



OHIO AUDITOR OF STATE
KEITH FABER



CITY OF TALLMADGE
SUMMIT COUNTY
DECEMBER 31, 2022

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**CITY OF TALLMADGE
SUMMIT COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

FEDERAL GRANTOR

Federal Grantor Agency Division <i>State Pass Through Grantor</i> Program Title	Pass Through Entity Number	Assistance Listing Number	<u>Expenditures</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Federal Highway Administration			
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning & Construction			
SUM-CR630-2.4 East Avenue Widening	112869	20.205	<u>\$590,382</u>
Subtotal Highway Planning and Construction Cluster			<u>590,382</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY			
<i>Passed Through Ohio Department of Public Safety</i>			
Hazard Mitigation Grant		97.039	<u>160,928</u>
Subtotal Federal Emergency Management Agency			<u>160,928</u>
U.S. DEPARTMENT OF THE TREASURY			
<i>Passed through the State of Ohio</i>			
Coronavirus State and Local Fiscal Recovery Fund		21.027	<u>62,274</u>
Subtotal Department of the Treasury			<u>62,274</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed through the Summit County</i>			
Community Development Block Grant		14.218	<u>29,345</u>
Subtotal Department of Housing and Urban Development			<u>29,345</u>
TOTAL DISBURSEMENTS OF FEDERAL AWARDS			\$ <u><u>842,929</u></u>

The accompanying notes are an integral part of this schedule.

**CITY OF TALLMADGE
SUMMIT COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
2 CFR 200.510(B)(6)
FISCAL YEAR ENDED DECEMBER 31, 2022**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Federal Awards Expenditures (the Schedule) includes the federal award activity of the City of Tallmadge (the City) under programs of the federal government for the year ended December 31, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – MATCHING REQUIREMENTS

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

OHIO AUDITOR OF STATE KEITH FABER



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

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

To the City Council:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tallmadge, Summit County, (the City) as of and for the year ended December 31, 2022, 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 26, 2023, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board Statement 87 - *Leases*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the 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.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

June 26, 2023

OHIO AUDITOR OF STATE KEITH FABER



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

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

To the City Council:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited City of Tallmadge's, Summit County, (City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2022. The City's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the City of Tallmadge complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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



Keith Faber
Auditor of State
Columbus, Ohio

June 26, 2023

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**CITY OF TALLMADGE
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted.

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2022

Finding Number	Finding Summary	Status	Additional Information
2021-001	2 CFR 180.305 – City did not ensure Contractor was not Suspended or Debarred prior to awarding a Contract.	Fully Corrected	None

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CITY OF TALLMADGE, OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022

PREPARED BY THE OFFICE OF:

**MOLLIE GILBRIDE,
DIRECTOR OF FINANCE**

*46 NORTH AVENUE
TALLMADGE, OH 44278*

INTRODUCTORY SECTION

CITY OF TALLMADGE, OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022

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June 26, 2023

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

Ladies and Gentlemen:

The Annual Comprehensive Financial Report (Annual Report) of the City of Tallmadge, Ohio (the City) is hereby presented. This Annual Report represents the official report of the City of Tallmadge's operations and financial position for the year ended December 31, 2022 and has been developed to accurately detail the status of City finances to Tallmadge residents and elected officials, investment banks, underwriters and all other interested parties. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge, the data contained in this report is accurate in all material respects and is presented in a manner designed to set forth fairly the financial position and results of operations of the City. All disclosures necessary to provide the reader with a better understanding of the City's financial activities have been included.

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

Ohio law requires independent audits to be performed on all financial operations of the City either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. The Auditor of State's office performed the audit for the year ended December 31, 2022. The Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2022 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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

THE REPORTING ENTITY

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

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

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

THE CITY OF TALLMADGE

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

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

The City is located in Summit and Portage Counties, with over 97% of the property located in Summit County and the remainder in Portage County. The City is approximately 13.5 square miles in size, is located approximately 35 miles south of Cleveland, Ohio and is contiguous to Akron, Ohio. The City's 2022 population of 18,305 makes it the eighth largest City in Summit County.

CITY GOVERNMENT

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

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

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

ECONOMIC CONDITION AND OUTLOOK

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

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

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

In efforts to stabilize the largest source of general fund revenue, the citizens voted in 2004 to make the City 2% income tax permanent. In 2019, the citizens voted to increase the City's income tax rate in 2021 by .25 percent to provide additional funds for safety services. The income tax collections at the end of fiscal year 2022 experienced an increase of 5.99 percent from the prior fiscal year due to increased collections as businesses continued to rebound from the effects of COVID.

The City is meeting the demands of a changing population with several residential and commercial developments. An additional 41 new lots were added in 2017 in Phase 2 of the Baker's Acres development with sixty percent being completed or under construction. A 208-lot housing development, Tallmadge Reserve, began selling lots in Phases I-IV of the development in early 2021 and permitted 57 new dwellings before year end. The developer plans to move to Phase V of the six phase development in 2023. Additionally, Phase III of the Village at Town Centre development continued in 2019 with the construction of a two-story medical complex owned by Summa Health Systems. The second floor of the complex was built and occupied in 2019 with medical offices providing general medicine, orthopedics, sports medicine and cardiology. The first-floor buildout was completed in 2021 and is operated as an urgent care center and imaging services.

The City created a Joint Economic Development District (JEDD) effective January 1, 2004 that encompasses 70% of the Township of Brimfield. The JEDD has resulted in additional income tax collections for the City and will continue in the future. This income tax is distributed to both the City and the Township. The City receives 50 percent of the income tax for general operations. The Township receives 50 percent of the annual collections, with 10 percent set aside for the JEDD Maintenance and Capital Improvement Fund. There are significant areas for development in the JEDD in addition to the already established industrial park land adjacent to the Interstate 76/Route 18 interchange. The shared collection rate increased in 2022 by a quarter percent to 1.75 percent. The tax rate has scheduled increases in quarter percent increments until it reaches 2.25 percent by 2028. Income tax revenue generated in the JEDD for 2022 exceeded \$3.1 million.

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

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

The City is adapting to the ever-changing economic landscape that has been created by the COVID-19 pandemic. At this time, the City cannot predict the long-term economic impact of the pandemic. The City continues to closely monitor all revenue sources that were significantly impacted by the pandemic in 2022 and adjusts its operations accordingly.

LONG-TERM FINANCIAL PLANNING

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

In February of 2006 the City was assigned for the first time a bond rating of A1 from Moody's Investors Service of Chicago and New York. The City in May 2010, once again, went to Moody's for a review of the bond rating and was assigned a rating of Aa2 on the global rating scale. This is a very attractive rating for the City and should result in more investors being attracted to the City, thereby lowering the rates of interest on future debt issuances. The Aa2 rating reflects the City's moderately sized suburban tax base, solid financial operations supported by sound reserves, and low debt burden with manageable levels of expected future borrowings. Moody's reaffirmed this rating for the City in May 2015 and again in July 2021.

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

MAJOR INITIATIVES

Maintaining the City's infrastructure is an ongoing commitment. The City continues with the maintenance of sanitary sewers, water improvements, storm water improvements, road paving, concrete maintenance programs and general infrastructure improvements. In 2019, the City completed a review of its water and sewer rates to ensure that a system for evaluating future rate increases is in place which provides adequate funding for infrastructure maintenance. In 2023, the City will use the model that was developed during that study to evaluate the need for any utility rate increases.

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

In 2021, the City entered into the Summit Area Council of Governments for a county-wide dispatch center with Summit County and the cities of Stow, Cuyahoga Falls, and Fairlawn. The first step in this process was the joint purchase of an updated computer aided dispatch software with those communities and the City of Akron which was completed in 2018 and is in the final phases of implementation. The facility for the center, which is in Tallmadge, is currently under construction and the hope is to be operational by the end of 2023. The City of Akron will be co-locating their dispatch operations into the Tallmadge center.

The City began the construction of an \$8 million fire station in 2021 to replace its aging Fire Station #2. The City issued \$8 million worth of bonds at a rate of 1.69 percent to finance the project. The additional .25 percent income tax approved by voters in 2019 will be used to make future debt payments for this project. Once the new station is complete the current Fire Station #2 will be demolished. The new Fire Station #2 opened for service in March 2023.

In 2022, the City acquired the site of the Summit County Developmental Disabilities vacant building from Summit County. The City was awarded \$1 million of grant funds from the Ohio Department of Development through the Summit County Land Bank to demolish the old building. This will open up a significant amount of land on the north end of the City for redevelopment.

AWARDS

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tallmadge for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Tallmadge has received a Certificate of Achievement for the last thirty consecutive years (1992 - 2021). We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to the GFOA.

