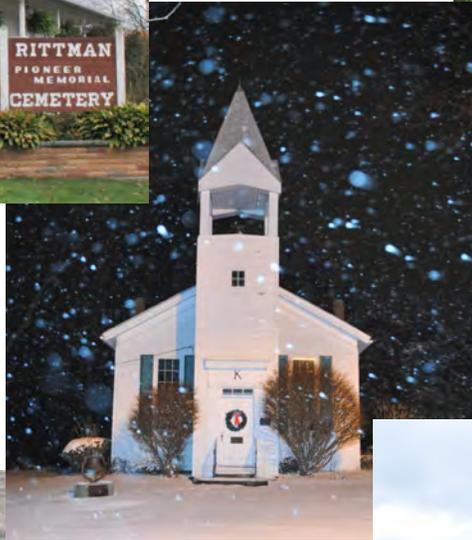


City of Rittman, Ohio



**Comprehensive Annual Financial Report
For the Year Ended
December 31, 2014**



Dave Yost • Auditor of State

City Council
City of Rittman
30 N. Main St.
Rittman, OH 44270

We have reviewed the *Independent Auditor's Report* of the City of Rittman, Wayne County, prepared by Rea & Associates, Inc., for the audit period January 1, 2014 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

October 5, 2015

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**City of Rittman
Wayne County, Ohio**

**Comprehensive Annual Financial Report
For the Year Ended December 31, 2014**

Issued by: Finance Department
Pamela Keener, Finance Director

INTRODUCTORY SECTION

City of Rittman
Wayne County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2014

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Wayne County, Ohio
Comprehensive Annual Financial Report
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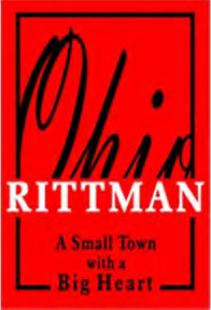
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City of Rittman
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The City of Rittman Offices

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

Pamela Keener
Finance Director
pkeener@rittman.com

June 25, 2015

Members of Rittman City Council and
Citizens of Rittman, Ohio

The Comprehensive Annual Financial Report (CAFR) of the City of Rittman (the “City”) for the fiscal year ending December 31, 2014 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

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

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

The City of Rittman

The City of Rittman is located in the north central part of the State of Ohio, within the boundaries of Wayne and Medina Counties. The City of Rittman is a home rule municipal corporation under the laws of the State of Ohio and, as such, operates under its own charter. The current charter was adopted in 1960 and has undergone three amendments since that time. The government consists of a Mayor and 6-member council.

The Mayor and all members of City Council are elected to 4-year terms. All of these officials are elected on an at-large basis.

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

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

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

The appropriated budget is prepared by fund, (e.g., General Fund), department (e.g., Police) and line item (e.g., Personal Services). The City Council may pass supplemental appropriations at any time by ordinance. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. The General Fund, Emergency Medical Service Fund and Fire Department Levy Fund are presented in the basic financial statements, beginning on page 16. For other funds, this comparison is presented in the governmental fund subsection of this report, which starts on page 75.

2014 Initiatives

In 2014, the City resurfaced a portion of the streets on the west side of the City. Project costs were approximately \$148,000; however, the City was able to offset a portion of the resurfacing costs with the receipt of a \$70,877 OPWC grant. Additionally, the City received \$55,000 in CDBG funding to improve sidewalks in the low to moderate income areas of the City.

The City utility infrastructure was improved in 2014 with a \$296,000 waterline replacement on Fairlawn and Home Streets and with the construction of the \$463,200 septage receiving station. City management anticipates the septage receiving station will pay for itself in a few years and any increased revenues can then be used for future sewer projects, debt service payments, and/or possible reduction in the sewer portion of the utility bills.

Development Activities

As reported previously, the 300 acre site that was once Rittman's largest employer was purchased by Hull and Associates under the company name of Urban Renewables II (URII). The City entered into a development agreement with URII to assist them in water treatment to help speed up the cleanup process. This agreement allows the City to have some control with the future of how the land is developed. The buildings of the old paper plant were demolished and cleared in 2014. The City continues to work with Wayne Economic Development Council (WEDC) to market this land as a new Industrial Park for the City. WEDC and URII are excited about this property as it is the only site available at this time in Wayne County with two separate rail spurs to service new manufacturing facilities.

Long-term Financial Planning

In an effort to be proactive instead of reactive, the City continually evaluates its revenues and expenditures and programs and services provided, especially those under its control. With the change in the income tax credit granted to residents who work outside the City and pay taxes to other municipalities and reallocation of the income tax revenue, the City is able to ensure ongoing sustainability and infrastructure replacement.

In 2010, the Administration adopted a five-year capital improvement program to assess the City's ability to meet the needs of the community in future years. One component of the plan is long-term financial projections, which is intended to indicate the need for continued cost containment or revenue enhancement efforts. The five-year capital plan was updated and adopted in 2014.

Economic Condition and Outlook

With exception to the General Fund, governmental fund balances remained fairly consistent in 2014. As a result of the continued reduction in local government funding and increases in General Fund expenses, the City was forced to take an in depth analysis of the General Fund and either cut costs which inevitably would include laying off personnel or increase revenues. After much deliberation, City council passed legislation in the early part of 2015 to reallocate the quarter percent of income tax that was allocated to the Water Fund to the General Fund resulting in approximately an additional increase in General Fund revenues of \$400,000 annually.

The City's governing body, administration, and employees are committed to working together to provide quality services to the residents. The future impact of the initiatives undertaken in 2014 and 2015, combined with the imminent redevelopment of the large vacant industrial site, should allow the City to gain some financial strength in 2015 and subsequent years. However, the City will remain vigilant in evaluating their financial position and be proactive wherever possible by implementing revenue enhancing or cost cutting measures. Administration will continue to look for other ways to expand the City's tax base, focusing on small businesses looking to relocate or revitalization of vacant property. Looking forward, the City is optimistic that the financial position of the City will improve.

Independent Audit

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

Certification of Achievement

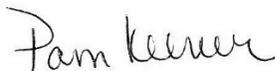
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rittman, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2013. The City has received this award since 1996, the first year that the City prepared and submitted a CAFR. The Certificate of Achievement is a prestigious national award, recognizing conformance to the highest standards for preparation of state and local government financial reports.

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

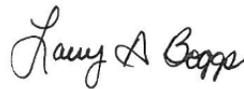
Acknowledgments

The preparation of this report could not have been accomplished without the dedicated services of the administrative staff. We wish to express our appreciation to members of other City departments who assisted and contributed to the preparation of this report. In addition, gratitude is extended to the independent accounting firm of Rea & Associates, Inc., for their advice and guidance. City Council also deserves a special acknowledgment for their support and commitment to responsible fiscal reporting.

Respectfully Submitted,



Pamela Keener
Finance Director



Larry A. Boggs
City Manager

City of Rittman
Wayne County, Ohio
City Officials
December 31, 2014

Mayor

William Robertson

Council Members

Rick Hanlon
David Williams
Lynn Beaumont

Darrell Carey
Steve Johnson
Glen Russell, President

City Manager

Larry Boggs

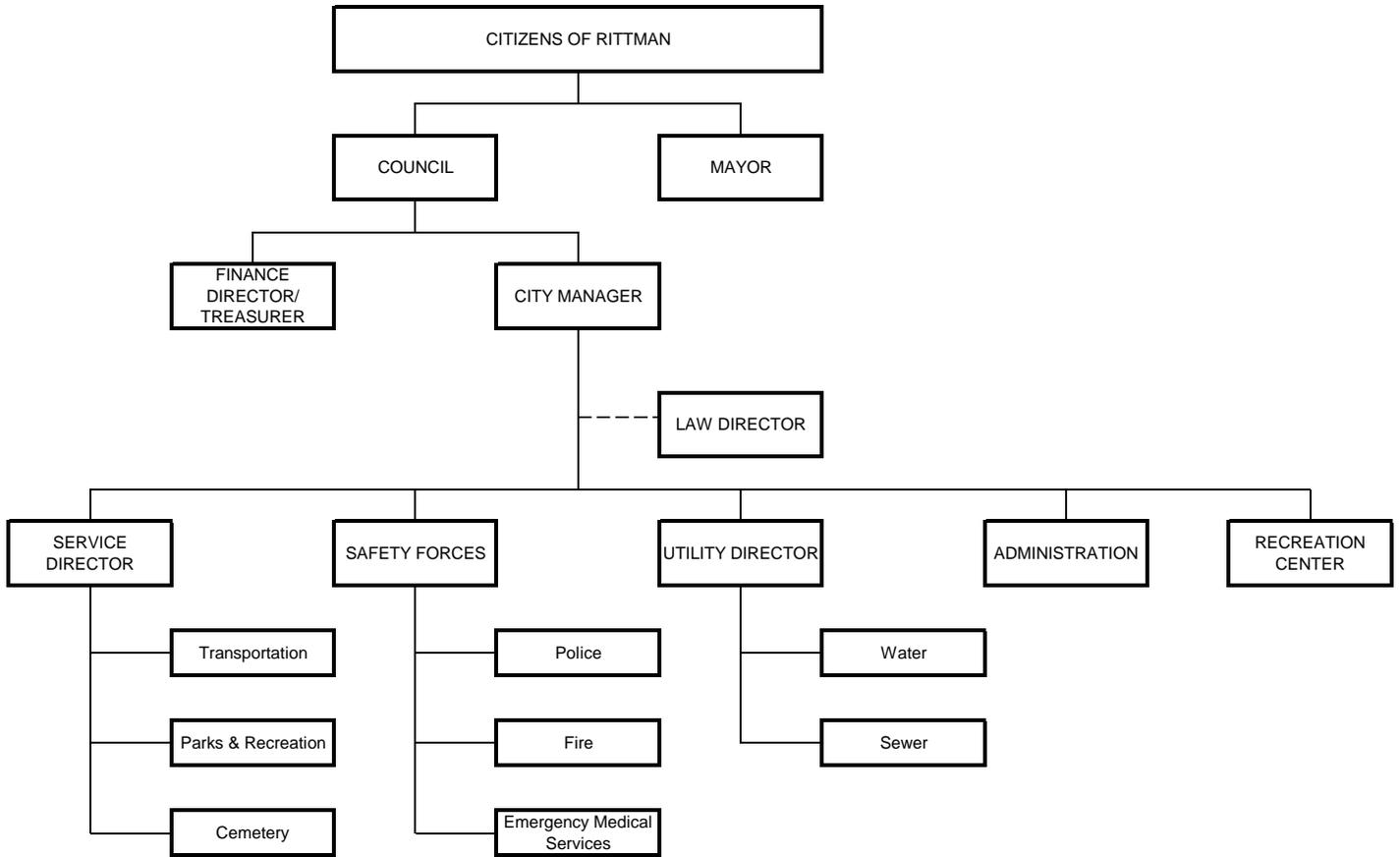
Finance Director/Treasurer

Pamela Keener

Director of Law

G. Kevin Bower

*City of Rittman
Wayne County, Ohio
Organizational Chart
December 31, 2014*





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Rittman
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO



FINANCIAL SECTION

June 25, 2015

To Members of Council and Management
City of Rittman
Wayne County, Ohio
30 N. Main St.
Rittman, OH 44270

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rittman, Wayne County, Ohio, (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rittman, Wayne County, Ohio, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund, the emergency medical service fund and the fire department levy fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-12 be presented to supplement the basic financial statements. Such information, 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.

Other 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 and individual nonmajor fund financial statements and schedules, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Rea & Associates, Inc.

Medina, Ohio



City of Rittman
Wayne County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014

The discussion and analysis of the City of Rittman's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2014. The intent of this discussion and analysis is to look at the City's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2014 are as follows:

- In total, net position increased \$67,420, which represents an increase of less than 1 percent from 2013. Net position of governmental activities decreased \$199,937. Net position of business-type activities increased \$267,357.
- Total capital assets increased \$119,474 during 2014. Capital assets of governmental activities decreased \$85,705 and capital assets of business-type activities increased \$205,179.
- Outstanding debt decreased from \$3,167,148 to \$2,980,953. This decrease was the result of the issuance of new bonds, debt refunding and principal payments made during the year. The City refunded \$625,000 in recreation refunding bonds and \$920,000 in water improvement bonds in 2014. The City also issued \$40,000 in bonds for improvements to the pool and community room.

Using this Annual Financial Report

This report is designed to allow the reader to look at the financial activities of the City of Rittman as a whole and is intended to allow the reader to obtain a summary view or a more detailed view of the City's operations, as they prefer.

The Statement of Net Position and the Statement of Activities provide information from a summary perspective showing the effects of the operations for the year 2014 and how they affected the operations of the City as a whole.

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column. In the case of the City of Rittman, the general fund is by far the most significant fund. Business-type funds consist of the water, sewer and solid waste funds.

City of Rittman
Wayne County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014

A question typically asked about the City's finances is "How did we do financially during 2014?" The Statement of Net Position and the Statement of Activities answer this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's *net position* and *changes in net position*. This change in net position is important because it tells the reader that, for the City as a whole, the *financial position* of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio which restrict revenue growth, facility conditions, and other factors.

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

- **Governmental Activities** - Most of the City's programs and services are reported here, including general government, security of persons and property, public health, leisure time activities and transportation.
- **Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water, sewer and solid waste funds are reported as business activities.

Reporting the City's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been safeguarded for specific activities or objectives. The City uses many funds to account for financial transactions. However, these fund financial statements focus on the City's most significant funds. The City's major governmental funds are the general fund, emergency medical service fund, fire department levy fund and capital improvements fund.

Governmental Funds Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance future services. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match, except for any internal service fund allocations.

City of Rittman
Wayne County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for the fiduciary funds is much like that used for proprietary funds.

The City as a Whole

Recall that the Statement of Net Position provides the perspective of the City as a whole. Table 1 provides a summary of the City's net position for 2014 compared to 2013:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and Other Assets	\$ 3,470,971	\$ 3,634,384	\$ 2,403,098	\$ 2,174,811	\$ 5,874,069	\$ 5,809,195
Capital Assets	5,972,199	6,057,904	12,339,496	12,134,317	18,311,695	18,192,221
<i>Total Assets</i>	<u>9,443,170</u>	<u>9,692,288</u>	<u>14,742,594</u>	<u>14,309,128</u>	<u>24,185,764</u>	<u>24,001,416</u>
Liabilities						
Long-Term Liabilities	1,110,799	1,194,261	2,164,901	2,257,287	3,275,700	3,451,548
Other Liabilities	237,599	206,097	466,254	207,759	703,853	413,856
<i>Total Liabilities</i>	<u>1,348,398</u>	<u>1,400,358</u>	<u>2,631,155</u>	<u>2,465,046</u>	<u>3,979,553</u>	<u>3,865,404</u>
Deferred Inflows of Resources	520,014	517,235	0	0	520,014	517,235
Net Position						
Net Investment in Capital Assets	5,067,892	5,061,904	10,084,615	9,963,169	15,152,507	15,025,073
Restricted	1,806,147	1,744,441	0	0	1,806,147	1,744,441
Unrestricted	700,719	968,350	2,026,824	1,880,913	2,727,543	2,849,263
<i>Total Net Position</i>	<u>\$ 7,574,758</u>	<u>\$ 7,774,695</u>	<u>\$ 12,111,439</u>	<u>\$ 11,844,082</u>	<u>\$ 19,686,197</u>	<u>\$ 19,618,777</u>

At year end, capital assets represented 76 percent of total assets. Capital assets include land, land improvements, buildings, infrastructure, equipment and construction in progress. Capital assets, net of related debt were \$15,152,507 at December 31, 2014, with \$5,067,892 in governmental activities and \$10,084,615 in business-type activities. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position, \$1,806,147 or 9 percent, represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position of \$2,727,543 may be used to meet the government's ongoing obligations to citizens and creditors.

Cash decreased \$167,283, or 9 percent from 2013 in the governmental activities. This decrease is primarily attributed to a decrease in cash and investments as expenditures outpaced revenues.

City of Rittman
Wayne County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014

Cash in business-type activities increased \$354,954 over 2013 primarily from the sewer fund's revenues exceeding expenses. In addition, since the City paid off an OWDA loan in 2013 principal payments were reduced in 2014, which also contributed to the increase in cash. The City began a septage receiving station project accounting for the majority of the increase in capital assets and accounts and contracts payable compared to 2013.

Table 2 shows the changes in net position for fiscal year 2014 and 2013.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$ 791,239	\$ 823,951	\$ 2,218,359	\$ 2,244,044	\$ 3,009,598	\$ 3,067,995
Operating Grants	427,108	461,206	12,574	0	439,682	461,206
Capital Grants	245,564	27,680	125,826	27,924	371,390	55,604
<i>General Revenues:</i>						
Property Taxes	492,385	676,750	0	0	492,385	676,750
Income Taxes	1,276,232	1,201,864	336,033	400,621	1,612,265	1,602,485
Grants and Entitlements	320,662	353,131	0	0	320,662	353,131
Investment Earnings	29,077	14,317	0	1,407	29,077	15,724
Miscellaneous	55,501	18,474	20,177	9,807	75,678	28,281
Total Revenues	3,637,768	3,577,373	2,712,969	2,683,803	6,350,737	6,261,176
Program Expenses						
General Government	678,577	607,813	0	0	678,577	607,813
Security of Persons and Property	1,724,924	1,728,144	0	0	1,724,924	1,728,144
Public Health	82,071	113,295	0	0	82,071	113,295
Leisure Time Services	590,827	523,520	0	0	590,827	523,520
Basic Utility Service	0	501	0	0	0	501
Transportation	714,573	480,856	0	0	714,573	480,856
Interest and Fiscal Charges	38,699	36,407	0	0	38,699	36,407
Bond Issuance Costs	8,034	0	0	0	8,034	0
<i>Enterprise Operations:</i>						
Water	0	0	1,003,943	948,474	1,003,943	948,474
Sewer	0	0	1,082,573	1,042,688	1,082,573	1,042,688
Solid Waste	0	0	359,096	378,025	359,096	378,025
Total Program Expenses	3,837,705	3,490,536	2,445,612	2,369,187	6,283,317	5,859,723
Change in Net Position	(199,937)	86,837	267,357	314,616	67,420	401,453
Net Position Beginning of Year	7,774,695	7,687,858	11,844,082	11,529,466	19,618,777	19,217,324
Net Position End of Year	\$ 7,574,758	\$ 7,774,695	\$ 12,111,439	\$ 11,844,082	\$ 19,686,197	\$ 19,618,777

Governmental Activities

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

City of Rittman
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The City's income tax is at a rate of 1.5 percent. Both residents of the City and non-residents who work inside the City are subject to the income tax. However if residents work in a locality that has a municipal income tax, the City provides 1.0 percent credit for those who pay income tax to another city. City Council could by ordinance, choose to vary that income tax credit and create additional revenues for the City.

General revenues include grants and entitlements, such as local government funds. Governmental activities are primarily funded by property tax, income tax and intergovernmental revenue. The City monitors its sources of revenues very closely for fluctuations.

Capital grants in governmental activities increased \$217,884 over 2013, partially due to new street and sidewalk assessments. Property taxes showed a decrease from 2013 due, in part, to a reduction in delinquent taxes from prior year.

Security of persons and property, consisting of police, fire and ems, represent the largest expense of the governmental activities. This expense of \$1,724,924 represents 45 percent of the total governmental activities expenses. The police department operates out of the general fund, the fire department operates out of the fire levy fund and EMS operates out of the emergency medical service fund.

Transportation expense of \$714,573 accounts for 19 percent of total governmental activities expense. These expenses primarily consist of repairs and maintenance of the City's roads. The City had expenses for asphalt repairs in 2014 contributing to the majority of the increase over 2013.

General government expenses total \$678,577 or 18 percent of total governmental expenses. General government expenses include legislative, executive and financial management departments of the City.

Business-Type Activities

Business-type activities include water, sewer and solid waste operations. The revenues are generated primarily from charges for services. In 2014, charges for services of \$2,218,359 accounted for 82 percent of the business-type revenues. The total expenses for the utilities were \$2,445,612, thus leaving an increase in net position of \$267,357 for business-type activities.

Capital grants in the business-type activities showed an increase primarily due to OPWC grant money for waterlines. Expenses remained fairly consistent with the prior year showing an increase of 3 percent.

The City's Funds

Governmental Funds

Information about the City's governmental funds begins on page 16. These funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues of \$3,591,244 and expenditures of \$3,911,952. The funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues.

The general fund's net change in fund balance for fiscal year 2014 was a decrease of \$284,427. Property tax revenue decreased from 2013 due to fluctuations in delinquent taxes. In addition, general fund transferred \$35,000 to the fire department levy fund to help offset expenditures.

City of Rittman
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Management's Discussion and Analysis
For the Year Ended December 31, 2014

The fund balance of the emergency medical service fund decreased by \$64,639. Operating expenditures increased over \$90,000 from 2013, partially due to equipment purchases.

The fire department levy fund's net change in fund balance for fiscal year 2014 was a decrease of \$32,143. This is mainly due to the decrease in intergovernmental revenue which is due to a State grant the City received in 2013.

The fund balance of the capital improvement fund increased by \$103,705. The increase in capital outlay expenditures from paving and resurfacing projects were offset by a grant from OPWC and proceeds from the sale of a lift truck. In addition, the City issued a \$40,000 bond for improvements to the recreation center's pool and community room.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for the business-type activities, but in more detail.

Unrestricted net position of the water fund at the end of the year amounted to \$544,673, the unrestricted net position of the sewer fund was \$1,241,136 and the unrestricted net position of the solid waste fund was \$241,015. The water fund net position decreased \$10,956 while the sewer and solid waste funds saw growth in 2014 of \$185,530 and \$92,783, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the business-type activities.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of 2014, the City amended its general fund budget on various occasions. All recommendations for appropriation changes come to Council from the City Finance Director. The Council reviews them and makes their recommendation to the Council as a whole.

For the general fund, the actual budget basis revenue was \$2,118,300, representing an increase of \$3,325 over the final budget estimate of \$2,114,975.

Final expenditure appropriations of \$2,456,791 were \$127,221 higher than the actual expenditures of \$2,329,570, as cost savings were recognized throughout the year.

