES

During 2021, the City entered into new capital leases for various pieces of equipment and vehicles. In prior years, the City entered into capital leases for ambulances, vehicles, hydrovac trucks, street equipment and copier equipment. The capital leases will be paid out of the general fund, fire/EMS levy special revenue fund, the street maintenance and repair special revenue fund, the safety services income tax nonmajor special revenue fund, water operating fund, sewer operating fund and storm water fund. Capital lease payments are reflected as debt service expenditures in the financial statements for the governmental funds and as functional expenditures in the budgetary statements. Capital assets were capitalized at the present value of the minimum lease payments at the time the leases were entered into. Of the City's \$873,305 governmental activities capital lease obligation outstanding at December 31, 2021, \$13,569 was related to equipment that was not capitalized, as a portion of the equipment leased under the copier equipment lease was below the capitalization threshold.

Several pieces of equipment related to the 2021 capital lease have not been purchased by the City at December 31, 2021. The lease proceeds related to these pieces of equipment are reported as restricted cash with fiscal and escrow agent. The balance of the capital lease obligation related to this lease is \$327,445 in the governmental activities, \$50,567 in the water operating fund, and \$50,567 in the sewer operating fund. These balances are not included in the City's calculation of net investment in capital assets.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Assets:		
Equipment	\$ 1,313,027	\$ 886,544
Less: accumulated depreciation	<u>(411,324)</u>	<u>(121,709)</u>
Total	<u>\$ 901,703</u>	<u>\$ 764,835</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, 2021:

<u>Year Ended</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2022	\$ 303,803	\$ 212,531
2023	231,600	212,531
2024	167,686	207,919
2025	149,813	77,810
2026	49,960	-
2027	<u>45,133</u>	<u>-</u>
Total	947,995	710,791
Less: amount representing interest	<u>(74,690)</u>	<u>(29,101)</u>
Present value of net minimum lease payments	<u>\$ 873,305</u>	<u>\$ 681,690</u>

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 10 - LONG-TERM OBLIGATIONS

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

	Balance			Balance	Amounts
	12/31/20	Additions	Reductions	12/31/21	Due in
					One Year
Governmental activities:					
<u>General obligation bonds</u>					
2001 City building improvement	\$ 165,000	\$ -	\$ (165,000)	\$ -	\$ -
2015 Recreation center refunding	2,135,000	-	(165,000)	1,970,000	175,000
2017 North avenue improvement	210,000	-	(210,000)	-	-
2021 Various Purpose Fire Station	-	8,000,000	-	8,000,000	280,000
2021 Various Purpose East Ave.	-	1,000,000	-	1,000,000	35,000
Total general obligation bonds	<u>2,510,000</u>	<u>9,000,000</u>	<u>(540,000)</u>	<u>10,970,000</u>	<u>490,000</u>
<u>Private placement general obligation bonds</u>					
2020 Fire truck	1,335,000	-	(125,000)	1,210,000	130,000
2020 Various purpose recreation refunding	2,310,000	-	(215,000)	2,095,000	225,000
Total private placement G.O. bonds	<u>3,645,000</u>	<u>-</u>	<u>(340,000)</u>	<u>3,305,000</u>	<u>355,000</u>
<u>Other long-term obligations</u>					
Capital leases	638,624	559,380	(324,699)	873,305	270,648
Net pension liability	15,364,613	297,401	(1,702,605)	13,959,409	-
Net OPEB liability	5,097,907	133,085	(3,649,128)	1,581,864	-
Compensated absences	1,050,846	269,264	(331,558)	988,552	269,264
Total governmental activities long-term obligations	<u>\$ 28,306,990</u>	<u>\$ 10,259,130</u>	<u>\$ (6,887,990)</u>	31,678,130	<u>\$ 1,384,912</u>
Add: Unamortized premium on bond issue				899,682	
Less: Unamortized discount on bond issue				<u>(77,169)</u>	
Total reported on statement of net position				<u>\$ 32,500,643</u>	

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

	Balance			Balance	Amounts
	12/31/20	Additions	Reductions	12/31/21	Due in
					One Year
Business-type activities:					
<u>OWDA loans (direct borrowing)</u>					
Northeast water system	\$ 791,722	\$ -	\$ (72,681)	\$ 719,041	\$ 76,100
South Avenue waterline	267,436	-	(50,596)	216,840	52,002
Total OWDA loans	<u>1,059,158</u>	<u>-</u>	<u>(123,277)</u>	<u>935,881</u>	<u>128,102</u>
Capital leases	527,552	352,455	(198,317)	681,690	198,946
Net pension liability	1,064,510	-	(378,888)	685,622	-
Net OPEB liability	708,331	-	(708,331)	-	-
Compensated absences	25,188	12,080	(25,188)	12,080	11,270
Total business-type activities long-term obligations	<u>\$ 3,384,739</u>	<u>\$ 364,535</u>	<u>\$ (1,434,001)</u>	<u>\$ 2,315,273</u>	<u>\$ 338,318</u>

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The interest rate, original issue amount and date of maturity of each of the City's bonds outstanding at December 31, 2021 are as follows:

<u>Bond Issue</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Maturity Date</u>
2001 City building improvement	4.725%	\$ 2,270,000	12/1/2021
2015 Recreation center refunding	2.493%	2,925,000	12/1/2031
2017 North avenue improvement	1.850%	825,000	5/1/2021
2020 Fire Truck	1.200%	1,335,000	12/1/2030
2020 Various Purpose Recreation Refunding Bonds	1.200%	2,550,000	12/1/2030
2021 Various Purpose Fire Station	2.00 - 5.00%	8,000,000	12/1/2041
2021 Various Purpose East Ave.	2.00 - 5.00%	1,000,000	12/1/2041

2001 City Building Improvement Bonds Payable:

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

2015 Recreation Center Bonds Payable:

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

Issuance proceeds, in the amount of \$2,943,456, were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt payments on the refunding debt. This refunded debt is considered defeased. At December 31, 2021 none of the defeased debt was outstanding.

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

2017 North Avenue Improvement Bonds Payable:

On April 26, 2017, the City issued \$825,000 in general obligation bonds payable for permanent improvements on North Avenue. These bonds bear an interest rate of 1.85% and matured on May 1, 2021.

2020 Various Purpose Recreation Refunding Bonds - Private Placement:

On April 21, 2020, the City issued general obligation bonds in the amount of \$2,550,000 to refund \$2,460,000 of the 2010 recreation various improvement bonds through a private placement with Baker Tilly Municipal Advisors, LLC. These bonds bear an interest rate of 1.20% and mature on December 1, 2030. 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 \$62,763. 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. The unamortized deferred charges are reported as a deferred outflow of resources on the statement of net position. This refunding was undertaken to reduce total debt service payments over the next nine years and resulted in an economic gain of \$384,586.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The refunding bonds issued through JP Morgan Chase Bank is considered a private placement. Private placements occur when the City issues a debt security directly to an investor. Private placements have terms negotiated directly with the investor and are not offered for public sale.

2020 Fire Truck Bonds Payable - Private Placement:

On April 21, 2020, the City issued \$1,335,000 in general obligation bonds payable for a fire truck vehicle through a private placement with Baker Tilly Municipal Advisors, LLC. These bonds bear an interest rate of 1.20% and mature on December 1, 2030. These bonds are general obligations of the City, for which its full faith and credit is pledged for repayment.

The bonds issued through JP Morgan Chase Bank is considered a private placement. Private placements occur when the City issues a debt security directly to an investor. Private placements have terms negotiated directly with the investor and are not offered for public sale.

2021 Fire Station Bonds Payable:

On October 7, 2021, the City issued \$8,000,000 in general obligation bonds payable for constructing, equipping, and furnishing a new fire station. These bonds bear interest rates ranging from 2.00% to 5.00% and mature on December 1, 2041. These bonds are general obligations of the City, for which its full faith and credit is pledged for repayment.

At December 31, 2021, \$5,156,854 of the proceeds of this bond issue remain unspent.

2021 East Avenue Bonds Payable:

On October 7, 2021, the City issued \$1,000,000 in general obligation bonds payable for improvements to the intersection of East Avenue and Washburn Road. These bonds bear interest rates ranging from 2.00% to 5.00% and mature on December 1, 2041. These bonds are general obligations of the City, for which its full faith and credit is pledged for repayment.

OWDA Loans:

The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA). The City has pledged future water revenues to repay the OWDA loans. The loans are payable solely from water fund revenues and are payable through 2029. Annual principal and interest payments on the Northeast water system and South Avenue waterline loans are expected to require all of the available net revenues and 8.20 percent of total revenues. The total principal and interest remaining to be paid on the OWDA loans is \$1,078,807. Principal and interest paid for the current year was \$161,262, total net revenues were \$482,027 and total revenues were \$2,189,306.

OWDA loans are direct borrowings that have terms negotiated directly between the City and the OWDA and are not offered for public sale. In the event of default, the OWDA may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest, or late charges associated with the default.

Capital Lease Obligations:

See Note 9 to the basic financial statements for detail.

Net Pension Liability Net OPEB Liability:

See Notes 12 and 13 to the basic financial statements for details on the net pension liability and net OPEB liability, respectively. The net pension and net OPEB liability will be paid from the general fund, fire/EMS levy fund, street maintenance and repair fund, police pension fund, sewer operating fund, water operating fund and storm water fund.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Compensated Absences:

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

As of December 31, 2021, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$37,143,700 (net of unamortized debt) and the unvoted legal debt margin was \$27,014,187. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2021 are as follows:

Year Ended	Governmental Activities General Obligation Bonds			Governmental Activities General Obligation Bonds Private Placement		
	Principal	Interest	Total	Principal	Interest	Total
	2022	\$ 490,000	\$ 331,336	\$ 821,336	\$ 355,000	\$ 39,660
2023	535,000	286,800	821,800	355,000	35,400	390,400
2024	545,000	274,350	819,350	355,000	31,140	386,140
2025	555,000	261,650	816,650	365,000	26,880	391,880
2026	565,000	248,700	813,700	365,000	22,500	387,500
2027-2031	3,105,000	998,750	4,103,750	1,510,000	45,600	1,555,600
2032-2036	2,445,000	455,250	2,900,250	-	-	-
2037-2041	2,730,000	166,000	2,896,000	-	-	-
Total	<u>\$ 10,970,000</u>	<u>\$ 3,022,836</u>	<u>\$ 13,992,836</u>	<u>\$ 3,305,000</u>	<u>\$ 201,180</u>	<u>\$ 3,506,180</u>

Year Ended	Business-Type Activities OWDA Loans		
	Principal	Interest	Total
2022	\$ 128,102	\$ 33,637	\$ 161,739
2023	133,127	29,114	162,241
2024	138,360	24,404	162,764
2025	143,812	19,502	163,314
2026	91,463	14,796	106,259
2027 - 2029	301,017	21,473	322,490
Total	<u>\$ 935,881</u>	<u>\$ 142,926</u>	<u>\$ 1,078,807</u>

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

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 2021, the City contracted with Selective Insurance of South Carolina for general liability, automobile, firefighters, errors and omissions, and law enforcement and public officials for the policy period covering January 1, 2021 through December 31, 2021. Travelers Insurance Company also covers buildings and contents and boiler and machinery. The City carries a \$2,000,000 general liability with \$1,000,000 occurrence, a \$1,000,000 automobile liability and a \$10,000,000 umbrella liability extending coverage on the general, automobile, police professional liability and public official's liability.

Selective Insurance of America insures dishonesty bonds for all necessary officials and other employees. The City carries \$1,000,000 employee dishonesty limit with \$100,000 faithful performance of duty.

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 has elected to provide employee medical, prescription, dental and vision benefits through a health insurance consortium comprised of other public entities beginning on July 1, 2017. The Jefferson Health Plan is the consortium that administers the provision of medical, dental, vision, hospitalization, and prescription drug benefits for all claims incurred during membership in the Jefferson Health Plan. A third-party administrator contracted by the Jefferson Health Plan provides administrative services in connection with the processing and payment of claims. The City is responsible for the first \$75,000 in claims, the Jefferson Health Plan is responsible for cumulative claim payments up to a maximum reimbursement of \$1,425,000, and cumulative claim payments over \$1,500,000 are eligible for reimbursement from the Jefferson Health Plan's umbrella stop-loss policy, currently Sun Life. Fixed premiums for the calendar year are determined by the Jefferson Health Plan and paid to the third-party administrator.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Asset and Net OPEB Liability/Asset

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period.

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

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

GASB 68/75 assumes the liability/asset is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees).

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients.

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

The remainder of this note includes the pension disclosures. See Note 13 for the OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. 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.

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent.

For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2021 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits **	0.0 %
Total Employer	14.0 %
Employee	10.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$679,181 for 2021. Of this amount, \$51,062 is reported as intergovernmental payable.

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

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

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.00% of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.00% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

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

	Police	Firefighters
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2021 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50 %	0.50 %
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$789,901 for 2021. Of this amount, \$64,847 is reported as intergovernmental payable.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The net pension liability and net pension asset for OPERS was measured as of December 31, 2020, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.033131%	0.001872%	0.016192%	0.146671%	
Proportion of the net pension liability/asset current measurement date	<u>0.030167%</u>	<u>0.017388%</u>	<u>0.010200%</u>	<u>0.149301%</u>	
Change in proportionate share	<u>-0.002964%</u>	<u>0.015516%</u>	<u>-0.005992%</u>	<u>0.002630%</u>	
Proportionate share of the net pension liability	\$ 4,467,075	\$ -	\$ -	\$ 10,177,956	\$ 14,645,031
Proportionate share of the net pension asset	-	(50,193)	(1,859)	-	(52,052)
Pension expense	(135,264)	1,183	(1,334)	959,540	824,125

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ -	\$ -	\$ 1,281	\$ 425,473	\$ 426,754
Changes of assumptions	-	3,135	51	170,688	173,874
Changes in employer's proportionate percentage/difference between employer contributions	26,128	-	-	342,936	369,064
Contributions subsequent to the measurement date	660,090	13,047	6,044	789,901	1,469,082
Total deferred outflows of resources	<u>\$ 686,218</u>	<u>\$ 16,182</u>	<u>\$ 7,376</u>	<u>\$ 1,728,998</u>	<u>\$ 2,438,774</u>
Deferred inflows of resources					
Differences between expected and actual experience	\$ 186,862	\$ 9,470	\$ -	\$ 396,506	\$ 592,838
Net difference between projected and actual earnings on pension plan investments	1,741,137	7,470	205	493,702	2,242,514
Changes in employer's proportionate percentage/difference between employer contributions	435,200	-	-	3,357	438,557
Total deferred inflows of resources	<u>\$ 2,363,199</u>	<u>\$ 16,940</u>	<u>\$ 205</u>	<u>\$ 893,565</u>	<u>\$ 3,273,909</u>

\$1,469,082 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2022.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
2022	\$ (1,001,698)	\$ (3,594)	\$ 141	\$ 123,151	\$ (882,000)
2023	(388,162)	(2,285)	173	300,266	(90,008)
2024	(709,745)	(4,003)	127	(395,710)	(1,109,331)
2025	(237,466)	(1,864)	155	(16,094)	(255,269)
2026	-	(796)	157	33,919	33,280
Thereafter	-	(1,263)	374	-	(889)
Total	<u>\$ (2,337,071)</u>	<u>\$ (13,805)</u>	<u>\$ 1,127</u>	<u>\$ 45,532</u>	<u>\$ (2,304,217)</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 0.50%, simple through 2021, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.40% simple through 2020 then 2.15% simple to 0.50% simple through 2021 then 2.15% simple.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables. The most recent experience study was completed for the five-year period ended December 31, 2015.

During 2020, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 11.70% for 2020.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant.

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	25.00 %	1.32 %
Domestic equities	21.00	5.64
Real estate	10.00	5.39
Private equity	12.00	10.42
International equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2020 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 8,520,971	\$ 4,467,075	\$ 1,096,269
Combined Plan	(34,950)	(50,193)	(61,554)
Member-Directed Plan	(1,632)	(1,859)	(2,040)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2021, are presented below.

Valuation date	1/1/20 with actuarial liabilities rolled forward to 12/31/20
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year simple

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation		
Linked Bonds *	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - The total pension liability was calculated using the discount rate of 8.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net pension liability	\$ 14,169,018	\$ 10,177,956	\$ 6,837,840

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 12 for a description of the net OPEB liability/asset.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

CITY OF TALLMADGE, OHIO

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FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$2,418 for 2021. Of this amount, \$182 is reported as intergovernmental payable.