ACKNOWLEDGEMENTS

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

Respectfully Submitted,



Mollie Gilbride, Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Tallmadge
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

**CITY OF TALLMADGE, OHIO
LISTING OF PRINCIPAL CITY OFFICIALS
AS OF DECEMBER 31, 2022**

ELECTED OFFICIALS

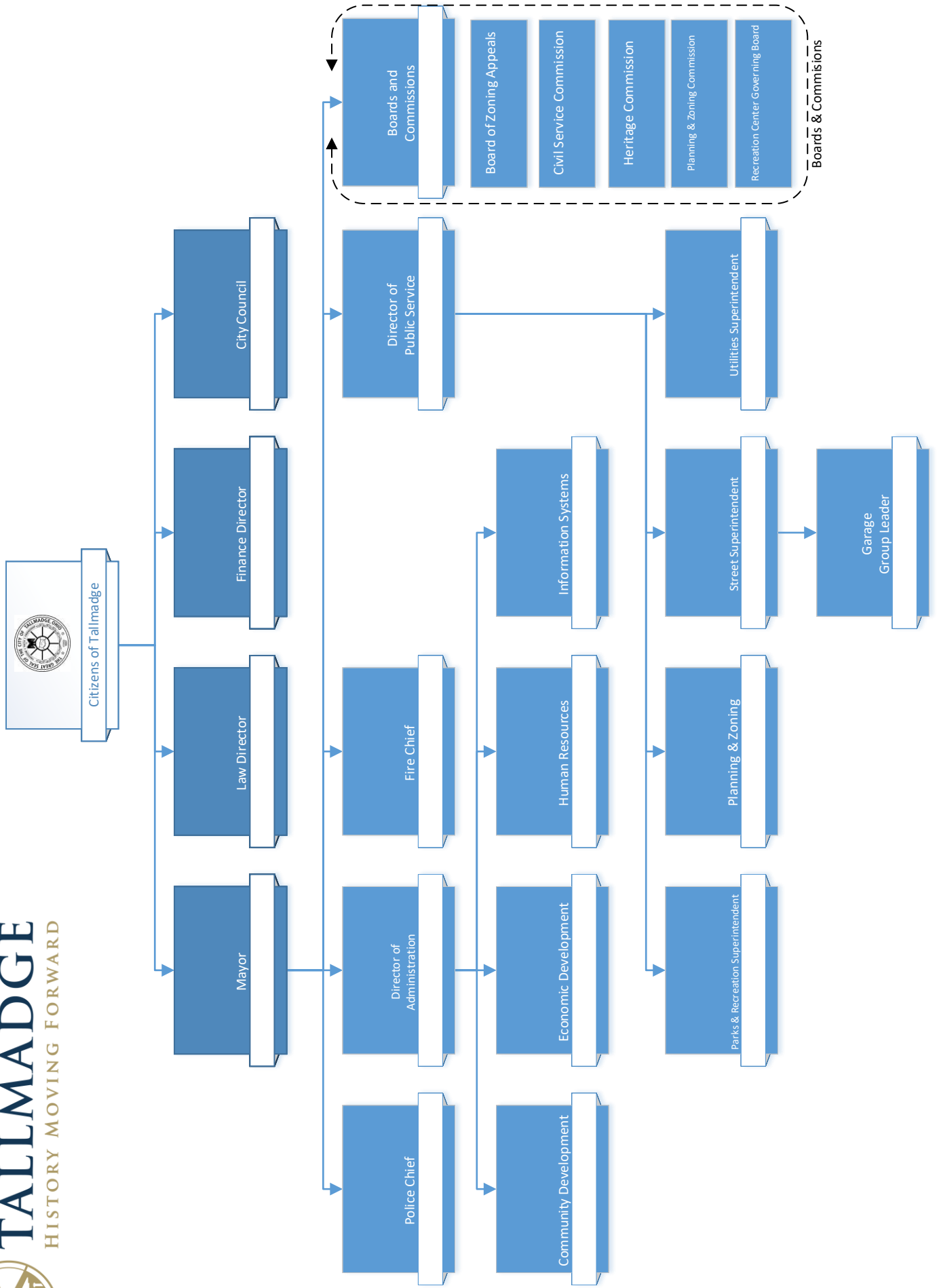
Mayor	David Kline
Director of Finance	Mollie Gilbride
Director of Law	Megan Raber
President of Council	Dennis Loughry
Council Member	Rebecca Allman
Council Member	Jonathon Bollas
Council Member	Adam Bozic
Council Member	Mary Gutman
Council Member	Carol Kilway
Council Member	Craig Sisak

APPOINTED OFFICIALS

Director of Public Service	Michael Rorar
Director of Administration	Donald Cooper
Community Development Manager	Andrea Kidder
Economic Development Manager	Vacant
Assistant Director of Law	Melody Briand
Assistant Director of Finance	Kimberly Guseman
Clerk of Council	Susan Burton
Deputy Clerk of Council	Regina Conti

DEPARTMENT OFFICIALS

Police Chief	Ronald Williams
Fire Chief	John Underwood
Road Superintendent	Wayne Corbett
Utilities Superintendent	Darrel Stineman
Civil Service Chairman	Jan Naso
Manager of Parks and Recreation	Jessica Simons



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FINANCIAL SECTION

OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tallmadge, Summit County, Ohio (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tallmadge, Summit County, Ohio as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Fire/EMS Levy, Street Maintenance and Repair, and American Rescue Plan Act funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2022, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

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

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2023, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

June 26, 2023

CITY OF TALLMADGE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022

The management's discussion and analysis of the City of Tallmadge's (the "City") financial statements provides an overall review of the City's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements.

Financial Highlights

Key financial highlights for 2022 are as follows:

- The total net position of the City increased \$6,572,964 or 14.71% from 2021's net position. Net position of governmental activities increased \$5,710,400 or 25.74% from 2021's net position and business-type activities increased \$862,564 or 3.83% from 2021.
- Total assets and deferred outflows of resources increased \$5,538,461 from 2021's net position.
- Total current liabilities and deferred inflows of resources increased \$2,639,745 from 2021's net position.
- Total long-term liabilities decreased \$3,674,248 during 2022.

Using this Annual Comprehensive Financial Report (ACFR)

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

CITY OF TALLMADGE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022

Governmental Funds

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, fire/EMS levy, street maintenance and repair, American Rescue Plan Act, and fire station construction funds which are all considered major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the combining statements elsewhere in this report.

Proprietary Funds

The City maintains three proprietary funds that are classified as enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer, water, and storm water operations.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. A private purpose trust fund and custodial fund are the City's fiduciary fund types.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

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

CITY OF TALLMADGE, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022*

Government-Wide Financial Analysis

The statement of net position serves as a useful indicator of a government's financial position. The table below provides a summary of the City's net position for 2022 and 2021. Amounts in the governmental activities 2021 column in the table below have been restated to include the lease receivable from the implementation of GASB Statement No. 87 (see Note 3.A for details).

	Net Position					
			(Restated)			
	Governmental	Business-type	Governmental	Business-type	Total	(Restated)
	Activities	Activities	Activities	Activities	Total	Total
	2022	2022	2021	2021	2022	2021
Assets						
Current and other assets	\$ 28,236,577	\$ 9,788,076	\$ 31,931,410	\$ 9,597,690	\$38,024,653	\$ 41,529,100
Net OPEB asset	823,800	153,933	437,450	79,314	977,733	516,764
Net pension asset	67,862	12,680	44,063	7,989	80,542	52,052
Capital assets, net	<u>36,174,740</u>	<u>16,730,523</u>	<u>29,600,107</u>	<u>16,522,463</u>	<u>52,905,263</u>	<u>46,122,570</u>
Total assets	<u>65,302,979</u>	<u>26,685,212</u>	<u>62,013,030</u>	<u>26,207,456</u>	<u>91,988,191</u>	<u>88,220,486</u>
Deferred outflows of resources						
Unamortized deferred charges	84,039	-	94,127	-	84,039	94,127
Pension	4,334,102	250,851	2,307,717	131,057	4,584,953	2,438,774
OPEB	<u>957,686</u>	<u>7,241</u>	<u>1,275,102</u>	<u>55,160</u>	<u>964,927</u>	<u>1,330,262</u>
Total deferred outflows of resources	<u>5,375,827</u>	<u>258,092</u>	<u>3,676,946</u>	<u>186,217</u>	<u>5,633,919</u>	<u>3,863,163</u>
Liabilities						
Current and other liabilities	2,789,949	1,065,743	2,944,797	873,857	3,855,692	3,818,654
Long-term liabilities:						
Due within one year	1,459,111	355,724	1,384,912	338,318	1,814,835	1,723,230
Due in more than one year:						
Net pension liability	11,527,132	444,891	13,959,409	685,622	11,972,023	14,645,031
Net OPEB liability	1,604,669	-	1,581,864	-	1,604,669	1,581,864
Other long-term liabilities	<u>14,795,890</u>	<u>954,251</u>	<u>15,574,458</u>	<u>1,291,333</u>	<u>15,750,141</u>	<u>16,865,791</u>
Total liabilities	<u>32,176,751</u>	<u>2,820,609</u>	<u>35,445,440</u>	<u>3,189,130</u>	<u>34,997,360</u>	<u>38,634,570</u>
Deferred inflows of resources						
Property taxes	2,452,002	-	2,437,505	-	2,452,002	2,437,505
Pension	6,053,380	578,855	2,869,095	404,814	6,632,235	3,273,909
OPEB	1,471,985	181,353	2,083,958	299,806	1,653,338	2,383,764
Leases	<u>628,501</u>	<u>-</u>	<u>668,191</u>	<u>-</u>	<u>628,501</u>	<u>668,191</u>
Total deferred inflows of resources	<u>10,605,868</u>	<u>760,208</u>	<u>8,058,749</u>	<u>704,620</u>	<u>11,366,076</u>	<u>8,763,369</u>

- (Continued)

CITY OF TALLMADGE, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022*

Net Position - (Continued)

			(Restated)			
	Governmental Activities 2022	Business-type Activities 2022	Governmental Activities 2021	Business-type Activities 2021	Total 2022	(Restated) Total 2021
Net Position						
Net investment in capital						
assets						
Restricted	\$ 21,157,942	\$ 15,516,210	\$ 18,127,401	\$ 15,006,026	\$ 36,674,152	\$ 33,133,427
Unrestricted	3,729,695	-	2,649,980	-	3,729,695	2,649,980
	<u>3,008,550</u>	<u>7,846,277</u>	<u>1,408,406</u>	<u>7,493,897</u>	<u>10,854,827</u>	<u>8,902,303</u>
Total net position	<u>\$ 27,896,187</u>	<u>\$ 23,362,487</u>	<u>\$ 22,185,787</u>	<u>\$ 22,499,923</u>	<u>\$ 51,258,674</u>	<u>\$ 44,685,710</u>

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

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

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

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

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

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

CITY OF TALLMADGE, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022*

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

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

Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources in 2022 by \$51,258,674, compared to \$44,685,710 in 2021, an increase of 14.71%. During 2022, the City's total assets and deferred outflows of resources increased by \$5,538,461, and total liabilities and deferred inflows of resources decreased by \$1,034,503.