There was no change from original to final budgeted revenues. Final expenditure appropriations were \$86,679 over original expenditure appropriations. General government and security of persons and property were originally estimated lower.

There were no significant variances to discuss within other financing sources and uses.

City of Rittman
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Capital Assets and Debt Administration

Capital Assets

At the end of year 2014, the City had \$18,311,695 invested in capital assets. A total of \$5,972,199 of this was for governmental activities and \$12,339,496 being attributable to business-type activities. Table 3 shows fiscal year 2014 balances compared with 2013.

Table 3
Capital Assets at December 31
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 202,508	\$ 202,508	\$ 63,936	\$ 63,936	\$ 266,444	\$ 266,444
Construction in Progress	82,265	0	294,518	52,584	376,783	52,584
Land Improvements	0	0	20,966	23,960	20,966	23,960
Buildings	3,396,109	3,492,063	4,602,003	4,829,016	7,998,112	8,321,079
Infrastructure	1,583,709	1,577,105	6,645,912	6,481,403	8,229,621	8,058,508
Equipment	707,608	786,228	712,161	683,418	1,419,769	1,469,646
Total	\$ 5,972,199	\$ 6,057,904	\$ 12,339,496	\$ 12,134,317	\$ 18,311,695	\$ 18,192,221

The \$85,705 decrease in capital assets of governmental activities was attributable to depreciation and disposals exceeding current year additional purchases. The \$205,179 increase in capital assets of business-type activities is due to current year additional purchases exceeding depreciation and disposals. See Note 8 for additional information about the capital assets of the City.

Debt

The outstanding debt for the City as of December 31, 2014 was \$2,980,953. See Note 12 for additional details. Table 4 summarizes outstanding debt.

Table 4
Outstanding Debt, at December 31

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	\$ 732,000	\$ 776,000	\$ 965,500	\$ 1,027,500	\$ 1,697,500	\$ 1,803,500
Loans Payable	184,796	220,000	0	0	184,796	220,000
Mortgage Revenue Bonds	0	0	831,400	859,400	831,400	859,400
OPWC Loans	0	0	267,257	284,248	267,257	284,248
Total	\$ 916,796	\$ 996,000	\$ 2,064,157	\$ 2,171,148	\$ 2,980,953	\$ 3,167,148

City of Rittman
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Current Issues Affecting Financial Condition

During the volatile economic times spanning the last several years, efficient use of the City's workforce and cost containment measures have resulted in no layoffs of City employees which continued throughout 2014; however, the 2015 unencumbered General Fund balance looked bleak and would result in a possible workforce reduction if reduction in expenses or increases in revenues were not made. As such, in the early part of 2015, Council voted to move the 25 percent income tax revenue that was allocated to the Water Fund to the General Fund. This will increase the revenues in the General Fund by approximately \$400,000.

The City continued to see a reduction in local government funding as a result of cuts at the State level. Local government funding has decreased by approximately 30 percent since 2009. Income tax revenues were up slightly though due to the cap in the income tax credit of 1.0 percent that was effective January 1, 2012.

The five-year capital improvement program plan was updated in 2014. The plan will be used to assess the City's ability to meet the needs of the community in future years. One component of the plan is long-term financial projections, which are intended to indicate the need for continued cost containment or revenue enhancement efforts.

In 2014, the City continued to replace utility meters with devices that will automatically transfer reads to a central computer located at City Hall. With the meter upgrade, the City will be able to perform initial reads, final reads and check for leaks without sending employees out in the field. This project will also enable the City to more efficiently utilize personnel.

Additionally, the City utility infrastructure was improved with a \$296,000 waterline replacement on Fairlawn and Home Streets and construction of the \$463,200 septage receiving station. City management anticipates the septage receiving station will pay for itself in a few years and any increased revenues can then be used for future projects and/or debt service payments.

By the end of the summer, the buildings of the old paper plant were demolished and cleared. The City continues to work with Wayne Economic Development Council (WEDC) to market this land as a new Industrial Park for the City.

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

Contacting the City's Finance Department

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

City of Rittman
Wayne County, Ohio
Statement of Net Position
December 31, 2014

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 1,609,487	\$ 1,884,234	\$ 3,493,721
Cash and Investments in Segregated Accounts	2,841	13,913	16,754
Accounts Receivable	31,059	321,835	352,894
Accrued Interest Receivable	4,398	0	4,398
Intergovernmental Receivable	421,978	3,290	425,268
Property and Other Local Taxes Receivable	612,422	0	612,422
Income Taxes Receivable	564,530	98,797	663,327
Special Assessments Receivable	187,014	0	187,014
Prepaid Items	15,308	5,799	21,107
Materials and Supplies Inventory	10,784	31,130	41,914
Inventory Held for Resale	11,150	0	11,150
Restricted Assets - Customer Deposits	0	44,100	44,100
Non-Depreciable Capital Assets	284,773	358,454	643,227
Depreciable Capital Assets, Net	5,687,426	11,981,042	17,668,468
<i>Total Assets</i>	<u>9,443,170</u>	<u>14,742,594</u>	<u>24,185,764</u>
Liabilities			
Accounts and Contracts Payable	54,046	337,578	391,624
Accrued Wages	57,889	17,527	75,416
Retainage Payable	0	7,696	7,696
Intergovernmental Payable	103,186	27,892	131,078
Matured Interest Payable	841	3,713	4,554
Matured Bonds Payable	2,000	10,200	12,200
Accrued Interest Payable	1,951	11,653	13,604
Income Tax Refunds Payable	17,686	5,895	23,581
Customer Deposits Payable	0	44,100	44,100
Long-Term Liabilities:			
Due Within One Year	272,753	203,716	476,469
Due in More Than One Year	838,046	1,961,185	2,799,231
<i>Total Liabilities</i>	<u>1,348,398</u>	<u>2,631,155</u>	<u>3,979,553</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	520,014	0	520,014
Net Position			
Net Investment in Capital Assets	5,067,892	10,084,615	15,152,507
Restricted For:			
Debt Service	10,312	0	10,312
Capital Outlay	794,274	0	794,274
Safety Services	537,044	0	537,044
Streets and Highways	458,905	0	458,905
Other Purposes	5,612	0	5,612
Unrestricted	700,719	2,026,824	2,727,543
<i>Total Net Position</i>	<u>\$ 7,574,758</u>	<u>\$ 12,111,439</u>	<u>\$ 19,686,197</u>

See accompanying notes to the basic financial statements.

City of Rittman
Wayne County, Ohio
Statement of Activities
For the Year Ended December 31, 2014

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities				
General Government	\$ 678,577	\$ 359,853	\$ 370	\$ 0
Security of Persons and Property	1,724,924	236,724	64,471	0
Public Health	82,071	35,078	0	0
Leisure Time Services	590,827	159,584	12	0
Transportation	714,573	0	362,255	245,564
Interest and Fiscal Charges	38,699	0	0	0
Bond Issuance Costs	8,034	0	0	0
<i>Total Governmental Activities</i>	<u>3,837,705</u>	<u>791,239</u>	<u>427,108</u>	<u>245,564</u>
Business-Type Activities				
Water	1,003,943	519,438	0	125,826
Sewer	1,082,573	1,259,834	0	0
Solid Waste	359,096	439,087	12,574	0
<i>Total Business-Type Activities</i>	<u>2,445,612</u>	<u>2,218,359</u>	<u>12,574</u>	<u>125,826</u>
<i>Total Primary Government</i>	<u>\$ 6,283,317</u>	<u>\$ 3,009,598</u>	<u>\$ 439,682</u>	<u>\$ 371,390</u>

General Revenues:

Property Taxes Levied for:
General Purposes
Police, Fire and Emergency Services
Income Taxes Levied for:
General Purposes
Capital Outlay
Water Utility Services
Grants and Entitlements not Restricted
to Specific Programs
Investment Earnings
Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position 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
\$ (318,354)	\$ 0	\$ (318,354)
(1,423,729)	0	(1,423,729)
(46,993)	0	(46,993)
(431,231)	0	(431,231)
(106,754)	0	(106,754)
(38,699)	0	(38,699)
(8,034)	0	(8,034)
<u>(2,373,794)</u>	<u>0</u>	<u>(2,373,794)</u>
0	(358,679)	(358,679)
0	177,261	177,261
0	92,565	92,565
<u>0</u>	<u>(88,853)</u>	<u>(88,853)</u>
<u>(2,373,794)</u>	<u>(88,853)</u>	<u>(2,462,647)</u>
285,176	0	285,176
207,209	0	207,209
873,164	0	873,164
403,068	0	403,068
0	336,033	336,033
320,662	0	320,662
29,077	0	29,077
55,501	20,177	75,678
<u>2,173,857</u>	<u>356,210</u>	<u>2,530,067</u>
(199,937)	267,357	67,420
<u>7,774,695</u>	<u>11,844,082</u>	<u>19,618,777</u>
<u>\$ 7,574,758</u>	<u>\$ 12,111,439</u>	<u>\$ 19,686,197</u>

See accompanying notes to the basic financial statements.

City of Rittman
Wayne County, Ohio
Balance Sheet
Governmental Funds
December 31, 2014

	General Fund	Emergency Medical Service Fund	Fire Department Levy Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Investments	\$ 394,756	\$ 456,154	\$ 19,429	\$ 378,908	\$ 360,240	\$ 1,609,487
Cash and Investments in Segregated Accounts	0	0	0	0	2,841	2,841
Accounts Receivable	10,807	20,252	0	0	0	31,059
Accrued Interest Receivable	4,260	0	0	0	138	4,398
Intergovernmental Receivable	137,261	13,392	6,595	0	264,730	421,978
Property and Other Local Taxes Receivable	334,724	169,954	82,921	0	24,823	612,422
Income Taxes Receivable	398,698	0	0	165,832	0	564,530
Special Assessments Receivable	2,730	0	0	184,284	0	187,014
Interfund Receivable	0	0	0	5,161	0	5,161
Prepaid Items	13,799	1,186	323	0	0	15,308
Materials and Supplies Inventory	2,281	0	0	0	8,503	10,784
Inventory Held for Resale	0	0	0	11,150	0	11,150
<i>Total Assets</i>	<u>\$ 1,299,316</u>	<u>\$ 660,938</u>	<u>\$ 109,268</u>	<u>\$ 745,335</u>	<u>\$ 661,275</u>	<u>\$ 3,476,132</u>
Liabilities						
Accounts and Contracts Payable	\$ 24,032	\$ 4,667	\$ 0	\$ 24,171	\$ 1,176	\$ 54,046
Accrued Wages	42,468	8,653	2,986	0	3,782	57,889
Intergovernmental Payable	74,218	10,285	11,253	0	7,430	103,186
Matured Interest Payable	0	0	0	0	841	841
Matured Bonds Payable	0	0	0	0	2,000	2,000
Interfund Payable	0	0	0	0	5,161	5,161
Income Tax Refunds Payable	11,791	0	0	5,895	0	17,686
<i>Total Liabilities</i>	<u>152,509</u>	<u>23,605</u>	<u>14,239</u>	<u>30,066</u>	<u>20,390</u>	<u>240,809</u>
Deferred Inflows of Resources						
Property Taxes Levied for the Next Year	253,364	162,728	79,981	0	23,941	520,014
Unavailable Revenue - Delinquent Property Taxes	9,997	7,226	2,940	0	882	21,045
Unavailable Revenue - Income Tax	310,976	0	0	121,971	0	432,947
Unavailable Revenue - Other	105,100	18,407	6,595	162,151	218,190	510,443
<i>Total Deferred Inflows of Resources</i>	<u>679,437</u>	<u>188,361</u>	<u>89,516</u>	<u>284,122</u>	<u>243,013</u>	<u>1,484,449</u>
Fund Balances						
Nonspendable	16,080	1,186	323	0	8,503	26,092
Restricted	0	447,786	5,190	431,147	389,369	1,273,492
Committed	9,289	0	0	0	0	9,289
Assigned	245,230	0	0	0	0	245,230
Unassigned	196,771	0	0	0	0	196,771
<i>Total Fund Balances</i>	<u>467,370</u>	<u>448,972</u>	<u>5,513</u>	<u>431,147</u>	<u>397,872</u>	<u>1,750,874</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 1,299,316</u>	<u>\$ 660,938</u>	<u>\$ 109,268</u>	<u>\$ 745,335</u>	<u>\$ 661,275</u>	<u>\$ 3,476,132</u>

See accompanying notes to the basic financial statements.

City of Rittman
Wayne County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2014

Total Governmental Fund Balances	\$	1,750,874
 <i>Amounts reported for governmental activities in 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.		5,972,199
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	\$ 21,045	
Income Taxes	432,947	
Intergovernmental	330,435	
Special Assessments	164,881	
Other	<u>15,127</u>	964,435
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(1,951)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(732,000)	
Loans Payable	(184,796)	
Compensated Absences	<u>(194,003)</u>	<u>(1,110,799)</u>
 <i>Net Position of Governmental Activities</i>	 \$	 <u><u>7,574,758</u></u>

See accompanying notes to the basic financial statements.

City of Rittman
Wayne County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	General Fund	Emergency Medical Service Fund	Fire Department Levy Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property and Other Local Taxes	\$ 310,261	\$ 141,735	\$ 69,704	\$ 0	\$ 20,939	\$ 542,639
Income Taxes	814,013	0	0	407,009	0	1,221,022
Special Assessments	0	0	0	57,636	17,434	75,070
Charges for Services	523,837	180,037	0	0	5,680	709,554
Fines, Licenses and Permits	40,758	0	0	0	1,302	42,060
Intergovernmental	336,655	77,202	14,244	153,142	334,373	915,616
Investment Earnings	29,089	0	0	0	323	29,412
Contributions and Donations	370	0	0	0	0	370
Other	34,052	7,634	6,745	2,000	5,070	55,501
<i>Total Revenues</i>	<u>2,089,035</u>	<u>406,608</u>	<u>90,693</u>	<u>619,787</u>	<u>385,121</u>	<u>3,591,244</u>
Expenditures						
Current:						
General Government	609,611	3,057	1,493	0	3,700	617,861
Security of Persons and Property	1,074,190	468,190	116,764	0	0	1,659,144
Public Health	86,486	0	0	0	0	86,486
Leisure Time Services	474,163	0	0	0	0	474,163
Transportation	94,032	0	0	0	349,089	443,121
Capital Outlay	0	0	0	450,770	0	450,770
Debt Service:						
Principal Retirement	7,000	0	35,204	0	104,000	146,204
Interest and Fiscal Charges	0	0	4,375	0	21,794	26,169
Bond Issuance Costs	0	0	0	1,489	6,545	8,034
<i>Total Expenditures</i>	<u>2,345,482</u>	<u>471,247</u>	<u>157,836</u>	<u>452,259</u>	<u>485,128</u>	<u>3,911,952</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(256,447)</u>	<u>(64,639)</u>	<u>(67,143)</u>	<u>167,528</u>	<u>(100,007)</u>	<u>(320,708)</u>
Other Financing Sources (Uses)						
Proceeds from Sale of Capital Assets	20	0	0	15,500	6,500	22,020
General Obligation Bonds Issued	0	0	0	40,000	0	40,000
Refunding Bonds Issued	0	0	0	0	645,000	645,000
Payment to Refunded Bond Escrow Agent	0	0	0	0	(638,455)	(638,455)
Proceeds from Loans	7,000	0	0	0	0	7,000
Transfers In	0	0	35,000	0	119,323	154,323
Transfers Out	(35,000)	0	0	(119,323)	0	(154,323)
<i>Total Other Financing Sources (Uses)</i>	<u>(27,980)</u>	<u>0</u>	<u>35,000</u>	<u>(63,823)</u>	<u>132,368</u>	<u>75,565</u>
<i>Net Change in Fund Balance</i>	<u>(284,427)</u>	<u>(64,639)</u>	<u>(32,143)</u>	<u>103,705</u>	<u>32,361</u>	<u>(245,143)</u>
<i>Fund Balance Beginning of Year</i>	<u>751,797</u>	<u>513,611</u>	<u>37,656</u>	<u>327,442</u>	<u>365,511</u>	<u>1,996,017</u>
<i>Fund Balance End of Year</i>	<u>\$ 467,370</u>	<u>\$ 448,972</u>	<u>\$ 5,513</u>	<u>\$ 431,147</u>	<u>\$ 397,872</u>	<u>\$ 1,750,874</u>

See accompanying notes to the basic financial statements.

City of Rittman
Wayne County, 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, 2014*

Net Change in Fund Balances - Total Governmental Funds	\$	(245,143)
 <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 depreciation exceeded additions in the current period.		
Capital Asset Additions	\$ 376,036	
Current Year Depreciation	<u>(398,156)</u>	(22,120)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(63,585)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	(50,252)	
Income Taxes	55,210	
Special Assessments	19,530	
Intergovernmental	27,104	
Other	<u>(5,068)</u>	46,524
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds	104,000	
Loans Payable	<u>42,204</u>	146,204
Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
General Obligation Bonds	(40,000)	
Loans Payable	<u>(7,000)</u>	(47,000)
Issuance of refunding bonds results in expenditures and other financing sources and uses in the governmental funds, but these transactions are reflected in the statement of net position as long-term assets and liabilities.		
Payment to Refund Bond Escrow Agent	638,455	
Proceeds of Refunding Bonds	(645,000)	
Deferred Charges on Refunding	<u>(13,455)</u>	(20,000)
In the statement of activities, interest is accrued on outstanding bonds, and bond premium and bond issuance costs and the gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable		925
Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences		<u>4,258</u>
<i>Change in Net Position of Governmental Activities</i>	\$	<u><u>(199,937)</u></u>

See accompanying notes to the basic financial statements.

City of Rittman
Wayne County, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$ 259,400	\$ 259,400	\$ 265,476	\$ 6,076
Income Taxes	792,000	792,000	808,618	16,618
Charges for Services	591,502	591,502	525,230	(66,272)
Fines, Licenses and Permits	120,100	120,100	122,469	2,369
Intergovernmental	314,053	314,053	354,786	40,733
Investment Earnings	25,020	25,020	23,159	(1,861)
Contributions and Donations	450	450	130	(320)
Other	12,450	12,450	18,432	5,982
<i>Total Revenues</i>	<u>2,114,975</u>	<u>2,114,975</u>	<u>2,118,300</u>	<u>3,325</u>
Expenditures				
Current:				
General Government	591,897	632,511	607,589	24,922
Security of Persons and Property	1,053,865	1,090,630	1,066,605	24,025
Public Health	115,285	115,285	89,684	25,601
Leisure Time Services	490,620	497,120	464,792	32,328
Transportation	111,445	114,245	93,900	20,345
Debt Service:				
Principal Retirement	7,000	7,000	7,000	0
<i>Total Expenditures</i>	<u>2,370,112</u>	<u>2,456,791</u>	<u>2,329,570</u>	<u>127,221</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(255,137)</u>	<u>(341,816)</u>	<u>(211,270)</u>	<u>130,546</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	0	20	20
Proceeds from Loans	7,000	7,000	7,000	0
Advances In	0	10,000	10,000	0
Transfers In	5,000	5,000	0	(5,000)
Transfers Out	(40,000)	(40,000)	(35,000)	5,000
<i>Total Other Financing Sources (Uses)</i>	<u>(28,000)</u>	<u>(18,000)</u>	<u>(17,980)</u>	<u>20</u>
<i>Net Change in Fund Balance</i>	(283,137)	(359,816)	(229,250)	130,566
<i>Fund Balance Beginning of Year</i>	597,405	597,405	597,405	0
Prior Year Encumbrances Appropriated	13,378	13,378	13,378	0
<i>Fund Balance End of Year</i>	<u>\$ 327,646</u>	<u>\$ 250,967</u>	<u>\$ 381,533</u>	<u>\$ 130,566</u>

See accompanying notes to the basic financial statements.

City of Rittman
Wayne County, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Medical Service Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property and Other Local Taxes	\$ 157,100	\$ 157,100	\$ 158,732	\$ 1,632
Charges for Services	191,500	191,500	189,576	(1,924)
Intergovernmental	36,000	36,800	65,822	29,022
Contributions and Donations	1,000	1,000	0	(1,000)
Other	1,000	1,000	4,959	3,959
<i>Total Revenues</i>	<u>386,600</u>	<u>387,400</u>	<u>419,089</u>	<u>31,689</u>
Expenditures				
Current:				
General Government	3,650	3,650	3,057	593
Security of Persons and Property	466,900	487,400	470,963	16,437
<i>Total Expenditures</i>	<u>470,550</u>	<u>491,050</u>	<u>474,020</u>	<u>17,030</u>
<i>Net Change in Fund Balance</i>	(83,950)	(103,650)	(54,931)	48,719
<i>Fund Balance Beginning of Year</i>	504,218	504,218	504,218	0
Prior Year Encumbrances Appropriated	<u>2,058</u>	<u>2,058</u>	<u>2,058</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 422,326</u>	<u>\$ 402,626</u>	<u>\$ 451,345</u>	<u>\$ 48,719</u>

See accompanying notes to the basic financial statements.

City of Rittman
Wayne County, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Department Levy Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$ 77,200	\$ 77,200	\$ 78,076	\$ 876
Intergovernmental	13,000	17,055	18,731	1,676
Other	0	0	2,258	2,258
<i>Total Revenues</i>	<u>90,200</u>	<u>94,255</u>	<u>99,065</u>	<u>4,810</u>
Expenditures				
Current:				
General Government	1,800	1,800	1,493	307
Security of Persons and Property	123,771	125,561	123,995	1,566
Debt Service:				
Principal Retirement	35,204	35,204	35,204	0
Interest and Fiscal Charges	4,375	4,375	4,375	0
<i>Total Expenditures</i>	<u>165,150</u>	<u>166,940</u>	<u>165,067</u>	<u>1,873</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(74,950)</u>	<u>(72,685)</u>	<u>(66,002)</u>	<u>6,683</u>
Other Financing Sources (Uses)				
Transfers In	25,000	35,000	35,000	0
<i>Net Change in Fund Balance</i>	(49,950)	(37,685)	(31,002)	6,683
<i>Fund Balance Beginning of Year</i>	43,193	43,193	43,193	0
Prior Year Encumbrances Appropriated	4,287	4,287	4,287	0
<i>Fund Balance End of Year</i>	<u>\$ (2,470)</u>	<u>\$ 9,795</u>	<u>\$ 16,478</u>	<u>\$ 6,683</u>

See accompanying notes to the basic financial statements.