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

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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 information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.50% and 24.00% of covered payroll for police and fire employer units, 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.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The OP&F Board of Trustees is also 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 contractually required contribution to OP&F was \$18,826 for 2021. Of this amount, \$1,546 is reported as intergovernmental payable.

Net OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability/asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability			
prior measurement date	0.031547%	0.146671%	
Proportion of the net OPEB liability/asset			
current measurement date	<u>0.029006%</u>	<u>0.149301%</u>	
Change in proportionate share	<u>-0.002541%</u>	<u>0.002630%</u>	
Proportionate share of the net OPEB liability	\$ -	\$ 1,581,864	\$ 1,581,864
Proportionate share of the net OPEB asset	(516,764)	-	(516,764)
OPEB expense	(3,247,546)	184,384	(3,063,162)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Changes of assumptions	\$ 254,048	\$ 873,891	\$ 1,127,939
Changes in employer's proportionate percentage/ difference between employer contributions	15,795	165,284	181,079
Contributions subsequent to the measurement date	2,418	18,826	21,244
Total deferred outflows of resources	<u>\$ 272,261</u>	<u>\$ 1,058,001</u>	<u>\$ 1,330,262</u>

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 466,379	\$ 260,921	\$ 727,300
Net difference between projected and actual earnings on OPEB plan investments	275,238	58,785	334,023
Changes of assumptions	837,313	252,179	1,089,492
Changes in employer's proportionate percentage/ difference between employer contributions	232,949	-	232,949
Total deferred inflows of resources	<u>\$ 1,811,879</u>	<u>\$ 571,885</u>	<u>\$ 2,383,764</u>

\$21,244 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2022.

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2022	\$ (824,572)	\$ 101,233	\$ (723,339)
2023	(565,427)	115,151	(450,276)
2024	(119,604)	93,209	(26,395)
2025	(32,433)	97,721	65,288
2026	-	29,964	29,964
Thereafter	-	30,012	30,012
Total	<u>\$ (1,542,036)</u>	<u>\$ 467,290</u>	<u>\$ (1,074,746)</u>

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	3.16%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	2.00%
Prior Measurement date	2.75%
Health Care Cost Trend Rate	
Current measurement date	8.50% initial, 3.50% ultimate in 2035
Prior Measurement date	10.50%, initial 3.50%, ultimate in 2030
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

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

During 2020, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 10.50% for 2020.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	<u>100.00 %</u>	<u>4.43 %</u>

Discount Rate - A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Change in Benefit Terms - On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation which are reported by the City at December 31, 2021. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB asset calculated using the single discount rate of 6.00%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00%) or one-percentage-point higher (7.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB asset	\$ 128,497	\$ 516,764	\$ 835,953

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB asset	\$ 529,360	\$ 516,764	\$ 502,674

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	2.96%
Prior measurement date	3.56%
Cost of Living Adjustments	2.20% simple per year

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation		
Linked Bonds *	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
 Total	 <u>125.00 %</u>	

Note: assumptions are geometric.

* levered 2.5x

** numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - For 2020, the total OPEB liability was calculated using the discount rate of 2.96%. For 2019, the total OPEB liability was calculated using the discount rate of 3.56%. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.00%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12% at December 31, 2020 and 2.75% at December 31, 2019, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 2.96% for 2020 and 3.56% for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.96%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96%), or one percentage point higher (3.96%) than the current rate.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 1,972,494	\$ 1,581,864	\$ 1,259,640

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS

A. Compensated Absences

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

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

Sick leave is earned at the rate of .0575 hours per hour of service. An employee may receive up to 50 percent of their accumulated sick leave, not to exceed a maximum of 150 days, upon retirement for all employees or upon termination for police and full-time firefighters with at least 10 years of service. Retirement and termination payments are calculated using the rate of pay at the date of separation.

Employees have the option to accrue comp time at time and a half the overtime hours worked in lieu of being paid overtime. Non-bargaining employees maximum balance is 24 hours. Full-time firefighters maximum balance is 240 hours. Police officers and sergeants maximum balance is 240 hours. Police and sergeants prior year carryover balances are reduced to 40 hours on April 15 of the succeeding year. Any excess of 40 hours is paid out to the employee. Teamsters union employees maximum is 160 hours. Balances for teamsters are zeroed out every year on December 1 and paid to the employee.

B. Life Insurance

The City provides life insurance to its employees through MetLife.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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 fund</u>	<u>Fire/EMS Levy</u>	<u>Street Maintenance and Repair</u>	<u>American Rescue Plan Act</u>
Budget basis	\$ 1,222,303	\$ (605,464)	\$ 72,632	\$ 917,567
Net adjustment for revenue accruals	(136,276)	(137,085)	28,020	(917,567)
Net adjustment for expenditure accruals	(109,223)	(1,725)	(166,360)	-
Net adjustment for other financing sources	950,777	(7,870)	190,491	-
Funds budgeted elsewhere	(34,680)	-	-	-
Adjustment for encumbrances	<u>538,194</u>	<u>15,640</u>	<u>286,139</u>	<u>-</u>
GAAP basis	<u>\$ 2,431,095</u>	<u>\$ (736,504)</u>	<u>\$ 410,922</u>	<u>\$ -</u>

Certain funds that are legally classified in separate custodial funds are considered part of the general fund on a GAAP-basis. These include the payroll clearing fund and revolving fund.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

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

The City of Tallmadge 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 324 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 2021, the City contributed \$3,479 to the Akron Metropolitan Area Transportation Study, which represents the City's formula share.

NOTE 17 - CONTRACTUAL COMMITMENTS

At December 31, 2021, the City had \$3,313,269 in contractual commitments to the City of Stow for dispatch services covering a multi-year period.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

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, 2021.

B. Litigation

The City of Tallmadge is not a party to legal proceedings.

NOTE 19 - FUND BALANCE

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

Fund balance	General	Fire/EMS Levy	Street Maintenance and Repair	Fire Station Constuction	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Materials and supplies inventory	\$ 107,501	\$ -	\$ 125,648	\$ -	\$ -	\$ 233,149
Prepayments	<u>184,705</u>	<u>63,717</u>	<u>40,339</u>	<u>-</u>	<u>2,490</u>	<u>291,251</u>
Total nonspendable	<u>292,206</u>	<u>63,717</u>	<u>165,987</u>	<u>-</u>	<u>2,490</u>	<u>524,400</u>
Restricted:						
General government						
Historical preservation	-	-	-	-	700	700
Fire repair and removal	-	-	-	-	83,436	83,436
Security of persons and property						
Police	-	-	-	-	169,619	169,619
Fire	-	759,992	-	-	7,514	767,506
Safety services income tax levy	-	-	-	-	702,853	702,853
Transportation						
Street maintenance and repair	-	-	1,538,652	-	-	1,538,652
State highway	-	-	-	-	130,627	130,627
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,858,106</u>	<u>12,459</u>	<u>5,870,565</u>
Total restricted	<u>-</u>	<u>759,992</u>	<u>1,538,652</u>	<u>5,858,106</u>	<u>1,107,208</u>	<u>9,263,958</u>
Committed:						
General government						
Performance deposits	302,818	-	-	-	-	302,818
Capital outlay						
General infrastructure	-	-	-	-	118,943	118,943
Fire station construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>517,680</u>	<u>-</u>	<u>517,680</u>
Total committed	<u>302,818</u>	<u>-</u>	<u>-</u>	<u>517,680</u>	<u>118,943</u>	<u>939,441</u>

- (Continued)

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 19 - FUND BALANCE - (Continued)

<i>- (Continued)</i>							
Fund balance	General	Fire/EMS Levy	Street Maintenance and Repair	Fire Station Construction	Nonmajor Governmental Funds	Total Governmental Funds	
Assigned:							
General government							
Mayor/administration	\$ 13,304	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,304
Finance director	8,954	-	-	-	-	-	8,954
Law director	10,950	-	-	-	-	-	10,950
Service director	19,691	-	-	-	-	-	19,691
Manager of information service	174,393	-	-	-	-	-	174,393
Council	3,323	-	-	-	-	-	3,323
Custodian	4,871	-	-	-	-	-	4,871
General administration	56,066	-	-	-	-	-	56,066
Security of persons and property							
Police	78,896	-	-	-	-	-	78,896
Leisure time activities	40,670	-	-	-	-	-	40,670
Community environment	34,747	-	-	-	-	-	34,747
Transportation	3,448	-	-	-	-	-	3,448
Capital outlay	33,997	-	-	-	-	-	33,997
Debt service	-	-	-	-	668,674	-	668,674
Subsequent year appropriations	<u>1,958,878</u>	-	-	-	-	-	<u>1,958,878</u>
Total assigned	<u>2,442,188</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>668,674</u>	<u>-</u>	<u>3,110,862</u>
Unassigned	<u>9,574,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(84,563)</u>	<u>-</u>	<u>9,490,023</u>
Total fund balances	<u>\$ 12,611,798</u>	<u>\$ 823,709</u>	<u>\$ 1,704,639</u>	<u>\$ 6,375,786</u>	<u>\$ 1,812,752</u>	<u>\$ -</u>	<u>\$ 23,328,684</u>

NOTE 20 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 503,415
Fire/EMS levy fund	13,716
Street maintenance and repair fund	242,344
Fire station construction fund	6,311,681
Other governmental	<u>1,635,512</u>
Total	<u>\$ 8,706,668</u>

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021*

NOTE 21 - TAX INCREMENT FINANCING DISTRICT

The City passed an ordinance on December 11, 2020 to create the Tallmadge Reserve Tax Increment Financing (TIF) District to facilitate the development of a residential subdivision in order to increase housing options within the City. According to State law, TIF agreements with property owners under which the City has granted property tax abatements to those property owners and agreed to construct certain infrastructure improvements. The property owners have agreed to make service payments in lieu of taxes to the City to help pay the costs of the infrastructure improvement. A portion of the service payments will be distributed to the Tallmadge City School District. The amount of those payments will reflect all or a portion of the property taxes which the property owners would have paid if their taxes had not been abated. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by those owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners.

NOTE 22 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

The City's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TALLMADGE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.030167%	0.033131%	0.032832%	0.032215%
City's proportionate share of the net pension liability	\$ 4,467,075	\$ 6,548,568	\$ 8,992,019	\$ 5,053,909
City's covered payroll	\$ 4,249,271	\$ 4,662,314	\$ 4,434,486	\$ 4,259,954
City's proportionate share of the net pension liability as a percentage of its covered payroll	105.13%	140.46%	202.77%	118.64%
Plan fiduciary net position as a percentage of the total pension liability	86.88%	82.17%	74.70%	84.66%
<i>Combined Plan:</i>				
City's proportion of the net pension liability	0.017388%	0.001872%	0.001512%	0.002889%
City's proportionate share of the net pension asset	\$ 50,193	\$ 3,904	\$ 1,691	\$ 3,932
City's covered payroll	\$ 75,564	\$ 7,450	\$ 6,464	\$ 11,838
City's proportionate share of the net pension asset as a percentage of its covered payroll	66.42%	52.40%	26.16%	33.22%
Plan fiduciary net position as a percentage of the total pension asset	157.67%	145.28%	126.64%	137.28%
<i>Member Directed Plan:</i>				
City's proportion of the net pension liability	0.010200%	0.016192%	0.023137%	0.024953%
City's proportionate share of the net pension asset	\$ 1,859	\$ 612	\$ 527	\$ 871
City's covered payroll	\$ 61,260	\$ 96,250	\$ 132,260	\$ 136,760
City's proportionate share of the net pension asset as a percentage of its covered payroll	3.03%	0.64%	0.40%	0.64%
Plan fiduciary net position as a percentage of the total pension asset	188.21%	118.84%	113.42%	124.45%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2017	2016	2015	2014
	0.032327%	0.031015%	0.031214%	0.031214%
\$	7,340,912	\$ 5,372,189	\$ 3,764,757	\$ 3,679,724
\$	4,047,733	\$ 3,888,100	\$ 3,841,117	\$ 3,806,762
	181.36%	138.17%	98.01%	96.66%
	77.25%	81.08%	86.45%	86.36%
	0.010802%	0.019890%	0.018151%	0.018151%
\$	6,013	\$ 9,679	\$ 6,989	\$ 1,905
\$	42,050	\$ 63,500	\$ 66,350	\$ 49,831
	14.30%	15.24%	10.53%	3.82%
	116.55%	116.90%	114.83%	104.56%
	0.026841%	0.025557%		
\$	112	\$ 98		
\$	139,337	\$ 180,653		
	0.08%	0.05%		
	103.40%	103.91%		

CITY OF TALLMADGE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net pension liability	0.149301%	0.146671%	0.146207%	0.144291%
City's proportionate share of the net pension liability	\$ 10,177,956	\$ 9,880,555	\$ 11,934,355	\$ 8,855,767
City's covered payroll	\$ 3,711,104	\$ 3,533,294	\$ 3,363,739	\$ 3,202,777
City's proportionate share of the net pension liability as a percentage of its covered payroll	274.26%	279.64%	354.79%	276.50%
Plan fiduciary net position as a percentage of the total pension liability	70.65%	69.89%	63.07%	70.91%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014
0.140297%	0.133898%	0.136079%	0.136079%
\$ 8,886,247	\$ 8,613,720	\$ 7,049,465	\$ 6,627,479
\$ 2,962,276	\$ 2,775,815	\$ 2,780,230	\$ 2,627,275
299.98%	310.31%	253.56%	252.26%
68.36%	66.77%	72.20%	73.00%

CITY OF TALLMADGE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 660,090	\$ 594,898	\$ 652,724	\$ 620,828
Contributions in relation to the contractually required contribution	<u>(660,090)</u>	<u>(594,898)</u>	<u>(652,724)</u>	<u>(620,828)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 4,714,929	\$ 4,249,271	\$ 4,662,314	\$ 4,434,486
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 13,047	\$ 10,579	\$ 1,043	\$ 905
Contributions in relation to the contractually required contribution	<u>(13,047)</u>	<u>(10,579)</u>	<u>(1,043)</u>	<u>(905)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 93,193	\$ 75,564	\$ 7,450	\$ 6,464
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 6,044	\$ 6,126	\$ 9,625	\$ 13,226
Contributions in relation to the contractually required contribution	<u>(6,044)</u>	<u>(6,126)</u>	<u>(9,625)</u>	<u>(13,226)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 60,440	\$ 61,260	\$ 96,250	\$ 132,260
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 553,794	\$ 485,728	\$ 466,572	\$ 460,934	\$ 494,879	\$ 373,957
<u>(553,794)</u>	<u>(485,728)</u>	<u>(466,572)</u>	<u>(460,934)</u>	<u>(494,879)</u>	<u>(373,957)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,259,954	\$ 4,047,733	\$ 3,888,100	\$ 3,841,117	\$ 3,806,762	\$ 3,739,570
13.00%	12.00%	12.00%	12.00%	13.00%	10.00%
\$ 1,539	\$ 5,046	\$ 7,620	\$ 7,962	\$ 6,478	\$ 3,647
<u>(1,539)</u>	<u>(5,046)</u>	<u>(7,620)</u>	<u>(7,962)</u>	<u>(6,478)</u>	<u>(3,647)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 11,838	\$ 42,050	\$ 63,500	\$ 66,350	\$ 49,831	\$ 45,874
13.00%	12.00%	12.00%	12.00%	13.00%	7.95%
\$ 13,676	\$ 13,237	\$ 17,162			
<u>(13,676)</u>	<u>(13,237)</u>	<u>(17,162)</u>			
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
\$ 136,760	\$ 139,337	\$ 180,653			
10.00%	9.50%	9.50%			

CITY OF TALLMADGE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

*SCHEDULE OF CITY PENSION CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND*

LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Police:</i>				
Contractually required contribution	\$ 400,956	\$ 415,806	\$ 395,605	\$ 384,145
Contributions in relation to the contractually required contribution	<u>(400,956)</u>	<u>(415,806)</u>	<u>(395,605)</u>	<u>(384,145)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,110,295	\$ 2,188,453	\$ 2,082,132	\$ 2,021,816
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 388,945	\$ 357,823	\$ 341,023	\$ 315,352
Contributions in relation to the contractually required contribution	<u>(388,945)</u>	<u>(357,823)</u>	<u>(341,023)</u>	<u>(315,352)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,655,085	\$ 1,522,651	\$ 1,451,162	\$ 1,341,923
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 362,218	\$ 344,157	\$ 322,516	\$ 332,006	\$ 262,827	\$ 205,395
<u>(362,218)</u>	<u>(344,157)</u>	<u>(322,516)</u>	<u>(332,006)</u>	<u>(262,827)</u>	<u>(205,395)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,906,411	\$ 1,811,353	\$ 1,697,453	\$ 1,747,400	\$ 1,654,735	\$ 1,610,941
19.00%	19.00%	19.00%	19.00%	15.88%	12.75%
\$ 304,646	\$ 270,467	\$ 253,415	\$ 242,715	\$ 198,236	\$ 166,385
<u>(304,646)</u>	<u>(270,467)</u>	<u>(253,415)</u>	<u>(242,715)</u>	<u>(198,236)</u>	<u>(166,385)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,296,366	\$ 1,150,923	\$ 1,078,362	\$ 1,032,830	\$ 972,540	\$ 964,551
23.50%	23.50%	23.50%	23.50%	20.38%	17.25%

CITY OF TALLMADGE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

*SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/NET OPEB ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

LAST FIVE YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability/asset	0.029006%	0.031547%	0.031529%	0.031110%	0.031440%
City's proportionate share of the net OPEB liability/(asset)	\$ (516,764)	\$ 4,357,459	\$ 4,110,636	\$ 3,378,317	\$ 3,175,551
City's covered payroll	\$ 4,386,095	\$ 4,766,014	\$ 4,573,210	\$ 4,408,552	\$ 4,229,120
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	11.78%	91.43%	89.89%	76.63%	75.09%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	115.57%	47.80%	46.33%	54.14%	54.05%

Note: Information prior to 2017 was unavailable. The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TALLMADGE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.149301%	0.146671%	0.146207%	0.144291%	0.140297%
City's proportionate share of the net OPEB liability	\$ 1,581,864	\$ 1,448,779	\$ 1,331,439	\$ 8,175,303	\$ 6,659,584
City's covered payroll	\$ 3,711,104	\$ 3,533,294	\$ 3,363,739	\$ 3,202,777	\$ 2,962,276
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	42.63%	41.00%	39.58%	255.26%	224.81%
Plan fiduciary net position as a percentage of the total OPEB liability	45.42%	47.08%	46.57%	14.13%	15.96%

Note: Information prior to 2017 was unavailable. The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TALLMADGE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 2,418	\$ 2,451	\$ 3,850	\$ 5,290
Contributions in relation to the contractually required contribution	<u>(2,418)</u>	<u>(2,451)</u>	<u>(3,850)</u>	<u>(5,290)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 4,868,562	\$ 4,386,095	\$ 4,766,014	\$ 4,573,210
Contributions as a percentage of covered payroll	0.05%	0.06%	0.08%	0.12%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 48,188	\$ 88,066	\$ 79,032	\$ 77,837	\$ 38,549	\$ 152,359
<u>(48,188)</u>	<u>(88,066)</u>	<u>(79,032)</u>	<u>(77,837)</u>	<u>(38,549)</u>	<u>(152,359)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,408,552	\$ 4,229,120	\$ 4,132,253	\$ 3,907,467	\$ 3,856,593	\$ 3,785,444
1.09%	2.08%	1.91%	1.99%	1.00%	4.02%

CITY OF TALLMADGE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

*SCHEDULE OF CITY OPEB CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND*

LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Police:</i>				
Contractually required contribution	\$ 10,551	\$ 10,942	\$ 10,411	\$ 10,110
Contributions in relation to the contractually required contribution	<u>(10,551)</u>	<u>(10,942)</u>	<u>(10,411)</u>	<u>(10,110)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,110,295	\$ 2,188,453	\$ 2,082,132	\$ 2,021,816
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
<i>Fire:</i>				
Contractually required contribution	\$ 8,275	\$ 7,613	\$ 7,256	\$ 6,709
Contributions in relation to the contractually required contribution	<u>(8,275)</u>	<u>(7,613)</u>	<u>(7,256)</u>	<u>(6,709)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,655,085	\$ 1,522,651	\$ 1,451,162	\$ 1,341,923
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 9,532	\$ 9,057	\$ 8,717	\$ 8,653	\$ 59,950	\$ 108,665
<u>(9,532)</u>	<u>(9,057)</u>	<u>(8,717)</u>	<u>(8,653)</u>	<u>(59,950)</u>	<u>(108,665)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,906,411	\$ 1,811,353	\$ 1,697,453	\$ 1,747,400	\$ 1,654,735	\$ 1,610,941
0.50%	0.50%	0.50%	0.50%	3.62%	6.75%
\$ 6,482	\$ 5,755	\$ 5,392	\$ 5,114	\$ 35,017	\$ 65,026
<u>(6,482)</u>	<u>(5,755)</u>	<u>(5,392)</u>	<u>(5,114)</u>	<u>(35,017)</u>	<u>(65,026)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,296,366	\$ 1,150,923	\$ 1,078,362	\$ 1,032,830	\$ 972,540	\$ 964,551
0.50%	0.50%	0.50%	0.50%	3.62%	6.75%

CITY OF TALLMADGE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014-2021.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014-2021.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017.
- For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.
- There were no changes in assumptions for 2019.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.

(Continued)

CITY OF TALLMADGE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms:

- There were no changes in benefit terms from the amounts reported for 2017-2020.
-

For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

Changes in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.50%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.50%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

- There were no changes in benefit terms from the amounts reported for 2017-2018.
- For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.

Changes in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.56% down to 2.96%.

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

CITY OF TALLMADGE, OHIO
INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Major Special Revenue Funds

Fire/EMS Levy Fund

The fire/emergency medical service levy fund accounts for property tax collections received through a permanent tax levy. An additional source of significant revenue is charges for services. Expenditures are for the operations of the fire and 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 the portion of the State gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City.

American Rescue Plan Act Fund

This fund accounts for monies received from the federal government as part of the American Rescue Plan Act of 2021. This Act provides additional relief to address the continued impact of the COVID-19 pandemic.

Nonmajor Special Revenue Funds

Safety Services Income Tax Fund

To account for income tax monies received to fund fire/ EMS and police protection and related services.

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.

CITY OF TALLMADGE, OHIO
INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS (CONTINUED)

Nonmajor Special Revenue Funds (Continued)

Drug Law Enforcement Fund

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

Law Enforcement Assistance Fund

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

Emergency Medical Service Donation Fund

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

K-9 Unit Donation Fund

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

Police Pension Fund

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

Fire Repair/Removal Fund

To account for insurance proceeds for structures destroyed by fires restricted to ensure that the property is appropriately remediated. When remediated, the insurance proceeds are released to the property owner. Failure by the property owner to properly remediate the property, the proceeds will be used by the City to remediate the property.

Historical Preservation Fund

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

Tallmadge Reserve Incentive District TIF Fund

To account for tax increment financing incentives the Tallmadge City School District receives to support public improvements that benefit or serve parcels in the Incentive District.

FEMA Coronavirus Emergency Supplement Fund

To account for monies related to spending on activities to help mitigate the impact of Covid-19 on the City.

DEBT SERVICE FUND

Bond Retirement Fund

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

CAPITAL PROJECTS FUNDS

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

Major Capital Projects Fund

Fire Station Construction Fund

To account for transfers from the General Fund and municipal income taxes from the safety services income tax levy for the construction of a new fire station.

Nonmajor Capital Projects Funds

General Infrastructure Fund

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

East Avenue Improvement Fund

To account for grants received from the Ohio Department of Transportation for the East Avenue improvements.

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Real estate (public utility)	\$ 855,832	\$ 923,097	\$ 910,552	\$ (12,545)
Municipal income taxes	9,562,438	10,314,001	12,423,509	2,109,508
Intergovernmental				
Local government	588,549	634,806	655,773	20,967
Rollback	106,620	115,000	127,747	12,747
JEDD income taxes	812,909	876,800	1,499,359	622,559
Miscellaneous	92,711	100,000	122,250	22,250
Investment income	137,169	147,950	100,584	(47,366)
Fines, licenses and permits	300,298	323,900	360,130	36,230
Special assessments	2,318	2,500	10,813	8,313
Charges for services	1,586,469	1,711,157	1,137,396	(573,761)
Miscellaneous	255,077	275,125	557,525	282,400
Total revenues	<u>14,300,390</u>	<u>15,424,336</u>	<u>17,905,638</u>	<u>2,481,302</u>
Expenditures:				
Current:				
General government				
Mayor/administration				
Personnel	702,131	724,045	706,283	17,762
Operating	126,223	126,223	61,777	64,446
Total mayor/administration	<u>828,354</u>	<u>850,268</u>	<u>768,060</u>	<u>82,208</u>
Finance director				
Personnel	543,855	549,015	523,844	25,171
Operating	244,993	324,993	305,321	19,672
Total finance director	<u>788,848</u>	<u>874,008</u>	<u>829,165</u>	<u>44,843</u>
Law director				
Personnel	347,509	350,480	307,081	43,399
Operating	44,258	44,258	66,405	(22,147)
Total law director	<u>391,767</u>	<u>394,738</u>	<u>373,486</u>	<u>21,252</u>
Service director				
Personnel	271,781	275,144	187,914	87,230
Operating	145,517	145,517	130,054	15,463
Total service director	<u>417,298</u>	<u>420,661</u>	<u>317,968</u>	<u>102,693</u>
Manager of information service				
Personnel	200,247	202,489	200,808	1,681
Operating	641,081	682,629	682,247	382
Total manager of information service	<u>841,328</u>	<u>885,118</u>	<u>883,055</u>	<u>2,063</u>
Council				
Personnel	210,853	212,474	202,526	9,948
Operating	25,992	25,992	19,764	6,228
Total council	<u>236,845</u>	<u>238,466</u>	<u>222,290</u>	<u>16,176</u>
Civil service				
Personnel	30,996	30,996	29,600	1,396
Operating	3,300	3,300	1,540	1,760
Total civil service	<u>34,296</u>	<u>34,296</u>	<u>31,140</u>	<u>3,156</u>

- Continued

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, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Custodian				
Personnel	\$ 72,181	\$ 73,802	\$ 73,514	\$ 288
Operating	143,053	143,053	151,657	(8,604)
Total custodian	215,234	216,855	225,171	(8,316)
General administration				
Operating	1,006,521	1,006,522	1,073,690	(67,168)
Total general administration	1,006,521	1,006,522	1,073,690	(67,168)
Historical church				
Personnel	12,203	12,203	7,647	4,556
Operating	7,874	7,874	5,776	2,098
Total historical church	20,077	20,077	13,423	6,654
Total general government.	4,780,568	4,941,009	4,737,448	203,561
Security of persons and property				
Police				
Personnel	3,769,750	3,818,773	3,550,058	268,715
Operating	491,040	491,040	459,790	31,250
Total police	4,260,790	4,309,813	4,009,848	299,965
Street lighting				
Operating	35,000	35,000	28,439	6,561
Total street lighting	35,000	35,000	28,439	6,561
Total security of persons and property	4,295,790	4,344,813	4,038,287	306,526
Transportation				
Garage				
Personnel	374,957	381,095	356,403	24,692
Operating	88,451	88,451	52,308	36,143
Total transportation	463,408	469,546	408,711	60,835
Community environment				
Zoning				
Personnel	188,502	189,231	175,669	13,562
Operating	119,041	119,041	89,928	29,113
Total zoning	307,543	308,272	265,597	42,675
Total community environment	307,543	308,272	265,597	42,675
Leisure time activities				
Community center				
Personnel	12,203	12,203	6,012	6,191
Operating	70,878	70,878	46,926	23,952
Total community center.	83,081	83,081	52,938	30,143
Parks				
Personnel	32,516	32,516	20,874	11,642
Operating	92,337	92,337	89,380	2,957
Total recreation center	124,853	124,853	110,254	14,599

- Continued

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, 2021*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Recreation center				
Personnel	\$ 1,086,484	\$ 1,090,185	\$ 843,456	\$ 246,729
Operating	672,446	672,446	466,330	206,116
Total recreation center	<u>1,758,930</u>	<u>1,762,631</u>	<u>1,309,786</u>	<u>452,845</u>
Maca pool				
Personnel	141,615	141,615	114,058	27,557
Operating	94,217	94,217	80,741	13,476
Total Maca Pool	<u>235,832</u>	<u>235,832</u>	<u>194,799</u>	<u>41,033</u>
Total leisure time activities	<u>2,202,696</u>	<u>2,206,397</u>	<u>1,667,777</u>	<u>538,620</u>
Capital outlay				
Recreation	123,500	123,500	119,294	4,206
Fleet	95,918	95,918	85,677	10,241
Servers	95,000	95,000	92,180	2,820
Total capital outlay	<u>314,418</u>	<u>314,418</u>	<u>297,151</u>	<u>17,267</u>
Total expenditures	<u>12,364,423</u>	<u>12,584,455</u>	<u>11,414,971</u>	<u>1,169,484</u>
Excess of revenues over expenditures	<u>1,935,967</u>	<u>2,839,881</u>	<u>6,490,667</u>	<u>3,650,786</u>
Other financing sources (uses):				
Sale of capital assets.	464	500	17,605	17,105
Advances in				
Fire station.	463,566	500,000	500,000	-
East Ave. improvement.	463,566	500,000	500,000	-
FEMA Mitigation Grant	175,643	189,448	-	(189,448)
Advances out				
Safety services income tax	-	(656,561)	(656,561)	-
Tallmadge resv. Incentive dist.	-	(72,516)	(72,516)	-
Fire station construction.	-	(524,600)	(524,600)	-
East Ave. improvement	-	(500,000)	(500,000)	-
FEMA Mitigation Grant	(189,448)	(189,448)	(189,448)	-
Transfers out				
Fire station construction.	-	(130,000)	(130,000)	-
Police pension	(279,895)	(279,895)	(279,895)	-
Fire/EMS levy	(970,000)	(970,000)	(970,000)	-
General infrastructure reserve	(30,000)	(30,000)	(30,000)	-
Street maintenance and repair	(1,692,000)	(2,027,104)	(2,027,104)	-
Historical preservation	-	(1,500)	(1,500)	-
Community development.	(10,000)	(39,345)	(29,345)	10,000
Bond retirement	(875,000)	(875,000)	(875,000)	-
Total other financing sources (uses)	<u>(2,943,104)</u>	<u>(5,106,021)</u>	<u>(5,268,364)</u>	<u>(162,343)</u>
Net change in fund balance	(1,007,137)	(2,266,140)	1,222,303	3,488,443
Fund balance at beginning of year	6,879,155	6,879,155	6,879,155	-
Prior year encumbrances appropriated.	479,941	479,941	479,941	-
Fund balance at end of year.	<u>\$ 6,351,959</u>	<u>\$ 5,092,956</u>	<u>\$ 8,581,399</u>	<u>\$ 3,488,443</u>

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CITY OF TALLMADGE, OHIO

*COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,394,898	\$ 668,674	\$ 243,722	\$ 2,307,294
Receivables:				
Income taxes	372,764	-	-	372,764
Real and other taxes	138,960	-	-	138,960
Intergovernmental	54,173	-	359,729	413,902
Prepayments.	2,490	-	-	2,490
Restricted assets:				
Cash with fiscal and escrow agent.	216,040	-	-	216,040
Total assets	\$ 2,179,325	\$ 668,674	\$ 603,451	\$ 3,451,450
Liabilities:				
Accounts payable.	\$ 71,250	\$ -	\$ -	\$ 71,250
Contracts payable.	-	-	277,844	277,844
Accrued wages and benefits payable	954	-	-	954
Interfund loan payable	729,077	-	-	729,077
Intergovernmental payable	33,928	-	-	33,928
Total liabilities	835,209	-	277,844	1,113,053
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	135,111	-	-	135,111
Delinquent property tax revenue not available.	3,849	-	-	3,849
Charges for services.	-	-	194,205	194,205
Income tax revenue not available	153,358	-	-	153,358
Intergovernmental nonexchange transactions	39,122	-	-	39,122
Total deferred inflows of resources.	331,440	-	194,205	525,645
Fund balances:				
Nonspendable	2,490	-	-	2,490
Restricted for:				
General government	84,136	-	-	84,136
Security of persons and property:				
Police	872,472	-	-	872,472
Fire	7,514	-	-	7,514
Transportation.	130,627	-	-	130,627
Capital outlay	-	-	12,459	12,459
Committed	-	-	118,943	118,943
Assigned	-	668,674	-	668,674
Unassigned (deficit)	(84,563)	-	-	(84,563)
Total fund balances	1,012,676	668,674	131,402	1,812,752
Total liabilities, deferred inflows of resources and fund balances.	\$ 2,179,325	\$ 668,674	\$ 603,451	\$ 3,451,450