The table on the following page shows the changes in net position for 2022 and 2021.

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CITY OF TALLMADGE, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022*

Change in Net Position

	Governmental Activities 2022	Business-type Activities 2022	Governmental Activities 2021	Business-type Activities 2021	Total 2022	Total 2021
Revenues						
Program revenues:						
Charges for services and sales	\$ 3,007,175	\$ 7,475,501	\$ 2,397,224	\$ 6,960,802	\$ 10,482,676	\$ 9,358,026
Operating grants and contributions	1,793,297	-	2,104,155	-	1,793,297	2,104,155
Capital grants and contributions	<u>1,376,459</u>	<u>639,608</u>	<u>905,398</u>	<u>1,051,002</u>	<u>2,016,067</u>	<u>1,956,400</u>
Total program revenues	<u>6,176,931</u>	<u>8,115,109</u>	<u>5,406,777</u>	<u>8,011,804</u>	<u>14,292,040</u>	<u>13,418,581</u>
General revenues:						
Property and other local taxes	2,443,867	-	2,401,946	-	2,443,867	2,401,946
Municipal income taxes	14,708,305	-	14,848,907	-	14,708,305	14,848,907
Grants and entitlements	3,093,587	-	2,697,890	-	3,093,587	2,697,890
Interest	280,091	18	71,281	12	280,109	71,293
Change in fair value of investments	(165,925)	-	(62,344)	-	(165,925)	(62,344)
Miscellaneous	<u>352,845</u>	<u>60,924</u>	<u>301,725</u>	<u>77,518</u>	<u>413,769</u>	<u>379,243</u>
Total general revenues	<u>20,712,770</u>	<u>60,942</u>	<u>20,259,405</u>	<u>77,530</u>	<u>20,773,712</u>	<u>20,336,935</u>
Total revenues	<u>26,889,701</u>	<u>8,176,051</u>	<u>25,666,182</u>	<u>8,089,334</u>	<u>35,065,752</u>	<u>33,755,516</u>
Program Expenses:						
General government	4,497,025	-	3,664,086	-	4,497,025	3,664,086
Security of persons and property						
Police	5,208,973	-	4,714,491	-	5,208,973	4,714,491
Street lighting	43,219	-	28,439	-	43,219	28,439
Fire	4,436,557	-	4,123,991	-	4,436,557	4,123,991
Public health and welfare	109,075	-	136,525	-	109,075	136,525
Transportation	3,972,641	-	2,693,858	-	3,972,641	2,693,858
Community environment	159,162	-	237,615	-	159,162	237,615
Leisure time activity	2,388,172	-	1,860,081	-	2,388,172	1,860,081
Utility services	-	-	89,909	-	-	89,909
Interest and fiscal charges	364,477	-	322,680	-	364,477	322,680
Sewer operating	-	4,605,411	-	4,303,032	4,605,411	4,303,032
Water operating	-	2,225,352	-	2,093,789	2,225,352	2,093,789
Storm water operating	<u>-</u>	<u>482,724</u>	<u>-</u>	<u>460,603</u>	<u>482,724</u>	<u>460,603</u>
Total expenses	<u>21,179,301</u>	<u>7,313,487</u>	<u>17,871,675</u>	<u>6,857,424</u>	<u>28,492,788</u>	<u>24,729,099</u>
Increase (decrease) in net position	5,710,400	862,564	7,794,507	1,231,910	6,572,964	9,026,417
Net position beginning of year	<u>22,185,787</u>	<u>22,499,923</u>	<u>14,391,280</u>	<u>21,268,013</u>	<u>44,685,710</u>	<u>35,659,293</u>
Net position end of year	<u>\$ 27,896,187</u>	<u>\$ 23,362,487</u>	<u>\$ 22,185,787</u>	<u>\$ 22,499,923</u>	<u>\$ 51,258,674</u>	<u>\$ 44,685,710</u>

Governmental Activities

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

CITY OF TALLMADGE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022

Program revenues increased in total by 14.24% from 2021. Operating grants and contributions decreased 14.77% from 2021 due to a decrease in operating grants and contributions received for general government, public safety, public health and welfare, transportation, and leisure time activity programs. Capital grants and contributions increased 52.03% in 2022 due to the donation of three land parcels from Summit County. General revenues increased from 2021 by 2.24%, which is primarily the result of increased property and other local taxes, unrestricted grants and entitlements (collections from the Brimfield Township-City of Tallmadge JEDD), and investment earnings.

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

The operations of the City's police department account for the largest security of persons and property expenses of governmental activities, representing 24.59% and 26.38% of the total governmental activities expenses during 2022 and 2021, respectively. During 2022, the City's police department consisted of one Chief, one captain, four sergeants, eighteen patrol officers and four full-time office staff. The police department also employs on a part-time basis seven records clerks and sixteen auxiliary police. The police department provides a full range of services including patrol, detective services, bike patrol, juvenile diversionary program, school resource officer services, neighborhood crime watch, and residential and commercial security surveys. Security of persons and property expenses related to the police department increased during 2022 by 10.49%, which is primarily the result of increased personnel costs.

The City has operated a fire department since 1945. During 2022, the fire department employed 1 full-time Chief, 1 full-time Deputy Chief, 3 full-time Battalion Chiefs, 1 full-time fire marshal, 5 lieutenants, 9 full-time paramedics/firefighters, 26 part-time paramedics/firefighters, 1 full-time clerk and 1 part-time clerk. The Fire/EMS department is accounted for in a separate fund which receives tax proceeds from a 3.7 mill property tax levy. The fire expenses account for 20.95% and 23.08% of the total governmental activities expenses during 2022 and 2021, respectively.

The Street Maintenance and Repair department employs 18 full-time and 2 part-time employees who provide the City and the citizens with road maintenance, road salting, ditching, leaf pickup program, cemetery maintenance, park maintenance and many other services. The transportation expenses accounted for 18.76% and 15.07% of the total governmental activities expenses during 2022 and 2021, respectively.

Business-Type Activities

Proprietary funds account for the business-type activities of the City of Tallmadge which consist of sewer, water and storm water operating activities. The City currently has 7,725 water customers, 8,576 sewer customers, and 6,367 storm water customers. The City owns and maintains all water lines within the City. The water rates were last increased in July 2012 by 8 percent. The majority of sewer lines within the City are owned and maintained by the City. The remaining sewer lines are owned and maintained by Summit County. In 2011 the City took over the billing for sewer customers being serviced by Summit County. The storm water fee has not changed since 2008 when it dropped from \$3 to \$2 per equivalent residential unit (ERU).

The revenues and expenses for the water, sewer and storm water activities are reported under the business-type activities. The revenues are primarily from charges for services. In 2022, charges for services in the amount of \$7,475,501 accounted for 91.43% of the total business-type revenues compared to 86.05% in 2021. The total expenses for the utilities were \$7,313,487, 6.65% more than 2021.

CITY OF TALLMADGE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022

The City's Funds

Governmental funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues of \$31,576,292 including other financing sources and expenditures of \$35,219,065 including other financing uses.

The City's chief operating fund is the general fund. During 2022, the City's general fund had total revenues and other financing sources of \$19,448,428 and expenditures and other financing uses of \$17,564,205, resulting in an increase in fund balance of \$1,884,223. The increase in fund balance is primarily attributable to a higher than anticipated increase in income tax collections. Expenditures and other financing uses in 2022 were 13.46% greater than 2021.

A major special revenue fund, the fire/EMS levy fund had total combined revenues and other financing sources of \$3,908,458 and expenditures of \$4,278,259. Expenses exceeded revenues with transfers of \$1,640,000 from income tax collections. Fund balance decreased by \$369,801 during 2022 as a result of an increase in salaries, wages and fringe benefits for fire/EMS personnel.

A major special revenue fund, the street maintenance and repair fund had an increase in fund balance of \$291,575. Total combined revenues and other financing sources were \$4,653,590 and expenditures were \$4,362,015. Revenues and other financing sources with transfers of \$2,590,775 from income tax collections exceeded expenditures. The increase in fund balance was the result of an increase in transfers from the general fund to support personnel, operating and capital street maintenance and repair programs.