City of Rittman
Wayne County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2014

	Enterprise Funds			Total
	Water Fund	Sewer Fund	Solid Waste Fund	
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Investments	\$ 468,087	\$ 1,191,299	\$ 224,848	\$ 1,884,234
Cash and Investments in Segregated Accounts	13,913	0	0	13,913
Accounts Receivable	68,887	181,285	71,663	321,835
Intergovernmental Receivable	0	0	3,290	3,290
Income Taxes Receivable	98,797	0	0	98,797
Prepaid Items	1,920	1,711	2,168	5,799
Materials and Supplies Inventory	15,732	15,398	0	31,130
Restricted Assets - Customer Deposits	44,100	0	0	44,100
<i>Total Current Assets</i>	<u>711,436</u>	<u>1,389,693</u>	<u>301,969</u>	<u>2,403,098</u>
<i>Non-Current Assets:</i>				
Non-Depreciable Capital Assets	31,686	326,768	0	358,454
Depreciable Capital Assets, Net	5,389,710	6,571,789	19,543	11,981,042
<i>Total Non-Current Assets</i>	<u>5,421,396</u>	<u>6,898,557</u>	<u>19,543</u>	<u>12,339,496</u>
<i>Total Assets</i>	<u>6,132,832</u>	<u>8,288,250</u>	<u>321,512</u>	<u>14,742,594</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts and Contracts Payable	53,053	229,870	54,655	337,578
Accrued Wages	8,703	8,306	518	17,527
Retainage Payable	0	7,696	0	7,696
Intergovernmental Payable	12,910	14,029	953	27,892
Matured Interest Payable	3,713	0	0	3,713
Matured Bonds Payable	10,200	0	0	10,200
Accrued Interest Payable	1,763	9,890	0	11,653
Income Tax Refunds Payable	5,895	0	0	5,895
Customer Deposits Payable	44,100	0	0	44,100
Compensated Absences Payable	24,174	33,665	1,886	59,725
OPWC Loans Payable	16,991	0	0	16,991
General Obligation Bonds Payable	85,000	12,500	0	97,500
Revenue Bonds Payable	0	29,500	0	29,500
<i>Total Current Liabilities</i>	<u>266,502</u>	<u>345,456</u>	<u>58,012</u>	<u>669,970</u>
<i>Long-Term Liabilities:</i>				
Compensated Absences Payable - Net of Current Portion	20,057	18,020	2,942	41,019
OPWC Loans Payable - Net of Current Portion	250,266	0	0	250,266
General Obligation Bonds Payable - Net of Current Portion	855,000	13,000	0	868,000
Revenue Bonds Payable - Net of Current Portion	0	801,900	0	801,900
<i>Total Long-Term Liabilities</i>	<u>1,125,323</u>	<u>832,920</u>	<u>2,942</u>	<u>1,961,185</u>
<i>Total Liabilities</i>	<u>1,391,825</u>	<u>1,178,376</u>	<u>60,954</u>	<u>2,631,155</u>
Net Position				
Net Investment in Capital Assets	4,196,334	5,868,738	19,543	10,084,615
Unrestricted	544,673	1,241,136	241,015	2,026,824
<i>Total Net Position</i>	<u>\$ 4,741,007</u>	<u>\$ 7,109,874</u>	<u>\$ 260,558</u>	<u>\$ 12,111,439</u>

See accompanying notes to the basic financial statements.

City of Rittman
Wayne County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2014

	Enterprise Funds			Total
	Water Fund	Sewer Fund	Solid Waste Fund	
Operating Revenues				
Charges for Services	\$ 519,438	\$ 1,259,834	\$ 439,087	\$ 2,218,359
Other	11,690	8,269	218	20,177
<i>Total Operating Revenues</i>	<u>531,128</u>	<u>1,268,103</u>	<u>439,305</u>	<u>2,238,536</u>
Operating Expenses				
Personal Services	354,557	406,415	26,683	787,655
Contractual Services	184,136	239,071	326,071	749,278
Materials and Supplies	89,098	115,023	1,193	205,314
Depreciation	225,109	186,370	5,149	416,628
Other	90,000	90,000	0	180,000
<i>Total Operating Expenses</i>	<u>942,900</u>	<u>1,036,879</u>	<u>359,096</u>	<u>2,338,875</u>
<i>Operating Income (Loss)</i>	<u>(411,772)</u>	<u>231,224</u>	<u>80,209</u>	<u>(100,339)</u>
Non-Operating Revenues (Expenses)				
Intergovernmental	0	0	12,574	12,574
Income Tax	336,033	0	0	336,033
Loss on Sale of Capital Assets	0	0	0	0
Interest and Fiscal Charges	(41,827)	(45,694)	0	(87,521)
Bond Issuance Costs	(19,216)	0	0	(19,216)
<i>Total Non-Operating Revenues (Expense)</i>	<u>274,990</u>	<u>(45,694)</u>	<u>12,574</u>	<u>241,870</u>
<i>Income (Loss) Before Capital Contributions</i>	<u>(136,782)</u>	<u>185,530</u>	<u>92,783</u>	<u>141,531</u>
Capital Contributions	125,826	0	0	125,826
<i>Change in Net Position</i>	<u>(10,956)</u>	<u>185,530</u>	<u>92,783</u>	<u>267,357</u>
<i>Net Position Beginning of Year</i>	<u>4,751,963</u>	<u>6,924,344</u>	<u>167,775</u>	<u>11,844,082</u>
<i>Net Position End of Year</i>	<u>\$ 4,741,007</u>	<u>\$ 7,109,874</u>	<u>\$ 260,558</u>	<u>\$ 12,111,439</u>

See accompanying notes to the basic financial statements.

City of Rittman
Wayne County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

	Enterprise Funds			Totals
	Water Fund	Sewer Fund	Solid Waste Fund	
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 532,074	\$ 1,272,488	\$ 449,534	\$ 2,254,096
Cash Received from Other Operating Receipts	11,690	8,269	218	20,177
Cash Payments to Suppliers for Goods and Services	(69,253)	(96,585)	(1,398)	(167,236)
Cash Payments to Employees for Services and Benefits	(338,557)	(401,431)	(26,624)	(766,612)
Cash Payments for Contractual Services	(143,331)	(28,970)	(325,979)	(498,280)
Other Cash Payments	(90,000)	(90,000)	0	(180,000)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(97,377)</u>	<u>663,771</u>	<u>95,751</u>	<u>662,145</u>
Cash Flows from Noncapital Financing Activities				
Income Tax	404,310	0	0	404,310
Intergovernmental Revenue	0	0	12,758	12,758
Advances Out	0	0	(10,000)	(10,000)
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>404,310</u>	<u>0</u>	<u>2,758</u>	<u>407,068</u>
Cash Flows from Capital and Related Financing Activities				
Proceeds of Refunding Bonds	960,000	0	0	960,000
Capital Contributions	125,826	0	0	125,826
Payment for Capital Acquisitions	(351,157)	(270,650)	0	(621,807)
Payment to Refunding Bond Escrow Agent	(920,000)	0	0	(920,000)
Principal Payments on Debt	(106,991)	(40,000)	0	(146,991)
Bond Issuance Costs	(19,216)	0	0	(19,216)
Interest Payments on Debt	(43,620)	(45,451)	0	(89,071)
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(355,158)</u>	<u>(356,101)</u>	<u>0</u>	<u>(711,259)</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	(48,225)	307,670	98,509	357,954
<i>Cash and Investments Beginning of Year</i>	<u>574,325</u>	<u>883,629</u>	<u>126,339</u>	<u>1,584,293</u>
<i>Cash and Investments End of Year</i>	<u>\$ 526,100</u>	<u>\$ 1,191,299</u>	<u>\$ 224,848</u>	<u>\$ 1,942,247</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	\$ (411,772)	\$ 231,224	\$ 80,209	\$ (100,339)
Adjustments:				
Depreciation	225,109	186,370	5,149	416,628
(Increase) Decrease in Assets:				
Accounts Receivable	9,636	12,654	10,447	32,737
Prepaid Items	1,679	1,798	(205)	3,272
Materials and Supplies Inventory	18,166	16,640	0	34,806
Increase (Decrease) in Liabilities:				
Accounts Payable	40,805	202,405	92	243,302
Accrued Wages	1,324	(7)	(486)	831
Retainage Payable	0	7,696	0	7,696
Compensated Absences Payable	10,774	2,822	1,009	14,605
Intergovernmental Payable	3,902	2,169	(464)	5,607
Customer Deposits Payable	3,000	0	0	3,000
<i>Net Cash Provided by (Used For) Operating Activities</i>	<u>\$ (97,377)</u>	<u>\$ 663,771</u>	<u>\$ 95,751</u>	<u>\$ 662,145</u>

See accompanying notes to the basic financial statements.

City of Rittman
Wayne County, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2014

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Investments	\$ 6,187
<i>Total Assets</i>	<u>\$ 6,187</u>
Liabilities	
Undistributed Monies	\$ 6,187
<i>Total Liabilities</i>	<u>\$ 6,187</u>

See accompanying notes to the basic financial statements.

City of Rittman
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

Note 2 – Summary of Significant Accounting Policies

The basic financial statements of the City have been prepared in conformity with generally accepted accounting principles (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 reporting principles.

The most significant of the City's accounting policies are described below.

Basis of Presentation

The City's basic financial statements 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.

City of Rittman
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

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.

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

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and 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.

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 deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

City of Rittman
Wayne County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

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

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

Fire Department Levy Fund – This special revenue fund is to account for property taxes levied and other revenues for fire department operations.

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

The other governmental funds of the City account for grants and other resources to which the City is bound to observe constraints imposed upon the use of the resources.

Proprietary Funds

Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise.

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:

Water Fund - The water fund accounts for the provision of water treatment and distribution to its residential and commercial users located within the City. These resources are primarily generated through charges for water service.

Sewer Fund - The sewer fund accounts for the provision of sanitary sewer service to its residential and commercial users located within the City. These resources are primarily generated through charges for sanitation services.

Solid Waste Fund - The solid waste fund accounts for operation of the City’s solid waste (refuse, leaves and brush) pickup and disposal services. These resources are primarily generated through charges for services.

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 agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City’s own programs. The City does not have trust funds. The agency funds account for unclaimed funds and returnable bonds. The City’s agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City’s agency funds account for the activities of the

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unclaimed funds and for deposits received from contractors and developers which will be refunded upon successful completion of the projects.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position.

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 deferred outflows of resources and current liabilities and deferred inflows of resources 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 statements for governmental funds.

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

Agency funds do not report a measurement focus as they do not report operations.

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 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/outflows of resources and in the presentation of expenses versus expenditures.

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Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of year-end. Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income tax, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, interest, grants and fees.

Deferred Inflows of Resources and Deferred Outflows of Resources

A deferred inflow of resources is an acquisition of assets by the City that is applicable to a future reporting period. A deferred outflow of resources is a consumption of assets by the City that is applicable to a future reporting period.

Property taxes for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance 2015 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as deferred inflows of resources. Income taxes and special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at December 31, 2014, are recorded as deferred inflows of resources in governmental funds.

On governmental fund financial statements receivables that will not be collected within the available period have been reported as a deferred inflow of resources.

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.

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Budgetary Data

All funds, except agency funds, are legally required to be budgeted and appropriated, however, only governmental funds are required to be reported. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, 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 resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level (personal services and other) within each department in the general fund and at the object level (personal services and other) for all other funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

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 when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2014.

The appropriation resolution 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 resolution 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.

Cash and Investments

Cash received by the City is deposited in a central bank account. Monies for all funds, except cash held by a trustee or fiscal agent, are maintained in the account or temporarily used to purchase investments. Individual fund integrity is maintained through City records. Each fund's interest in the pool of cash and investments is presented as "equity in pooled cash and investments" in the basic financial statements.

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

The City utilizes financial institutions to service bonded debt as principal and interest payments come due. These account balances are presented as "cash and investments in segregated accounts." The water fund also has accounts within restricted accounts during the year for customer deposits.

During 2014, investments included STAR Ohio, STAR Plus and certificates of deposit.

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

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STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2014. Certificates of deposit are reported at cost.

The City also invests in STAR Plus, a federally insured cash account powered by the Federally Insured Cash Account (FICA) program. STAR Plus enables political subdivisions to generate a competitive yield on cash deposits in a network of carefully-selected FDIC-insured banks via a single, convenient account. STAR Plus offers attractive yields with no market or credit risk, weekly liquidity and penalty free withdrawals. All deposits with STAR Plus have full FDIC insurance, with no term commitment on deposits.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2014 amounted to \$29,089, which includes \$21,042 assigned from other City funds.

Inventory

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

Prepays

Payments made to vendors for services that will benefit periods beyond December 31, 2014, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure or expense is reported in the year in which services are consumed.

Capital Assets

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

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

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

Description	Governmental and Business-Type Activities Estimated Useful Lives
Buildings	20 - 40 Years
Land Improvements	5 - 50 Years
Equipment	5 - 30 Years
Infrastructure	30 - 75 Years

Interfund Balances

On fund financial statements, interfund loans are classified as "interfund receivable/payable" on the balance sheet and if they are long-term loans an equal offset should be included in nonspendable fund balance unless the proceeds from their collection are restricted, committed, or assigned. This provision indicates that the loans do not constitute available expendable resources. 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.

Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB No. 16, *Accounting for Compensated Absences*. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements.

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On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account matured compensated absences payable in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

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 long-term loans are recognized as a liability on the fund financial statements when due.

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

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

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council. Those committed amounts cannot be used for any other purpose unless the City 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.

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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. In the general fund, assigned amounts represent intended uses established by City Council. The City Council has, by resolution, authorized the Finance Director to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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 used only to report a deficit 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 either restricted or unrestricted (committed, assigned and unassigned) amounts are 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.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At December 31, 2014 there was no net position restricted by enabling legislation. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted balances are available.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water and sewer services and solid waste collection. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenue and expenses not meeting these definitions are classified as nonoperating.

Capital Contributions

Contributions of capital in the government-wide and proprietary fund financial statements arise from donations by developers, grants restricted for capital construction, and special assessments. These assets are recorded at their fair market value on the date contributed and are not subject to repayment.

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Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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 and after nonoperating revenues/expenses in business-type activities. Interfund transfers are eliminated when reported in the entity wide financial statements for both the governmental and business-type activities. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund, and as a reduction of expenditures/expenses in the fund that is reimbursed.

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. Neither type of transaction occurred during 2014.

Estimates

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

Implementation of New Accounting Principles

For the year ended December 31, 2014, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 69, *Government Combinations and Disposals of Government Operations* and GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*.

GASB Statement No. 69 addresses accounting and financial reporting for government combinations (including mergers, acquisitions and transfers of operations) and disposals of government operations. The implementation of GASB Statement No. 69 did not have an effect on the financial statements of the City.

GASB Statement No. 70 improves comparability of financial statements by requiring consistent reporting and specifying information required to be disclosed for extending and receiving nonexchange financial guarantees. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the City.

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Note 3 – Fund Balance

Fund balance can be 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 the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

	General Fund	Emergency Medical Service Fund	Fire Department Levy Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total
Nonspendable for:						
Materials and Supplies Inventory	\$ 2,281	\$ 0	\$ 0	\$ 0	\$ 8,503	\$ 10,784
Prepays	13,799	1,186	323	0	0	15,308
Total Nonspendable	<u>16,080</u>	<u>1,186</u>	<u>323</u>	<u>0</u>	<u>8,503</u>	<u>26,092</u>
Restricted for:						
Emergency Medical Services	0	447,786	0	0	0	447,786
Fire Department	0	0	5,190	0	0	5,190
Capital Improvements	0	0	0	431,147	0	431,147
Law Enforcement	0	0	0	0	59,276	59,276
Cemetery Capital Improvements	0	0	0	0	66,516	66,516
Streets and Highways	0	0	0	0	245,702	245,702
Education and Recreation	0	0	0	0	5,612	5,612
Debt Service	0	0	0	0	12,263	12,263
Total Restricted	<u>0</u>	<u>447,786</u>	<u>5,190</u>	<u>431,147</u>	<u>389,369</u>	<u>1,273,492</u>
Committed to:						
Recreation Activities	<u>9,289</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,289</u>
Assigned for:						
Encumbrances:						
General Government	2,205	0	0	0	0	2,205
Security of Persons and Property	1,997	0	0	0	0	1,997
Public Health	105	0	0	0	0	105
Leisure Time Services	1,362	0	0	0	0	1,362
Transportation	896	0	0	0	0	896
Subsequent Year Appropriations	238,665	0	0	0	0	238,665
Total Assigned	<u>245,230</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>245,230</u>
Unassigned (Deficit)	<u>196,771</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>196,771</u>
Total Fund Balance (Deficit)	<u>\$ 467,370</u>	<u>\$ 448,972</u>	<u>\$ 5,513</u>	<u>\$ 431,147</u>	<u>\$ 397,872</u>	<u>\$ 1,750,874</u>

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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 City treasury. Active 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 that Council has identified as not required for use within the current 5-year period of designation of depositories. 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 of interim monies. Interim monies are those monies, which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

Interim monies may be 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 and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreements 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 political subdivisions;

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5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio and STAR Plus);
7. Certain banker's acceptances and commercial paper notes in an amount not to exceed 25 percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Effective September 27, 1996, investments in stripped principal or interest obligations are no longer allowed to be purchased. Reverse repurchase agreements and derivatives are also prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of the City's cash and deposits is provided by the Federal Deposit Insurance Corporation, as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all uninsured public deposits. The face value of the pooled collateral must equal at least 105 percent of uninsured public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Deposits At fiscal year-end, the carrying amount of the City's deposits was \$3,557,376 and the bank balance was \$3,558,394. Of the bank balance:

1. \$1,501,681 of the bank balance was covered by depository insurance, which includes \$501,681 held in a STAR Plus account; and
2. \$2,056,713 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name, and all State 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.

Investments - Investments are reported at fair value. As of December 31, 2014, the City had the following investment:

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Standard and Poors	Investment	Fair Value	Investment Maturity Less than One Year	% Total Investments
AAAm	STAR Ohio	\$ 3,386	\$ 3,386	100.0%

Interest Rate Risk - The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The City's policy indicates that the investments must mature within five years, unless matched to a specific obligation or debt of the City.

STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of December 31, 2014, is 50 days and carries a rating of AAAM by Standard and Poor's.

Credit Risk - The credit risk of the City's investments is in the table above. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Custodial Credit Risk - For an investment, custodial risk is that risk that, in the event of the failure of the counterparty, the City will no longer be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment in repurchase agreements is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the City. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of the securities subject to a repurchase agreement by 2 percent. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk - The City places no limit on the amount the City may invest in any one issuer. The investment percentages are listed above.

Note 5 – Budgetary Basis of Accounting

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general fund, emergency medical service fund and fire department levy 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 GAAP basis are as follows:

1. Revenues and other sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

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2. Expenditures/expenses and other uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a restriction, commitment or assignment of fund balance (GAAP).
4. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. The recreation trust fund is included in the general fund (GAAP), but have separate legally adopted budgets (budget).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund, emergency medical service fund and fire department levy fund.

Net Change in Fund Balance

	General Fund	Emergency Medical Service Fund	Fire Department Levy Fund
GAAP Basis	\$ (284,427)	\$ (64,639)	\$ (32,143)
Adjustments:			
Net adjustment for revenue accruals	29,265	12,481	8,372
Advances in	10,000	0	0
Net adjustment for expenditure accruals	22,477	2,037	(4,280)
Encumbrances	(6,565)	(4,810)	(2,951)
Budget basis	<u>\$ (229,250)</u>	<u>\$ (54,931)</u>	<u>\$ (31,002)</u>

Note 6 – Interfund Balances and Transfers

Transfers

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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During 2014, general fund transferred \$35,000 to the fire department levy fund to cover expenditures and the capital improvements fund transferred \$119,323 to the debt service fund for principal and interest payments.

Interfund Receivables and Payables

Internal borrowing consists of internal bonds issued by the City to finance projects internally rather than through outside parties. For reporting purposes, these internal bonds were reflected as an interfund receivable in the capital improvements fund and an interfund payable in the nonmajor governmental funds.

Following is a detail of the interfund receivable/payable, by debt issue, as of December 31, 2014:

	Balance 12/31/13	Additions	Deletions	Balance 12/31/14
2009 Street Improvement 5.00%, Maturity 2014	\$ 2,860	\$ 0	\$ 2,860	\$ 0
2010 Street Improvement 5.00%, Maturity 2015	10,077	0	4,916	5,161
Total	\$ 12,937	\$ 0	\$ 7,776	\$ 5,161

The entire balance will be repaid within one year.

Note 7 – Receivables and Revenue

Receivables at December 31, 2014, consisted of taxes, interest, interfund, special assessments, accounts (billings for user charged services) and intergovernmental receivables.

No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2014 for real and public utility property taxes represents collections of the 2013 taxes.

2014 real property taxes were levied after October 1, 2014 on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015.

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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 tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2014 public utility property taxes which became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2015 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2014, was \$7.00 and \$6.30 per \$1,000 of assessed valuation in Wayne and Medina counties, respectively. The assessed values of real property upon which 2014 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 91,948,640
Public Utilities - Personal	<u>2,386,220</u>
Total Assessed Value	<u>\$ 94,334,860</u>

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2014, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2014 operations is offset to deferred inflows of resources – property taxes levied for the next year. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Taxes

The City levies a municipal income tax on all salaries, wages, commissions and other compensation, and net profits earned within the City as well as incomes of residents earned outside of the City at a rate of 1.5 percent. The City allows a credit of 1.0 percent of the tax paid to another municipality.

Employers within the City are required to withhold income tax on work done or services performed in the City by both residents and non-residents of the City and remit at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated taxes at least quarterly and to file a return annually.

Income tax revenues are allocated based on City ordinance and are distributed between general fund (50 percent), the water enterprise fund (25 percent) and the capital improvements fund (25 percent). Effective April 1, 2015, income tax collections are distributed between the general fund (75 percent) and the capital improvement fund (25 percent). The impact is reflected in the income tax receivable.