CITY OF TALLMADGE, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and other taxes	\$ 129,693	\$ -	\$ -	\$ 129,693
Municipal income taxes	1,290,930	-	-	1,290,930
Intergovernmental	175,758	-	895,398	1,071,156
Investment income	57	-	-	57
Fines, licenses and permits	3,823	-	-	3,823
Miscellaneous	133,762	-	-	133,762
Total revenues	1,734,023	-	895,398	2,629,421
Expenditures:				
Current:				
General government	48,927	-	-	48,927
Security of persons and property:				
Police	923,543	-	-	923,543
Fire	158,593	-	-	158,593
Transportation	95,906	-	-	95,906
Community environment	66,490	-	-	66,490
Leisure time activities	20,982	-	-	20,982
Capital outlay	950,514	-	1,911,662	2,862,176
Other	28,328	-	-	28,328
Debt service:				
Principal retirement	66,653	880,000	-	946,653
Interest and fiscal charges	3,053	129,373	-	132,426
Bond issuance costs	-	135,000	-	135,000
Total expenditures	2,362,989	1,144,373	1,911,662	5,419,024
Excess of expenditures over revenues	(628,966)	(1,144,373)	(1,016,264)	(2,789,603)
Other financing sources (uses):				
Bond issuance	-	-	1,000,000	1,000,000
Capital lease transaction	338,882	-	-	338,882
Premium on bond issuance	-	832,088	-	832,088
Discount on bond issuance	-	(78,146)	-	(78,146)
Transfers in	310,740	1,016,020	30,000	1,356,760
Transfers (out)	(141,020)	-	-	(141,020)
Total other financing sources (uses)	508,602	1,769,962	1,030,000	3,308,564
Net change in fund balances	(120,364)	625,589	13,736	518,961
Fund balances at beginning of year	1,133,040	43,085	117,666	1,293,791
Fund balances at end of year	\$ 1,012,676	\$ 668,674	\$ 131,402	\$ 1,812,752

CITY OF TALLMADGE, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2021*

	<u>Safety Services Income Tax</u>	<u>State Highway</u>	<u>Community Development</u>	<u>Alcohol Enforcement and Education</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 945,192	\$ 117,201	\$ 37,943	\$ 9,004
Receivables:				
Income taxes	372,764	-	-	-
Real and other taxes	-	-	-	-
Intergovernmental	-	45,140	-	-
Prepayments.	-	2,490	-	-
Restricted assets:				
Cash with fiscal and escrow agent.	216,040	-	-	-
Total assets	<u>\$ 1,533,996</u>	<u>\$ 164,831</u>	<u>\$ 37,943</u>	<u>\$ 9,004</u>
Liabilities:				
Accounts payable.	\$ 21,224	\$ -	\$ 49,990	\$ -
Accrued wages and benefits payable	-	954	-	-
Interfund payable	656,561	-	-	-
Intergovernmental payable	-	671	-	-
Total liabilities.	<u>677,785</u>	<u>1,625</u>	<u>49,990</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	-	-	-	-
Delinquent property tax revenue not available.	-	-	-	-
Income tax revenue not available	153,358	-	-	-
Intergovernmental nonexchange transactions	-	30,089	-	-
Total deferred inflows of resources	<u>153,358</u>	<u>30,089</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	2,490	-	-
Restricted for:				
General government	-	-	-	-
Security of persons and property:				
Police	702,853	-	-	9,004
Fire	-	-	-	-
Transportation.	-	130,627	-	-
Unassigned (deficit)	-	-	(12,047)	-
Total fund balances.	<u>702,853</u>	<u>133,117</u>	<u>(12,047)</u>	<u>9,004</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 1,533,996</u>	<u>\$ 164,831</u>	<u>\$ 37,943</u>	<u>\$ 9,004</u>

<u>Law Enforcement Trust</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement Assistance</u>	<u>Emergency Medical Service Donation</u>	<u>K-9 Unit Donation</u>	<u>Police Pension</u>	<u>Fire Repair/Removal</u>
\$ 1,250	\$ 10,897	\$ 10,580	\$ 7,550	\$ 7,128	\$ 164,017	\$ 83,436
-	-	-	-	-	-	-
-	-	-	-	-	138,960	-
-	-	-	-	-	9,033	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,250</u>	<u>\$ 10,897</u>	<u>\$ 10,580</u>	<u>\$ 7,550</u>	<u>\$ 7,128</u>	<u>\$ 312,010</u>	<u>\$ 83,436</u>
\$ -	\$ -	\$ -	\$ 36	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	33,257	-
-	-	-	36	-	33,257	-
-	-	-	-	-	-	-
-	-	-	-	-	135,111	-
-	-	-	-	-	3,849	-
-	-	-	-	-	-	-
-	-	-	-	-	9,033	-
-	-	-	-	-	147,993	-
-	-	-	-	-	-	-
-	-	-	-	-	-	83,436
1,250	10,897	10,580	-	7,128	130,760	-
-	-	-	7,514	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,250</u>	<u>10,897</u>	<u>10,580</u>	<u>7,514</u>	<u>7,128</u>	<u>130,760</u>	<u>83,436</u>
<u>\$ 1,250</u>	<u>\$ 10,897</u>	<u>\$ 10,580</u>	<u>\$ 7,550</u>	<u>\$ 7,128</u>	<u>\$ 312,010</u>	<u>\$ 83,436</u>

- (Continued)

CITY OF TALLMADGE, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - (CONTINUED)
DECEMBER 31, 2021*

	Historical Preservation	Tallmadge Reserve Incentive District	Totals
Assets:			
Equity in pooled cash and cash equivalents	\$ 700	\$ -	\$ 1,394,898
Receivables:			
Income taxes	-	-	372,764
Real and other taxes	-	-	138,960
Intergovernmental	-	-	54,173
Prepayments.	-	-	2,490
Restricted assets:			
Cash with fiscal and escrow agent.	-	-	216,040
Total assets	\$ 700	\$ -	\$ 2,179,325
Liabilities:			
Accounts payable.	\$ -	\$ -	\$ 71,250
Accrued wages and benefits payable	-	-	954
Interfund payable	-	72,516	729,077
Intergovernmental payable	-	-	33,928
Total liabilities.	-	72,516	835,209
Deferred inflows of resources:			
Property taxes levied for the next fiscal year.	-	-	135,111
Delinquent property tax revenue not available.	-	-	3,849
Income tax revenue not available	-	-	153,358
Intergovernmental nonexchange transactions	-	-	39,122
Total deferred inflows of resources	-	-	331,440
Fund balances:			
Nonspendable	-	-	2,490
Restricted for:			
General government	700	-	84,136
Security of persons and property:			
Police	-	-	872,472
Fire	-	-	7,514
Transportation.	-	-	130,627
Unassigned (deficit)	-	(72,516)	(84,563)
Total fund balances.	700	(72,516)	1,012,676
Total liabilities, deferred inflows of resources and fund balances.	\$ 700	\$ -	\$ 2,179,325

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CITY OF TALLMADGE, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021*

	Safety Services Income Tax	State Highway	Community Development	Alcohol Enforcement and Education
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	1,290,930	-	-	-
Intergovernmental	-	95,595	-	-
Investment income.	21	36	-	-
Fines, licenses and permits.	-	-	-	498
Miscellaneous	-	28	-	-
Total revenues.	1,290,951	95,659	-	498
Expenditures:				
Current:				
General government.	-	-	-	-
Security of persons and property:				
Police	510,997	-	-	-
Fire	137,307	-	-	-
Transportation	-	89,832	-	-
Community environment	-	-	66,490	-
Leisure time activity	-	-	-	-
Capital outlay.	877,998	-	-	-
Other	-	-	-	-
Debt service:				
Principal retirement	66,653	-	-	-
Interest and fiscal charges	3,053	-	-	-
Total expenditures.	1,596,008	89,832	66,490	-
Excess (deficiency) of revenues over (under) expenditures	(305,057)	5,827	(66,490)	498
Other financing sources (uses):				
Capital lease transaction	338,882	-	-	-
Transfers in	-	-	29,345	-
Transfers (out).	(141,020)	-	-	-
Total other financing sources (uses)	197,862	-	29,345	-
Net change in fund balances	(107,195)	5,827	(37,145)	498
Fund balances at beginning of year	810,048	127,290	25,098	8,506
Fund balances (deficits) at end of year.	\$ 702,853	\$ 133,117	\$ (12,047)	\$ 9,004

<u>Law Enforcement Trust</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement Assistance</u>	<u>Emergency Medical Service Donation</u>	<u>K-9 Unit Donation</u>	<u>Police Pension</u>	<u>Fire Repair/Removal</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,693	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	18,247	-
-	3,325	-	-	-	-	-
-	-	-	150	1,615	-	97,469
-	3,325	-	150	1,615	147,940	97,469
-	-	-	-	-	-	-
190	801	-	-	32	411,523	-
-	-	-	53	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	28,328
-	-	-	-	-	-	-
190	801	-	53	32	411,523	28,328
(190)	2,524	-	97	1,583	(263,583)	69,141
-	-	-	-	-	-	-
-	-	-	-	-	279,895	-
-	-	-	-	-	-	-
-	-	-	-	-	279,895	-
(190)	2,524	-	97	1,583	16,312	69,141
1,440	8,373	10,580	7,417	5,545	114,448	14,295
<u>\$ 1,250</u>	<u>\$ 10,897</u>	<u>\$ 10,580</u>	<u>\$ 7,514</u>	<u>\$ 7,128</u>	<u>\$ 130,760</u>	<u>\$ 83,436</u>

- (Continued)

CITY OF TALLMADGE, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021*

	Historical Preservation	FEMA Coronavirus Emergency Supplement	Tallmadge Reserve Incentive District	Totals
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ 129,693
Municipal income taxes	-	-	-	1,290,930
Intergovernmental	-	61,916	-	175,758
Investment income.	-	-	-	57
Fines, licenses and permits.	-	-	-	3,823
Miscellaneous	34,500	-	-	133,762
Total revenues.	<u>34,500</u>	<u>61,916</u>	<u>-</u>	<u>1,734,023</u>
Expenditures:				
Current:				
General government.	35,300	13,627	-	48,927
Security of persons and property:				
Police	-	-	-	923,543
Fire	-	21,233	-	158,593
Transportation	-	6,074	-	95,906
Community environment	-	-	-	66,490
Leisure time activity	-	20,982	-	20,982
Capital outlay.	-	-	72,516	950,514
Other	-	-	-	28,328
Debt service:				
Principal retirement	-	-	-	66,653
Principal retirement	-	-	-	3,053
Total expenditures.	<u>35,300</u>	<u>61,916</u>	<u>72,516</u>	<u>2,362,989</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(800)</u>	<u>-</u>	<u>(72,516)</u>	<u>(628,966)</u>
Other financing sources (uses):				
Capital lease transaction	-	-	-	338,882
Transfers in	1,500	-	-	310,740
Transfers (out).	-	-	-	(141,020)
Total other financing sources (uses)	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>508,602</u>
Net change in fund balances	700	-	(72,516)	(120,364)
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,133,040</u>
Fund balances (deficits) at end of year.	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ (72,516)</u>	<u>\$ 1,012,676</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)
FIRE/EMS LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 1,341,245	\$ 1,344,645	\$ 1,350,873	\$ 6,228
Intergovernmental	189,520	190,000	186,777	(3,223)
Charges for services	441,880	443,000	465,742	22,742
Miscellaneous.	77,803	78,000	244,564	166,564
Total revenues	<u>2,050,448</u>	<u>2,055,645</u>	<u>2,247,956</u>	<u>192,311</u>
Expenditures:				
Current:				
Security of persons and property				
Fire				
Personnel	3,405,144	3,428,726	3,336,226	92,500
Operating	419,650	419,650	393,989	25,661
Total fire	<u>3,824,794</u>	<u>3,848,376</u>	<u>3,730,215</u>	<u>118,161</u>
Capital outlay				
Equipment.	102,000	102,000	101,075	925
Total capital outlay	<u>102,000</u>	<u>102,000</u>	<u>101,075</u>	<u>925</u>
Total expenditures	<u>3,926,794</u>	<u>3,950,376</u>	<u>3,831,290</u>	<u>119,086</u>
Excess of expenditures over revenues	<u>(1,876,346)</u>	<u>(1,894,731)</u>	<u>(1,583,334)</u>	<u>311,397</u>
Other financing sources:				
Sale of capital assets	-	-	7,870	7,870
Transfers in.	967,548	970,000	970,000	-
Total other financing sources	<u>967,548</u>	<u>970,000</u>	<u>977,870</u>	<u>7,870</u>
Net change in fund balance.	(908,798)	(924,731)	(605,464)	319,267
Fund balance at beginning of year	1,340,072	1,340,072	1,340,072	-
Prior year encumbrances appropriated	81,739	81,739	81,739	-
Fund balance at end of year.	<u>\$ 513,013</u>	<u>\$ 497,080</u>	<u>\$ 816,347</u>	<u>\$ 319,267</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET MAINTENANCE AND REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,340,537	\$ 1,340,537	\$ 1,449,737	\$ 109,200
Investment income	650	650	446	(204)
Special assessments.	5,000	5,000	25,824	20,824
Charges for services.	70,000	70,000	100,925	30,925
Miscellaneous.	87,000	87,000	152,231	65,231
Total revenues.	<u>1,503,187</u>	<u>1,503,187</u>	<u>1,729,163</u>	<u>225,976</u>
Expenditures:				
Current:				
Public health and welfare				
Personnel	97,977	99,573	89,506	10,067
Operating	51,232	51,232	43,277	7,955
Total public health and welfare	<u>149,209</u>	<u>150,805</u>	<u>132,783</u>	<u>18,022</u>
Transportation				
Personnel	1,063,952	1,081,833	1,016,200	65,633
Operating	871,218	895,622	729,955	165,667
Total transportation	<u>1,935,170</u>	<u>1,977,455</u>	<u>1,746,155</u>	<u>231,300</u>
Leisure time activities				
Personnel	377,316	383,702	358,023	25,679
Operating	184,685	184,685	132,980	51,705
Total leisure time activities.	<u>562,001</u>	<u>568,387</u>	<u>491,003</u>	<u>77,384</u>
Capital outlay				
Road program.	1,176,081	1,511,185	1,318,444	192,741
Capital outlay	<u>1,176,081</u>	<u>1,511,185</u>	<u>1,318,444</u>	<u>192,741</u>
Total expenditures.	<u>3,822,461</u>	<u>4,207,832</u>	<u>3,688,385</u>	<u>519,447</u>
Excess of expenditures over revenues.	<u>(2,319,274)</u>	<u>(2,704,645)</u>	<u>(1,959,222)</u>	<u>745,423</u>
Other financing sources:				
Transfers in.	1,692,000	2,027,104	2,027,104	-
Sale of capital assets	-	-	4,750	4,750
Total other financing sources.	<u>1,692,000</u>	<u>2,027,104</u>	<u>2,031,854</u>	<u>4,750</u>
Net change in fund balance.	(627,274)	(677,541)	72,632	750,173
Fund balance at beginning of year	561,526	561,526	561,526	-
Prior year encumbrances appropriated	<u>290,007</u>	<u>290,007</u>	<u>290,007</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 224,259</u>	<u>\$ 173,992</u>	<u>\$ 924,165</u>	<u>\$ 750,173</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AMERICAN RESCUE PLAN ACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 917,567	\$ 917,567	\$ -
Total revenues	-	917,567	917,567	-
Net change in fund balance.	-	917,567	917,567	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 917,567</u>	<u>\$ 917,567</u>	<u>\$ -</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SAFETY SERVICES INCOME TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 850,572	\$ 1,285,125	\$ 1,532,432	\$ 247,307
Total revenues	850,572	1,285,125	1,532,432	247,307
Expenditures:				
Current:				
Security of persons and property				
Police				
Operating	520,163	520,163	519,643	520
Total police	520,163	520,163	519,643	520
Fire				
Operating	152,000	152,000	151,779	221
Total fire	152,000	152,000	151,779	221
Total security of persons and property.	672,163	672,163	671,422	741
Capital outlay				
Police.	393,000	450,000	433,883	16,117
Fire.	334,100	740,661	735,293	5,368
Total capital outlay	727,100	1,190,661	1,169,176	21,485
Total expenditures	1,399,263	1,862,824	1,840,598	22,226
Excess of expenditures over revenues.	(548,691)	(577,699)	(308,166)	269,533
Other financing sources (uses):				
Advances in	434,553	656,561	656,561	-
Transfers (out).	(141,020)	(391,020)	(391,020)	-
Total other financing sources(uses).	293,533	265,541	265,541	-
Net change in fund balance	(255,158)	(312,158)	(42,625)	269,533
Fund balance at beginning of year.	599,140	599,140	599,140	-
Fund balance at end of year	<u>\$ 343,982</u>	<u>\$ 286,982</u>	<u>\$ 556,515</u>	<u>\$ 269,533</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, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 79,500	\$ 79,500	\$ 95,210	\$ 15,710
Investment income	50	50	36	(14)
Miscellaneous.	500	500	2,387	1,887
Total revenues.	<u>80,050</u>	<u>80,050</u>	<u>97,633</u>	<u>17,583</u>
Expenditures:				
Current:				
Transportation				
Personnel	99,121	100,717	89,506	11,211
Total expenditures.	<u>99,121</u>	<u>100,717</u>	<u>89,506</u>	<u>11,211</u>
Net change in fund balance	(19,071)	(20,667)	8,127	28,794
Fund balance at beginning of year.	<u>109,074</u>	<u>109,074</u>	<u>109,074</u>	<u>-</u>
Fund balance at end of year	<u>\$ 90,003</u>	<u>\$ 88,407</u>	<u>\$ 117,201</u>	<u>\$ 28,794</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, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 15,000	\$ 44,345	\$ -	\$ (44,345)
Total revenues	<u>15,000</u>	<u>44,345</u>	<u>-</u>	<u>(44,345)</u>
Expenditures:				
Current:				
Community environment				
Operating	46,500	105,190	66,490	38,700
Total expenditures	<u>46,500</u>	<u>105,190</u>	<u>66,490</u>	<u>38,700</u>
Excess of expenditures over revenues	<u>(31,500)</u>	<u>(60,845)</u>	<u>(66,490)</u>	<u>(5,645)</u>
Other financing sources:				
Transfers in	10,000	39,345	29,345	(10,000)
Total other financing sources.	<u>10,000</u>	<u>39,345</u>	<u>29,345</u>	<u>(10,000)</u>
Net change in fund balance	(21,500)	(21,500)	(37,145)	(15,645)
Fund balance at beginning of year.	5,098	5,098	5,098	-
Prior year encumbrances appropriated . . .	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 3,598</u>	<u>\$ 3,598</u>	<u>\$ (12,047)</u>	<u>\$ (15,645)</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, 2021*