A major special revenue fund, the American Rescue Plan Act (ARPA) fund had no change in fund balance during the year. The City received a total of \$1.8 million in ARPA federal funding in 2022 and 2021 to provide additional relief to address the continued impact of the COVID-19 pandemic. The City used \$62,274 in 2022 for the drone program and Lions park tennis and pickleball court. The unspent portion as of December 31, 2021, \$1,780,186, has been reported as unearned revenue.

A major capital projects fund, the fire station construction fund had a decrease in fund balance of \$4,690,795. Total combined revenues and other financing sources were \$209,865 and expenditures were \$4,900,660. The decrease in fund balance was primarily the result of capital expenditures on the construction project during 2022.

Proprietary funds are accounted for on an accrual basis. All proprietary funds had operating revenues of \$7,536,425, which was more than operating expenses of \$7,266,981. The total depreciation/amortization expense for these business-type funds was \$809,568. The cash and cash equivalents at year end for the proprietary funds total \$7,433,041. Net position of the sewer operating fund increased \$421,827 or 5.58% from 2021. During 2022, net position of the water operating fund increased 2.11% or \$8,853,493 to \$9,040,273. In the storm water fund, net position increased \$6,084,073 to \$6,338,030 at December 31, 2022. The overall increase in net position for all proprietary funds in 2022 was \$862,564, which is primarily the result of utility collections exceeding operating expenses.

Budgeting Highlights

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

City Council adjusted the level of appropriations in various funds several times in 2022. In total the adjustments in appropriations accounted for an increase of 2.11% over the total general fund budget. The total actual expenditures and other financing uses at year end were \$18,056,780, which was \$1,136,433 less than the total final budget. In addition, at year end the prior year encumbrances that are determined to be unnecessary are decertified to the County on the final amended certificate and that amount is returned to the fund balance and becomes available resources.

CITY OF TALLMADGE, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022*

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

The total budgetary variance for general fund expenditures and other financing uses was \$1,136,433 or 7.89%. Total variance in general fund revenues and other financing sources was a positive variance of \$2,961,291 or 17.64%.

Capital Assets and Debt Administration

Capital Assets

At the end of 2022, the City had \$52,905,263 (net of accumulated depreciation/amortization) invested in land, buildings and improvements, equipment, infrastructure, right of ways, easements, intangible right to use - leased equipment, and construction in progress. Of this total, \$36,174,740 was reported in governmental activities and \$16,730,523 was reported in business-type activities.

Intangible right to use- leased equipment has been broken out of equipment in the 2021 to reflect the changes in reporting for the implementation of GASB Statement No. 87 (see Notes 3.A and 8 to the financial statements for detail). The following table shows 2022 balances compared to 2021:

Capital Assets at December 31 (Net of Depreciation/Amortization)

	Governmental Activities		Business-Type Activities		Total	
	(Restated)		(Restated)		(Restated)	
	2022	2021	2022	2021	2022	2021
Land	\$ 4,352,852	\$ 3,577,816	\$ 586,266	\$ 375,519	\$ 4,939,118	\$ 3,953,335
Right of ways/easements	80,218	80,218	285,260	285,260	365,478	365,478
Construction in progress	8,630,398	4,019,507	60,131	-	8,690,529	4,019,507
Buildings and improvements	8,363,621	8,183,981	542,748	579,611	8,906,369	8,763,592
Equipment	3,741,273	3,447,774	905,751	914,575	4,647,024	4,362,349
Infrastructure						
Street subsystem	10,694,829	9,928,925	-	-	10,694,829	9,928,925
Water lines	-	-	5,629,646	5,625,013	5,629,646	5,625,013
Sewer lines	-	-	3,037,896	3,075,769	3,037,896	3,075,769
Storm water subsystem	-	-	5,599,502	5,557,600	5,599,502	5,557,600
Intangible right to use:						
Leased equipment	<u>311,549</u>	<u>361,886</u>	<u>83,323</u>	<u>109,116</u>	<u>394,872</u>	<u>471,002</u>
Totals	<u>\$ 36,174,740</u>	<u>\$ 29,600,107</u>	<u>\$ 16,730,523</u>	<u>\$ 16,522,463</u>	<u>\$ 52,905,263</u>	<u>\$ 46,122,570</u>

The overall increase of \$6,782,693 is a result of current year additions and capital contributions exceeding depreciation/amortization expense and disposals. See Note 8 in the notes to the financial statements for more information regarding the City's capital assets.

CITY OF TALLMADGE, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022*

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2022 and 2021:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2022</u>	<u>(Restated) 2021</u>	<u>2022</u>	<u>(Restated) 2021</u>
General obligation bonds	\$ 10,480,000	\$ 10,970,000	\$ -	\$ -
Private placement general obligation bonds	2,950,000	3,305,000	-	-
OWDA loans	-	-	807,779	935,881
Direct financing notes payable	866,493	622,917	455,587	643,862
Leases payable	<u>245,953</u>	<u>250,388</u>	<u>27,157</u>	<u>37,828</u>
Total long-term obligations	<u>\$ 14,542,446</u>	<u>\$ 15,148,305</u>	<u>\$ 1,290,523</u>	<u>\$ 1,617,571</u>

The long-term outstanding debt for the City of Tallmadge as of December 31, 2022, was \$15,832,969. This balance reflects \$10,480,000 in general obligation bonds, \$2,950,000 in private placement general obligation bonds, \$807,779 in OWDA loans, \$1,322,080 in direct financing notes and \$273,110 in leases payable. This is a decrease in long-term debt of 5.56% from 2021. For more detailed information on long-term obligations refer to Note 9 of this report.

The Ohio Revised Code provides that the general obligation bonds less self-supporting debt (e.g., assessment debt) of the municipal corporation, whether voted or unvoted, shall not exceed 10.50% of the assessed valuation of the total property. In addition, the unvoted net debt cannot exceed 5.50% of total assessed value of property. The City's legal total debt limit at the 10.50% margin is \$37,643,096 and the total unvoted net debt limit at the 5.50% margin is \$27,135,159.

Economic Factors and Next Year's Budget and Rates

- The City prepared the annual budget using zero based budgeting for 2023. Most departments experienced slight growth in their departmental budgets.
- The City budgeted for a slight increase in its income tax receipts in the general fund in 2023. The city believed that it had seen the major effects of the COVID-19 pandemic on its taxes and that additional decreases for that were no longer warranted,
- The City included an average pay increase of 3% for employees in 2023. Employees will continue to participate in paying 15% of the health insurance premium.
- In November 2019, the voters approved a 0.25% increase to the City's income tax to be used for safety services. The 2023 budget includes a special revenue fund to account for these funds and the City is anticipating realizing the full effect of the increase. These funds were primarily budgeted for capital improvements for the police and fire departments.
- The City anticipates finishing the construction of the new fire station in 2023 and closing out the fire station construction fund by the end of the year.
- The City budgeted to expend a significant amount of its ARPA funds in 2023. The City anticipates appropriating additional funds in 2023 as the costs of the projects that were originally budgeted come in.

CITY OF TALLMADGE, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022*

Contacting the City's Financial Management

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

CITY OF TALLMADGE, OHIO

*STATEMENT OF NET POSITION
DECEMBER 31, 2022*

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents . . .	\$ 18,782,910	\$ 7,433,041	\$ 26,215,951
Receivables:			
Income taxes	3,643,815	-	3,643,815
Real and other taxes	2,534,200	-	2,534,200
Accounts	220,823	2,058,173	2,278,996
Accrued interest	52,315	-	52,315
Intergovernmental	1,594,339	-	1,594,339
Leases	638,417	-	638,417
Materials and supplies inventory	244,494	135,604	380,098
Prepayments	294,506	34,207	328,713
Net pension asset	67,862	12,680	80,542
Net OPEB asset	823,800	153,933	977,733
Restricted assets:			
Cash with fiscal and escrow agents	230,758	127,051	357,809
Capital assets:			
Nondepreciable capital assets	13,063,468	931,657	13,995,125
Depreciable capital assets, net	23,111,272	15,798,866	38,910,138
Total capital assets, net	<u>36,174,740</u>	<u>16,730,523</u>	<u>52,905,263</u>
Total assets	<u>65,302,979</u>	<u>26,685,212</u>	<u>91,988,191</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	84,039	-	84,039
Pension	4,334,102	250,851	4,584,953
OPEB	957,686	7,241	964,927
Total deferred outflows of resources	<u>5,375,827</u>	<u>258,092</u>	<u>5,633,919</u>
Liabilities:			
Accounts payable	277,300	138,939	416,239
Contracts payable	202,483	-	202,483
Accrued wages and benefits payable	198,536	17,058	215,594
Intergovernmental payable	304,593	893,090	1,197,683
Accrued interest payable	26,851	16,656	43,507
Unearned revenue	1,780,186	-	1,780,186
Long-term liabilities:			
Due within one year	1,459,111	355,724	1,814,835
Due in more than one year:			
Net pension liability	11,527,132	444,891	11,972,023
Net OPEB liability	1,604,669	-	1,604,669
Other long-term liabilities	14,795,890	954,251	15,750,141
Total liabilities	<u>32,176,751</u>	<u>2,820,609</u>	<u>34,997,360</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year . .	2,452,002	-	2,452,002
Leases	628,501	-	628,501
Pension	6,053,380	578,855	6,632,235
OPEB	1,471,985	181,353	1,653,338
Total deferred inflows of resources	<u>10,605,868</u>	<u>760,208</u>	<u>11,366,076</u>