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Note 8 – Capital Assets

Capital asset activity for the year ended December 31, 2014, was as follows:

	Balance 12/31/2013	Additions	Reductions	Balance 12/31/2014
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 202,508	\$ 0	\$ 0	\$ 202,508
Construction in Progress	0	82,265	0	82,265
Total Capital Assets, not being depreciated	<u>202,508</u>	<u>82,265</u>	<u>0</u>	<u>284,773</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	119,026	0	0	119,026
Buildings	5,730,620	52,734	0	5,783,354
Infrastructure	2,448,736	147,661	0	2,596,397
Equipment	3,677,649	93,376	(82,220)	3,688,805
Total Capital Assets, being depreciated	<u>11,976,031</u>	<u>293,771</u>	<u>(82,220)</u>	<u>12,187,582</u>
Less Accumulated Depreciation:				
Land Improvements	(119,026)	0	0	(119,026)
Buildings	(2,238,557)	(148,688)	0	(2,387,245)
Infrastructure	(871,631)	(141,057)	0	(1,012,688)
Equipment	(2,891,421)	(108,411)	18,635	(2,981,197)
Total Accumulated Depreciation	<u>(6,120,635)</u>	<u>(398,156)</u>	<u>18,635</u>	<u>(6,500,156)</u>
Total Capital Assets being depreciated, net	<u>5,855,396</u>	<u>(104,385)</u>	<u>(63,585)</u>	<u>5,687,426</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,057,904</u>	<u>\$ (22,120)</u>	<u>\$ (63,585)</u>	<u>\$ 5,972,199</u>

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	Balance 12/31/2013	Additions	Reductions	Balance 12/31/2014
Business-Type Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 63,936	\$ 0	\$ 0	\$ 63,936
Construction in Progress	52,584	265,249	(23,315)	294,518
Total Capital Assets, not being depreciated	116,520	265,249	(23,315)	358,454
<i>Capital Assets, being depreciated:</i>				
Land Improvements	40,922	0	0	40,922
Buildings	8,913,902	0	(17,848)	8,896,054
Infrastructure	10,042,126	343,873	0	10,385,999
Equipment	1,859,844	38,662	0	1,898,506
Total Capital Assets, being depreciated	20,856,794	382,535	(17,848)	21,221,481
Less Accumulated Depreciation:				
Land Improvements	(16,962)	(2,994)	0	(19,956)
Buildings	(4,084,886)	(224,351)	15,186	(4,294,051)
Infrastructure	(3,560,723)	(179,364)	0	(3,740,087)
Equipment	(1,176,426)	(9,919)	0	(1,186,345)
Total Accumulated Depreciation	(8,838,997)	(416,628)	15,186	(9,240,439)
Total Capital Assets being depreciated, net	12,017,797	(34,093)	(2,662)	11,981,042
Business-Type Activities Capital Assets, Net	\$ 12,134,317	\$ 231,156	\$ (25,977)	\$ 12,339,496

Depreciation expense was charged to programs as follows:

	<u>Depreciation</u>
<i>Governmental Activities:</i>	
General Government	\$ 6,989
Transportation	164,554
Security of Persons and Property	117,779
Leisure Time	104,720
Public Health	4,114
	<u>\$ 398,156</u>

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	<u>Depreciation</u>
<i>Business-Type Activities:</i>	
Water Fund	\$ 225,109
Sewer Fund	186,370
Solid Waste Fund	<u>5,149</u>
	<u>\$ 416,628</u>

Note 9 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Plan Description – The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

For the year ended December 31, 2014, members in state and local classifications contributed 10.0 percent of covered payroll while public safety and law enforcement members contributed 12.0 percent and 13.0 percent, respectively.

The City’s 2014 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City’s contribution was 18.1 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 2.0 percent during calendar year 2014. The portion of employer contributions allocated to health care for members in the Combined Plan was 2.0 percent during calendar year 2014.

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The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013, and 2012, were \$133,255, \$214,817, and \$165,116, respectively. For 2014, 86.4 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

Ohio Police and Fire Pension Fund (OP&F)

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability 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 for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at www.op-f.org.

Funding Policy - From January 1, 2014 through July 1, 2014, plan members were required to contribute 10.75 percent of their annual covered salary. From July 2, 2014 through December 31, 2014, plan members were required to contribute 11.5 percent of their annual covered salary. Throughout 2014, employers were required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. The City's contributions to OP&F for police were \$86,252 for the year ended December 31, 2014, \$70,574 for the year ended December 31, 2013, and \$55,319 for the year ended December 31, 2012. 90.2 percent for police has been contributed for 2014. The full amount has been contributed for 2013 and 2012.

Social Security System

As of December 31, 2014, two of the Council members have elected to be covered by Social Security rather than OPERS.

Note 10 – Postemployment Benefits

Ohio Public Employees Retirement System

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

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In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the 2013 stand-alone financial report referred to below.

The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution OPERS is set aside for the funding of post-retirement health care coverage.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan and Combined Plan was 2.0 percent during calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to health care remains at 2.0 percent for both plans, as recommended by OPERS' actuary. The OPERS Board of Trustees 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 OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and coverage selected.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2014, 2013, and 2012 were \$22,209, \$16,524 and \$66,046, respectively. For 2014, 86.4 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

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Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.0 percent of the employer contributions toward the health care fund after the end of the transition period.

Ohio Police and Fire Pension Fund (OP&F)

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement 45.

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 healthcare 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. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at www.op-f.org.

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 Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contribution allocated to health care was 0.5 percent of covered payroll from January 1, 2014 through December 31, 2014. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police were \$2,303 for the year ended December 31, 2014, \$15,963 for the year ended December 31, 2013, and \$29,287 for the year ended December 31, 2012. 90.2 percent has been contributed for police for 2014. The full amount has been contributed for 2013 and 2012.

Note 11 – Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated contracts, City ordinances and State laws. Employees earn two to five weeks of vacation per year, depending upon length of service. Vacation is accrued bi-weekly and employees may accrue up to two times their annual vacation rate. Unused vacation is paid out at termination of employment, retirement or death.

Employees earn sick leave at the rate of 4.6 hours per 80 hours worked with no maximum accumulation. At retirement or death, employees (or their estate) will receive between 650 and 750 hours of sick leave.

Compensated absences will be paid from the fund from which the employee is paid. This is generally from the general, EMS, street maintenance and repair, water, sewer and solid waste funds.

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Notes to the Basic Financial Statements
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Note 12 – Long Term Obligations

Changes in Long Term Liabilities

Long term liability activity for the year ended December 31, 2014 was as follows:

	Balance 12/31/2013	Additions	Reductions	Refunding	Balance 12/31/2014	Due Within One Year
Governmental Activities						
<i>General Obligation Bonds</i>						
2004 Recreation Center Refunding Bonds	\$ 715,000	\$ 0	\$ 90,000	\$ 625,000	\$ 0	\$ 0
2009 Emergency Dispatch Communication Bonds	61,000	0	4,000	0	57,000	5,000
2014 Recreation Center Refunding Bonds	0	645,000	10,000	0	635,000	100,000
2014 Pool Project Bonds	0	40,000	0	0	40,000	0
<i>Total General Obligation Bonds</i>	<u>776,000</u>	<u>685,000</u>	<u>104,000</u>	<u>625,000</u>	<u>732,000</u>	<u>105,000</u>
<i>Loans</i>						
2013 Wayne Savings Community Bank	185,000	0	35,204	0	149,796	36,209
2013 Rittman EVSD	28,000	0	7,000	0	21,000	7,000
2013 Rittman CIC	7,000	7,000	0	0	14,000	0
<i>Total Loans</i>	<u>220,000</u>	<u>7,000</u>	<u>42,204</u>	<u>0</u>	<u>184,796</u>	<u>43,209</u>
Compensated Absences	<u>198,261</u>	<u>209,452</u>	<u>213,710</u>	<u>0</u>	<u>194,003</u>	<u>124,544</u>
Total Governmental Long Term Liabilities	<u><u>\$ 1,194,261</u></u>	<u><u>\$ 901,452</u></u>	<u><u>\$ 359,914</u></u>	<u><u>\$ 625,000</u></u>	<u><u>\$ 1,110,799</u></u>	<u><u>\$ 272,753</u></u>

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	Balance 12/31/2013	Additions	Reductions	Refunding	Balance 12/31/2014	Due Within One Year
Business-Type Activities						
<i>Revenue Bonds</i>						
1993 Mortgage Revenue Bonds	\$ 859,400	\$ 0	\$ 28,000	\$ 0	\$ 831,400	\$ 29,500
<i>General Obligation Bonds</i>						
2004 Water Improvement Bonds	990,000	0	70,000	920,000	0	0
2011 Sewer Vehicle Acquisition Bonds	37,500	0	12,000	0	25,500	12,500
2014 Water Improvement Refunding Bonds	0	960,000	20,000	0	940,000	85,000
<i>Total General Obligation Bonds</i>	<u>1,027,500</u>	<u>960,000</u>	<u>102,000</u>	<u>920,000</u>	<u>965,500</u>	<u>97,500</u>
<i>Loans</i>						
2005 OPWC Loan	156,250	0	12,500	0	143,750	4,491
2010 OPWC Loan	127,998	0	4,491	0	123,507	12,500
<i>Total Loans</i>	<u>284,248</u>	<u>0</u>	<u>16,991</u>	<u>0</u>	<u>267,257</u>	<u>16,991</u>
Compensated Absences	86,139	90,204	75,599	0	100,744	59,725
Total Business-Type Activities						
Long Term Liabilities	<u>\$ 2,257,287</u>	<u>\$ 1,050,204</u>	<u>\$ 222,590</u>	<u>\$ 920,000</u>	<u>\$ 2,164,901</u>	<u>\$ 203,716</u>

General Obligation Bonds - General obligations bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. The general obligation bonds will be retired from the debt service fund using general property taxes and from the water and sewer funds using resources within these funds.

2004 Recreation Center Refunding Bonds

On July 12, 2004, the City issued \$1,410,000 and \$415,000 in general obligation bonds with interest rates varying between; 2.00 - 4.35 percent and 2.00 - 2.75 percent, respectively. The bond issues were used to refund \$1,361,000 of outstanding recreation center bonds with an interest rate of 5.30 percent, and to refund \$415,000 of outstanding safety building bonds with an average interest rate of 4.84 percent. As of December 31, 2013, all of the defeased bonds have been called and subsequently redeemed. The refunding recreation center bonds were refunded in 2014.

2009 Emergency Dispatch Communication Bonds

In 2009, the City issued \$77,000 in bonds with an interest rate of 4.25 percent which will mature in 2024. These bonds were issued to replace and improve the City's 911 emergency dispatch communication system.

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2014 Refunding Bonds

In November 2014, the City issued \$645,000 and \$960,000 in refunded general obligation bonds with an interest rate of 2.25 percent. The proceeds of the bonds were used to refund \$625,000 of the City's outstanding recreation center refunding bonds, Series 2004 and \$920,000 of the City's outstanding water improvement bonds, Series 2004. The recreation center refunding bonds were issued for a 6 year period with final maturity at December 1, 2020. The water improvement refunding bonds were issued for a 10 year period with final maturity at December 1, 2024. At the date of the refunding, \$1,579,239 (after underwriting fees) was deposited in an irrevocable trust to provide for all future payments on the refunded bonds. As of December 31, 2014, \$1,545,000 of these bonds is considered defeased.

These refunding bonds were issued with issuance costs of \$27,250. The issuance resulted in a difference between the cash flows required to service the old debt and the cash flows required to service the new debt of \$135,857. The issuance resulted in an economic gain of \$120,915.

2014 Pool Project Bonds

In November 2014, the City issued \$40,000 in bonds with an interest rate of 2.25 percent which will mature in 2023. These bonds were issued to make improvements to the pool and community room.

2004 Water Improvement Bonds

In 2004, the City issued \$1,550,000 in bonds with an interest rate varying between 2.0 – 4.70 percent and mature in 2024. These bonds were issued for water improvement projects. The water improvement bonds were refunded in 2014.

2011 Sewer Vehicle Acquisition Bonds

In 2011, the City issued \$59,500 in bonds with an interest rate of 3.75 percent which will mature in 2016. These bonds were issued for the acquisition of a sewer cleaning and vacuum truck.

2013 Loans

In 2013, the City received a loan of \$185,000 from Wayne Savings Community Bank with an interest rate of 2.25 percent. The loan was used to purchase a fire truck. The loan will be paid from the debt service fund and matures in 2017.

In 2013, the City received a loan of \$35,000 from Rittman Exempted Village School District. There is no annual interest rate. The loan was used to purchase land. The loan will be paid from the debt service fund and matures in 2017.

The City entered into a loan agreement with Rittman Community Improvement Corporation for \$35,000 to be issued in annual installments of \$7,000 beginning in 2013. There is no annual interest rate. The loan is used for loan payments on the 2013 loan from Rittman Exempted Village School District, which was used to purchase land. The loan matures upon the City converting the land for the City's use or selling the land to another entity.

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Notes to the Basic Financial Statements
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Mortgage Revenue Bonds

Mortgage revenue bonds are to be repaid from income derived from the constructed and improved assets of the Sewer Fund. In 1993, the City issued \$1,285,000 in mortgage revenue bonds at an interest rate of 5.20 percent for the purpose of constructing and improving the wastewater treatment facilities. The bonds mature on October 15, 2032.

The City has pledged future revenues to repay these revenue bonds. The debt is payable solely from operating revenues and is payable through 2032. In 2014, the annual principal and interest payments on the bonds and loans required 17 percent of net operating revenues and 6 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$1,289,969. Principal and interest paid in the current year was \$72,044, total net operating revenues were \$417,594 and total revenues were \$1,268,103.

2005 OPWC Loan

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

2010 OPWC Loan

The 2010 OPWC loan was for waterline improvements on Salt Street and Terrace Street. The City received \$134,735 in proceeds in 2011. The loan matures in 2042 and is an interest-free loan.

The City has pledged future revenues to repay the OPWC loans in the water fund. The debt is payable solely from revenues and is payable through 2042. In 2014, the annual principal payments on the loans required 6 percent of net operating revenues and 2 percent of total revenues. The total principal remaining to be paid on the loans is \$267,257. Principal paid in the current year was \$16,991, total net operating revenues were \$275,196 and total revenues were \$992,987.

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City of Rittman
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Annual debt service requirements to maturity for outstanding debt are as follows:

Year Ending December 31,	Governmental Activities					
	General Obligation Bonds			Loans Payable *		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 105,000	\$ 17,611	\$ 122,611	\$ 43,209	\$ 3,370	\$ 46,579
2016	110,000	15,147	125,147	44,023	2,556	46,579
2017	115,000	12,572	127,572	44,856	1,723	46,579
2018	120,000	9,885	129,885	38,708	871	39,579
2019	121,000	7,085	128,085	0	0	0
2020 - 2024	161,000	7,637	168,637	0	0	0
Total	<u>\$ 732,000</u>	<u>\$ 69,937</u>	<u>\$ 801,937</u>	<u>\$ 170,796</u>	<u>\$ 8,520</u>	<u>\$ 179,316</u>

* The Rittman Community Improvement Corporation loan is not included since there is no maturity date at this time.

Year Ending December 31,	Business Type Activities						
	General Obligation Bonds			Mortgage Revenue Bonds			OPWC Loans
	Principal	Interest	Total	Principal	Interest	Total	Principal
2015	\$ 97,500	\$ 22,106	\$ 119,606	\$ 29,500	\$ 42,609	\$ 72,109	\$ 16,991
2016	103,000	19,725	122,725	31,000	41,097	72,097	16,991
2017	85,000	17,213	102,213	32,600	39,509	72,109	16,991
2018	100,000	15,300	115,300	34,200	37,838	72,038	16,991
2019	95,000	13,050	108,050	36,000	36,085	72,085	16,991
2020 - 2024	485,000	32,625	517,625	209,600	150,793	360,393	84,955
2025 - 2029	0	0	0	269,100	91,276	360,376	41,205
2030 - 2034	0	0	0	189,400	19,362	208,762	22,455
2035 - 2039	0	0	0	0	0	0	22,457
2040 - 2042	0	0	0	0	0	0	11,230
Total	<u>\$ 965,500</u>	<u>\$ 120,019</u>	<u>\$ 1,085,519</u>	<u>\$ 831,400</u>	<u>\$ 458,569</u>	<u>\$ 1,289,969</u>	<u>\$ 267,257</u>

Note 13 – Risk Management

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

City of Rittman
Wayne County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

These risks are covered by commercial insurance policies purchased from independent third parties. The City purchases extended coverage insurance on all buildings and contents to \$27,846,010. Coverage is purchased on City vehicles for a combined single limit liability of \$1,000,000. The City purchases general liability insurance coverage with a \$1,000,000 limit per occurrence and \$3,000,000 aggregate. Other policies held by the City include law enforcement, public officials, boiler & machinery, inland marine and commercial crime. An umbrella policy held by the City provides an additional \$5,000,000 of coverage over the policies listed above.

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

The City contracted with Medical Mutual as the Health Care Provider to provide employee health benefits. On November 1, 2014, the City contracted with Ohio Insurance Services Agency, Inc as part of the Ohio Public Entity Consortium Healthcare Cooperative (OPEC-HC) for medical and prescription coverage. Medical Mutual remains the third-party administrator.

There were no significant reductions in insurance coverage during the year in any category of risk. Settled claims have not exceeded insurance coverage in any of the past three years.

Note 14 – Contingencies

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

The City is defendant in several lawsuits. The outcome of these suits is not presently determinable and council believes that the resolution of these matters will not materially affect the City's financial condition.

Note 15 – Commitments

Contractual Commitments

As of December 31, 2014, the City had a contractual commitment for the following:

	<u>Contractual Commitment</u>	<u>Expended</u>	<u>Remaining Balance</u>
Septage Receiving Station Project	<u>\$ 470,896</u>	<u>\$ 269,113</u>	<u>\$ 201,783</u>

City of Rittman
Wayne County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

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>Amount</u>
General Fund	\$ 6,565
Emergency Medical Service Fund	1,671
Fire Department Levy Fund	2,951
Capital Improvements Fund	313
Nonmajor Governmental Funds	<u>538</u>
	<u>\$ 12,038</u>

Note 16 – Accountability and Compliance

Ohio Revised Code 5705.39 states that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there from, as certified by the budget commission. For 2014, it was noted the City had appropriations in excess of total estimated revenues available in the debt retirement and water funds in the amount of \$631,052 and \$794,351, respectively. The City will monitor future budgets and make necessary adjustments.

Note 17 – Subsequent Event

On June 2, 2015 the City issued a note in the amount of \$111,000 at an interest rate of 2.05 percent to finance the cost of two rescue squads for the emergency medical service department. The note matures on June 2, 2018.

**COMBINING STATEMENTS FOR
NONMAJOR GOVERNMENTAL FUNDS
AND
INDIVIDUAL FUND SCHEDULES FOR
GOVERNMENTAL FUNDS**

City of Rittman
Wayne County, Ohio
Combining Statements - Nonmajor Funds

Nonmajor Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific sources that are legally restricted or committed to expenditure for specified purposes other than debt service or capital projects. The title of each special revenue fund is descriptive of the activities accounted for therein. The special revenue funds are:

Street Maintenance and Repair Fund

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

State Highway Fund

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

Permissive Tax

Required by the Ohio Revised Code to account for that portion of motor vehicle registration fees allocated to assist in maintaining those city streets designated as contributing to the effective and efficient flow of traffic through and within the county. During 2014, this fund had no budget.

Permissive Tax II

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

Police Pension

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

Law Enforcement and Education

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

Law Enforcement

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

Education and Recreation Assistance

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

City of Rittman
Wayne County, Ohio
Combining Statements - Nonmajor Funds

Nonmajor Debt Service Funds

Debt Service funds are established to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest and to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Debt Retirement

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

Nonmajor Capital Projects Funds

Capital Project funds are established to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Cemetery Endowment

This fund accounts for resources restricted for capital improvements for the Rittman Municipal Cemeteries.