	<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	\$ 498	\$ (2)
Total revenues	<u>500</u>	<u>500</u>	<u>498</u>	<u>(2)</u>
Net change in fund balance.	500	500	498	(2)
Fund balance at beginning of year	<u>8,506</u>	<u>8,506</u>	<u>8,506</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 9,006</u>	<u>\$ 9,006</u>	<u>\$ 9,004</u>	<u>\$ (2)</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEMA CORONAVIRUS EMERGENCY SUPPLEMENT PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 61,916	\$ 61,916	\$ -
Total revenues	-	61,916	61,916	-
Expenditures:				
Current:				
General government				
Administration				
Operating	-	13,627	13,627	-
Total administration.	-	13,627	13,627	-
Security of persons and property				
Police				
Operating	-	19,097	19,097	-
Total police	-	19,097	19,097	-
Fire				
Operating	-	2,136	2,136	-
Total fire	-	2,136	2,136	-
Total security of persons and property	-	21,233	21,233	-
Leisure Time Activities				
Operating	-	20,982	20,982	-
Total leisure time activities.	-	20,982	20,982	-
Transportation				
Operating	-	6,074	6,074	-
Total transportation	-	6,074	6,074	-
Total expenditures	-	61,916	61,916	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year.	-	-	-	-
Fund balance at end of year.	\$ -	\$ -	\$ -	\$ -

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TALLMADGE RESERVE INCENTIVE DISTRICT TIF FUND
FOR THE YEAR ENDED DECEMBER 31, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Advances in	\$ -	\$ 72,516	\$ 72,516	\$ -
Transfers (out).	-	(72,516)	(72,516)	-
Total other financing sources (uses).	-	-	-	-
 Net change in fund balance	-	-	-	-
 Fund balance at beginning of year.	-	-	-	-
 Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Security of persons and property				
Operating	\$ 500	\$ 500	\$ 190	\$ 310
Total expenditures	<u>500</u>	<u>500</u>	<u>190</u>	<u>310</u>
Net change in fund balance.	(500)	(500)	(190)	310
Fund balance at beginning of year	<u>1,440</u>	<u>1,440</u>	<u>1,440</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 940</u>	<u>\$ 940</u>	<u>\$ 1,250</u>	<u>\$ 310</u>

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, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, licenses and permits	\$ 6,000	\$ 6,000	\$ 3,325	\$ (2,675)
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>3,325</u>	<u>(2,675)</u>
Expenditures:				
Current:				
Security of persons and property				
Operating	5,085	5,085	4,093	992
Total expenditures	<u>5,085</u>	<u>5,085</u>	<u>4,093</u>	<u>992</u>
Net change in fund balance.	915	915	(768)	(1,683)
Fund balance at beginning of year	8,373	8,373	8,373	-
Prior year encumbrances appropriated	<u>1,085</u>	<u>1,085</u>	<u>1,085</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 10,373</u>	<u>\$ 10,373</u>	<u>\$ 8,690</u>	<u>\$ (1,683)</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, 2021

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Fund balance at beginning of year	\$ 10,580	\$ 10,580	\$ 10,580	\$ -
Fund balance at end of year.	<u>\$ 10,580</u>	<u>\$ 10,580</u>	<u>\$ 10,580</u>	<u>\$ -</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HISTORICAL PRESERVATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous.	\$ -	\$ 34,000	\$ 34,500	\$ 500
Total revenues.	-	34,000	34,500	500
Expenditures:				
Current:				
General government				
Operating.	-	35,500	35,300	200
Total expenditures.	-	35,500	35,300	200
Excess of expenditures over revenues.	-	(1,500)	(800)	700
Other financing sources:				
Transfers in	-	1,500	1,500	-
Total other financing sources.	-	1,500	1,500	-
Net change in fund balance	-	-	700	700
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ 700	\$ 700

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, 2021*

	<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	\$ 150	\$ (350)
Total revenues	<u>500</u>	<u>500</u>	<u>150</u>	<u>(350)</u>
Expenditures:				
Current:				
Security of persons and property				
Operating	<u>1,000</u>	<u>1,000</u>	<u>17</u>	<u>983</u>
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>17</u>	<u>983</u>
Net change in fund balance.	(500)	(500)	133	633
Fund balance at beginning of year	<u>7,417</u>	<u>7,417</u>	<u>7,417</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 6,917</u>	<u>\$ 6,917</u>	<u>\$ 7,550</u>	<u>\$ 633</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
K-9 UNIT DONATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 500	\$ 500	\$ 1,615	\$ 1,115
Total revenues	<u>500</u>	<u>500</u>	<u>1,615</u>	<u>1,115</u>
Expenditures:				
Current:				
Security of persons and property				
Operating	<u>4,000</u>	<u>4,000</u>	<u>3,532</u>	<u>468</u>
Total expenditures	<u>4,000</u>	<u>4,000</u>	<u>3,532</u>	<u>468</u>
Net change in fund balance.	(3,500)	(3,500)	(1,917)	1,583
Fund balance at beginning of year	<u>5,545</u>	<u>5,545</u>	<u>5,545</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 2,045</u>	<u>\$ 2,045</u>	<u>\$ 3,628</u>	<u>\$ 1,583</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, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 120,708	\$ 131,915	\$ 129,693	\$ (2,222)
Intergovernmental	14,641	16,000	18,247	2,247
Total revenues	<u>135,349</u>	<u>147,915</u>	<u>147,940</u>	<u>25</u>
Expenditures:				
Current:				
Security of persons and property				
Operating	465,245	465,245	410,929	54,316
Total expenditures	<u>465,245</u>	<u>465,245</u>	<u>410,929</u>	<u>54,316</u>
Excess of expenditures over revenues	<u>(329,896)</u>	<u>(317,330)</u>	<u>(262,989)</u>	<u>54,341</u>
Other financing sources:				
Transfers in.	279,895	279,895	279,895	-
Total other financing sources.	<u>279,895</u>	<u>279,895</u>	<u>279,895</u>	<u>-</u>
Net change in fund balance.	(50,001)	(37,435)	16,906	54,341
Fund balance at beginning of year	<u>147,111</u>	<u>147,111</u>	<u>147,111</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 97,110</u>	<u>\$ 109,676</u>	<u>\$ 164,017</u>	<u>\$ 54,341</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE REPAIR/REMOVAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ 66,069	\$ 97,469	\$ 31,400
Total revenues	-	66,069	97,469	31,400
Expenditures:				
Current:				
General government				
Operating	-	80,364	28,328	52,036
Total expenditures	-	80,364	28,328	52,036
Net change in fund balance	-	(14,295)	69,141	83,436
Fund balance at beginning of year	14,295	14,295	14,295	-
Fund balance at end of year	<u>\$ 14,295</u>	<u>\$ -</u>	<u>\$ 83,436</u>	<u>\$ 83,436</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, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Debt service:				
Principal retirement.	\$ 880,000	\$ 880,000	\$ 880,000	\$ -
Interest and fiscal charges.	136,020	349,166	342,520	6,646
Total expenditures.	<u>1,016,020</u>	<u>1,229,166</u>	<u>1,222,520</u>	<u>6,646</u>
Excess of expenditures over revenues	<u>(1,016,020)</u>	<u>(1,229,166)</u>	<u>(1,222,520)</u>	<u>6,646</u>
Other financing sources:				
Premium on sale of bonds.	-	832,088	832,088	-
Transfers in.	1,016,020	1,016,020	1,016,020	-
Total other financing sources	<u>1,016,020</u>	<u>1,848,108</u>	<u>1,848,108</u>	<u>-</u>
Net change in fund balance.	-	618,942	625,588	6,646
Fund balance at beginning of year	<u>43,085</u>	<u>43,085</u>	<u>43,085</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 43,085</u>	<u>\$ 662,027</u>	<u>\$ 668,673</u>	<u>\$ 6,646</u>

CITY OF TALLMADGE, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2021

	General Infrastructure	East Avenue Improvement	Totals
Assets:			
Equity in pooled cash and cash equivalents.	\$ 118,943	\$ 124,779	\$ 243,722
Receivables:			
Intergovernmental.	-	359,729	359,729
Total assets.	<u>\$ 118,943</u>	<u>\$ 484,508</u>	<u>\$ 603,451</u>
Liabilities:			
Contracts payable.	\$ -	\$ 277,844	\$ 277,844
Total liabilities	<u>-</u>	<u>277,844</u>	<u>277,844</u>
Deferred inflows of resources:			
Charges for services.	-	194,205	194,205
Total deferred inflows of resources.	<u>-</u>	<u>194,205</u>	<u>194,205</u>
Fund balances:			
Restricted for:			
Capital outlay.	-	12,459	12,459
Committed	118,943	-	118,943
Total fund balances.	<u>118,943</u>	<u>12,459</u>	<u>131,402</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 118,943</u>	<u>\$ 484,508</u>	<u>\$ 603,451</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, 2021*

	General Infrastructure	East Avenue Improvement	Totals
Revenues:			
Intergovernmental	\$ -	\$ 895,398	\$ 895,398
Total revenues	<u>-</u>	<u>895,398</u>	<u>895,398</u>
Expenditures:			
Capital outlay	28,723	1,882,939	1,911,662
Total expenditures	<u>28,723</u>	<u>1,882,939</u>	<u>1,911,662</u>
Excess of expenditures over revenues	<u>(28,723)</u>	<u>(987,541)</u>	<u>(1,016,264)</u>
Other financing sources:			
Bond issuance	-	1,000,000	1,000,000
Transfers in	30,000	-	30,000
Total other financing sources	<u>30,000</u>	<u>1,000,000</u>	<u>1,030,000</u>
Net change in fund balances	1,277	12,459	13,736
Fund balances at beginning of year	<u>117,666</u>	<u>-</u>	<u>117,666</u>
Fund balances at end of year	<u>\$ 118,943</u>	<u>\$ 12,459</u>	<u>\$ 131,402</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE STATION CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 10,000	\$ 10,000	\$ -
Total revenues.	-	10,000	10,000	-
Expenditures:				
Capital outlay	407,460	8,834,820	8,748,266	86,554
Total expenditures	407,460	8,834,820	8,748,266	86,554
Excess of expenditures over revenues	(407,460)	(8,824,820)	(8,738,266)	86,554
Other financing sources (uses):				
Advances in	-	524,600	524,600	-
Transfers in	-	380,000	380,000	-
Advances out	-	(500,000)	(500,000)	-
Sale of bonds	-	8,000,000	8,000,000	-
Total other financing sources (uses).	-	8,404,600	8,404,600	-
Net change in fund balance	(407,460)	(420,220)	(333,666)	86,554
Fund balance at beginning of year	14,911	14,911	14,911	-
Prior year encumbrances appropriated. . .	407,460	407,460	407,460	-
Fund balance at end of year	<u>\$ 14,911</u>	<u>\$ 2,151</u>	<u>\$ 88,705</u>	<u>\$ 86,554</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, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Capital outlay	\$ 30,000	\$ 30,000	\$ 28,723	\$ 1,277
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>28,723</u>	<u>1,277</u>
Excess of expenditures over revenues	<u>(30,000)</u>	<u>(30,000)</u>	<u>(28,723)</u>	<u>1,277</u>
Other financing sources:				
Transfers in	30,000	30,000	30,000	-
Total other financing sources	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net change in fund balance	-	-	1,277	1,277
Fund balance at beginning of year	<u>117,666</u>	<u>117,666</u>	<u>117,666</u>	<u>-</u>
Fund balance at end of year	<u>\$ 117,666</u>	<u>\$ 117,666</u>	<u>\$ 118,943</u>	<u>\$ 1,277</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EAST AVENUE IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021*

	<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.	\$ -	\$ 209,751	\$ -	\$ (209,751)
Intergovernmental.	1,519,130	2,019,961	805,363	(1,214,598)
Total revenues.	<u>1,519,130</u>	<u>2,229,712</u>	<u>805,363</u>	<u>(1,424,349)</u>
Expenditures:				
Capital outlay	2,804,961	3,229,712	3,220,719	8,993
Total expenditures	<u>2,804,961</u>	<u>3,229,712</u>	<u>3,220,719</u>	<u>8,993</u>
Excess of expenditures over revenues	<u>(1,285,831)</u>	<u>(1,000,000)</u>	<u>(2,415,356)</u>	<u>(1,415,356)</u>
Other financing sources (uses):				
Advances in	376,029	500,000	500,000	-
Advances out	-	(500,000)	(500,000)	-
Sale of bonds.	752,058	1,000,000	1,000,000	-
Total other financing sources (uses)	<u>1,128,087</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Net change in fund balance	(157,744)	-	(1,415,356)	(1,415,356)
Fund balance (deficit) at beginning of year	(2,019,961)	(2,019,961)	(2,019,961)	-
Prior year encumbrances appropriated.	<u>2,019,961</u>	<u>2,019,961</u>	<u>2,019,961</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (157,744)</u>	<u>\$ -</u>	<u>\$ (1,415,356)</u>	<u>\$ (1,415,356)</u>