- (Continued)

CITY OF TALLMADGE, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2022

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net Position:			
Net investment in capital assets	\$ 21,157,942	\$ 15,516,210	\$ 36,674,152
Restricted for:			
Capital projects	1,127,823	-	1,127,823
General government	700	-	700
Law enforcement	48,788	-	48,788
Fire/EMS levy.	8,188	-	8,188
Street maintenance	1,442,946	-	1,442,946
Safety services income tax levy	881,421	-	881,421
State highway	117,913	-	117,913
Community environment	17,298	-	17,298
Fire repair and removal.	79,599	-	79,599
Public health	5,019	-	5,019
Unrestricted	<u>3,008,550</u>	<u>7,846,277</u>	<u>10,854,827</u>
Total net position	<u>\$ 27,896,187</u>	<u>\$ 23,362,487</u>	<u>\$ 51,258,674</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government.	\$ 4,497,025	\$ 405,723	\$ 28,188	\$ 328,860
Security of persons and property:				
Police.	5,208,973	5,155	19,107	-
Street lights.	43,219	-	-	-
Fire	4,436,557	574,172	110,821	9,865
Public health and welfare	109,075	17,178	76,111	-
Transportation.	3,972,641	170,556	1,183,035	517,754
Community environment	159,162	58,987	29,345	519,980
Leisure time activity.	2,388,172	1,775,404	346,690	-
Interest and fiscal charges.	364,477	-	-	-
Total governmental activities	<u>21,179,301</u>	<u>3,007,175</u>	<u>1,793,297</u>	<u>1,376,459</u>
Business-type activities:				
Sewer operating	4,605,411	5,005,702	-	-
Water operating	2,225,352	2,123,041	-	251,600
Storm water	482,724	346,758	-	388,008
Total business-type activities	<u>7,313,487</u>	<u>7,475,501</u>	<u>-</u>	<u>639,608</u>
Total primary government	<u>\$ 28,492,788</u>	<u>\$ 10,482,676</u>	<u>\$ 1,793,297</u>	<u>\$ 2,016,067</u>

General revenues:

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

Total general revenues

Change in net position

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (3,734,254)	\$ -	\$ (3,734,254)
(5,184,711)	-	(5,184,711)
(43,219)	-	(43,219)
(3,741,699)	-	(3,741,699)
(15,786)	-	(15,786)
(2,101,296)	-	(2,101,296)
449,150	-	449,150
(266,078)	-	(266,078)
(364,477)	-	(364,477)
<u>(15,002,370)</u>	<u>-</u>	<u>(15,002,370)</u>
-	400,291	400,291
-	149,289	149,289
-	252,042	252,042
-	801,622	801,622
<u>(15,002,370)</u>	<u>801,622</u>	<u>(14,200,748)</u>
930,899	-	930,899
1,380,379	-	1,380,379
132,589	-	132,589
13,075,434	-	13,075,434
1,432,871	-	1,432,871
200,000	-	200,000
3,093,587	-	3,093,587
280,091	18	280,109
(165,925)	-	(165,925)
352,845	60,924	413,769
<u>20,712,770</u>	<u>60,942</u>	<u>20,773,712</u>
5,710,400	862,564	6,572,964
<u>22,185,787</u>	<u>22,499,923</u>	<u>44,685,710</u>
<u>\$ 27,896,187</u>	<u>\$ 23,362,487</u>	<u>\$ 51,258,674</u>

CITY OF TALLMADGE, OHIO

*BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022*

	<u>General</u>	<u>Fire/EMS Levy</u>	<u>Street Maintenance and Repair</u>	<u>American Rescue Plan Act</u>
Assets:				
Equity in pooled cash and cash equivalents . . .	\$ 11,711,580	\$ 434,394	\$ 1,519,201	\$ 1,780,186
Receivables:				
Income taxes.	3,279,433	-	-	-
Real and other taxes	983,867	1,409,778	-	-
Accounts.	106,750	114,073	-	-
Interfund loans.	567,945	-	-	-
Accrued interest	52,315	-	-	-
Intergovernmental	853,725	90,090	584,694	-
Leases	638,417	-	-	-
Materials and supplies inventory.	123,538	-	120,956	-
Prepayments	187,613	64,607	39,827	-
Restricted assets:				
Cash with fiscal and escrow agents	-	-	230,758	-
Total assets	<u>\$ 18,505,183</u>	<u>\$ 2,112,942</u>	<u>\$ 2,495,436</u>	<u>\$ 1,780,186</u>
Liabilities:				
Accounts payable.	\$ 166,930	\$ 25,388	\$ 75,825	\$ -
Contracts payable.	-	-	-	-
Accrued wages and benefits payable	99,802	81,327	16,395	-
Interfund loans payable.	-	-	-	-
Intergovernmental payable	206,244	52,451	10,946	-
Unearned revenue	-	-	-	1,780,186
Total liabilities	<u>472,976</u>	<u>159,166</u>	<u>103,166</u>	<u>1,780,186</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year. . .	951,883	1,364,133	-	-
Delinquent property tax revenue not available. . .	31,984	45,645	-	-
Accrued interest not available	45,904	-	-	-
Income tax revenue not available	1,563,839	-	-	-
Intergovernmental nonexchange transactions . .	314,075	90,090	396,056	-
Leases.	628,501	-	-	-
Total deferred inflows of resources	<u>3,536,186</u>	<u>1,499,868</u>	<u>396,056</u>	<u>-</u>
Fund balances:				
Nonspendable	814,829	64,607	160,783	-
Restricted.	-	389,301	1,835,431	-
Committed	286,434	-	-	-
Assigned	3,065,631	-	-	-
Unassigned (deficit)	10,329,127	-	-	-
Total fund balances.	<u>14,496,021</u>	<u>453,908</u>	<u>1,996,214</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,505,183</u>	<u>\$ 2,112,942</u>	<u>\$ 2,495,436</u>	<u>\$ 1,780,186</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Fire Station Construction	Other Governmental Funds	Total Governmental Funds
\$ 1,900,322	\$ 1,437,227	\$ 18,782,910
-	364,382	3,643,815
-	140,555	2,534,200
-	-	220,823
-	-	567,945
-	-	52,315
-	65,830	1,594,339
-	-	638,417
-	-	244,494
-	2,459	294,506
-	-	230,758
<u>\$ 1,900,322</u>	<u>\$ 2,010,453</u>	<u>\$ 28,804,522</u>
\$ -	\$ 9,157	\$ 277,300
190,731	11,752	202,483
-	1,012	198,536
24,600	543,345	567,945
-	34,952	304,593
-	-	1,780,186
<u>215,331</u>	<u>600,218</u>	<u>3,331,043</u>
-	135,986	2,452,002
-	4,569	82,198
-	-	45,904
-	173,760	1,737,599
-	41,143	841,364
-	-	628,501
-	<u>355,458</u>	<u>5,787,568</u>
-	2,459	1,042,678
1,167,311	1,043,114	4,435,157
517,680	94,643	898,757
-	51,345	3,116,976
-	(136,784)	10,192,343
<u>1,684,991</u>	<u>1,054,777</u>	<u>19,685,911</u>
<u>\$ 1,900,322</u>	<u>\$ 2,010,453</u>	<u>\$ 28,804,522</u>

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CITY OF TALLMADGE, OHIO

*RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2022*

Total governmental fund balances		\$ 19,685,911
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		36,174,740
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Income taxes receivable	\$ 1,737,599	
Delinquent property taxes receivable	82,198	
Intergovernmental receivable	841,364	
Accrued interest receivable	45,904	
Total		2,707,065
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(26,851)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		84,039
Unamortized premiums on bond issuances are not recognized in the funds.		(850,213)
Unamortized discounts on bond issuances are not recognized in the funds.		73,262
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period; respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	67,862	
Deferred outflows of resources	4,334,102	
Deferred inflows of resources	(6,053,380)	
Net pension liability	(11,527,132)	
Total		(13,178,548)
The net OPEB liability and net OPEB asset are not available to pay for current period expenditures and is not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB asset	823,800	
Deferred outflows of resources	957,686	
Deferred inflows of resources	(1,471,985)	
Net OPEB liability	(1,604,669)	
Total		(1,295,168)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(935,604)	
General obligation bonds payable	(10,480,000)	
General obligation private placement bonds payable	(2,950,000)	
Direct financing notes payable	(866,493)	
Leases payable	(245,953)	
Total		(15,478,050)
Net position of governmental activities		<u>\$ 27,896,187</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022*