City of Rittman
Wayne County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 276,300	\$ 17,424	\$ 66,516	\$ 360,240
Cash and Investments in Segregated Accounts	0	2,841	0	2,841
Accrued Interest Receivable	138	0	0	138
Intergovernmental Receivable	264,730	0	0	264,730
Property and Other Local Taxes Receivable	24,823	0	0	24,823
Materials and Supplies Inventory	8,503	0	0	8,503
<i>Total Assets</i>	<u>\$ 574,494</u>	<u>\$ 20,265</u>	<u>\$ 66,516</u>	<u>\$ 661,275</u>
Liabilities				
Accounts and Contracts Payable	\$ 1,176	\$ 0	\$ 0	\$ 1,176
Accrued Wages	3,782	0	0	3,782
Intergovernmental Payable	7,430	0	0	7,430
Matured Interest Payable	0	841	0	841
Matured Bonds Payable	0	2,000	0	2,000
Interfund Payable	0	5,161	0	5,161
<i>Total Liabilities</i>	<u>12,388</u>	<u>8,002</u>	<u>0</u>	<u>20,390</u>
Deferred Inflows of Resources				
Property Taxes Levied for the Next Year	23,941	0	0	23,941
Unavailable Revenue - Delinquent Property Taxes	882	0	0	882
Unavailable Revenue - Other	218,190	0	0	218,190
<i>Total Deferred Inflows of Resources</i>	<u>243,013</u>	<u>0</u>	<u>0</u>	<u>243,013</u>
Fund Balances				
Nonspendable	8,503	0	0	8,503
Restricted	310,590	12,263	66,516	389,369
<i>Total Fund Balances</i>	<u>319,093</u>	<u>12,263</u>	<u>66,516</u>	<u>397,872</u>
<i>Total Liabilities, Deferred Inflows of of Resources and Fund Balances</i>	<u>\$ 574,494</u>	<u>\$ 20,265</u>	<u>\$ 66,516</u>	<u>\$ 661,275</u>

City of Rittman
Wayne County, Ohio

*Combining Statements of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2014*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues				
Property and Other Local Taxes	\$ 20,939	\$ 0	\$ 0	\$ 20,939
Special Assessments	0	17,434	0	17,434
Charges for Services	0	0	5,680	5,680
Fines, Licenses and Permits	1,302	0	0	1,302
Intergovernmental	334,373	0	0	334,373
Investment Earnings	323	0	0	323
Other	5,070	0	0	5,070
<i>Total Revenues</i>	<u>362,007</u>	<u>17,434</u>	<u>5,680</u>	<u>385,121</u>
Expenditures				
Current:				
General Government	448	0	3,252	3,700
Transportation	349,089	0	0	349,089
Debt Service:				
Principal Retirement	0	104,000	0	104,000
Interest and Fiscal Charges	0	21,794	0	21,794
Bond Issuance Costs	0	6,545	0	6,545
<i>Total Expenditures</i>	<u>349,537</u>	<u>132,339</u>	<u>3,252</u>	<u>485,128</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>12,470</u>	<u>(114,905)</u>	<u>2,428</u>	<u>(100,007)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	6,500	0	0	6,500
Refunding Bonds Issued	0	645,000	0	645,000
Payment to Refunded Bond Escrow Agent	0	(638,455)	0	(638,455)
Transfers In	0	119,323	0	119,323
<i>Total Other Financing Sources (Uses)</i>	<u>6,500</u>	<u>125,868</u>	<u>0</u>	<u>132,368</u>
<i>Net Change in Fund Balance</i>	18,970	10,963	2,428	32,361
<i>Fund Balance Beginning of Year</i>	<u>300,123</u>	<u>1,300</u>	<u>64,088</u>	<u>365,511</u>
<i>Fund Balance End of Year</i>	<u>\$ 319,093</u>	<u>\$ 12,263</u>	<u>\$ 66,516</u>	<u>\$ 397,872</u>

City of Rittman
Wayne County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

	Street Maintenance and Repair Fund	State Highway Fund	Permissive Tax Fund	Permissive Tax II Fund	Police Pension Fund
Assets					
Equity in Pooled Cash and Investments	\$ 84,357	\$ 27,742	\$ 0	\$ 99,313	\$ 46,657
Accrued Interest Receivable	104	34	0	0	0
Intergovernmental Receivable	130,159	10,397	118,242	3,951	1,981
Property and Other Local Taxes Receivable	0	0	0	0	24,823
Materials and Supplies Inventory	2,287	6,216	0	0	0
<i>Total Assets</i>	<u>\$ 216,907</u>	<u>\$ 44,389</u>	<u>\$ 118,242</u>	<u>\$ 103,264</u>	<u>\$ 73,461</u>
Liabilities					
Accounts and Contracts Payable	\$ 1,176	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages	3,782	0	0	0	0
Intergovernmental Payable	7,430	0	0	0	0
<i>Total Liabilities</i>	<u>12,388</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	0	0	0	0	23,941
Unavailable Revenue - Delinquent Property Taxes	0	0	0	0	882
Unavailable Revenue - Other	87,110	6,906	118,242	3,951	1,981
<i>Total Deferred Inflows of Resources</i>	<u>87,110</u>	<u>6,906</u>	<u>118,242</u>	<u>3,951</u>	<u>26,804</u>
Fund Balance					
Nonspendable	2,287	6,216	0	0	0
Restricted	115,122	31,267	0	99,313	46,657
<i>Total Fund Balance</i>	<u>117,409</u>	<u>37,483</u>	<u>0</u>	<u>99,313</u>	<u>46,657</u>
<i>Total Liabilities, Deferred Inflows of of Resources and Fund Balances</i>	<u>\$ 216,907</u>	<u>\$ 44,389</u>	<u>\$ 118,242</u>	<u>\$ 103,264</u>	<u>\$ 73,461</u>

(continued)

City of Rittman
Wayne County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

	Law Enforcement and Education Fund	Law Enforcement Fund	Education and Recreation Assistance Fund	Totals
Assets				
Equity in Pooled Cash and Investments	\$ 1,898	\$ 10,721	\$ 5,612	\$ 276,300
Accrued Interest Receivable	0	0	0	138
Intergovernmental Receivable	0	0	0	264,730
Property and Other Local Taxes Receivable	0	0	0	24,823
Materials and Supplies Inventory	0	0	0	8,503
<i>Total Assets</i>	<u>\$ 1,898</u>	<u>\$ 10,721</u>	<u>\$ 5,612</u>	<u>\$ 574,494</u>
Liabilities				
Accounts and Contracts Payable	\$ 0	\$ 0	\$ 0	\$ 1,176
Accrued Wages	0	0	0	3,782
Intergovernmental Payable	0	0	0	7,430
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,388</u>
Deferred Inflows of Resources				
Property Taxes Levied for the Next Year	0	0	0	23,941
Unavailable Revenue - Delinquent Property Taxes	0	0	0	882
Unavailable Revenue - Other	0	0	0	218,190
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>243,013</u>
Fund Balance				
Nonspendable	0	0	0	8,503
Restricted	1,898	10,721	5,612	310,590
<i>Total Fund Balance</i>	<u>1,898</u>	<u>10,721</u>	<u>5,612</u>	<u>319,093</u>
<i>Total Liabilities, Deferred Inflows of of Resources and Fund Balances</i>	<u>\$ 1,898</u>	<u>\$ 10,721</u>	<u>\$ 5,612</u>	<u>\$ 574,494</u>

City of Rittman
Wayne County, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2014

	Street Maintenance and Repair Fund	State Highway Fund	Permissive Tax Fund	Permissive Tax II Fund	Police Pension Fund
Revenues					
Property and Other Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,939
Fines, Licenses and Permits	0	0	0	0	0
Intergovernmental	260,723	20,826	0	48,795	4,029
Investment Earnings	250	73	0	0	0
Other	5,070	0	0	0	0
<i>Total Revenues</i>	<u>266,043</u>	<u>20,899</u>	<u>0</u>	<u>48,795</u>	<u>24,968</u>
Expenditures					
Current:					
General Government	0	0	0	0	448
Transportation	279,427	25,206	0	44,456	0
<i>Total Expenditures</i>	<u>279,427</u>	<u>25,206</u>	<u>0</u>	<u>44,456</u>	<u>448</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(13,384)	(4,307)	0	4,339	24,520
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Assets	6,500	0	0	0	0
<i>Net Change in Fund Balance</i>	(6,884)	(4,307)	0	4,339	24,520
<i>Fund Balance Beginning of Year</i>	<u>124,293</u>	<u>41,790</u>	<u>0</u>	<u>94,974</u>	<u>22,137</u>
<i>Fund Balance End of Year</i>	<u>\$ 117,409</u>	<u>\$ 37,483</u>	<u>\$ 0</u>	<u>\$ 99,313</u>	<u>\$ 46,657</u>

(continued)

City of Rittman
Wayne County, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2014

	Law Enforcement and Education Fund	Law Enforcement Fund	Education and Recreation Assistance Fund	Totals
Revenues				
Property and Other Local Taxes	\$ 0	\$ 0	\$ 0	\$ 20,939
Fines, Licenses and Permits	145	1,157	0	1,302
Intergovernmental	0	0	0	334,373
Investment Earnings	0	0	0	323
Other	0	0	0	5,070
<i>Total Revenues</i>	<u>145</u>	<u>1,157</u>	<u>0</u>	<u>362,007</u>
Expenditures				
Current:				
General Government	0	0	0	448
Transportation	0	0	0	349,089
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>349,537</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	145	1,157	0	12,470
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	0	0	6,500
<i>Net Change in Fund Balance</i>	145	1,157	0	18,970
<i>Fund Balance Beginning of Year</i>	<u>1,753</u>	<u>9,564</u>	<u>5,612</u>	<u>300,123</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,898</u>	<u>\$ 10,721</u>	<u>\$ 5,612</u>	<u>\$ 319,093</u>



**INDIVIDUAL FUND SCHEDULES OF
REVENUES, EXPENDITURES/EXPENSES
AND CHANGES IN FUND BALANCE - BUDGET
(NON-GAAP BASIS) AND ACTUAL**

City of Rittman
Wayne County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property and Other Local Taxes	\$ 259,400	\$ 259,400	\$ 265,476	\$ 6,076
Income Taxes	792,000	792,000	808,618	16,618
Charges for Services	591,502	591,502	525,230	(66,272)
Licenses and Permits	120,100	120,100	122,469	2,369
Intergovernmental	314,053	314,053	354,786	40,733
Investment Earnings	25,020	25,020	23,159	(1,861)
Contributions and Donations	450	450	130	(320)
Other	12,450	12,450	18,432	5,982
<i>Total Revenues</i>	<u>2,114,975</u>	<u>2,114,975</u>	<u>2,118,300</u>	<u>3,325</u>
Expenditures				
Current:				
General Government				
Office of City Council				
Personal Services	39,420	39,890	39,589	301
Other than Personal Services	7,000	7,000	6,700	300
Total Office of City Council	<u>46,420</u>	<u>46,890</u>	<u>46,289</u>	<u>601</u>
Department of Mayor and Administration				
Personal Services	154,060	198,540	196,744	1,796
Other than Personal Services	114,300	122,500	119,623	2,877
Total Department of Mayor and Administration	<u>268,360</u>	<u>321,040</u>	<u>316,367</u>	<u>4,673</u>
Department of Finance and Tax				
Personal Services	168,965	161,535	157,887	3,648
Other than Personal Services	6,200	8,700	7,843	857
Total Department of Finance and Tax	<u>175,165</u>	<u>170,235</u>	<u>165,730</u>	<u>4,505</u>
Division of Land and Buildings				
Personal Services	0	26	26	0
Other than Personal Services	9,500	9,500	3,104	6,396
Total Division of Land and Buildings	<u>9,500</u>	<u>9,526</u>	<u>3,130</u>	<u>6,396</u>
Department of Law				
Personal Services	37,452	29,820	29,805	15
Other than Personal Services	7,000	7,000	6,031	969
Total Department of Law	<u>44,452</u>	<u>36,820</u>	<u>35,836</u>	<u>984</u>
Miscellaneous				
Personal Services	12,000	12,000	6,737	5,263
Other than Personal Services	36,000	36,000	33,500	2,500
Total Miscellaneous	<u>48,000</u>	<u>48,000</u>	<u>40,237</u>	<u>7,763</u>
<i>Total General Government</i>	<u>591,897</u>	<u>632,511</u>	<u>607,589</u>	<u>24,922</u>

(continued)

City of Rittman
Wayne County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Security of Persons and Property				
Police Department				
Personal Services	909,255	933,245	925,130	8,115
Other than Personal Services	115,610	123,110	108,718	14,392
Total Police Department	<u>1,024,865</u>	<u>1,056,355</u>	<u>1,033,848</u>	<u>22,507</u>
Street Lighting				
Other than Personal Services	29,000	34,275	32,757	1,518
<i>Total Security of Persons and Property</i>	<u>1,053,865</u>	<u>1,090,630</u>	<u>1,066,605</u>	<u>24,025</u>
Public Health				
Cemetery				
Personal Services	64,870	64,870	52,995	11,875
Other than Personal Services	10,050	10,050	4,810	5,240
Total Cemetery	<u>74,920</u>	<u>74,920</u>	<u>57,805</u>	<u>17,115</u>
Board of Health				
Other than Personal Services	23,600	23,600	23,065	535
Pest and Animal Control				
Personal Services	2,765	2,765	2,061	704
Other than Personal Services	14,000	14,000	6,753	7,247
Total Animal Control	<u>16,765</u>	<u>16,765</u>	<u>8,814</u>	<u>7,951</u>
<i>Total Public Health</i>	<u>115,285</u>	<u>115,285</u>	<u>89,684</u>	<u>25,601</u>
Leisure Time Services				
Parks				
Personal Services	117,440	117,440	109,277	8,163
Other than Personal Services	15,000	16,500	15,517	983
Total Parks	<u>132,440</u>	<u>133,940</u>	<u>124,794</u>	<u>9,146</u>
Recreation Center				
Personal Services	209,980	209,980	201,488	8,492
Other than Personal Services	148,200	153,200	138,510	14,690
Total Recreation Center	<u>358,180</u>	<u>363,180</u>	<u>339,998</u>	<u>23,182</u>
<i>Total Leisure Time Services</i>	<u>490,620</u>	<u>497,120</u>	<u>464,792</u>	<u>32,328</u>
Transportation				
Street Maintenance				
Personal Services	70,245	73,045	67,399	5,646
Other than Personal Services	24,200	24,200	23,271	929
Total Street Maintenance	<u>94,445</u>	<u>97,245</u>	<u>90,670</u>	<u>6,575</u>

(continued)

City of Rittman
Wayne County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Vehicle Maintenance Other than Personal Services	17,000	17,000	3,230	13,770
<i>Total Transportation</i>	111,445	114,245	93,900	20,345
Debt Service:				
Principal Retirement	7,000	7,000	7,000	0
<i>Total Expenditures</i>	2,370,112	2,456,791	2,329,570	127,221
<i>Excess of Revenues Over (Under) Expenditures</i>	(255,137)	(341,816)	(211,270)	130,546
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	0	20	20
Proceeds from Loans	7,000	7,000	7,000	0
Advances In	0	10,000	10,000	0
Transfers In	5,000	5,000	0	(5,000)
Transfers Out	(40,000)	(40,000)	(35,000)	5,000
<i>Total Other Financing Sources (Uses)</i>	(28,000)	(18,000)	(17,980)	20
<i>Net Change in Fund Balance</i>	(283,137)	(359,816)	(229,250)	130,566
<i>Fund Balance (Deficit) Beginning of Year</i>	597,405	597,405	597,405	0
Prior Year Encumbrances Appropriated	13,378	13,378	13,378	0
<i>Fund Balance (Deficit) End of Year</i>	\$ 327,646	\$ 250,967	\$ 381,533	\$ 130,566

City of Rittman
Wayne County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Medical Service Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property and Other Local Taxes	\$ 157,100	\$ 157,100	\$ 158,732	\$ 1,632
Charges for Services	191,500	191,500	189,576	(1,924)
Intergovernmental	36,000	36,800	65,822	29,022
Contributions and Donations	1,000	1,000	0	(1,000)
Other	1,000	1,000	4,959	3,959
<i>Total Revenues</i>	<u>386,600</u>	<u>387,400</u>	<u>419,089</u>	<u>31,689</u>
Expenditures				
Current:				
General Government				
Division of Emergency Services				
Other than Personal Services	3,650	3,650	3,057	593
<i>Total General Government</i>	<u>3,650</u>	<u>3,650</u>	<u>3,057</u>	<u>593</u>
Security of Persons and Property				
Personal Services	287,700	307,400	301,555	5,845
Other than Personal Services	90,200	93,100	84,449	8,651
Capital Outlay	89,000	86,900	84,959	1,941
<i>Total Security of Persons and Property</i>	<u>466,900</u>	<u>487,400</u>	<u>470,963</u>	<u>16,437</u>
<i>Total Expenditures</i>	<u>470,550</u>	<u>491,050</u>	<u>474,020</u>	<u>17,030</u>
<i>Net Change in Fund Balance</i>	(83,950)	(103,650)	(54,931)	48,719
<i>Fund Balance (Deficit) Beginning of Year</i>	504,218	504,218	504,218	0
Prior Year Encumbrances Appropriated	2,058	2,058	2,058	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 422,326</u>	<u>\$ 402,626</u>	<u>\$ 451,345</u>	<u>\$ 48,719</u>

City of Rittman
Wayne County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Department Levy Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property and Other Local Taxes	\$ 77,200	\$ 77,200	\$ 78,076	\$ 876
Intergovernmental	13,000	17,055	18,731	1,676
Other	0	0	2,258	2,258
<i>Total Revenues</i>	<u>90,200</u>	<u>94,255</u>	<u>99,065</u>	<u>4,810</u>
Expenditures				
Current:				
General Government				
Division of Emergency Services				
Other than Personal Services	1,800	1,800	1,493	307
<i>Total General Government</i>	<u>1,800</u>	<u>1,800</u>	<u>1,493</u>	<u>307</u>
Security of Persons and Property				
Personal Services	76,650	86,215	85,824	391
Other than Personal Services	36,700	33,938	32,763	1,175
Capital Outlay	10,421	5,408	5,408	0
<i>Total Security of Persons and Property</i>	<u>123,771</u>	<u>125,561</u>	<u>123,995</u>	<u>1,566</u>
Debt Service:				
Principal Retirement	35,204	35,204	35,204	0
Interest and Fiscal Charges	4,375	4,375	4,375	0
Total Debt Service	<u>39,579</u>	<u>39,579</u>	<u>39,579</u>	<u>0</u>
<i>Total Expenditures</i>	<u>165,150</u>	<u>166,940</u>	<u>165,067</u>	<u>1,873</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(74,950)</u>	<u>(72,685)</u>	<u>(66,002)</u>	<u>6,683</u>
Other Financing Sources (Uses)				
Transfers In	25,000	35,000	35,000	0
<i>Net Change in Fund Balance</i>	(49,950)	(37,685)	(31,002)	6,683
<i>Fund Balance (Deficit) Beginning of Year</i>	43,193	43,193	43,193	0
Prior Year Encumbrances Appropriated	4,287	4,287	4,287	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ (2,470)</u>	<u>\$ 9,795</u>	<u>\$ 16,478</u>	<u>\$ 6,683</u>

City of Rittman
Wayne County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvements Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Income Taxes	\$ 396,000	\$ 396,000	\$ 404,310	\$ 8,310
Special Assessments	14,000	14,000	35,503	21,503
Intergovernmental	275,000	275,000	153,142	(121,858)
Other	0	0	2,000	2,000
<i>Total Revenues</i>	<u>685,000</u>	<u>685,000</u>	<u>594,955</u>	<u>(90,045)</u>
Expenditures				
Capital Outlay:				
General Government	53,000	55,757	51,762	3,995
Security of Persons and Property	48,000	55,500	55,500	0
Leisure Time Services	16,400	51,698	39,719	11,979
Transportation	147,000	300,588	286,913	13,675
Debt Service:				
Bond Issuance Costs	0	1,489	1,489	0
<i>Total Expenditures</i>	<u>264,400</u>	<u>465,032</u>	<u>435,383</u>	<u>29,649</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>420,600</u>	<u>219,968</u>	<u>159,572</u>	<u>(60,396)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	0	15,500	15,500
General Obligation Bonds Issued	0	40,000	40,000	0
Advances Out	0	(50,000)	0	50,000
Transfers Out	(119,323)	(134,338)	(119,323)	15,015
<i>Total Other Financing Sources (Uses)</i>	<u>(119,323)</u>	<u>(144,338)</u>	<u>(63,823)</u>	<u>80,515</u>
<i>Net Change in Fund Balance</i>	301,277	75,630	95,749	20,119
<i>Fund Balance (Deficit) Beginning of Year</i>	281,025	281,025	281,025	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 582,302</u>	<u>\$ 356,655</u>	<u>\$ 376,774</u>	<u>\$ 20,119</u>

City of Rittman
Wayne County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance and Repair Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 260,800	\$ 260,800	\$ 262,930	\$ 2,130
Investment Earnings	100	100	129	29
Other	200	200	2,456	2,256
<i>Total Revenues</i>	<u>261,100</u>	<u>261,100</u>	<u>265,515</u>	<u>4,415</u>
Expenditures				
Current:				
Transportation				
Division of Street Maintenance				
Personal Services	195,400	204,960	203,154	1,806
Other than Personal Services	64,750	82,450	81,380	1,070
<i>Total Expenditures</i>	<u>260,150</u>	<u>287,410</u>	<u>284,534</u>	<u>2,876</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>950</u>	<u>(26,310)</u>	<u>(19,019)</u>	<u>7,291</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	6,500	6,500	0
<i>Net Change in Fund Balance</i>	950	(19,810)	(12,519)	7,291
<i>Fund Balance (Deficit) Beginning of Year</i>	90,273	90,273	90,273	0
Prior Year Encumbrances Appropriated	4,726	4,726	4,726	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 95,949</u>	<u>\$ 75,189</u>	<u>\$ 82,480</u>	<u>\$ 7,291</u>

City of Rittman
Wayne County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 21,000	\$ 21,000	\$ 20,792	\$ (208)
Investment Earnings	100	100	40	(60)
<i>Total Revenues</i>	<u>21,100</u>	<u>21,100</u>	<u>20,832</u>	<u>(268)</u>
Expenditures				
Current:				
Transportation				
Division of Street Maintenance				
Personal Services	7,600	11,930	11,856	74
Other than Personal Services	17,200	15,320	17,386	(2,066)
<i>Total Expenditures</i>	<u>24,800</u>	<u>27,250</u>	<u>29,242</u>	<u>(1,992)</u>
<i>Net Change in Fund Balance</i>	(3,700)	(6,150)	(8,410)	(2,260)
<i>Fund Balance (Deficit) Beginning of Year</i>	33,684	33,684	33,684	0
Prior Year Encumbrances Appropriated	2,414	2,414	2,414	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 32,398</u>	<u>\$ 29,948</u>	<u>\$ 27,688</u>	<u>\$ (2,260)</u>

City of Rittman
Wayne County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Tax II Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 49,000	\$ 49,000	\$ 48,795	\$ (205)
<i>Total Revenues</i>	<u>49,000</u>	<u>49,000</u>	<u>48,795</u>	<u>(205)</u>
Expenditures				
Current:				
Transportation				
Division of Street Maintenance				
Other than Personal Services	46,000	31,000	29,620	1,380
Capital Outlay	<u>0</u>	<u>15,000</u>	<u>14,836</u>	<u>164</u>
<i>Total Expenditures</i>	<u>46,000</u>	<u>46,000</u>	<u>44,456</u>	<u>1,544</u>
<i>Net Change in Fund Balance</i>	3,000	3,000	4,339	1,339
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>94,974</u>	<u>94,974</u>	<u>94,974</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 97,974</u>	<u>\$ 97,974</u>	<u>\$ 99,313</u>	<u>\$ 1,339</u>