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

Sewer Operating Fund

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

Water Operating Fund

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

Storm Water Fund

The storm water fund accounts for the 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 EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 4,460,000	\$ 4,460,000	\$ 4,521,386	\$ 61,386
Miscellaneous	9,550	9,550	34,654	25,104
Total revenues	<u>4,469,550</u>	<u>4,469,550</u>	<u>4,556,040</u>	<u>86,490</u>
Expenses:				
Personal services.	499,768	506,646	462,003	44,643
Materials and supplies	97,475	97,475	139,095	(41,620)
Contractual services	3,858,962	3,858,962	3,622,846	236,116
Other	55,587	55,587	44,618	10,969
Capital outlay				
Service center	20,340	20,340	19,891	449
Fleet management	38,000	38,000	10,996	27,004
Sewer rehabilitation.	208,758	208,758	172,039	36,719
Debt service:				
Principal retirement	103,000	103,000	99,699	3,301
Total expenses.	<u>4,881,890</u>	<u>4,888,768</u>	<u>4,571,187</u>	<u>317,581</u>
Net change in fund equity	(412,340)	(419,218)	(15,147)	404,071
Fund equity at beginning of year.	3,268,506	3,268,506	3,268,506	-
Prior year encumbrances appropriated . . .	365,775	365,775	365,775	-
Fund equity at end of year	<u>\$ 3,221,941</u>	<u>\$ 3,215,063</u>	<u>\$ 3,619,134</u>	<u>\$ 404,071</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 2,014,000	\$ 2,014,000	\$ 2,174,788	\$ 160,788
Miscellaneous	16,550	16,550	34,481	17,931
Total revenues.	<u>2,030,550</u>	<u>2,030,550</u>	<u>2,209,269</u>	<u>178,719</u>
Expenses:				
Personal services.	499,768	506,646	462,026	44,620
Materials and supplies	101,785	101,785	140,009	(38,224)
Contractual services	1,382,484	1,382,484	1,281,483	101,001
Other	104,155	104,156	100,680	3,476
Capital outlay				
Water tower	200,000	200,000	54,076	145,924
Meter replacement.	23,971	23,971	38,836	(14,865)
Waterline looping	130,707	130,707	166,379	(35,672)
Southwest waterline	15,806	15,806	15,806	-
East Ave. waterline	100,000	100,000	54,800	45,200
Vechicle lift.	6,646	6,646	6,197	449
Service center.	13,694	13,694	13,694	-
Fleet management	38,000	38,000	10,996	27,004
Debt service:				
Principal retirement.	184,214	184,214	184,214	-
Interest and fiscal charges.	34,786	34,786	30,805	3,981
Total expenses	<u>2,836,016</u>	<u>2,842,895</u>	<u>2,560,001</u>	<u>282,894</u>
Net change in fund equity	(805,466)	(812,345)	(350,732)	461,613
Fund equity at beginning of year.	3,359,834	3,359,834	3,359,834	-
Prior year encumbrances appropriated	<u>124,653</u>	<u>124,653</u>	<u>124,653</u>	<u>-</u>
Fund equity at end of year	<u>\$ 2,679,021</u>	<u>\$ 2,672,142</u>	<u>\$ 3,133,755</u>	<u>\$ 461,613</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STORM WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 329,500	\$ 329,500	\$ 336,272	\$ 6,772
Intergovernmental	189,448	189,448	-	(189,448)
Advances in	189,448	189,448	189,448	-
Miscellaneous	250	250	8,383	8,133
Total revenues	<u>708,646</u>	<u>708,646</u>	<u>534,103</u>	<u>(174,543)</u>
Expenses:				
Personal services	266,146	270,616	250,616	20,000
Materials and supplies	25,000	25,000	37,630	(12,630)
Contractual services	70,000	70,000	33,347	36,653
Other	3,000	3,000	74	2,926
Advances out	189,448	189,448	-	189,448
Capital outlay				
Ditching work	33,000	33,000	9,525	23,475
FEMA hazard mitigation	216,512	216,512	184,370	32,142
Debt service:				
Principal retirement	45,000	45,000	43,449	1,551
Total expenses	<u>848,106</u>	<u>852,576</u>	<u>559,011</u>	<u>293,565</u>
Net change in fund equity	(139,460)	(143,930)	(24,908)	119,022
Fund equity at beginning of year	233,801	233,801	233,801	-
Prior year encumbrances appropriated	3,000	3,000	3,000	-
Fund equity at end of year	<u>\$ 97,341</u>	<u>\$ 92,871</u>	<u>\$ 211,893</u>	<u>\$ 119,022</u>

STATISTICAL SECTION

CITY OF TALLMADGE, OHIO

STATISTICAL SECTION

This part of the City of Tallmadge's annual comprehensive 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.	154
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.	165
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.	172
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.	176
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.	178

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

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TABLE 1

CITY OF TALLMADGE, OHIO

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

	Year Ended			
	2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	\$ 17,813,396	\$ 17,423,842	\$ 17,400,202	\$ 17,237,094
Restricted	2,257,902	1,741,398	938,818	1,089,332
Unrestricted	6,688,846	8,651,613	(13,710)	(453,009)
Total governmental activities net position	\$ 26,760,144	\$ 27,816,853	\$ 18,325,310	\$ 17,873,417
Business-type activities				
Net investment in capital assets	\$ 12,947,885	\$ 13,040,099	\$ 12,480,844	\$ 12,275,784
Unrestricted	6,008,069	5,547,959	5,058,591	5,521,861
Total business-type activities net position	\$ 18,955,954	\$ 18,588,058	\$ 17,539,435	\$ 17,797,645
Primary government				
Net investment in capital assets	\$ 29,828,740	\$ 29,676,369	\$ 29,881,046	\$ 29,025,245
Restricted	2,257,902	1,741,398	938,818	1,089,332
Unrestricted	13,629,456	14,987,144	5,044,881	5,556,485
Total primary government net position	\$ 45,716,098	\$ 46,404,911	\$ 35,864,745	\$ 35,671,062

Notes:

Net position for 2014 has been restated in accordance with the implementation of GASB Statement No. 68.

Net position for 2017 has been restated in accordance with the implementation of GASB Statement No. 75.

Net position for 2018 has been restated in accordance with the implementation of GASB Statement No. 84.

2016	2017	2018	2019	2020	2021
\$ 21,380,493	\$ 19,123,730	\$ 19,498,663	\$ 18,867,627	\$ 18,829,238	\$ 18,127,401
1,021,205	806,140	274,037	186,000	981,141	2,649,980
1,361,578	(9,351,088)	(11,179,353)	(5,773,072)	(5,419,099)	1,408,406
<u>\$ 23,763,276</u>	<u>\$ 10,578,782</u>	<u>\$ 8,593,347</u>	<u>\$ 13,280,555</u>	<u>\$ 14,391,280</u>	<u>\$ 22,185,787</u>
\$ 12,827,739	\$ 14,454,902	\$ 14,757,523	\$ 14,223,000	\$ 14,255,462	\$ 15,006,026
5,143,660	5,630,339	7,308,183	7,531,052	7,012,551	7,493,897
<u>\$ 17,971,399</u>	<u>\$ 20,085,241</u>	<u>\$ 22,065,706</u>	<u>\$ 21,754,052</u>	<u>\$ 21,268,013</u>	<u>\$ 22,499,923</u>
\$ 33,875,568	\$ 33,578,632	\$ 34,256,186	\$ 33,090,627	\$ 33,084,700	\$ 33,133,427
1,021,205	806,140	274,037	186,000	981,141	2,649,980
6,837,902	(3,720,749)	(3,871,170)	1,757,980	1,593,452	8,902,303
<u>\$ 41,734,675</u>	<u>\$ 30,664,023</u>	<u>\$ 30,659,053</u>	<u>\$ 35,034,607</u>	<u>\$ 35,659,293</u>	<u>\$ 44,685,710</u>

TABLE 2

CITY OF TALLMADGE, OHIO

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

	Year Ended			
	2012	2013	2014	2015
Expenses				
Governmental activities:				
General government	\$ 3,266,514	\$ 3,564,772	\$ 3,796,832	\$ 4,013,860
Security of persons and property				
Police	3,537,529	3,717,588	3,834,635	4,100,747
Street lights	148,496	30,364	27,287	35,335
Fire	2,511,315	2,671,188	2,934,683	3,181,762
Public health and welfare	59,265	70,758	73,335	72,192
Transportation	3,763,869	3,483,558	4,172,815	3,862,300
Community environment	148,111	161,310	147,887	126,520
Leisure time activity	2,141,666	2,142,722	2,174,630	2,315,093
Utility services	-	-	-	-
Interest and fiscal charges	438,561	415,825	390,861	331,527
Total governmental activities expenses	<u>16,015,326</u>	<u>16,258,085</u>	<u>17,552,965</u>	<u>18,039,336</u>
Business-type activities:				
Sewer operating	4,110,699	3,847,032	3,884,775	4,007,772
Water operating	2,044,350	1,903,383	2,409,488	1,927,721
Storm water	364,964	445,813	378,463	406,712
Total business-type activities expenses	<u>6,520,013</u>	<u>6,196,228</u>	<u>6,672,726</u>	<u>6,342,205</u>
Total primary government expenses	<u>\$ 22,535,339</u>	<u>\$ 22,454,313</u>	<u>\$ 24,225,691</u>	<u>\$ 24,381,541</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 407,030	\$ 398,855	\$ 380,786	\$ 356,067
Security of persons and property				
Police	11,083	5,665	25,948	4,272
Fire	371,784	404,330	405,140	458,369
Public health and welfare	1,824	3,821	2,163	2,942
Transportation	57,466	54,232	45,612	57,514
Community environment	35,799	29,781	39,824	38,520
Leisure time activity	1,743,332	1,752,221	1,655,897	1,675,577
Operating grants and contributions	1,510,826	1,096,602	1,456,971	1,269,128
Capital grants and contributions	10,000	10,513	18,673	232,040
Total governmental program revenues	<u>4,149,144</u>	<u>3,756,020</u>	<u>4,031,014</u>	<u>4,094,429</u>
Business-type activities:				
Charges for services:				
Sewer operating	2,920,769	3,495,275	3,742,246	3,806,251
Water operating	1,926,826	1,998,973	1,972,805	2,192,281
Storm water	298,770	311,614	327,676	323,013
Capital grants and contributions	28,660	-	-	-
Total business-type activities program revenues	<u>5,175,025</u>	<u>5,805,862</u>	<u>6,042,727</u>	<u>6,321,545</u>
Total primary government program revenue	<u>\$ 9,324,169</u>	<u>\$ 9,561,882</u>	<u>\$ 10,073,741</u>	<u>\$ 10,415,974</u>
Net (Expense)/Revenue				
Governmental activities	\$ (11,866,182)	\$ (12,502,065)	\$ (13,521,951)	\$ (13,944,907)
Business-type activities	(1,344,988)	(390,366)	(629,999)	(20,660)
Total primary government net expense	<u>\$ (13,211,170)</u>	<u>\$ (12,892,431)</u>	<u>\$ (14,151,950)</u>	<u>\$ (13,965,567)</u>

	2016	2017	2018	2019	2020	2021
\$	4,189,505	\$ 4,590,950	\$ 4,885,634	\$ 5,203,616	\$ 4,747,031	\$ 3,664,086
	4,470,737	4,538,862	5,095,099	1,809,260	5,352,730	4,714,491
	34,663	35,445	37,309	35,126	36,182	28,439
	3,278,321	3,580,450	3,956,386	1,065,306	4,110,228	4,123,991
	78,701	73,275	87,955	94,931	131,468	136,525
	3,303,595	4,450,856	4,089,726	4,352,004	3,933,604	2,693,858
	247,564	346,400	389,036	324,278	262,442	237,615
	2,474,982	2,660,058	2,680,260	3,115,698	2,456,690	1,860,081
	-	-	-	-	47,353	89,909
	306,671	322,376	273,292	264,713	218,601	322,680
	<u>18,384,739</u>	<u>20,598,672</u>	<u>21,494,697</u>	<u>16,264,932</u>	<u>21,296,329</u>	<u>17,871,675</u>
	4,461,756	4,107,890	3,715,964	4,737,178	4,365,118	4,303,032
	2,173,956	2,039,430	2,090,577	2,192,291	2,288,670	2,093,789
	487,373	458,769	454,543	591,588	652,502	460,603
	<u>7,123,085</u>	<u>6,606,089</u>	<u>6,261,084</u>	<u>7,521,057</u>	<u>7,306,290</u>	<u>6,857,424</u>
\$	<u>25,507,824</u>	<u>27,204,761</u>	<u>27,755,781</u>	<u>23,785,989</u>	<u>28,602,619</u>	<u>24,729,099</u>
\$	324,132	\$ 292,870	\$ 688,715	\$ 413,674	\$ 342,864	\$ 391,896
	25,856	7,441	10,358	7,416	5,154	4,583
	404,113	378,181	432,560	424,920	422,745	431,212
	2,565	2,564	5,198	4,087	3,681	7,233
	59,880	61,247	106,650	79,963	48,192	287,592
	44,575	56,980	44,758	39,852	39,502	77,366
	1,793,613	1,854,305	1,874,238	1,958,915	760,536	1,197,342
	1,191,375	1,467,132	1,528,418	1,961,633	3,814,475	2,104,155
	4,682,170	428,835	44,240	2,523	78,762	905,398
	<u>8,528,279</u>	<u>4,549,555</u>	<u>4,735,135</u>	<u>4,892,983</u>	<u>5,515,911</u>	<u>5,406,777</u>
	3,923,707	4,514,010	4,743,445	4,665,336	4,000,161	4,473,801
	2,008,569	2,156,467	2,182,363	2,073,246	1,909,613	2,154,825
	305,252	318,523	349,661	339,528	296,198	332,176
	1,031,476	-	934,330	87,451	522,192	1,051,002
	<u>7,269,004</u>	<u>6,989,000</u>	<u>8,209,799</u>	<u>7,165,561</u>	<u>6,728,164</u>	<u>8,011,804</u>
\$	<u>15,797,283</u>	<u>11,538,555</u>	<u>12,944,934</u>	<u>12,058,544</u>	<u>12,244,075</u>	<u>13,418,581</u>
\$	(9,856,460)	\$ (16,049,117)	\$ (16,759,562)	\$ (11,371,949)	\$ (15,780,418)	\$ (12,464,898)
	145,919	382,911	1,948,715	(355,496)	(578,126)	1,154,380
\$	<u>(9,710,541)</u>	<u>(15,666,206)</u>	<u>(14,810,847)</u>	<u>(11,727,445)</u>	<u>(16,358,544)</u>	<u>(11,310,518)</u>

- Continued

TABLE 2

CITY OF TALLMADGE, OHIO

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

	Year Ended			
	2012	2013	2014	2015
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 2,030,192	\$ 2,077,781	\$ 2,051,246	\$ 2,036,907
Income taxes	8,685,855	9,423,158	9,166,550	9,836,002
Unrestricted grants and contributions	1,854,900	1,810,363	1,426,170	1,684,506
Investment earnings	39,407	34,549	34,733	43,929
Miscellaneous	94,128	212,923	166,274	152,030
Transfers	-	-	-	(260,360)
Change in fair value of investments	-	-	-	-
Total governmental activities	<u>12,704,482</u>	<u>13,558,774</u>	<u>12,844,973</u>	<u>13,493,014</u>
Business-type activities:				
Investment earnings	-	-	-	-
Miscellaneous	15,119	22,470	28,492	18,510
Transfers	-	-	-	260,360
Total business-type activities	<u>15,119</u>	<u>22,470</u>	<u>28,492</u>	<u>278,870</u>
Total primary government	<u>\$ 12,719,601</u>	<u>\$ 13,581,244</u>	<u>\$ 12,873,465</u>	<u>\$ 13,771,884</u>
Change in Net Position				
Governmental activities	\$ 838,300	\$ 1,056,709	\$ (676,978)	\$ (451,893)
Business-type activities	(1,329,869)	(367,896)	(601,507)	258,210
Total primary government	<u>\$ (491,569)</u>	<u>\$ 688,813</u>	<u>\$ (1,278,485)</u>	<u>\$ (193,683)</u>

Note: 2018 has been restated in accordance with the implementation of GASB Statement No. 84.