	General	Fire/EMS Levy	Street Maintenance and Repair	American Rescue Plan Act
Revenues:				
Property and other taxes	\$ 925,856	\$ 1,373,252	\$ -	\$ -
Municipal income taxes	12,891,814	-	-	-
Intergovernmental	2,857,621	210,886	1,336,334	62,274
Investment income	242,662	-	3,519	-
Fines, licenses and permits	330,176	-	-	-
Special assessments	9,685	-	30,594	-
Charges for services	1,854,954	574,172	199,295	-
Change in fair value of investments	(165,925)	-	-	-
Miscellaneous	352,845	82,470	99,166	-
Total revenues	19,299,688	2,240,780	1,668,908	62,274
Expenditures:				
Current:				
General government	4,910,463	-	-	625
Security of persons and property:				
Police	4,287,761	-	-	51,398
Street lights	43,219	-	-	-
Fire	-	4,237,402	-	-
Public health and welfare	-	-	129,275	-
Transportation	425,280	-	1,831,776	-
Community environment	221,287	-	-	-
Leisure time activity	1,967,609	-	497,721	10,251
Capital outlay	681,435	-	1,752,331	-
Debt service:				
Principal retirement	60,589	39,486	137,671	-
Interest and fiscal charges	7,147	1,371	13,241	-
Total expenditures	12,604,790	4,278,259	4,362,015	62,274
Excess (deficiency) of revenues over (under) expenditures	6,694,898	(2,037,479)	(2,693,107)	-
Other financing sources (uses):				
Sale of capital assets	-	27,678	24,154	-
Direct financing note transaction	148,740	-	346,641	-
Lease transaction	-	-	23,112	-
Transfers in	-	1,640,000	2,590,775	-
Transfers (out)	(4,959,415)	-	-	-
Total other financing sources (uses)	(4,810,675)	1,667,678	2,984,682	-
Net change in fund balances	1,884,223	(369,801)	291,575	-
Fund balances at beginning of year	12,611,798	823,709	1,704,639	-
Fund balances at end of year	\$ 14,496,021	\$ 453,908	\$ 1,996,214	\$ -

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Fire Station Construction	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 131,869	\$ 2,430,977
200,000	1,412,469	14,504,283
-	855,516	5,322,631
9,865	49	256,095
-	8,299	338,475
-	-	40,279
-	-	2,628,421
-	-	(165,925)
-	30,086	564,567
<u>209,865</u>	<u>2,438,288</u>	<u>25,919,803</u>
-	97,017	5,008,105
-	974,644	5,313,803
-	-	43,219
-	89,901	4,327,303
-	-	129,275
-	85,444	2,342,500
-	-	221,287
-	-	2,475,581
4,900,660	1,425,123	8,759,549
-	955,149	1,192,895
-	385,115	406,874
<u>4,900,660</u>	<u>4,012,393</u>	<u>30,220,391</u>
<u>(4,690,795)</u>	<u>(1,574,105)</u>	<u>(4,300,588)</u>
-	-	51,832
-	-	495,381
-	87,490	110,602
-	767,899	4,998,674
-	(39,259)	(4,998,674)
-	816,130	657,815
<u>(4,690,795)</u>	<u>(757,975)</u>	<u>(3,642,773)</u>
6,375,786	1,812,752	23,328,684
<u>\$ 1,684,991</u>	<u>\$ 1,054,777</u>	<u>\$ 19,685,911</u>

CITY OF TALLMADGE, OHIO

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022*

Net change in fund balances - total governmental funds		\$ (3,642,773)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital asset additions	\$ 8,455,350	
Current year depreciation	<u>(1,824,881)</u>	
Total		6,630,469
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(55,836)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	204,022	
Real and other taxes	12,890	
Intergovernmental revenues	60,922	
Charges for services	(194,205)	
Investment income	<u>37,429</u>	
Total		121,058
The issuances of debt obligations are recorded as other financing sources in the governmental funds; however, in the statement of activities, they are not reported as revenues as they increase long-term liabilities on the statement of net position.		
Direct financing notes payable	(495,381)	
Leases payable	<u>(110,602)</u>	
Total		(605,983)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		1,192,895
Trade-in of leases payable are recognized as an expenditure in the governmental funds, but the transaction reduces long-term liabilities on the statement of net position.		
		18,947
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expended when due.		
Accrued interest payable	6,923	
Amortization of deferred amounts on refunding	(10,088)	
Amortization of bond premium	49,469	
Amortization of bond discount	<u>(3,907)</u>	
Total		42,397
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts deferred outflows.		
Pension	1,553,897	
OPEB	<u>22,512</u>	
Total		1,576,409

- (Continued)

CITY OF TALLMADGE, OHIO

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2022*

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

Pension	\$ (255,721)	
OPEB	<u>635,590</u>	
Total		\$ 379,869

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

52,948

Change in net position of governmental activities

\$ 5,710,400

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 935,476	\$ 938,551	\$ 925,856	\$ (12,695)
Municipal income taxes	11,010,812	11,047,000	13,150,878	2,103,878
Intergovernmental.	1,965,363	1,971,822	2,678,130	706,308
Investment income.	72,512	72,750	178,787	106,037
Fines, licenses and permits	320,098	321,150	331,207	10,057
Special assessments	2,990	3,000	9,685	6,685
Charges for services.	1,712,328	1,717,956	1,686,132	(31,824)
Miscellaneous.	278,584	279,500	352,845	73,345
Total revenues	<u>16,298,163</u>	<u>16,351,729</u>	<u>19,313,520</u>	<u>2,961,791</u>
Expenditures:				
Current:				
General government	5,225,546	5,480,546	5,142,753	337,793
Security of persons and property	4,618,419	4,630,513	4,396,037	234,476
Transportation	478,599	478,599	455,851	22,748
Community environment	296,927	296,927	226,642	70,285
Leisure time activity	2,209,316	2,234,916	1,938,553	296,363
Capital outlay	923,247	1,028,029	873,261	154,768
Total expenditures	<u>13,752,054</u>	<u>14,149,530</u>	<u>13,033,097</u>	<u>1,116,433</u>
Excess of revenues over expenditures	<u>2,546,109</u>	<u>2,202,199</u>	<u>6,280,423</u>	<u>4,078,224</u>
Other financing sources (uses):				
Sale of capital assets.	500	500	-	(500)
Advances in	439,448	439,448	439,448	-
Advances (out) and not repaid	(64,268)	(64,268)	(64,268)	-
Transfers (out).	(4,979,415)	(4,979,415)	(4,959,415)	20,000
Total other financing sources (uses)	<u>(4,603,735)</u>	<u>(4,603,735)</u>	<u>(4,584,235)</u>	<u>19,500</u>
Net change in fund balances	(2,057,626)	(2,401,536)	1,696,188	4,097,724
Fund balance at beginning of year.	8,581,399	8,581,399	8,581,399	-
Prior year encumbrances appropriated	538,194	538,194	538,194	-
Fund balance at end of year	<u>\$ 7,061,967</u>	<u>\$ 6,718,057</u>	<u>\$ 10,815,781</u>	<u>\$ 4,097,724</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE/EMS LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes.	\$ 1,356,195	\$ 1,366,799	\$ 1,373,252	\$ 6,453
Intergovernmental.	188,526	190,000	210,886	20,886
Charges for services.	426,664	430,000	533,721	103,721
Miscellaneous.	92,279	93,000	79,370	(13,630)
Total revenues	<u>2,063,664</u>	<u>2,079,799</u>	<u>2,197,229</u>	<u>117,430</u>
Expenditures:				
Current:				
Security of persons and property	4,346,053	4,371,053	4,232,284	138,769
Capital outlay	40,857	40,857	40,857	-
Total expenditures	<u>4,386,910</u>	<u>4,411,910</u>	<u>4,273,141</u>	<u>138,769</u>
Excess of expenditures over revenues	<u>(2,323,246)</u>	<u>(2,332,111)</u>	<u>(2,075,912)</u>	<u>256,199</u>
Other financing sources:				
Sale of capital assets.	-	-	27,678	27,678
Transfers in	1,640,000	1,640,000	1,640,000	-
Total other financing sources	<u>1,640,000</u>	<u>1,640,000</u>	<u>1,667,678</u>	<u>27,678</u>
Net change in fund balances	(683,246)	(692,111)	(408,234)	283,877
Fund balance at beginning of year.	816,347	816,347	816,347	-
Prior year encumbrances appropriated . . .	15,640	15,640	15,640	-
Fund balance at end of year	<u>\$ 148,741</u>	<u>\$ 139,876</u>	<u>\$ 423,753</u>	<u>\$ 283,877</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET MAINTENANCE AND REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,246,848	\$ 1,331,294	\$ 1,362,363	\$ 31,069
Investment income	304	325	601	276
Special assessments	9,366	10,000	30,594	20,594
Charges for services.	163,825	174,920	199,295	24,375
Miscellaneous.	97,403	104,000	99,166	(4,834)
Total revenues	<u>1,517,746</u>	<u>1,620,539</u>	<u>1,692,019</u>	<u>71,480</u>
Expenditures:				
Current:				
Public health and welfare.	158,497	158,497	131,055	27,442
Transportation	2,098,515	2,098,515	1,854,219	244,296
Leisure time activity	580,296	580,296	501,745	78,551
Capital outlay	1,937,914	2,040,834	1,786,056	254,778
Total expenditures	<u>4,775,222</u>	<u>4,878,142</u>	<u>4,273,075</u>	<u>605,067</u>
Excess of expenditures over revenues	<u>(3,257,476)</u>	<u>(3,257,603)</u>	<u>(2,581,056)</u>	<u>676,547</u>
Other financing sources:				
Sale of capital assets.	1,873	2,000	24,154	22,154
Transfers in	2,590,775	2,590,775	2,590,775	-
Total other financing sources.	<u>2,592,648</u>	<u>2,592,775</u>	<u>2,614,929</u>	<u>22,154</u>
Net change in fund balances	(664,828)	(664,828)	33,873	698,701
Fund balance at beginning of year.	924,165	924,165	924,165	-
Prior year encumbrances appropriated . . .	286,139	286,139	286,139	-
Fund balance at end of year	<u>\$ 545,476</u>	<u>\$ 545,476</u>	<u>\$ 1,244,177</u>	<u>\$ 698,701</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AMERICAN RESCUE PLAN ACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 917,567	\$ 917,567	\$ 924,893	\$ 7,326
Total revenues	<u>917,567</u>	<u>917,567</u>	<u>924,893</u>	<u>7,326</u>
Expenditures:				
Current:				
General government	-	42,010	39,071	2,939
Security of persons and property	-	79,024	51,398	27,626
Transportation	-	456,857	12,518	444,339
Leisure time activity	-	322,109	16,385	305,724
Total expenditures	<u>-</u>	<u>900,000</u>	<u>119,372</u>	<u>780,628</u>
Net change in fund balance.	917,567	17,567	805,521	787,954
Fund balance at beginning of year	<u>917,567</u>	<u>917,567</u>	<u>917,567</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,835,134</u>	<u>\$ 935,134</u>	<u>\$ 1,723,088</u>	<u>\$ 787,954</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022*