City of Rittman
Wayne County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property and Other Local Taxes	\$ 23,100	\$ 23,100	\$ 23,457	\$ 357
Intergovernmental	4,050	4,050	4,029	(21)
<i>Total Revenues</i>	<u>27,150</u>	<u>27,150</u>	<u>27,486</u>	<u>336</u>
Expenditures				
Current:				
General Government				
Other than Personal Services	600	600	448	152
Security of Persons and Property				
Division of Police				
Personal Services	28,600	28,600	0	28,600
<i>Total Expenditures</i>	<u>29,200</u>	<u>29,200</u>	<u>448</u>	<u>28,752</u>
<i>Net Change in Fund Balance</i>	(2,050)	(2,050)	27,038	29,088
<i>Fund Balance (Deficit) Beginning of Year</i>	19,619	19,619	19,619	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 17,569</u>	<u>\$ 17,569</u>	<u>\$ 46,657</u>	<u>\$ 29,088</u>

City of Rittman
Wayne County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement and Education Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$ 400	\$ 400	\$ 145	\$ (255)
<i>Total Revenues</i>	400	400	145	(255)
Expenditures				
Current:				
Security of Persons and Property				
Division of Police				
Personal Services	1,000	1,000	0	1,000
Other than Personal Services	1,000	1,000	0	1,000
<i>Total Expenditures</i>	2,000	2,000	0	2,000
<i>Net Change in Fund Balance</i>	(1,600)	(1,600)	145	1,745
<i>Fund Balance (Deficit) Beginning of Year</i>	1,753	1,753	1,753	0
<i>Fund Balance (Deficit) End of Year</i>	\$ 153	\$ 153	\$ 1,898	\$ 1,745

City of Rittman
Wayne County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$ 1,000	\$ 1,000	\$ 1,382	\$ 382
<i>Total Revenues</i>	1,000	1,000	1,382	382
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	1,000	1,000	1,382	382
<i>Fund Balance (Deficit) Beginning of Year</i>	9,339	9,339	9,339	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 10,339</u>	<u>\$ 10,339</u>	<u>\$ 10,721</u>	<u>\$ 382</u>

City of Rittman
Wayne County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Education and Recreation Assistance Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures				
Current:				
Public Health				
Board of Health				
Other than Personal Services	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	(1,000)	(1,000)	0	1,000
<i>Fund Balance (Deficit) Beginning of Year</i>	5,612	5,612	5,612	0
<i>Fund Balance (Deficit) End of Year</i>	\$ 4,612	\$ 4,612	\$ 5,612	\$ 1,000

City of Rittman
Wayne County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Retirement Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Special Assessments	\$ 8,340	\$ 8,340	\$ 17,434	\$ 9,094
<i>Total Revenues</i>	8,340	8,340	17,434	9,094
Expenditures				
Debt Service:				
Principal Retirement	101,775	112,325	111,775	550
Interest and Fiscal Charges	32,562	38,507	35,466	3,041
Issuance Costs	0	6,545	6,545	0
<i>Total Expenditures</i>	134,337	157,377	153,786	3,591
<i>Excess of Revenues Over (Under) Expenditures</i>	(125,997)	(149,037)	(136,352)	12,685
Other Financing Sources (Uses)				
Refunding Bonds Issued	0	0	645,000	645,000
Payment to Bond Refunding Escrow Agent	0	(625,000)	(625,000)	0
Transfers In	128,532	128,532	119,323	(9,209)
<i>Total Other Financing Sources (Uses)</i>	128,532	(496,468)	139,323	635,791
<i>Net Change in Fund Balance</i>	2,535	(645,505)	2,971	648,476
<i>Fund Balance (Deficit) Beginning of Year</i>	14,453	14,453	14,453	0
<i>Fund Balance (Deficit) End of Year</i>	\$ 16,988	\$ (631,052)	\$ 17,424	\$ 648,476

City of Rittman
Wayne County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Endowment Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for Services	\$ 5,000	\$ 5,000	\$ 5,680	\$ 680
<i>Total Revenues</i>	<u>5,000</u>	<u>5,000</u>	<u>5,680</u>	<u>680</u>
Expenditures				
Current:				
Public Health				
Public Health Services				
Capital Outlay	5,000	5,000	3,252	1,748
<i>Total Expenditures</i>	<u>5,000</u>	<u>5,000</u>	<u>3,252</u>	<u>1,748</u>
<i>Net Change in Fund Balance</i>	0	0	2,428	2,428
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>64,088</u>	<u>64,088</u>	<u>64,088</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 64,088</u>	<u>\$ 64,088</u>	<u>\$ 66,516</u>	<u>\$ 2,428</u>

City of Rittman
Wayne County, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for Services	\$ 520,500	\$ 520,500	\$ 532,074	\$ 11,574
Investment Earnings	510	510	0	(510)
Other	1,000	1,000	8,812	7,812
<i>Total Revenues</i>	<u>522,010</u>	<u>522,010</u>	<u>540,886</u>	<u>18,876</u>
Expenses				
Current:				
Basic Utility Service				
Office of Superintendent				
Personal Services	125,860	160,071	150,187	9,884
Other than Personal Services	264,800	266,335	253,426	12,909
Capital Outlay	2,000	4,400	3,121	1,279
Total Division of Emergency Services	<u>392,660</u>	<u>430,806</u>	<u>406,734</u>	<u>24,072</u>
Division of Water Treatment				
Personal Services	93,083	93,083	78,350	14,733
Other than Personal Services	63,600	60,500	33,385	27,115
Capital Outlay	0	20,000	20,000	0
Total Department of Finance and Tax	<u>156,683</u>	<u>173,583</u>	<u>131,735</u>	<u>41,848</u>
Division of Water Distribution				
Personal Services	100,853	116,247	110,584	5,663
Other than Personal Services	27,000	27,000	16,996	10,004
Capital Outlay	163,000	438,650	350,224	88,426
Total Division of Land and Buildings	<u>290,853</u>	<u>581,897</u>	<u>477,804</u>	<u>104,093</u>
Total Basic Utility Services	<u>840,196</u>	<u>1,186,286</u>	<u>1,016,273</u>	<u>170,013</u>
Debt Service:				
Principal Retirement	86,991	106,991	106,991	0
Interest and Fiscal Charges	42,673	43,622	43,620	2
Issuance	0	19,216	19,216	0
Total Debt Service	<u>129,664</u>	<u>169,829</u>	<u>169,827</u>	<u>2</u>
<i>Total Expenses</i>	<u>969,860</u>	<u>1,356,115</u>	<u>1,186,100</u>	<u>170,015</u>
<i>Excess of Revenues Over (Under) Expenses</i>	<u>(447,850)</u>	<u>(834,105)</u>	<u>(645,214)</u>	<u>188,891</u> <i>(continued)</i>

City of Rittman
Wayne County, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Other Financing Sources (Uses)				
Income Tax	396,000	396,000	404,310	8,310
Intergovernmental	0	0	128,704	128,704
Refunding Bonds Issued	0	0	960,000	960,000
Payment to Bond Refunding Escrow Agent	0	(920,000)	(920,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>396,000</u>	<u>(524,000)</u>	<u>573,014</u>	<u>1,097,014</u>
<i>Net Change in Fund Balance</i>	(51,850)	(1,358,105)	(72,200)	1,285,905
<i>Fund Balance (Deficit) Beginning of Year</i>	551,992	551,992	551,992	0
Prior Year Encumbrances Appropriated	<u>11,762</u>	<u>11,762</u>	<u>11,762</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 511,904</u>	<u>\$ (794,351)</u>	<u>\$ 491,554</u>	<u>\$ 1,285,905</u>

City of Rittman
Wayne County, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for Services	\$ 1,273,000	\$ 1,273,000	\$ 1,272,488	\$ (512)
Investment Earnings	2,500	2,500	0	(2,500)
Other	1,000	1,000	4,984	3,984
<i>Total Revenues</i>	<u>1,276,500</u>	<u>1,276,500</u>	<u>1,277,472</u>	<u>972</u>
Expenses				
Current:				
Basic Utility Service				
Office of Superintendent				
Personal Services	120,535	150,986	146,652	4,334
Other than Personal Services	286,100	324,400	305,904	18,496
Capital Outlay	85,000	85,000	27,075	57,925
Total Division of Emergency Services	<u>491,635</u>	<u>560,386</u>	<u>479,631</u>	<u>80,755</u>
Division of Sewer Maintenance				
Personal Services	103,573	99,307	99,899	(592)
Other than Personal Services	117,200	116,450	8,557	107,893
Capital Outlay	0	463,200	463,200	0
Total Department of Finance and Tax	<u>220,773</u>	<u>678,957</u>	<u>571,656</u>	<u>107,301</u>
Division of Wastewater Treatment				
Personal Services	153,283	163,818	154,880	8,938
Other than Personal Services	80,000	78,450	63,327	15,123
Capital Outlay	0	0	6,273	(6,273)
Total Division of Land and Buildings	<u>233,283</u>	<u>242,268</u>	<u>224,480</u>	<u>17,788</u>
Total Basic Utility Services	<u>945,691</u>	<u>1,481,611</u>	<u>1,275,767</u>	<u>205,844</u>
Debt Service:				
Principal Retirement	40,000	40,000	40,000	0
Interest and Fiscal Charges	45,451	45,451	45,451	0
Total Debt Service	<u>85,451</u>	<u>85,451</u>	<u>85,451</u>	<u>0</u>
<i>Total Expenses</i>	<u>1,031,142</u>	<u>1,567,062</u>	<u>1,361,218</u>	<u>205,844</u>
<i>Excess of Revenues Over (Under) Expenses</i>	<u>245,358</u>	<u>(290,562)</u>	<u>(83,746)</u>	<u>206,816</u>
Other Financing Sources (Uses)				
Intergovernmental	0	0	3,285	3,285
<i>Net Change in Fund Balance</i>	245,358	(290,562)	(80,461)	210,101
<i>Fund Balance (Deficit) Beginning of Year</i>	869,310	869,310	869,310	0
Prior Year Encumbrances Appropriated	14,319	14,319	14,319	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 1,128,987</u>	<u>\$ 593,067</u>	<u>\$ 803,168</u>	<u>\$ 210,101</u>

City of Rittman
Wayne County, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Solid Waste Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for Services	\$ 450,000	\$ 450,000	\$ 449,534	\$ (466)
Other	0	0	218	218
<i>Total Revenues</i>	450,000	450,000	449,752	(248)
Expenses				
Current:				
Division of Solid Waste				
Personal Services	38,890	38,185	26,624	11,561
Other than Personal Services	352,000	353,370	328,377	24,993
<i>Total Expenses</i>	390,890	391,555	355,001	36,554
<i>Excess of Revenues Over (Under) Expenses</i>	59,110	58,445	94,751	36,306
Other Financing Sources (Uses)				
Intergovernmental	13,500	13,500	12,758	(742)
Advances Out	0	(10,000)	(10,000)	0
<i>Net Change in Fund Balance</i>	72,610	61,945	97,509	35,564
<i>Fund Balance (Deficit) Beginning of Year</i>	94,282	94,282	94,282	0
Prior Year Encumbrances Appropriated	32,058	32,058	32,058	0
<i>Fund Balance (Deficit) End of Year</i>	\$ 198,950	\$ 188,285	\$ 223,849	\$ 35,564

City of Rittman
Wayne County, Ohio
Combining Statements – Agency Funds

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 agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are purely custodial (assets equals liabilities) and thus do not involve measurement of results of operations.

Agency Funds

Unclaimed Funds

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

Returnable Bonds

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

City of Rittman
Wayne County, Ohio
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2014

	Unclaimed Funds	Returnable Bonds Fund	Total Agency Funds
Assets			
Equity in Pooled Cash and Investments	\$ 1,137	\$ 5,050	\$ 6,187
<i>Total Assets</i>	<u>\$ 1,137</u>	<u>\$ 5,050</u>	<u>\$ 6,187</u>
Liabilities			
Undistributed Monies	\$ 1,137	\$ 5,050	\$ 6,187
<i>Total Liabilities</i>	<u>\$ 1,137</u>	<u>\$ 5,050</u>	<u>\$ 6,187</u>

City of Rittman
Wayne County, Ohio
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2014

	Beginning Balance 12/31/2013	Additions	Reductions	Ending Balance 12/31/2014
Unclaimed Funds				
Assets				
Equity in Pooled Cash and Investments	\$ 1,137	\$ 0	\$ 0	\$ 1,137
<i>Total Assets</i>	<u>\$ 1,137</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,137</u>
Liabilities				
Undistributed Monies	\$ 1,137	\$ 0	\$ 0	\$ 1,137
<i>Total Liabilities</i>	<u>\$ 1,137</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,137</u>
Returnable Bonds				
Assets				
Equity in Pooled Cash and Investments	\$ 5,050	\$ 0	\$ 0	\$ 5,050
<i>Total Assets</i>	<u>\$ 5,050</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,050</u>
Liabilities				
Undistributed Monies	\$ 5,050	\$ 0	\$ 0	\$ 5,050
<i>Total Liabilities</i>	<u>\$ 5,050</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,050</u>
Total Agency Funds				
Assets				
Equity in Pooled Cash and Investments	\$ 6,187	\$ 0	\$ 0	\$ 6,187
<i>Total Assets</i>	<u>\$ 6,187</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,187</u>
Liabilities				
Undistributed Monies	\$ 6,187	\$ 0	\$ 0	\$ 6,187
<i>Total Liabilities</i>	<u>\$ 6,187</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,187</u>



STATISTICAL SECTION

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S-2 - S-11
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax, and the municipal income tax.	S-12 - S-15
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S-16 - S-22
Economic and Demographic Information	
These schedules offer economic and demographic indicators to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S-23 - S-24
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 service the City provides and the activities it performs.	S-25 - S-30

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

NOTE:

With the implementation of GASB No. 54 for 2010, there have been minor reclassifications of funds (example special revenue funds consolidated with the general fund for GAAP purposes). Prior year amounts have not been adjusted to reflect this change.

In 2013, the City established the solid waste fund in the business-type activities. The activity was previously recorded in governmental activities and prior year amounts have not been adjusted to reflect the change.

City of Rittman
Wayne County, Ohio
Net Position By Component (\$000 omitted)
Last Ten Years
(Accrual Basis of Accounting)

	2014	2013	2012	2011	2010
Governmental Activities					
Net Investment in Capital Assets	\$ 5,068	\$ 5,062	\$ 5,054	\$ 4,631	\$ 4,861
Restricted	1,806	1,699	1,575	1,670	1,265
Unrestricted	701	894	1,059	973	1,192
<i>Total Governmental Activities Net Position</i>	<u>\$ 7,575</u>	<u>\$ 7,655</u>	<u>\$ 7,688</u>	<u>\$ 7,274</u>	<u>\$ 7,318</u>
Business Type - Activities					
Net Investment in Capital Assets	\$ 10,084	\$ 9,963	\$ 9,838	\$ 9,020	\$ 8,910
Unrestricted	2,027	1,851	1,691	1,990	1,754
<i>Total Business-Type Activities Net Position</i>	<u>\$ 12,111</u>	<u>\$ 11,814</u>	<u>\$ 11,529</u>	<u>\$ 11,010</u>	<u>\$ 10,664</u>
Primary Government					
Net Investment in Capital Assets	\$ 15,152	\$ 15,025	\$ 14,892	\$ 13,651	\$ 13,771
Restricted	1,806	1,699	1,575	1,670	1,265
Unrestricted	2,728	2,745	2,750	2,963	2,946
<i>Total Primary Government Net Position</i>	<u>\$ 19,686</u>	<u>\$ 19,469</u>	<u>\$ 19,217</u>	<u>\$ 18,284</u>	<u>\$ 17,982</u>

2009	2008	2007	2006	2005
\$ 5,059	\$ 5,216	\$ 5,079	\$ 5,123	\$ 5,149
1,140	968	948	1,090	1,134
<u>1,195</u>	<u>1,045</u>	<u>994</u>	<u>1,288</u>	<u>1,143</u>
<u>\$ 7,394</u>	<u>\$ 7,229</u>	<u>\$ 7,021</u>	<u>\$ 7,501</u>	<u>\$ 7,426</u>
\$ 8,841	\$ 8,575	\$ 8,557	\$ 8,199	\$ 8,118
1,808	1,664	1,618	1,728	1,537
<u>\$ 10,649</u>	<u>\$ 10,239</u>	<u>\$ 10,175</u>	<u>\$ 9,927</u>	<u>\$ 9,655</u>
\$ 13,900	\$ 13,791	\$ 13,636	\$ 13,322	\$ 13,267
1,140	968	948	1,090	1,134
<u>3,003</u>	<u>2,709</u>	<u>2,612</u>	<u>3,016</u>	<u>2,680</u>
<u>\$ 18,043</u>	<u>\$ 17,468</u>	<u>\$ 17,196</u>	<u>\$ 17,428</u>	<u>\$ 17,081</u>

City of Rittman
Wayne County, Ohio
Changes in Net Position (\$000 Omitted)
Last Ten Years
(Accrual Basis of Accounting)

	2014	2013	2012	2011
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 360	\$ 362	\$ 370	\$ 310
Security of Persons and Property	237	245	187	236
Public Health	35	36	37	41
Leisure Time Services	159	181	208	235
Basic Utility Service	0	0	183	460
Transportation	0	0	0	0
Charges for Services	<u>791</u>	<u>824</u>	<u>985</u>	<u>1,282</u>
Operating Grants and Contributions	427	461	421	419
Capital Grants and Contributions	246	28	432	41
<i>Total Governmental Activities Program Revenues</i>	<u>1,464</u>	<u>1,313</u>	<u>1,838</u>	<u>1,742</u>
Business-Type Activities:				
Charges for Services:				
Water	519	538	561	514
Sewer	1,260	1,252	1,336	1,292
Solid Waste	439	454	271	0
Charges for Services	<u>2,218</u>	<u>2,244</u>	<u>2,168</u>	<u>1,806</u>
Operating Grants and Contributions	13	28	102	159
Capital Grants and Contributions	126	0	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>2,357</u>	<u>2,272</u>	<u>2,270</u>	<u>1,965</u>
<i>Total Primary Government Program Revenues</i>	<u>3,821</u>	<u>3,585</u>	<u>4,108</u>	<u>3,707</u>
Expenses				
Governmental Activities:				
General Government	679	608	597	662
Security of Persons and Property	1,725	1,728	1,613	1,692
Public Health	82	113	104	97
Leisure Time Services	591	524	495	497
Basic Utility Service	0	1	143	412
Transportation	714	481	658	609
Interest and Fiscal Charges	39	36	41	48
Bond Issuance Costs	8	0	0	0
<i>Total Governmental Activities Expenses</i>	<u>3,838</u>	<u>3,491</u>	<u>3,651</u>	<u>4,017</u>
Business-Type Activities				
Water	1,004	948	873	791
Sewer	1,083	1,043	1,100	1,063
Solid Waste	359	378	235	0
<i>Total Business-Type Activities Expenses</i>	<u>2,446</u>	<u>2,369</u>	<u>2,208</u>	<u>1,854</u>
<i>Total Primary Government Program Expenses</i>	<u>6,284</u>	<u>5,860</u>	<u>5,859</u>	<u>5,871</u>

2010	2009	2008	2007	2006	2005
\$ 287	\$ 290	\$ 258	\$ 248	\$ 286	\$ 288
220	240	272	230	183	184
33	14	35	22	21	33
228	263	262	199	232	231
439	456	382	375	374	246
8	2	5	0	41	34
1,215	1,265	1,214	1,074	1,137	1,016
504	662	572	635	416	622
104	206	74	1	16	125
1,823	2,133	1,860	1,710	1,569	1,763
362	401	441	390	384	644
1,279	1,294	1,220	1,200	1,166	1,019
0	0	0	0	0	0
1,641	1,695	1,661	1,590	1,550	1,663
18	110	0	0	0	0
0	0	0	0	0	0
1,659	1,805	1,661	1,590	1,550	1,663
3,482	3,938	3,521	3,300	3,119	3,426
664	747	665	653	622	650
1,666	1,639	1,812	1,750	1,634	1,569
116	134	97	97	93	91
511	608	650	982	548	556
459	385	384	364	351	231
783	878	823	812	675	914
52	50	69	73	66	74
0	0	0	0	0	0
4,251	4,441	4,500	4,731	3,989	4,085
967	797	905	726	785	721
1,046	1,023	995	952	974	994
0	0	0	0	0	0
2,013	1,820	1,900	1,678	1,759	1,715
6,264	6,261	6,400	6,409	5,748	5,800

(continued)

City of Rittman
Wayne County, Ohio
Changes in Net Position (\$000 Omitted)
Last Ten Years
(Accrual Basis of Accounting)

	2014	2013	2012	2011
Net (Expense)/Revenue				
Governmental Activities	(2,374)	(2,178)	(1,813)	(2,275)
Business-Type Activities	(89)	(97)	62	111
<i>Total Primary Government Net Expense</i>	<u>(2,463)</u>	<u>(2,275)</u>	<u>(1,751)</u>	<u>(2,164)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property and Other Local Taxes Levied For:				
General Purposes	285	380	369	366
Police, Fire and Emergency Services	207	297	272	266
Income Taxes Levied for:				
General Purposes	873	801	810	664
Capital Outlay	403	401	405	332
Grants and Entitlements not Restricted to				
Specific Programs	321	353	374	525
Investment Income	29	14	29	31
Gain (Loss) on Sale of Capital Assets	0	0	5	0
Miscellaneous	56	19	11	47
Transfers	0	0	(35)	0
<i>Total Governmental Activities</i>	<u>2,174</u>	<u>2,265</u>	<u>2,240</u>	<u>2,231</u>
Business-Type Activities				
Income Taxes levied for:				
Water Utility Services	336	401	405	332
Gain (Loss) on Sale of Capital Assets	0	0	20	0
Miscellaneous	20	11	19	20
Transfers	0	0	35	0
<i>Total Business-Type Activities</i>	<u>356</u>	<u>412</u>	<u>479</u>	<u>352</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>2,530</u>	<u>2,677</u>	<u>2,719</u>	<u>2,583</u>
Change in Net Position				
Governmental Activities	(200)	87	427	(44)
Business-Type Activities	267	315	541	463
<i>Total Primary Government Change in Net Position</i>	<u>\$ 67</u>	<u>\$ 402</u>	<u>\$ 968</u>	<u>\$ 419</u>