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$	2,046,484	\$ 2,071,912	\$ 2,167,776	\$ 2,232,791	\$ 2,282,011	\$ 2,401,946
	10,873,754	10,242,096	10,110,310	11,161,240	11,709,492	14,848,907
	2,636,593	1,605,087	1,719,143	1,930,092	2,004,132	2,697,890
	64,428	119,726	270,484	333,463	195,287	71,281
	161,816	265,074	391,938	349,086	659,262	301,725
	-	(2,113,760)	-	-	-	-
	(36,756)	30,106	(30,230)	52,485	40,959	(62,344)
	<u>15,746,319</u>	<u>12,220,241</u>	<u>14,629,421</u>	<u>16,059,157</u>	<u>16,891,143</u>	<u>20,259,405</u>
	-	-	-	-	-	12
	27,835	32,485	31,750	43,842	92,087	77,518
	-	2,113,760	-	-	-	-
	<u>27,835</u>	<u>2,146,245</u>	<u>31,750</u>	<u>43,842</u>	<u>92,087</u>	<u>77,530</u>
\$	<u>15,774,154</u>	<u>\$ 14,366,486</u>	<u>\$ 14,661,171</u>	<u>\$ 16,102,999</u>	<u>\$ 16,983,230</u>	<u>\$ 20,336,935</u>
\$	5,889,859	\$ (3,828,876)	\$ (2,130,141)	\$ 4,687,208	\$ 1,110,725	\$ 7,794,507
	173,754	2,529,156	1,980,465	(311,654)	(486,039)	1,231,910
\$	<u>6,063,613</u>	<u>\$ (1,299,720)</u>	<u>\$ (149,676)</u>	<u>\$ 4,375,554</u>	<u>\$ 624,686</u>	<u>\$ 9,026,417</u>

TABLE 3

CITY OF TALLMADGE, OHIO

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund				
Nonspendable	\$ 103,426	\$ 109,310	\$ 111,300	\$ 71,993
Committed	-	-	-	-
Assigned	206,371	1,985,047	1,605,527	332,881
Unassigned	5,985,065	6,113,312	5,297,977	6,436,553
Total general fund	<u>\$ 6,294,862</u>	<u>\$ 8,207,669</u>	<u>\$ 7,014,804</u>	<u>\$ 6,841,427</u>
All Other Governmental Funds				
Nonspendable	\$ 59,759	\$ 59,476	\$ 54,022	\$ 69,664
Restricted	1,953,464	1,462,666	1,899,015	1,997,588
Committed	-	-	407,000	288,398
Assigned	47,224	69,696	76,219	99,839
Unassigned (deficit)	(29,818)	(489)	-	-
Total all other governmental funds	<u>\$ 2,030,629</u>	<u>\$ 1,591,349</u>	<u>\$ 2,436,256</u>	<u>\$ 2,455,489</u>

Note:

Fund balance for 2018 has been restated in accordance with the implementation of GASB Statement No. 84.

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 224,368	\$ 175,328	\$ 169,188	\$ 276,241	\$ 295,112	\$ 292,206
-	-	335,127	298,024	337,498	302,818
721,654	1,082,057	1,005,745	1,143,432	836,804	2,442,188
8,224,427	7,894,320	6,849,232	7,523,668	8,711,289	9,574,586
<u>\$ 9,170,449</u>	<u>\$ 9,151,705</u>	<u>\$ 8,359,292</u>	<u>\$ 9,241,365</u>	<u>\$ 10,180,703</u>	<u>\$ 12,611,798</u>
\$ 164,524	\$ 158,072	\$ 277,737	\$ 266,074	\$ 378,472	\$ 232,194
1,748,212	1,598,522	1,667,710	1,762,478	3,608,498	9,263,958
170,300	90,160	106,741	99,293	505,346	636,623
87,463	66,332	24,851	16,171	43,085	668,674
(272,519)	(52,548)	(16,540)	(5,101)	-	(84,563)
<u>\$ 1,897,980</u>	<u>\$ 1,860,538</u>	<u>\$ 2,060,499</u>	<u>\$ 2,138,915</u>	<u>\$ 4,535,401</u>	<u>\$ 10,716,886</u>

TABLE 4

CITY OF TALLMADGE, OHIO

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

	2012	2013	2014	2015
Revenues				
Property and other taxes	\$ 2,023,704	\$ 2,109,423	\$ 2,059,317	\$ 2,059,080
Municipal income taxes	8,359,821	9,256,758	9,560,660	9,844,999
Intergovernmental	3,537,553	2,957,933	2,729,999	3,086,741
Investment income	29,455	33,485	33,822	42,885
Fines, licenses, and permits	413,255	370,469	391,916	356,831
Special assessments	108,045	134,432	110,603	107,432
Charges for services	2,185,009	2,227,877	2,123,555	2,165,699
Change in fair value of investments	-	-	-	-
Miscellaneous	206,861	361,207	333,527	271,263
Total revenues	16,863,703	17,451,584	17,343,399	17,934,930
Expenditures				
Current:				
General government	3,054,651	3,414,974	3,632,420	3,682,315
Security of persons and property				
Police	3,424,600	3,566,511	3,737,673	3,941,589
Street lighting	32,020	30,364	27,287	35,335
Fire	2,521,518	2,551,371	2,746,929	2,921,254
Public health and welfare	58,149	69,642	71,619	69,876
Transportation	2,105,228	1,254,060	1,812,826	1,964,913
Community environment	141,516	163,581	145,941	126,047
Leisure time activity	1,799,907	1,802,674	1,865,931	1,978,136
Utility services	-	-	-	-
Capital outlay	1,237,448	1,967,917	2,500,947	2,382,717
Debt service				
Principal retirement	775,851	731,542	749,212	819,943
Interest and fiscal charges	448,306	425,421	400,572	346,052
Bond issue costs	-	-	-	110,335
Total expenditures	15,599,194	15,978,057	17,691,357	18,378,512
Excess of revenues over (under) expenditures	1,264,509	1,473,527	(347,958)	(443,582)
Other financing sources (uses)				
Capital lease transaction	162,907	-	-	179,104
Sale of bonds	-	-	-	2,925,000
Sale of notes	-	-	-	-
Premium on bond/note issuances	-	-	-	128,790
Discount on bond issuance	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	(2,943,456)
Transfers in	4,335,205	3,654,275	5,588,777	4,819,200
Transfers (out)	(4,335,205)	(3,654,275)	(5,588,777)	(4,819,200)
Total other financing sources (uses)	162,907	-	-	289,438
Net change in fund balances	\$ 1,427,416	\$ 1,473,527	\$ (347,958)	\$ (154,144)
Capital expenditures	393,428	581,540	928,737	1,048,247
Debt service as a percentage of noncapital expenditures (2)	8.05%	7.51%	6.86%	6.73%

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

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

Note: 2018 has been restated in accordance with the implementation of GASB Statement No. 84.

	2016	2017	2018	2019	2020	2021
\$	2,052,791	\$ 2,057,730	\$ 2,179,146	\$ 2,233,402	\$ 2,293,689	\$ 2,391,118
	10,628,415	10,156,843	10,011,817	10,938,609	12,118,753	14,040,922
	7,022,306	3,630,150	3,034,077	3,464,347	5,537,127	5,181,842
	59,239	118,964	254,232	340,392	197,521	99,895
	366,002	336,532	305,805	338,179	332,191	416,550
	99,975	94,423	107,177	102,016	78,978	36,637
	2,270,401	2,309,777	2,824,347	2,523,187	1,301,641	1,805,288
	(36,756)	30,106	(30,230)	52,485	40,959	(62,344)
	334,532	429,893	626,448	607,786	1,178,415	734,477
	<u>22,796,905</u>	<u>19,164,418</u>	<u>19,312,819</u>	<u>20,600,403</u>	<u>23,079,274</u>	<u>24,644,385</u>
	3,895,399	3,988,120	4,494,620	4,092,829	4,245,734	4,615,992
	3,950,057	4,106,240	4,315,465	4,531,301	4,784,136	4,863,305
	34,663	35,445	37,309	35,126	36,182	28,439
	2,879,469	3,204,066	3,323,493	3,491,241	3,637,839	3,874,893
	76,385	70,959	85,639	92,615	128,831	133,241
	1,892,975	2,039,398	2,215,675	2,228,357	2,123,807	2,299,024
	242,047	321,885	366,329	280,273	232,641	351,396
	2,074,446	2,100,515	2,154,495	2,391,224	1,965,045	2,142,863
	-	-	-	-	47,353	89,909
	6,040,590	2,717,795	2,139,193	1,279,535	2,655,099	6,434,236
	845,564	1,684,750	1,211,662	1,059,936	1,150,804	1,204,699
	300,618	299,707	276,194	269,574	179,141	172,130
	-	25,000	-	-	45,500	135,000
	<u>22,232,213</u>	<u>20,593,880</u>	<u>20,620,074</u>	<u>19,752,011</u>	<u>21,232,112</u>	<u>26,345,127</u>
	564,692	(1,429,462)	(1,307,255)	848,392	1,847,162	(1,700,742)
	406,821	448,276	570,097	112,097	111,832	559,380
	-	825,000	-	-	3,885,000	9,000,000
	800,000	-	-	-	-	-
	-	-	-	-	-	832,088
	-	-	-	-	-	(78,146)
	-	-	-	-	(2,508,170)	-
	4,027,250	4,279,750	4,905,544	4,406,905	4,649,728	4,483,864
	(4,027,250)	(4,179,750)	(4,905,544)	(4,406,905)	(4,649,728)	(4,483,864)
	<u>1,206,821</u>	<u>1,373,276</u>	<u>570,097</u>	<u>112,097</u>	<u>1,488,662</u>	<u>10,313,322</u>
\$	<u>1,771,513</u>	<u>\$ (56,186)</u>	<u>\$ (737,158)</u>	<u>\$ 960,489</u>	<u>\$ 3,335,824</u>	<u>\$ 8,612,580</u>
	6,515,158	1,428,972	1,459,411	567,499	2,015,192	5,768,348
	7.29%	10.35%	7.77%	6.93%	6.92%	6.69%

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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
2012	\$ 2,294,001	\$ 2,212,443	96.44%	\$ 67,918	\$ 2,280,361	99.41%	\$ 81,558
2013	2,293,350	2,245,271	97.90%	125,476	2,370,747	103.37%	48,079
2014	2,314,571	2,246,437	97.06%	75,229	2,321,666	100.31%	68,135
2015	2,292,469	2,239,447	97.69%	74,475	2,313,922	100.94%	53,022
2016	2,298,861	2,252,662	97.99%	38,860	2,291,522	99.68%	46,199
2017	2,312,158	2,264,620	97.94%	48,077	2,312,697	100.02%	47,539
2018	2,418,192	2,380,621	98.45%	67,291	2,447,912	101.23%	37,571
2019	2,473,255	2,428,405	98.19%	41,555	2,469,960	99.87%	44,820
2020	2,513,500	2,444,030	97.24%	36,469	2,480,499	98.69%	69,469
2021	2,659,634	2,603,133	97.88%	38,107	2,641,240	99.31%	56,501

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
2012	-	-	N/A	\$ 144	\$ 144	N/A	-
2013	-	-	N/A	-	-	N/A	-
2014	-	-	N/A	-	-	N/A	-
2015	-	-	N/A	-	-	N/A	-
2016	-	-	N/A	-	-	N/A	-
2017	-	-	N/A	-	-	N/A	-
2018	-	-	N/A	-	-	N/A	-
2019	-	-	N/A	-	-	N/A	-
2020	-	-	N/A	-	-	N/A	-
2021	-	-	N/A	-	-	N/A	-

Source: Summit County, Ohio; County Fiscal Officer

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

TABLE 7

CITY OF TALLMADGE, OHIO

ASSESSSED 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
2012*	\$ 1,058,243,087	\$ 368,653,730	\$ 4,946,716	\$ 4,353,110
2013*	1,057,273,219	368,131,590	5,419,909	4,769,520
2014*	1,068,253,993	371,766,430	6,064,193	5,336,490
2015*	1,061,273,964	369,219,410	6,361,364	5,598,000
2016*	1,064,701,144	370,364,200	6,517,716	5,735,590
2017*	1,070,985,951	372,360,560	7,098,636	6,246,800
2018*	1,168,370,457	408,929,660	7,369,216	6,484,910
2019*	1,195,192,400	418,317,340	7,817,261	6,879,190
2020*	1,220,158,971	427,055,640	8,387,443	7,380,950
2021*	1,380,610,171	483,213,560	9,038,045	7,953,480

Notes:

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

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

* Summit County valuations only - Portage County not included.

Source: Summit County and Portage County Fiscal Officers

Total		Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
Estimated Actual Value	Assessed Value		
\$ 1,063,189,803	\$ 373,006,840	\$ 6.15	35.08%
1,062,693,128	372,901,110	6.15	35.09%
1,074,318,186	377,102,920	6.15	35.10%
1,067,635,328	374,817,410	6.15	35.11%
1,071,218,860	376,099,790	6.15	35.11%
1,078,084,587	378,607,360	6.15	35.12%
1,175,739,673	415,414,570	6.15	35.33%
1,203,009,661	425,196,530	6.15	35.34%
1,228,546,414	434,436,590	6.15	35.36%
1,389,648,216	491,167,040	6.15	35.34%

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	2012	\$ 14.16	\$ 72.80	\$ 2.10	\$ 6.15	\$ 95.21	\$ 6.59
2	2012	14.16	53.24	2.00	6.15	75.55	0.59
1	2013	14.16	71.56	2.10	6.15	93.97	6.09
2	2013	14.16	45.05	2.00	6.15	67.36	0.59
1	2014	14.16	72.41	2.10	6.15	94.82	6.23
2	2014	14.16	53.66	2.00	6.15	75.97	0.59
1	2015	14.16	72.27	2.62	6.15	95.20	6.23
2	2015	14.16	53.58	2.00	6.15	75.89	0.68
1	2016	14.16	77.03	2.60	6.15	99.94	11.02
2	2016	14.16	55.34	2.00	6.15	77.65	0.68
1	2017	14.16	75.35	2.56	6.15	98.22	9.99
2	2017	14.16	54.10	2.00	6.15	76.41	0.74
1	2018	14.16	75.09	2.56	6.15	97.96	9.91
2	2018	14.16	53.87	2.00	6.15	76.18	0.74
1	2019	14.16	75.09	2.56	6.15	97.96	9.91
2	2019	14.16	53.87	2.00	6.15	76.18	0.74
1	2020	15.16	82.23	2.52	6.15	106.06	9.67
2	2020	15.16	53.84	2.00	6.15	77.15	0.66
1	2021	15.16	80.46	1.90	6.15	103.67	8.04
2	2021	15.16	51.47	2.00	6.15	74.78	0.66

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
	2012	\$ 2.10	N/A	\$ 0.30	\$ 3.75	\$ 6.15
	2013	2.10	N/A	0.30	3.75	6.15
	2014	2.10	N/A	0.30	3.75	6.15
	2015	2.10	N/A	0.30	3.75	6.15
	2016	2.10	N/A	0.30	3.75	6.15
	2017	2.10	N/A	0.30	3.75	6.15
	2018	2.10	N/A	0.30	3.75	6.15
	2019	2.10	N/A	0.30	3.75	6.15
	2020	2.10	N/A	0.30	3.75	6.15
	2021	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, 2021	
Name of Taxpayer	Nature of Business	Valuation	Percent of Total
Big Zilla Development LLC	Commercial Warehouses	\$ 3,949,770	0.82%
O! Tallmadge Funding Company LLC	Industrial Warehouses Light	4,763,790	0.99%
Eastwood Square Associates LTD	Community Shopping Center	2,992,610	0.62%
Saxon Village Limited	Apartments 40 or more	2,363,840	0.49%
Tallmadge Associates	Apartments 40 or more	2,065,990	0.43%
Heather Knoll Rental Properties LLC	Nursing Home & Private Hospital	2,050,050	0.42%
Tallmadge Oaks LTD	Apartments 40 or more	2,038,620	0.42%
Premier Developments LLC	Apartments 20-39 Rental Units	1,776,000	0.37%
Tallmadge Senior Housing LTD	Apartments 40 or more	1,727,510	0.36%
Mindale Farms Co.	Other Agricultural Uses	1,566,950	0.32%
Total		\$ 25,295,130	5.24%
Total Assessed Valuation - Real Property		\$ 483,213,560	
		December 31, 2012	
Name of Taxpayer	Nature of Business	Valuation	Percent of Total
Big Zilla Development LLC	Retail Property Management	\$ 3,290,270	0.89%
Eastwood Square Associates LTD	Retail Property Management	2,221,900	0.60%
Tallmadge Oaks LTD	Apartment Complex	1,900,740	0.52%
Saxon Village Limited	Apartment Complex	1,637,180	0.44%
Tallmadge Shopping Center LLC	Retail Property Management	1,541,710	0.42%
Mindale Farms Co.	Agriculture	1,511,850	0.41%
Tallmadge Associates	Retail Property Management	1,447,080	0.39%
Heather Knoll Rental Properties LLC	Apartment Complex	1,339,160	0.36%
Colonial Gardens LLC	Nursing Home	1,250,740	0.34%
Myers Family Limited Partnership	Light Manufacturing	1,225,010	0.33%
Total		\$ 17,365,640	4.70%
Total Assessed Valuation - Real Property		\$ 368,653,730	