	Business-type Activities - Enterprise Funds			
	Sewer Operating	Water Operating	Storm Water	Total
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 4,132,524	\$ 3,198,376	\$ 102,141	\$ 7,433,041
Receivables:				
Accounts	1,423,240	531,111	103,822	2,058,173
Materials and supplies inventory	67,802	67,802	-	135,604
Prepayments	13,662	13,662	6,883	34,207
Total current assets	<u>5,637,228</u>	<u>3,810,951</u>	<u>212,846</u>	<u>9,661,025</u>
Noncurrent assets:				
Net pension asset	5,088	5,135	2,457	12,680
Net OPEB asset	61,761	62,340	29,832	153,933
Capital assets:				
Nondepreciable capital assets	92,751	239,322	599,584	931,657
Depreciable/amortized capital assets, net	3,663,066	6,358,671	5,777,129	15,798,866
Total capital assets, net	<u>3,755,817</u>	<u>6,597,993</u>	<u>6,376,713</u>	<u>16,730,523</u>
Restricted assets:				
Cash with fiscal and escrow agents	63,525	63,526	-	127,051
Total noncurrent assets	<u>3,886,191</u>	<u>6,728,994</u>	<u>6,409,002</u>	<u>17,024,187</u>
Total assets	<u>9,523,419</u>	<u>10,539,945</u>	<u>6,621,848</u>	<u>26,685,212</u>
Deferred outflows of resources:				
Pension	103,991	107,081	39,779	250,851
OPEB	3,331	3,641	269	7,241
Total deferred outflows of resources	<u>107,322</u>	<u>110,722</u>	<u>40,048</u>	<u>258,092</u>
Liabilities:				
Current liabilities:				
Accounts payable	110,013	28,926	-	138,939
Accrued wages and benefits payable	7,112	7,112	2,834	17,058
Intergovernmental payable	769,889	121,307	1,894	893,090
Compensated absences payable	9,726	9,726	-	19,452
Accrued interest payable	-	16,656	-	16,656
Current portion of OWDA loans payable	-	133,127	-	133,127
Current portion of direct financing notes payable	96,745	52,086	42,059	190,890
Current portion of leases payable	6,127	6,128	-	12,255
Total current liabilities	<u>999,612</u>	<u>375,068</u>	<u>46,787</u>	<u>1,421,467</u>
Long-term liabilities:				
OWDA loans payable	-	674,652	-	674,652
Direct financing notes payable	156,270	65,677	42,750	264,697
Leases payable	7,451	7,451	-	14,902
Net pension liability	178,498	180,174	86,219	444,891
Total long-term liabilities	<u>342,219</u>	<u>927,954</u>	<u>128,969</u>	<u>1,399,142</u>
Total liabilities	<u>1,341,831</u>	<u>1,303,022</u>	<u>175,756</u>	<u>2,820,609</u>
Deferred inflows of resources:				
Pension	232,072	234,118	112,665	578,855
OPEB	72,654	73,254	35,445	181,353
Total deferred inflows of resources	<u>304,726</u>	<u>307,372</u>	<u>148,110</u>	<u>760,208</u>
Net position:				
Net investment in capital assets	3,527,329	5,696,977	6,291,904	15,516,210
Unrestricted	4,456,855	3,343,296	46,126	7,846,277
Total net position	<u>\$ 7,984,184</u>	<u>\$ 9,040,273</u>	<u>\$ 6,338,030</u>	<u>\$ 23,362,487</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022*

	Business-type Activities - Enterprise Funds			
	Sewer Operating	Water Operating	Storm Water	Total
Operating revenues:				
Charges for services	\$ 5,005,702	\$ 2,123,041	\$ 346,758	\$ 7,475,501
Other operating revenues	21,527	37,482	1,915	60,924
Total operating revenues.	<u>5,027,229</u>	<u>2,160,523</u>	<u>348,673</u>	<u>7,536,425</u>
Operating expenses:				
Personal services	381,980	374,759	165,291	922,030
Contract services.	3,838,198	1,241,100	53,501	5,132,799
Materials and supplies.	90,507	146,054	20,621	257,182
Depreciation/amortization.	235,016	333,426	241,126	809,568
Other	53,095	92,185	122	145,402
Total operating expenses.	<u>4,598,796</u>	<u>2,187,524</u>	<u>480,661</u>	<u>7,266,981</u>
Operating income (loss)	<u>428,433</u>	<u>(27,001)</u>	<u>(131,988)</u>	<u>269,444</u>
Nonoperating income (expenses):				
Interest and fiscal charges.	(6,615)	(37,828)	(2,063)	(46,506)
Interest income.	9	9	-	18
Total nonoperating income (expenses)	<u>(6,606)</u>	<u>(37,819)</u>	<u>(2,063)</u>	<u>(46,488)</u>
Income (loss) before capital contributions	<u>421,827</u>	<u>(64,820)</u>	<u>(134,051)</u>	<u>222,956</u>
Capital contributions	<u>-</u>	<u>251,600</u>	<u>388,008</u>	<u>639,608</u>
Change in net position	<u>421,827</u>	<u>186,780</u>	<u>253,957</u>	<u>862,564</u>
Net position at beginning of year	<u>7,562,357</u>	<u>8,853,493</u>	<u>6,084,073</u>	<u>22,499,923</u>
Net position at end of year	<u>\$ 7,984,184</u>	<u>\$ 9,040,273</u>	<u>\$ 6,338,030</u>	<u>\$ 23,362,487</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022*

	Business-type Activities - Enterprise Funds			
	Sewer Operating	Water Operating	Storm Water	Total
Cash flows from operating activities:				
Cash received from customers	\$ 4,803,595	\$ 2,127,330	\$ 338,407	\$ 7,269,332
Cash received from other operations	21,527	37,482	1,915	60,924
Cash payments for personal services	(501,769)	(502,204)	(242,068)	(1,246,041)
Cash payments for contractual services	(3,665,557)	(1,226,448)	(54,911)	(4,946,916)
Cash payments for materials and supplies	(86,861)	(142,408)	(20,621)	(249,890)
Cash payments for other expenses	(53,095)	(92,185)	(122)	(145,402)
Net cash provided by operating activities	<u>517,840</u>	<u>201,567</u>	<u>22,600</u>	<u>742,007</u>
Cash flows from noncapital financing activities:				
Cash used in repayment of interfund loans	-	-	(189,448)	(189,448)
Cash flows from capital and related financing activities:				
financing activities:				
Acquisition of capital assets	(176,425)	(110,423)	(280,620)	(567,468)
Capital contributions	-	-	189,448	189,448
Principal retirement on OWDA loans	-	(128,102)	-	(128,102)
Principal retirement on direct financing notes payable	(95,559)	(51,323)	(41,393)	(188,275)
Principal retirement on leases payable	(5,336)	(5,335)	-	(10,671)
Interest and fiscal charges	(6,615)	(38,545)	(2,063)	(47,223)
Net cash used in capital and related financing activities	<u>(283,935)</u>	<u>(333,728)</u>	<u>(134,628)</u>	<u>(752,291)</u>
Cash flows from investing activities:				
Interest received	9	9	-	18
Net increase (decrease) in cash and cash equivalents	233,914	(132,152)	(301,476)	(199,714)
Cash and cash equivalents at beginning of year	3,962,135	3,394,054	403,617	7,759,806
Cash and cash equivalents at end of year	<u>\$ 4,196,049</u>	<u>\$ 3,261,902</u>	<u>\$ 102,141</u>	<u>\$ 7,560,092</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 428,433	\$ (27,001)	\$ (131,988)	\$ 269,444
Adjustments:				
Depreciation/amortization	235,016	333,426	241,126	809,568
Changes in assets and liabilities:				
Change in accounts receivable	(202,107)	4,289	(8,351)	(206,169)
Change in materials and supplies inventory	3,646	3,646	-	7,292
Change in prepayments	(932)	(932)	89	(1,775)
Change in net pension asset	(1,930)	(1,977)	(784)	(4,691)
Change in net OPEB asset	(30,408)	(30,987)	(13,224)	(74,619)
Change in deferred outflows - pension	(47,846)	(56,069)	(15,879)	(119,794)
Change in deferred outflows - OPEB	21,037	17,603	9,279	47,919
Change in accounts payable	(28,543)	7,000	(1,410)	(22,953)
Change in accrued wages and benefits	2,330	2,330	164	4,824
Change in intergovernmental payable	201,972	8,745	15	210,732
Change in compensated absences payable	3,686	3,686	-	7,372
Change in net pension liability	(92,530)	(90,854)	(57,347)	(240,731)
Change in deferred inflows - pension	71,939	73,985	28,117	174,041
Change in deferred inflows - OPEB	(45,923)	(45,323)	(27,207)	(118,453)
Net cash provided by operating activities	<u>\$ 517,840</u>	<u>\$ 201,567</u>	<u>\$ 22,600</u>	<u>\$ 742,007</u>