2010	2009	2008	2007	2006	2005
(2,428)	(2,308)	(2,640)	(3,021)	(2,420)	(2,322)
(354)	(15)	(239)	(88)	(209)	(52)
(2,782)	(2,323)	(2,879)	(3,109)	(2,629)	(2,374)
345	380	324	359	304	317
238	267	319	333	329	315
723	783	601	671	745	732
361	392	299	335	373	366
609	567	479	555	506	467
46	57	121	193	147	151
0	0	0	0	0	0
31	26	704	95	91	88
0	0	0	0	0	0
2,353	2,472	2,847	2,541	2,495	2,436
361	392	302	335	373	366
0	0	0	0	0	0
9	24	0	1	108	17
0	0	0	0	0	0
370	416	302	336	481	383
2,723	2,888	3,149	2,877	2,976	2,819
(75)	164	207	(480)	75	114
16	401	63	248	272	331
\$ (59)	\$ 565	\$ 270	\$ (232)	\$ 347	\$ 445

City of Rittman
Wayne County, Ohio
Fund Balances of Governmental Funds (\$000 omitted)
Last Ten Years
(Modified Accrual Basis of Accounting)

	2014	2013	2012	2011
General Fund				
Nonspendable	\$ 16	\$ 17	\$ 21	\$ 22
Committed	9	1	6	6
Assigned	245	292	259	219
Unassigned	197	442	517	535
Reserved	0	0	0	0
Unreserved, Designated	0	0	0	0
Unreserved	0	0	0	0
Total General Fund	467	752	803	782
All Other Governmental Funds				
Nonspendable	10	10	9	15
Restricted	1,274	1,234	1,027	1,295
Committed				0
Assigned	0			0
Unassigned	0	0	(8)	0
Reserved		0	0	0
Unreserved,				
Undesignated (Deficit), Reported in:	0			
Special Revenue funds	0	0	0	0
Debt Service funds	0	0	0	0
Capital Projects funds	0	0	0	0
Total All Other Governmental Funds	1,284	1,244	1,028	1,310
Total Governmental Funds	\$ 1,751	\$ 1,996	\$ 1,831	\$ 2,092

2010	2009	2008	2007	2006	2005
\$ 23	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
27	0	0	0	0	0
276	0	0	0	0	0
502	0	0	0	0	0
0	44	9	14	13	25
0	152	230	273	335	385
0	765	655	686	684	533
828	961	894	973	1,032	943
9	0	0	0	0	0
1,112	0	0	0	0	0
0					
0					
0	0	0	0	0	0
0	74	0	43	9	3
0	667	514	663	508	560
0	49	88	91	88	78
0	56	90	(333)	176	246
1,121	846	692	464	781	887
\$ 1,949	\$ 1,807	\$ 1,586	\$ 1,437	\$ 1,813	\$ 1,830

City of Rittman
Wayne County, Ohio
Changes in Fund Balances of Governmental Funds (\$000 omitted)
Last Ten Years
(Modified Accrual Basis of Accounting)

	2014	2013	2012	2011
Revenues				
Taxes	\$ 1,764	1,857	1,716	1,612
Charges for Services	710	753	989	1,225
Fines, Licenses and Permits	42	48	36	33
Intergovernmental	916	820	1,099	955
Special Assessments	75	122	14	18
Investment Income	29	14	29	34
Contributions and Donations	0	19	4	5
Other	55	17	16	45
<i>Total Revenues</i>	<u>3,591</u>	<u>3,650</u>	<u>3,903</u>	<u>3,927</u>
Expenditures				
Current:				
General Government	618	660	549	648
Security of Persons and Property	1,659	1,922	1,593	1,504
Public Health and Welfare	87	121	125	96
Leisure Time Activities	474	461	439	423
Basic Utility Services	0	1	143	412
Transportation	443	379	1,186	557
Capital Outlay	451	25	0	6
Debt Service:				
Principal Retirement	146	107	99	94
Interest and Fiscal Charges	26	37	41	45
Bond Issuance Costs	8	0	0	0
<i>Total Expenditures</i>	<u>3,912</u>	<u>3,713</u>	<u>4,175</u>	<u>3,785</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(321)</u>	<u>(63)</u>	<u>(272)</u>	<u>142</u>
Other Financing Sources (Uses)				
Bonds Issued	40	0	0	0
Proceeds of Loans	7	227	0	0
Inception of Capital Lease	0	0	0	0
Issuance of Refunding Bonds	645	0	0	0
Proceeds from Sale of Capital Assets	22	1	11	0
Payment to Refunded Bond Escrow Agent	(638)	0	0	0
Transfers In	154	164	135	198
Transfers Out	(154)	(164)	(135)	(198)
<i>Total Other Financing Sources (Uses)</i>	<u>76</u>	<u>228</u>	<u>11</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$ (245)</u>	<u>165</u>	<u>(261)</u>	<u>142</u>
Debt Service as a Percentage of Noncapital Expenditures	4.9%	4.6%	4.1%	3.7%

2010	2009	2008	2007	2006	2005
1,686	1,679	1,669	1,724	1,682	1,749
1,159	1,171	1,094	1,027	1,076	942
29	31	90	96	94	96
1,075	1,255	1,091	1,159	943	1,171
83	23	18	17	20	16
46	57	123	196	149	151
30	200	5	20	5	6
16	46	655	66	33	26
4,124	4,462	4,745	4,305	4,002	4,157
641	728	657	648	642	633
1,465	1,464	1,619	1,560	1,469	1,421
112	132	95	96	92	100
460	484	531	868	428	432
460	385	384	364	351	231
588	791	724	705	592	821
113	212	312	167	193	78
94	84	212	206	202	335
49	47	65	68	61	67
0	0	0	0	0	0
3,982	4,327	4,599	4,682	4,030	4,118
142	135	146	(377)	(28)	39
0	77	0	0	12	26
0	0	0	0	0	0
0	0	56	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
165	202	305	313	308	250
(165)	(202)	(305)	(313)	(308)	(250)
0	77	56	0	12	26
142	212	202	(377)	(16)	65
3.7%	3.2%	6.5%	6.1%	6.9%	10.0%

City of Rittman
Wayne County, Ohio
Assessed Valuation and Estimated Actual Values of Taxable Property
Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2014	\$ 76,848,840	\$ 15,099,800	\$ 262,710,400	\$ 2,386,220	\$ 2,711,614
2013	76,880,660	14,895,610	262,217,914	2,188,940	2,487,432
2012	76,732,240	15,069,240	262,289,943	1,901,800	2,161,136
2011	82,363,310	12,266,040	270,369,571	1,794,390	2,039,080
2010	82,547,380	12,138,700	270,531,657	1,788,410	2,032,284
2009	83,553,170	13,670,050	277,780,629	1,544,980	2,305,940
2008	79,896,630	12,806,990	264,867,486	1,617,040	2,413,493
2007	79,113,160	12,140,590	260,725,000	1,999,340	2,984,090
2006	75,426,750	11,373,170	247,999,771	1,735,490	2,590,284
2005	68,994,860	12,206,920	232,005,086	3,002,120	3,411,500

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

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

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

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

Sources: Wayne and Medina County Auditors, Ohio Department of Taxation

<u>Tangible Personal Property</u>				
<u>General Business</u>		<u>Total</u>		
<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Weighted Average Tax Rate</u>
\$ 0	\$ 0	\$ 94,334,860	\$ 265,422,014	35.54%
0	0	93,965,210	264,705,346	35.50
0	0	93,703,280	264,451,079	35.43
72,830	1,456,600	96,496,570	273,865,251	35.24
104,498	1,671,968	96,578,988	274,235,909	35.22
238,177	3,810,832	99,006,377	283,897,401	34.87
6,552,905	52,423,240	100,873,565	319,704,219	26.84
11,528,225	61,483,867	104,781,315	325,192,957	26.17
16,911,260	67,645,040	105,446,670	318,235,095	30.63
17,135,184	68,540,736	101,339,084	303,957,322	32.63

City of Rittman
Wayne County, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years

Collection Year	City of Rittman Direct Rates					Overlapping Rates				Total Direct & Overlapping Rates
	General Fund	Fire	Ambulance & E.M.S.	Police Pension Fund	Total City	Wayne County	Milton Township	Rittman Exempted Village School District	Special District	
2014	\$ 3.40	\$ 1.00	\$ 2.30	\$ 0.30	\$ 7.00	\$ 9.25	\$ 0.50	\$63.35	\$ 4.85	\$ 84.95
2013	3.40	1.00	2.30	0.30	7.00	9.25	0.50	63.35	4.85	84.95
2012	3.50	1.00	2.30	0.30	7.10	9.25	0.50	63.35	7.10	87.30
2011	3.50	1.00	2.30	0.30	7.10	9.25	0.50	63.35	7.10	87.30
2010	3.50	1.00	2.30	0.30	7.10	9.65	0.50	63.20	7.10	87.55
2009	3.50	1.00	2.30	0.30	7.10	9.65	0.50	63.35	7.10	87.70
2008	3.50	1.00	2.30	0.30	7.10	9.65	0.50	63.05	6.35	86.65
2007	3.50	1.00	2.30	0.30	7.10	9.65	0.50	59.60	6.35	83.20
2006	3.50	1.00	2.30	0.30	7.10	9.65	0.50	60.30	6.10	83.65
2005	3.50	1.40	2.30	0.30	7.50	9.65	0.50	60.30	6.10	84.05

Source: Wayne County, Ohio; County Auditor

City of Rittman
Wayne County, Ohio
Income Tax Revenue Base and Collections (Cash Basis)
Last Ten Years

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2014	1.5%	\$ 1,617,106	\$ 943,777	58.36%	\$ 134,922	8.34%	\$ 538,407	33.29%
2013	1.5%	1,596,239	940,392	58.91	125,714	7.88	530,133	33.21
2012	1.5%	1,463,098	934,132	63.85	155,728	10.64	373,238	25.51
2011	1.5%	1,309,294	899,890	68.73	65,964	5.04	343,440	26.23
2010	1.5%	1,468,579	853,353	58.11	282,912	19.26	332,314	22.63
2009	1.5%	1,379,284	861,707	62.47	153,419	11.12	364,158	26.40
2008	1.5%	1,372,190	879,694	64.11	111,710	8.14	380,786	27.75
2007	1.5%	1,343,468	892,875	66.46	87,519	6.51	363,074	27.03
2006	1.5%	1,506,935	1,016,445	67.45	99,167	6.58	396,405	26.31
2005	1.5%	1,475,958	978,148	66.27	92,210	6.25	405,599	27.48

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

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

City of Rittman
Wayne County, Ohio
Ratio of Outstanding Debt By Type
Last Ten Years

Year	Governmental Activities				
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Loans	Capital Leases
2014	\$ 732,000	\$ 0	\$ 0	\$ 184,796	\$ 0
2013	776,000	0	0	220,000	0
2012	865,000	0	0	0	11,133
2011	954,000	0	0	0	21,722
2010	1,038,000	0	0	0	31,793
2009	1,122,000	0	0	0	41,370
2008	1,120,000	43,208	0	0	50,479
2007	1,310,000	60,008	0	0	0
2006	1,495,000	75,982	4,850	0	0
2005	1,670,000	81,283	14,550	0	0

(1) Details regarding the City's outstanding debt can be found in Note 12 in the basic financial statements

(2) Includes internal bonds

(3) See S24 for population and personal income data.

Source: City Records

Business-Type Activities

Revenue Bonds	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	OWDA Loans	Total Debt	Percentage of Personal Income	Per Capita
\$ 831,400	\$ 965,500	\$ 0	\$ 267,257	\$ 0	\$ 2,980,953	2.38%	459
859,400	1,027,500	0	284,248	0	3,167,148	2.53	488
886,100	1,109,000	0	301,239	133,002	3,305,474	2.64	509
931,500	1,130,000	0	309,735	389,249	3,736,206	2.98	576
1,015,600	1,195,000	0	187,500	633,148	4,101,041	3.27	632
1,038,500	1,260,000	0	200,000	865,295	4,527,165	4.47	717
1,060,300	1,320,000	0	212,500	1,086,256	4,892,743	4.83	775
1,081,100	1,380,000	0	225,000	1,296,569	5,352,677	5.28	848
1,100,900	1,440,000	0	237,500	1,496,748	5,850,980	5.77	927
1,119,700	1,495,000	7,742	141,647	1,687,782	6,217,704	6.14	985

City of Rittman
Wayne County, Ohio
Ratio of Outstanding Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Years

Year	General Obligation Bonds (1)	Resources Available for Repayment	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2014	\$ 1,697,500	\$ 12,263	\$ 1,685,237	0.63%	259.63
2013	1,803,500	1,300	1,802,200	0.68	277.65
2012	1,974,000	0	1,974,000	0.75	304.11
2011	2,084,000	22,959	2,061,041	0.75	317.52
2010	2,233,000	22,775	2,210,225	0.81	340.51
2009	2,382,000	49,064	2,332,936	0.82	369.49
2008	2,440,000	88,393	2,351,607	0.74	372.44
2007	3,196,000	90,669	3,105,331	0.95	491.82
2006	2,935,000	105,388	2,829,612	0.89	448.15
2005	3,165,000	77,774	3,087,226	1.02	488.95

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

(1) Details regarding the City's outstanding debt can be found in Note 12 in the basic financial statements

City of Rittman
Wayne County, Ohio

Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2014

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct:			
City of Rittman	\$ 916,796	100.00%	\$ 916,796
<i>Total Direct Debt</i>	<u>916,796</u>		<u>916,796</u>
Overlapping:			
Cloverleaf Local School District	950,000	0.24%	2,280
Norwayne Local School District	9,049,116	0.15%	13,574
Rittman Exempted Village School District	7,575,000	85.82%	6,500,865
Wayne County, Ohio	6,350,000	3.74%	237,490
Wayne County Public Library	4,335,000	3.27%	141,755
Medina County, Ohio	2,884,918	0.08%	2,308
Medina County Public Library	<u>22,624,993</u>	0.03%	<u>6,787</u>
<i>Total Overlapping Debt</i>	<u>53,769,027</u>		<u>6,905,059</u>
Total	<u>\$ 54,685,823</u>		<u>\$ 7,821,855</u>

Source: Ohio Municipal Advisory Council

(1) Percentages were determined by dividing the assessed valuation of the portion of the political subdivision located within the City by the total assessed value of the subdivision.

City of Rittman
Wayne County, Ohio
Legal Debt Margin
Last Ten Years

	2014	2013	2012	2011
Total Assessed Property Value	\$ 94,334,860	\$ 93,965,210	\$ 93,703,280	\$ 96,496,570
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	\$ 9,905,160	\$ 9,866,347	\$ 9,838,844	\$ 10,132,140
Debt Outstanding:				
General Obligation Bonds	1,697,500	1,803,500	1,974,000	2,084,000
Revenue Bonds	831,400	859,400	886,100	931,500
Special Assessment Bonds	0	0	0	0
OPWC Loans	267,257	284,248	301,239	309,735
OWDA Loans	0	0	133,002	389,249
Loans	184,796	220,000	0	0
Total Gross Indebtedness	2,980,953	3,167,148	3,294,341	3,714,484
Less:				
Sewer Revenue Bonds	(831,400)	(859,400)	(886,100)	(931,500)
Special Assessment Bonds	0	0	0	0
OPWC Loans	(267,257)	(284,248)	(301,239)	(309,735)
OWDA Loans	0	0	(133,002)	(389,249)
General Obligation Bond Retirement Fund Balance	(12,263)	(1,300)	0	(22,959)
Total Net Debt Applicable to Debt Limit	1,870,033	2,022,200	1,974,000	2,061,041
Legal Debt Margin Within 10 ½ % Limitations	\$ 8,035,127	\$ 7,844,147	\$ 7,864,844	\$ 8,071,099
Legal Debt Margin as a Percentage of the Debt Limit	81.12%	79.50%	79.94%	79.66%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	\$ 5,188,417	\$ 5,168,087	\$ 5,153,680	\$ 5,307,311
Total Gross Indebtedness	2,980,953	3,167,148	3,294,341	3,714,484
Less:				
Sewer Revenue Bonds	(831,400)	(859,400)	(886,100)	(931,500)
Special Assessment Bonds	0	0	0	0
Mortgage Revenue Bonds	(267,257)	(284,248)	(301,239)	(309,735)
OWDA Loans	0	0	(133,002)	(389,249)
General Obligation Bond Retirement Fund Balance	(12,263)	(1,300)	0	(22,959)
Net Debt Within 5 ½ % Limitations	1,870,033	2,022,200	1,974,000	2,061,041
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$ 3,318,384	\$ 3,145,887	\$ 3,179,680	\$ 3,246,270
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	63.96%	60.87%	61.70%	61.17%

Source: City Financial Records

2010	2009	2008	2007	2006	2005
<u>\$ 96,578,988</u>	<u>\$ 99,006,377</u>	<u>\$ 100,873,565</u>	<u>\$ 104,781,315</u>	<u>\$ 105,446,670</u>	<u>\$ 101,339,084</u>
<u>\$ 10,140,794</u>	<u>\$ 10,395,670</u>	<u>\$ 10,591,724</u>	<u>\$ 11,002,038</u>	<u>\$ 11,071,900</u>	<u>\$ 10,640,604</u>
2,233,000	2,382,000	2,440,000	3,196,000	2,935,000	3,165,000
1,015,600	1,038,500	1,060,300	1,081,100	1,100,900	1,119,700
0	42,758	43,208	60,007	75,982	89,025
187,500	200,000	212,500	225,000	242,350	156,197
633,148	865,295	1,086,256	1,296,569	1,496,748	1,687,282
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
4,069,248	4,528,553	4,842,264	5,858,676	5,850,980	6,217,204
(1,015,600)	(1,038,500)	(1,060,300)	(1,081,100)	(1,100,900)	(1,119,700)
0	(42,758)	(43,208)	(60,007)	(75,982)	(89,025)
(187,500)	(200,000)	(212,500)	(225,000)	(242,350)	(156,197)
(633,148)	(865,295)	(1,086,256)	(1,296,569)	(1,496,748)	(1,687,282)
<u>(22,775)</u>	<u>(49,064)</u>	<u>(88,393)</u>	<u>(90,669)</u>	<u>(105,388)</u>	<u>(77,774)</u>
<u>2,210,225</u>	<u>2,332,936</u>	<u>2,351,607</u>	<u>3,105,331</u>	<u>2,829,612</u>	<u>3,087,226</u>
<u>\$ 7,930,569</u>	<u>\$ 8,062,734</u>	<u>\$ 8,240,117</u>	<u>\$ 7,896,707</u>	<u>\$ 8,242,288</u>	<u>\$ 7,553,378</u>
78.20%	77.56%	77.80%	71.77%	74.44%	70.99%
<u>\$ 5,311,844</u>	<u>\$ 5,445,351</u>	<u>\$ 5,548,046</u>	<u>\$ 5,762,972</u>	<u>\$ 5,799,567</u>	<u>\$ 5,573,650</u>
4,069,248	4,528,553	4,842,264	5,858,676	5,850,980	6,217,204
(1,015,600)	(1,038,500)	(1,060,300)	(1,081,100)	(1,100,900)	(1,119,700)
0	(42,758)	(43,208)	(60,007)	(75,982)	(89,025)
(187,500)	(200,000)	(212,500)	(225,000)	(242,350)	(156,197)
(633,148)	(865,295)	(1,086,256)	(1,296,569)	(1,496,748)	(1,687,282)
<u>(22,775)</u>	<u>(49,064)</u>	<u>(88,393)</u>	<u>(90,669)</u>	<u>(105,388)</u>	<u>(77,774)</u>
<u>2,210,225</u>	<u>2,332,936</u>	<u>2,351,607</u>	<u>3,105,331</u>	<u>2,829,612</u>	<u>3,087,226</u>
<u>\$ 3,101,619</u>	<u>\$ 3,112,415</u>	<u>\$ 3,196,439</u>	<u>\$ 2,657,641</u>	<u>\$ 2,969,955</u>	<u>\$ 2,486,424</u>
58.39%	57.16%	57.61%	46.12%	51.21%	44.61%

City of Rittman
Wayne County, Ohio

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<u>General Bonded Debt</u>										
Debt Service	\$ 146	\$ 107	\$ 100	\$ 94	\$ 94	\$ 84	\$ 207	\$ 206	\$ 202	\$ 203
General Governmental Expenditures	3,912	3,713	4,175	3,785	3,982	4,327	4,599	4,682	4,031	4,118
Ratio of Debt Service to General Governmental Expenditures	3.73	2.88	2.40	2.48	2.36	1.94	4.50	4.40	5.01	4.93
<u>Revenue Bond Coverage</u>										
Sewer										
Direct Revenue	1,268	1,252	1,335	1,292	1,279	1,294	1,221	1,200	1,257	1,021
Operating expense (1)	851	701	775	738	735	699	660	608	622	630
Net available	417	551	560	554	544	595	561	592	635	391
Principal	28	27	45	84	23	22	21	20	19	18
Interest	44	45	48	52	53	54	55	56	57	58
Total Debt Service	72	72	93	136	76	76	76	76	76	76
Coverage	5.79	7.65	6.02	4.07	7.16	7.83	7.38	7.79	8.36	5.14

Source: City Financial Records

(1) Excludes depreciation

**City of Rittman
Wayne County, Ohio**

*Principal Employers
2014 and 2005*

Employer	Industry	2014			2005		
		Number of W-2's processed	Rank	Percentage of Total City W-2's processed	Number of W-2's processed	Rank	Percentage of Total City W-2's processed
Rittman Board of Education	Education	259	1	5.99%	215	2	7.13%
Morton International, Inc.	Salt Mines	248	2	5.73	281	1	9.32
City of Rittman	Municipal Government	186	3	4.30	186	3	6.17
Embassy Autumnwood Management	Health Care	149	4	3.45	-	-	-
Laria Chevrolet Buick	Automobile Dealership	82	5	1.90	-	-	-
Unilock Ohio, Inc.	Excavation	64	6	1.48	63	7	2.09
Rittman IGA	Grocery Store	52	7	1.20	-	-	-
PEC Management - Burger King	Food Service	50	8	1.16	-	-	-
Bauman Orchard	Orchard	49	9	1.13	-	-	-
J O Plastics, Inc.	Plastics	46	10	1.06	-	-	-
Imperial Plastics, Inc	Plastics	-	-	-	83	6	2.75
Mull Iron	Metal Fabricating	-	-	-	-	-	-
Northern Health Facilities	Health Care	-	-	-	180	4	5.97
Caraustar Mill Group, Inc.	Paper recycling	-	-	-	163	5	5.40
Laria Chevrolet Buick	Automobile Dealership	-	-	-	54	8	1.79
Promotional Fixtures	Marketing	-	-	-	44	9	1.46
Swiss Woodcraft, Inc.	Cabinet manufacturer	-	-	-	40	10	1.33
Total		1,185		27.40%	1,309		43.40%
Total W-2's Processed		4,325			3,016		