Source: Summit County, Ohio; County Fiscal Officer

TABLE 11

CITY OF TALLMADGE, OHIO

*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
2012	2.00%	\$ 8,299,566	\$ 6,041,802	72.80%	\$ 1,220,616	14.71%
2013	2.00%	9,190,631	6,457,114	70.26%	1,691,232	18.40%
2014	2.00%	9,493,963	6,679,215	70.35%	1,636,547	17.24%
2015	2.00%	10,527,612	7,599,180	72.18%	1,768,558	16.80%
2016	2.00%	10,973,929	7,996,704	72.87%	1,623,956	14.80%
2017	2.00%	11,178,777	8,200,825	73.36%	1,593,715	14.26%
2018	2.00%	9,993,800	7,650,696	76.55%	1,045,953	10.47%
2019	2.00%	10,872,868	7,954,279	73.16%	1,360,601	12.51%
2020	2.25%	11,513,129	8,606,006	74.75%	1,561,394	13.56%
2021	2.25%	13,955,943	9,658,805	69.21%	2,475,033	17.73%

Sources: Regional Income Tax Agency (RITA)

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
\$	1,031,165	12.42%	\$ 5,983	0.07%
	1,037,692	11.29%	4,593	0.05%
	1,168,799	12.31%	9,402	0.10%
	1,156,523	10.99%	3,351	0.03%
	1,329,950	12.12%	23,319	0.21%
	1,381,598	12.36%	2,639	0.02%
	1,266,459	12.67%	30,692	0.31%
	1,526,300	14.04%	31,687	0.29%
	1,330,983	11.56%	14,746	0.13%
	1,803,607	12.92%	18,498	0.13%

TABLE 12

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	Capital Leases
2012	\$ 9,357,617	\$ 585,000	\$ -	\$ 213,810	\$ 135,000	\$ 1,267,148	\$ 48,078
2013	8,719,573	525,000	-	162,268	105,000	1,216,832	36,326
2014	8,066,529	465,000	-	108,056	70,000	1,164,147	23,600
2015	7,565,124	400,000	-	192,217	35,000	1,592,091	9,818
2016	6,951,648	330,000	800,000	428,474	-	1,507,731	-
2017	7,143,162	255,000	-	692,000	-	1,401,915	-
2018	6,285,719	180,000	-	975,435	-	1,291,995	-
2019	5,584,132	100,000	-	802,596	-	1,177,801	25,602
2020	6,240,860	-	-	638,324	-	1,059,158	527,552
2021	15,097,513	-	-	873,305	-	935,881	681,690

Sources:

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

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

	(a) Total Primary Government	(b) Total Personal Income	Percentage of Personal Income	(b) Population	Per Capita
\$	11,606,653	\$ 500,409,247	2.32%	17,473	\$ 664
	10,764,999	483,484,060	2.23%	17,515	615
	9,897,332	492,270,592	2.01%	17,536	564
	9,794,250	486,128,872	2.01%	17,527	559
	10,017,853	491,001,456	2.04%	17,512	572
	9,492,077	528,635,328	1.80%	17,537	541
	8,733,149	567,830,523	1.54%	17,537	498
	7,690,131	591,880,448	1.30%	17,582	437
	8,465,894	597,450,457	1.42%	17,519	483
	17,588,389	625,530,762	2.81%	18,114	971

TABLE 13

CITY OF TALLMADGE, OHIO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

Year	General Obligation Bonds	(a) Estimated Actual Property Value	Percentage of Actual Taxable Value of Property	(b) Population	Per Capita
2012	\$ 9,357,617	\$ 1,063,189,803	0.88%	17,473	\$ 536
2013	8,719,573	1,062,693,128	0.82%	17,515	498
2014	8,066,529	1,074,318,186	0.75%	17,536	460
2015	7,565,124	1,067,635,328	0.71%	17,527	432
2016	6,951,648	1,071,218,860	0.65%	17,512	397
2017	7,143,162	1,078,084,587	0.66%	17,537	407
2018	6,285,719	1,175,739,673	0.53%	17,537	358
2019	5,584,132	1,203,009,661	0.46%	17,582	318
2020	6,240,860	1,228,546,414	0.51%	17,519	356
2021	15,097,513	1,389,648,216	1.09%	18,114	833

Sources:

(a) Summit County, Ohio; County Fiscal Officer

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

TABLE 14

CITY OF TALLMADGE, OHIO

SPECIAL ASSESSMENT TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year	Current Billed	Delinquent Billed*	Current % Collected	Total Collected	Total % Collected	Current Delinquent**
2012	\$ 238,180	\$ 48,252	88.38%	\$ 228,895	96.10%	\$ 27,667
2013	230,276	93,295	92.72%	245,768	106.73%	16,757
2014	227,105	n/a	n/a	213,595	94.05%	13,510
2015	220,719	n/a	n/a	223,919	101.45%	-
2016	211,265	n/a	n/a	204,649	96.87%	6,617
2017	167,012	n/a	n/a	158,622	94.98%	2,640
2018	160,424	n/a	n/a	147,140	91.72%	13,284
2019	159,402	n/a	n/a	158,573	99.48%	829
2020	145,066	n/a	n/a	136,775	94.28%	8,290
2021	50,843	n/a	n/a	61,621	121.20%	(10,778)

Source: Summit County, Ohio; County Fiscal Officer

* The delinquent billed amount was not available for 2014 - 2021.

**2021 negative current delinquent reflects an overpayment of Special Assessments.

TABLE 15

CITY OF TALLMADGE, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2021

Jurisdiction	Governmental Activities Debt	Percentage Overlapping	Applicable to the City
Direct:			
City of Tallmadge	\$ 15,970,818	100.00%	\$ 15,970,818
Overlapping Debt:			
Summit County	27,905,000	3.40%	948,770
Portage County	8,122,293	0.47%	38,175
Brimfield Township	91,767	5.86%	5,378
Stow/Munroe Falls City School District	2,290,000	0.01%	229
Tallmadge City School District	50,229,489	99.85%	50,154,145
Field Local School District	7,105,000	2.41%	171,231
Total Overlapping Debt	<u>95,743,549</u>		<u>51,317,927</u>
Total Direct and Overlapping Debt	<u>\$ 111,714,367</u>		<u>\$ 67,288,745</u>

Source: Debt outstanding for overlapping government - Ohio Municipal Advisory Council (OMAC), as of January 1, 2021.

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

TABLE 16

CITY OF TALLMADGE, OHIO

COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS

Year	Debt Limit - Voted	Debt Limit - Unvoted	Net Debt Applicable to Limit	Debt Service Available Balance	Legal Debt Margin - Voted*	Legal Debt Margin - Unvoted*	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2012	\$ 39,165,718	\$ 20,515,376	\$ 9,357,617	\$ 47,224	\$ 29,855,325	\$ 20,515,376	23.89%
2013	39,154,617	20,509,561	8,719,573	69,696	30,504,740	20,509,561	22.27%
2014	39,595,807	20,740,661	8,066,529	76,219	31,605,497	20,740,661	20.37%
2015	39,355,828	20,614,958	7,565,124	99,839	31,890,543	20,614,958	19.22%
2016	40,982,825	21,467,194	6,951,648	87,463	34,118,640	21,467,194	16.96%
2017	39,753,773	20,823,405	7,143,162	66,332	32,676,943	20,823,405	17.97%
2018	43,303,530	22,682,801	6,285,719	24,851	37,042,662	22,682,801	14.52%
2019	44,645,636	23,385,809	5,584,132	16,171	39,077,675	23,385,809	12.51%
2020	45,615,842	23,894,012	6,240,860	43,085	39,418,067	23,894,012	13.68%
2021	51,572,539	27,014,187	15,097,513	668,674	37,143,700	27,014,187	29.27%

Source: Summit County, Ohio; County Fiscal Officer

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

* Legal debt margin includes unamortized debt.

TABLE 17

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
2012	17,473	\$ 500,409,247	\$ 28,639	6.8%	7.2%	8.1%
2013	17,515	483,484,060	27,604	6.5%	7.0%	7.0%
2014	17,536	492,270,592	28,072	5.7%	5.6%	5.8%
2015	17,527	486,128,872	27,736	5.6%	5.4%	5.1%
2016	17,512	491,001,456	28,038	5.0%	4.9%	4.7%
2017	17,537	528,635,328	30,144	4.6%	4.7%	4.1%
2018	17,537	567,830,523	32,379	4.7%	4.6%	3.9%
2019	17,582	591,880,448	33,664	4.3%	4.1%	3.7%
2020	17,519	597,450,457	34,103	5.2%	5.3%	6.5%
2021	18,114	625,530,762	34,533	3.7%	4.5%	3.9%

Sources:

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

TABLE 18

CITY OF TALLMADGE, OHIO

NEW HOUSING STARTS
LAST TEN YEARS

Year	New Housing Starts	
	Single Family	Condominium
2012	12	-
2013	19	-
2014	12	-
2015	20	-
2016	50	12
2017	61	-
2018	35	-
2019	15	-
2020	8	-
2021	76	-

Sources: City of Tallmadge Building Department (2017-2021)
 Summit County Department of Building Standards (2012-2016)

Note: Summit County Department of Building Standards webpage under construction 4/23/18

TABLE 19

CITY OF TALLMADGE, OHIO

*PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO*

	2021			2012		
	Employees**	Rank	Percentage of Total City Employment	Employees**	Rank	Percentage of Total City Employment
Auto Sales	*	1	*	*	1	*
Tallmadge Public Schools	269	2	3.3%	279	3	4.0%
Steere Enterprises	260	3	3.2%	302	2	4.4%
S.D. Myers Inc.	198	4	2.4%	203	4	2.9%
JetPack Shipping	150	5	1.8%			
Speelman Electric	120	6	1.5%			
City of Tallmadge	102	7	1.2%	89	10	1.3%
East End Welding	99	8	1.2%	115	6	1.7%
The Martin Wheel Co., Inc./Kenda Tire	94	9	1.1%	93	9	1.3%
WardJet	93	10	1.1%			
Giant Eagle				112	7	1.6%
Acme				110	8	1.6%
Waltco Truck Equipment Co.				161	5	2.3%
Total	1,385		16.8%	1,464		21.2%

Source: City of Tallmadge Economic Development Department

* Employer would not disclose the total number of employees.

** Full-time, permanent employees only.

TABLE 20

CITY OF TALLMADGE, OHIO

*MISCELLANEOUS STATISTICS
DECEMBER 31, 2021*

Founded	1806
Incorporated as Village	1936
Incorporated as City	1951
Town Hall erected	1859
Form of government	Charter
Population	18,114
Area	13.5 Square miles 8,915 Acres
Education:	
Elementary schools	1 K-5
Middle school	1 6-8
High school	1 9-12
Libraries	1 (30,000 volumes)
Churches	28

Source: Various Departments of the City of Tallmadge

TABLE 21

CITY OF TALLMADGE, OHIO

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Council	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Mayor	5.0	5.0	4.5	4.5	5.0	6.0	7.5	7.5	7.5	7.5
Finance	6.5	6.5	6.0	6.0	6.0	7.0	7.0	7.0	7.0	6.5
Law	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Service	3.0	3.0	3.0	3.0	3.5	4.5	3.0	2.0	2.0	3.0
Information Systems	1.0	1.5	1.5	2.0	2.0	2.0	2.0	2.0	2.0	2.5
Civil Service	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Maintenance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Boards and Commissions	0.5	0.5	0.5	0.5	0.5	0.5	-	-	-	-
Security of Persons and Property										
Police	32.0	34.5	37.5	34.5	40.5	40.0	39.0	39.5	44.0	39.0
Fire	38.0	38.5	41.5	40.5	39.5	42.5	40.5	40.5	46.5	39.0
Leisure Time Activities										
Maca Pool*	17.5	16.0	16.5	16.0	15.5	18.0	17.5	23.5	-	22.0
Recreation Center	63.0	62.5	65.0	64.5	60.0	70.5	50.0	45.5	35.5	37.0
Community Environment										
Building & Zoning	2.0	2.0	2.0	2.0	2.5	3.0	2.5	3.0	3.0	3.0
Transportation										
Garage	4.5	4.5	4.5	4.5	4.5	7.0	4.5	4.5	4.0	5.0
Street	18.0	19.0	20.0	18.5	19.0	19.0	19.5	21.5	20.5	17.5
Utilities										
Utilities Services	7.0	6.0	6.5	6.5	7.0	6.0	7.0	8.0	8.0	6.5
Total	209.0	210.5	220.0	214.0	216.5	237.0	211.0	215.5	191.0	199.5

*Due to the COVID-19 Pandemic, the swimming pool was closed in 2020.

Source: City of Tallmadge Finance Department

TABLE 22

CITY OF TALLMADGE, OHIO

OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Security of Persons and Property										
Police****										
Physical Arrests	671	593	582	556	795	773	966	847	332	753
Parking Violations	7	16	17	20	22	6	15	12	9	16
Traffic Violations	1,219	995	859	733	673	471	472	423	233	259
Fire										
Emergency Response Calls	2,337	2,544	2,456	2,680	2,889	2,938	3,125	3,275	2,930	3,500
Fires Extinguished	65	27	22	27	28	34	20	22	35	45
Inspections Conducted ***	748	753	881	658	570	788	768	669	381	409
Transportation										
Street resurfacing miles	6.75	5.23	5.60	6.70	3.00	3.00	2.43	1.85	0.91	2.91
Leisure Time Activities										
Trees Planted	-	-	-	-	-	-	-	-	27	19
Recreation Center Memberships*										
Annual	3,250	3,694	4,285	4,844	5,323	5,839	5,581	6,311	5,721	6,852
Monthly	2,100	1,908	1,402	1,545	1,231	1,273	1,383	1,349	1,231	1,105
Swimming Pool Memberships**										
Adult	1,081	975	996	970	971	1,146	1,080	979	-	1,144
Child	792	709	776	823	783	853	821	760	-	726
Water										
Customers Served	7,126	7,091	7,302	7,208	7,330	7,409	7,463	7,479	7,525	7,589
New Connections	20	25	29	130	62	97	58	20	28	53
Water Main Breaks	13	18	14	13	28	13	24	22	20	11
Avg. Daily Consumption (gpd)										
million gallons per day	1.30	1.20	1.10	1.10	1.20	1.20	1.20	1.10	1.20	1.20
Peak Daily Consumption (gpd)										
million gallons per day	2.00	1.70	2.00	1.70	1.50	1.40	1.50	1.70	1.60	1.50
Sewer										
Customers Served	7,991	7,981	7,981	7,888	8,001	8,163	8,210	8,340	8,380	8,456
Storm Water										
Customers Served	5,948	6,039	6,059	6,095	6,143	6,212	6,252	6,262	6,279	6,333

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

**Due to the COVID-19 Pandemic, the swimming pool was closed in 2020.

*** Due to the COVID-19 Pandemic, inspections were not conducted for approximately 4 months.

**** Due to the COVID-19 Pandemic, officers were restricted from self-initiated activity for most of 2020.

Source: Various City of Tallmadge Department Records

TABLE 23

CITY OF TALLMADGE, OHIO

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	21.0	19.0	21.0	20.0	20.0	20.0	20.0	20.0	22.0	20.0
Fire Stations	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Public Health and Welfare										
Cemeteries	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Leisure Time Activities										
Park Acreage	161.7	161.7	161.7	161.7	161.7	161.7	161.7	161.7	161.7	161.7
Parks	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Swimming Pools	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Tennis Courts	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Baseball/Softball Fields	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Soccer Fields	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Recreation Center	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Transportation										
Streets (paved miles)	96.3	96.3	96.1	96.1	99.1	99.1	100.0	100.0	100.0	100.9
Traffic Signals	187.0	187.0	187.0	187.0	186.0	189.0	189.0	189.0	189.0	189.0
Water										
Water Mains (miles)	86.1	87.0	87.0	87.0	88.1	88.1	88.5	88.5	88.9	90.0
Sewer										
Sanitary Sewers (miles)	60.7	60.7	60.7	60.7	61.1	61.1	61.5	61.5	62.3	62.3

Source: City of Tallmadge Records

OHIO AUDITOR OF STATE KEITH FABER



CITY OF TALLMADGE

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/5/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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www.ohioauditor.gov