Source: City of Rittman

City of Rittman
Wayne County, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (1) (000 omitted)	Personal Income Per Capita (1)	Median Family Income (1)	School Enrollment (2)	Unemployment Rate (3)			City Square Miles (4)
						Wayne County	Medina County	State of Ohio	
2014	6,491	\$ 125,413	\$ 19,321	\$ 43,837	1,145	3.8%	4.3%	4.7%	6.43
2013	6,491	125,413	19,321	43,837	1,111	5.8	6.1	6.6	6.43
2012	6,491	125,413	19,321	43,837	1,155	5.6	5.9	7.0	6.43
2011	6,491	125,413	19,321	43,837	1,140	7.7	6.7	8.6	6.43
2010	6,491	125,413	19,321	43,837	1,135	9.4	7.8	10.0	6.43
2009	6,314	101,333	16,049	41,643	1,155	9.9	8.3	10.1	6.24
2008	6,314	101,333	16,049	41,643	1,097	5.6	5.8	6.5	6.24
2007	6,314	101,333	16,049	41,643	1,063	5.0	5.8	5.6	6.24
2006	6,314	101,333	16,049	41,643	1,121	4.6	4.7	5.4	6.24
2005	6,314	101,333	16,049	41,643	1,153	4.9	4.7	5.9	6.24

Sources:

- (1) U.S. Census 2000
U.S. Census 2010
- (2) School District Records
- (3) Ohio Bureau of Employment Services; Department of Labor, Bureau of Labor Statistics
Unemployment rate is not available for the City of Rittman.
- (4) City Records

**City of Rittman
Wayne County, Ohio**

*City Government Employees by Function/Program
Last Ten Years*

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government										
City Council	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Mayor	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
City Manager	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Law	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	2.00	2.00	2.00	1.50	1.50	1.50	1.00	1.00	1.00	1.00
Tax	0.50	0.50	0.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration	0.50	0.50	0.50	1.00	1.00	1.00	2.50	2.50	2.50	2.50
Security of Persons and Property										
Police	12.00	12.00	12.00	12.00	12.00	11.50	11.00	11.00	11.00	11.00
Police - School Guards	1.00	1.00	1.00	1.50	1.50	1.50	5.00	5.00	5.00	6.50
Police - Dispatchers	4.50	4.50	4.50	4.50	4.50	5.50	5.00	5.00	5.00	6.00
Police - Animal Wardens	0.50	0.50	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00
Fire	11.50	11.50	11.50	12.00	14.50	14.50	14.50	14.50	14.50	16.50
Public Health Services										
Emergency Medical Services	14.50	14.50	14.50	15.00	15.00	15.00	15.50	15.50	15.50	15.50
Cemetery	1.50	1.50	1.50	1.50	1.50	1.50	1.00	1.00	1.00	1.00
Leisure Time Activities										
Recreation	13.00	13.00	13.00	10.50	12.50	12.50	12.00	12.00	12.00	12.00
Parks	1.50	1.50	1.50	1.50	1.50	1.50	1.00	1.00	1.00	1.00
Transportation										
Service	2.00	2.00	2.00	2.00	2.00	2.00	2.50	2.50	2.50	2.50
Street M&R	3.00	3.00	3.00	4.50	5.50	5.50	7.00	7.00	7.00	5.00
Basic Utility Services										
Solid Waste	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Water	5.50	5.50	5.50	4.50	4.75	4.75	5.00	5.00	5.00	4.00
Waste Water	6.00	6.00	6.00	5.50	5.75	5.75	4.00	4.00	4.00	4.00
Totals:	86.00	86.00	86.00	84.50	90.50	91.00	95.50	95.50	95.50	97.00

Source: City Payroll Department Attendance Cards at Year End

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

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

City of Rittman
Wayne County, Ohio
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2014	2013	2012	2011
General Government				
Council and Clerk				
Number of Ordinances Passed	35	26	37	31
Number of Resolutions Passed	27	23	25	23
Number of Planning Commission docket items	1	1	0	0
Zoning Board of Appeals docket items	5	1	3	5
Finance Department				
Number of checks/vouchers issued	1,934	1,923	1,724	1,847
Amount of checks written	\$ 6,241,435	\$ 6,056,147	\$ 7,205,354	\$ 5,889,329
Number of payroll checks issued	3,441	3,052	3,158	3,309
Interest earning for fiscal year (cash basis)	\$ 23,328	\$ 27,968	\$ 32,385	\$ 43,921
Number of receipts issued	2,283	2,435	2,374	2,447
General fund receipts (cash basis)	\$ 2,177,530	\$ 2,222,883	\$ 2,457,148	\$ 2,707,878
General fund expenditures (cash basis)	\$ 2,358,006	\$ 2,311,190	\$ 2,431,428	\$ 2,763,070
General fund cash balances	\$ 372,272	\$ 547,405	\$ 635,711	\$ 569,260
Income Tax Department				
Number of individual returns	3,607	3,468	3,451	3,532
Number of business returns	442	418	437	409
Number of business withholding accounts	531	484	493	495
Amount of penalties and interest collected	\$ 36,753	\$ 29,635	\$ 35,036	\$ 31,264
Civil Services				
Number of police entry tests administered	n/a	n/a	n/a	n/a
Number of dispatcher entry tests administered	n/a	n/a	n/a	n/a
Number of hires of Police Officers from certified lists	n/a	n/a	n/a	n/a
Number of hires of Dispatchers from certified lists	n/a	n/a	n/a	n/a
Building Department Indicators				
Number of zoning permits issued	50	49	65	60
Number of new housing permits issued	3	6	8	9
Estimated Value of Construction	\$ 1,332,618	\$ 1,663,818	\$ 2,477,301	\$ 1,727,841
Amount of Revenue generated from permits	\$ 2,082	\$ 5,646	\$ 2,743	\$ 3,040
Security of Persons and Property				
Police				
Total Calls for Services	8,786	9,759	8,902	10,189
Number of traffic citations issued	390	288	228	264
Number of parking citations issued	206	233	210	342
Number of criminal arrests	381	317	464	423
Number of accident reports completed	105	107	115	122
Injury accidents	10	10	12	9
Stolen vehicles	6	8	5	3
Incident reports	537	560	546	597
DUI arrests	10	14	26	20
Burglary	64	87	46	63
Thefts	335	142	285	255
Robberies	2	3	1	4
Homicides	n/a	n/a	n/a	n/a
Gasoline costs of fleet	\$ 32,171	\$ 29,535	\$ 31,450	\$ 29,876
Total calls handled through communication center	15,124	14,670	13,836	13,652
Fire/EMS				
EMS total runs	882	913	910	961
EMS transports	610	598	571	646
Ambulance billing collections (net)	\$ 175,521	\$ 201,529	\$ 181,390	\$ 190,899
Fire calls	165	137	165	160
Fires with loss	5	2	6	5
Fires with losses exceeding \$10K	0	2	2	3
Fire Losses	\$ 8,200	\$ 96,000	\$ 50,000	\$ 206,000
Fire safety inspections	11	31	21	15
Number of times mutual aid received for fire and EMS	22	22	28	31

2010	2009	2008	2007	2006	2005
29	31	37	28	30	36
11	21	19	10	14	18
1	0	2	1	5	6
1	4	4	7	9	9
1,961	2,165	2,424	2,497	2,483	2,436
\$ 5,973,160	\$ 6,252,415	\$ 6,698,892	\$ 66,500,835	\$ 5,927,649	\$ 6,947,390
3,305	3,386	3,415	3,351	3,346	3,410
\$ 40,458	\$ 81,002	\$ 127,981	\$ 202,302	\$ 157,201	\$ 133,639
2,328	2,039	1,990	1,980	1,972	1,997
\$ 2,766,788	\$ 2,905,901	\$ 2,908,884	\$ 2,832,218	\$ 2,828,136	\$ 2,678,059
\$ 2,719,082	\$ 2,894,932	\$ 2,909,987	\$ 2,798,914	\$ 2,706,074	\$ 2,432,279
\$ 624,452	\$ 552,889	\$ 554,138	\$ 549,732	\$ 520,281	\$ 382,840
3,452	3,441	3,523	3,485	4,460	3,971
360	357	426	465	473	380
446	384	243	308	2,880	2,797
\$ 31,997	\$ 25,596	\$ 22,498	\$ 24,710	\$ 44,694	\$ 21,829
n/a	n/a	n/a	13	n/a	n/a
n/a	n/a	n/a	n/a	n/a	12
n/a	n/a	n/a	2	n/a	n/a
n/a	n/a	n/a	n/a	n/a	1
64	46	46	68	140	145
4	4	6	10	14	20
\$ 698,107	\$ 15,491,375	\$ 910,574	\$ 7,667,346	\$ 2,712,612	\$ 12,030,811
\$ 1,834	\$ 13,324	\$ 2,190	\$ 4,418	\$ 5,246	\$ 11,850
12,954	7,996	9,932	7,829	7,773	n/a
663	213	414	443	419	n/a
387	280	294	267	493	n/a
463	520	543	475	454	n/a
107	121	122	132	130	n/a
8	8	8	15	15	n/a
1	6	9	14	15	n/a
595	482	599	721	611	n/a
15	14	25	47	26	n/a
66	55	52	49	32	n/a
345	180	221	107	93	n/a
5	6	6	4	1	n/a
n/a	n/a	n/a	n/a	n/a	n/a
\$ 21,721	\$ 16,852	\$ 30,536	\$ 26,487	\$ 22,000	\$ 18,460
14,584	11,173	13,582	18,998	16,845	n/a
852	878	817	872	787	735
530	618	557	636	579	450
\$ 173,138	\$ 186,981	\$ 168,748	\$ 171,068	\$ 111,701	\$ 114,413
159	196	194	192	n/a	n/a
3	4	8	4	n/a	n/a
1	1	n/a	1	n/a	n/a
\$ 45,000	\$ 84,500	\$ 13,000	\$ 18,000	n/a	n/a
31	58	28	20	n/a	n/a
36	22	35	46	n/a	n/a

(continued)

City of Rittman
Wayne County, Ohio
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2014	2013	2012	2011
<i>Public Health and Welfare</i>				
Cemetery Burials	37	37	42	45
Cemetery cremations	9	5	11	6
Cemetery sale of lots	34	37	29	56
Cemetery receipts	\$ 35,078	\$ 38,509	\$ 3,162	\$ 47,180
<i>Leisure Time Activities</i>				
Recreation				
Recreation Center membership receipts	\$ 121,412	\$ 135,960	\$ 157,405	\$ 165,794
Recreation Center Silver Sneaker receipts	\$ 30,863	\$ 28,533	\$ 24,280	\$ 0
Recreation Center rental receipts	\$ 14,241	\$ 17,409	\$ 16,747	\$ 18,398
Recreation Center program receipts	\$ 17,244	\$ 16,788	\$ 34,414	\$ 45,424
Recreation Center miscellaneous receipts	\$ 946	\$ 11,259	\$ 4,700	\$ 10,254
Total Recreation Department receipts	\$ 184,706	\$ 208,070	\$ 237,549	\$ 239,870
<i>Transportation</i>				
Crackseal Coating Program - Annual Cost	\$ 15,457	\$ 2,156	\$ 7,695	\$ 11,333
Paint Striping - Annual Cost	\$ 14,163	\$ 0	\$ 11,766	\$ 11,766
Leaf collection - disposal costs	\$ 1,000	\$ 1,000	\$ 0	\$ 1,000
Cost of salt purchased	\$ 24,864	\$ 28,089	\$ 17,321	\$ 18,312
<i>Water Department</i>				
Water rates per 1st 300 Cu ft of water used	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Annual total of utility accounts billed	30,047	30,182	30,017	30,017
Annual total Water Collections Billed	\$ 497,743	\$ 514,778	\$ 519,310	\$ 485,910
Avg. water billed monthly (Gallons)	13,233	14,733	15,252	13,546
Total water collections annually (Including P&I)	\$ 524,260	538,343	\$ 542,819	\$ 488,740
<i>Waste Water Department</i>				
Waste water rates per 1st 300 Cu ft of water used	\$ 27.00	\$ 27.00	\$ 23.00	\$ 23.00
Annual total sewer collections billed	\$ 1,196,500	\$ 1,193,740	\$ 1,273,560	\$ 1,256,262
Total sewer collections annually	\$ 1,264,988	\$ 1,268,189	\$ 1,314,473	\$ 1,310,780

Source: City of Rittman

2010	2009	2008	2007	2006	2005
39	44	32	30	34	45
14	13	8	13	4	9
29	38	34	15	26	41
\$ 30,479	\$ 37,183	\$ 35,314	\$ 21,811	\$ 25,847	\$ 38,065
\$ 161,523	\$ 150,607	\$ 171,172	\$ 128,679	\$ 156,885	\$ 159,191
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 16,167	\$ 16,776	\$ 15,160	\$ 8,376	\$ 15,598	\$ 18,024
\$ 49,758	\$ 52,578	\$ 60,110	\$ 47,353	\$ 50,426	\$ 46,357
\$ 37,381	\$ 17,428	\$ 27,153	\$ 25,643	\$ 20,476	\$ 20,409
\$ 264,829	\$ 237,389	\$ 273,595	\$ 210,050	\$ 243,384	\$ 243,981
\$ 29,347	\$ 0	11456	\$ 14,850	\$ 17,000	\$ 16,632
\$ 11,874	\$ 9,918	12545	n/a	\$ 10,000	\$ 9,288
\$ 1,000	\$ 1,000	4701	\$ 1,540	\$ 3,489	\$ 3,565
\$ 28,112	\$ 16,206	23206	\$ 26,889	\$ 22,732	\$ 39,020
\$ 7.40	\$ 7.40	\$ 7.40	\$ 7.40	\$ 7.40	\$ 7.40
29,964	30,048	33,780	29,715	29,791	29,695
\$ 364,715	\$ 355,291	\$ 349,999	\$ 358,757	\$ 375,263	\$ 363,723
12,454	12,712	12,181	12,905	15,186	13,006
\$ 404,617	\$ 396,095	\$ 361,428	\$ 359,042	\$ 364,517	\$ 371,453
\$ 31.00	\$ 31.00	\$ 25.78	\$ 24.33	\$ 22.96	\$ 21.66
\$ 1,208,474	\$ 1,165,163	\$ 1,048,802	\$ 1,028,074	\$ 1,229,844	\$ 969,035
\$ 1,263,609	\$ 2,053,066	\$ 1,149,011	\$ 1,154,935	\$ 1,110,995	\$ 983,697

City of Rittman
Wayne County, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government										
Number of Buildings	1	1	1	1	1	1	1	1	1	1
Administrative Vehicles	1	1	1	1	1	1	1	1	1	1
Safety - Police/Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles - Police	10	10	10	10	9	9	9	9	9	9
Vehicles - Fire	8	8	7	7	8	8	7	6	6	6
Emergency Medical Services										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	4	4	4	4	4	4	4	5	5	3
Recreation										
Number of Buildings	1	1	1	1	1	1	1	1	1	1
Number of Shelters/Pavilions	3	3	3	3	3	3	3	3	3	3
Number of Parks	12	12	12	12	12	12	11	11	11	11
Number of Pools	1	1	1	1	1	1	1	1	1	1
Number of Baseball Diamonds	8	8	8	8	8	8	8	8	8	8
Number of Skateboarding Areas	0	0	0	0	0	0	0	1	1	1
Number of Tot Lots	9	9	9	9	9	9	9	9	9	9
Vehicles	0	0	0	1	2	1	1	1	1	1
Transportation										
Number of Buildings	2	2	2	2	2	2	2	2	2	2
Salt Building	1	1	1	1	1	1	1	1	1	1
Streets (Center Lane Miles)	41	41	41	41	41	41	41	41	41	41
Storm Sewers (Miles)	19	19	19	19	19	19	19	19	19	19
Service Vehicles	11	11	11	11	11	12	12	15	15	14
Public Health and Welfare										
Number of Buildings	1	1	1	1	1	1	1	1	1	1
Service Vehicles	1	1	1	1	1	1	1	1	1	1
Water										
Treatment Plant	1	1	1	1	1	1	1	1	1	1
Pole Building	1	1	1	1	1	1	1	1	1	1
Water Lines (Miles)	44	44	44	44	44	44	44	44	44	44
Vehicles	5	5	4	3	6	6	6	7	7	7
Waste Water										
Treatment Plant	1	1	1	1	1	1	1	1	1	1
Sanitary Sewers (Miles)	39	39	39	39	39	39	39	39	39	39
Vehicles	5	5	5	5	7	7	7	7	6	6

Source: City of Rittman's capital asset records



Rea & associates *a brighter way*

City of Rittman

Wayne County, Ohio

*Reports Issued Pursuant to
Government Auditing Standards*

For the Year Ended
December 31, 2014

City of Rittman
Wayne County, Ohio
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December 31, 2014

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June 25, 2015

To Members of Council and Management
City of Rittman
Wayne County, Ohio
30 North Main Street
Rittman, OH 44270

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

We have audited, 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 City of Rittman, Wayne County, Ohio (the City) as of and for the year ended December 31, 2014, 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 25, 2015.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *Schedule of Findings*, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider finding 2014-001 described in the accompanying *Schedule of Findings* to be a material weakness.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying *Schedule of Findings* as item 2014-002.

City's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying *Schedule of Findings*. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rea & Associates, Inc.

Medina, Ohio

City of Rittman
Wayne County, Ohio
Schedule of Findings
December 31, 2014

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number: 2014-001

Material Weakness – Internal Control over Financial Reporting

Criteria: The AICPA establishes auditing standards generally accepted in the United States that certified public accountants and government auditors must follow in conducting audits of state and local governments. SAS No. 122 establishes standards, responsibilities and guidance for auditors during a financial statement audit engagement for identifying and evaluating a client’s internal control over financial reporting. This new standard requires the audit to report in writing to management and the governing body any control deficiencies found during the audit that are considered significant deficiencies and/or material weaknesses. To this end, SAS No. 122 lists specific control deficiencies that should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control.

Condition: There were adjustments made to the financial statements by the Independent Public Accounting firm hired to assist in the compilation of the financial statements prior to release for audit. In addition, there were material audit adjustments made to the financial statements presented for audit.

Cause: There were two factors that resulted in financial statement adjustment during the compilation as identified below.

- City bonds were refunded during the year in the amount of \$625,000 in the Debt Retirement fund and \$920,000 in the Water fund; however, the financial activity of the issuance was not recorded on a cash-basis in the accounting system.
- New bonds issued during the year in the amount of \$40,000 was posted to the accounting system at net, as opposed to gross.

There were two factors that resulted in audit adjustments to the financial statements presented for audit, each independent of the other, as identified below.

- An Ohio Department of Transportation grant paid on-behalf of the City, directly to vendors, was not recorded on a cash-basis in the accounting system, resulting in an understatement of revenues and expenditures in the Capital Improvement fund in the amount of \$82,265.
- Special Assessment receivable excluded a project assessed in 2014, resulting in an understatement of the receivable and revenue in the Capital Improvement fund in the amount of \$74,126.

Effect: Not posting transactions in the accounting system increases the risk relating to misstatement of the City’s financial statements.

City of Rittman
Wayne County, Ohio
Schedule of Findings (Continued)
December 31, 2014

Finding Number: 2014-001 (continued)

Recommendation: To ensure the City’s financial statements and notes to the financial statements are complete and accurate, the City should adopt procedures, including a final review of the statements and notes by the Finance Director, to identify and correct errors and omissions. In addition, the City should also implement procedures to ensure that all information related to on-behalf payments be provided to the Finance Director to help ensure that all cash-basis transactions are recorded in the accounting system.

Management’s Response: The City will adopt procedures to help identify and correct errors and omissions to help ensure the financial statements and notes to the financial statements are complete and accurate. In addition, the Finance Director will be made aware of all on-behalf payments so to ensure they are properly recorded in the accounting system.

Finding Number: 2014-002

Material Noncompliance – Budgeting Procedures

Criteria: Ohio Rev. Code section 5705.39 states that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there from, as certified by the budget commission. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official certificate or amended official certificate. When the appropriation does not exceed such official certificate, the county auditor shall give such certificate forthwith upon receiving from the appropriating authority a certified copy of the appropriation measure. Appropriations shall be made from each fund only for the purposes for which such fund is established.

Condition: As of December 31, 2014, final appropriations exceeded the certified estimated resources for the following funds:

Fund	Total Estimated Resources	Final Appropriations	Excess
Debt Retirement Fund	\$ 151,325	\$ 782,377	\$ (631,052)
Water Fund	1,470,002	2,264,353	(794,351)

Cause: A bond refunding in the Debt Retirement and Water funds was not certified as estimated resources in accordance with Ohio Rev. Code. Management has the responsibility to identify and budget all relevant transactions during the year in accordance with Ohio Rev. Code.

Effect: Appropriations exceeded certified estimated resources, materially, in the Debt Retirement and Water funds.

City of Rittman
Wayne County, Ohio
Schedule of Findings (Continued)
December 31, 2014

Finding Number: 2014-002 (continued)

Recommendation: We recommend the City monitor appropriations to estimated resources in all funds which are legally required to be budgeted, to ensure compliance with the above requirement. This comparison should be compared on a regular basis and any time either certificate of estimated resources or appropriations are modified.

Management's Response: The City will ensure with any future debt refunding issuances that the estimated resources and appropriations are updated/modified to account for the debt refunding proceeds and payments.

City of Rittman
Wayne County, Ohio
Schedule of Prior Audit Findings
December 31, 2014

Finding Number	Finding Summary	Fully Corrected?	Corrected, Significantly Different Corrective Action Taken or Finding No Longer Valid Explain
2013-001	Internal Controls over Financial Reporting	No	Reissued as Finding Number 2014-001



Dave Yost • Auditor of State

CITY OF RITTMAN

WAYNE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 15, 2015**