Non-Cash Transactions:

The Water Operating fund received \$251,600 in capital contributions from developers during 2022.
The Storm Operating fund received \$198,560 in capital contributions from developers during 2022.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022*

	<u>Private-Purpose Trust</u>	<u>Custodial</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 30,693	\$ 662,603
Receivables:		
Income taxes	-	361,993
Accrued interest	56	798
Total assets.	<u>30,749</u>	<u>1,025,394</u>
Liabilities:		
Intergovernmental payable	<u>-</u>	<u>664,600</u>
Net position:		
Held in trust.	30,749	-
Restricted for other governments	-	360,794
Total net position	<u>\$ 30,749</u>	<u>\$ 360,794</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

*STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022*

	Private-Purpose Trust	Custodial
Additions:		
Income taxes.	\$ -	\$ 1,515,461
Investment income.	279	4,105
Change in fair value of investments	(181)	(2,637)
Total additions	98	1,516,929
Deductions:		
Distributions to other governments	-	1,386,148
Total deductions.	-	1,386,148
 Change in net position	 98	 130,781
 Net position at beginning of year	 30,651	 230,013
 Net position at end of year	 \$ 30,749	 \$ 360,794

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF TALLMADGE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1 - DESCRIPTION OF THE CITY

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

The City participates in the Brimfield Township-City of Tallmadge Joint Economic Development District, the Regional Income Tax, the Agency Akron Metropolitan Area Transportation Study, and the Summit Area Regional Council of Governments. These jointly governed organizations are discussed in Note 15 of the basic financial statements.

B. Basis of Presentation - Fund Accounting

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

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

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

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

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

C. Fund Accounting

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

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

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

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

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

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

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

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

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

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

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

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

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

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

D. Measurement Focus

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

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

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

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

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

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

E. Basis of Accounting

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

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

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 11 and 12 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance 2023 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

See Notes 11 and 12 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

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

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

F. Budgetary Process

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

CITY OF TALLMADGE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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

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

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

G. Cash and Investments

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

During 2022, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), negotiable certificates of deposit (CDs), U.S. Government money market mutual fund, U.S. Treasury note, municipal bonds, commercial paper, Federal Farm Credit Bank (FFCB) securities, Federal National Mortgage Association (FNMA) securities, Federal Home Loan Bank (FHLB) securities, and Federal Home Loan Mortgage Corporation (FHLMC) securities. Investments are reported at fair value, except for nonnegotiable certificates of deposit, which are reported at cost. Fair value is based on quoted market prices.

The City invested in STAR Ohio during 2022. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2022 amounted to \$242,662, which includes \$144,917 assigned from other City funds.

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

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

H. Materials and Supplies Inventory

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

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

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

I. Capital Assets

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

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

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

Buildings and improvements	25 - 80 years
Equipment	3 - 25 years
Infrastructure	25 - 60 years
Intangible right to use - leased equipment	3 - 5 years

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

The City is reporting intangible right to use assets related to leased equipment. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

J. Compensated Absences

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

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

K. Prepaid Items

Payments made to vendors for services that will benefit beyond December 31, 2022, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which the services are consumed.

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

L. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that once incurred are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, direct financing notes and leases are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

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

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

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

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

N. Interfund Balances

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

O. Interfund Activity

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

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

P. Minimum Fund Balance Policy

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

Q. Operating Revenues and Expenses

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. The City did not have any extraordinary or special items transactions during 2022.

S. Fund Balance

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

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

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

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

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

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

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

T. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction and from contributions from governmental funds. During 2022, the water operating fund and the storm water fund received contributions of capital in the amount of \$251,600 and \$198,560 respectively from developers.

U. Net Position

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

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

V. Pensions/Other Postemployment Benefits (OPEB)

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

W. Estimates

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

X. Fair Value Measurements

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

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

Y. Restricted Assets

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2022, the City has implemented GASB Statement No. 87, "Leases", GASB Implementation Guide 2019-3, "Leases", GASB Implementation Guide 2020-1, "Implementation Guide Update - 2020", GASB Statement No. 91, "Conduit Debt Obligations", GASB Statement No. 92, "Omnibus 2020", GASB Statement No. 93, "Replacement of Interbank Offered Rates", GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32" and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the City's 2022 financial statements. The City recognized \$668,191 in governmental activities in leases receivable at January 1, 2022, due to the implementation of GASB 87; however, this entire amount was offset by deferred inflows of resources for leases.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the City.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the City.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the City.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the City.

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the City.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the City.

B. Deficit Fund Balances

Fund balances at December 31, 2022 included the following individual fund deficit:

	<u>Deficit</u>
<u>Nonmajor Special Revenue Fund:</u>	
Tallmadge Reserve Incentive District TIF	\$ 136,784

The general fund is liable for any deficit in this funds and provides transfers when cash is required, not when accruals occur. The deficit fund balance resulted from adjustments for an interfund loan payable.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in items 1 or 2 above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

A. Cash with Fiscal and Escrow Agent

At year-end, \$238,737 and \$119,072 was on deposit at Key Bank and Huntington National Bank, respectively, related to the City's equipment direct financing notes discussed in Note 9. These amounts are not part of the City's internal investment pool and have been excluded from the total amount of deposits reported below. The balance of these accounts is reported on the financial statements as "cash with fiscal and escrow agents."

B. Deposits with Financial Institutions

At December 31, 2022, the carrying amount of all City deposits was \$15,565,816 and the bank balance of all City deposits was \$16,029,245. Of the bank balance, \$5,000,000 was covered by the FDIC and \$11,029,245 was covered by the Ohio Pooled Collateral System (OPCS) as discussed below.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2022, the City's financial institution was approved for a reduced collateral rate through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

As of December 31, 2022, the City had the following investments and maturities:

Measurement/ <u>Investment type</u>	Measurement <u>Amount</u>	<u>Investment Maturity</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
<i>Amortized cost:</i>						
STAR Ohio	\$ 3,094,135	\$ 3,094,135	\$ -	\$ -	\$ -	\$ -
<i>Fair value:</i>						
U.S. Government money market	27,061	27,061	-	-	-	-
U.S. Treasury note	383,562	-	-	-	383,562	-
Commercial paper	3,453,382	3,210,395	242,987	-	-	-
Negotiable CDs	1,459,306	738,329	244,133	476,844	-	-
Municipal bonds	697,884	-	-	-	-	697,884
FFCB	483,307	-	-	278,938	-	204,369
FHLB	957,550	-	143,929	581,132	232,489	-
FNMA	459,833	-	244,137	-	-	215,696
FHLMC	<u>327,411</u>	<u>-</u>	<u>143,789</u>	<u>-</u>	<u>-</u>	<u>183,622</u>
Total	<u>\$ 11,343,431</u>	<u>\$ 7,069,920</u>	<u>\$ 1,018,975</u>	<u>\$ 1,336,914</u>	<u>\$ 616,051</u>	<u>\$ 1,301,571</u>

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

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

Credit Risk: Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The investment in commercial paper carries ratings of P-1 by Moodys and A-1+ and A-1 by Standard & Poor's. The investment in U.S. Treasury note, FFCB, FHLB, FNMA, and FHLMC securities carries ratings of Aaa by Moodys and AA+ by Standard & Poor's. The municipal bonds were rated Aa2 by Moodys and AA by Standard & Poor's. The U.S. government money market and negotiable CDs were not rated. The negotiable CDs are covered by FDIC. The City's investment policy does not specifically address credit risk beyond requiring the City to only invest in securities authorized by State Statute.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of investment type held by the City at December 31, 2022:

<u>Investment type</u>	Measurement	
	<u>Value</u>	<u>% to total</u>
STAR Ohio	\$ 3,094,135	27.28
U.S. Government money market	27,061	0.24
U.S. Treasury note	383,562	3.38
Commercial paper	3,453,382	30.44
Negotiable CDs	1,459,306	12.87
Municipal bonds	697,884	6.15
FFCB	483,307	4.26
FHLB	957,550	8.44
FNMA	459,833	4.05
FHLMC	327,411	2.89
Total	<u>\$ 11,343,431</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2022:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 15,565,816
Cash with fiscal and escrow agents	357,809
Investments	<u>11,343,431</u>
Total	<u>\$ 27,267,056</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 19,013,668
Business type activities	7,560,092
Private-purpose trust fund	30,693
Custodial fund	<u>662,603</u>
Total	<u>\$ 27,267,056</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Transfers

Routine general fund transfers consist of \$1,640,000 to the fire/EMS levy special revenue fund, \$2,590,775 to the street maintenance and repair special revenue fund, and \$728,640 to nonmajor governmental funds. The safety services income tax fund, a nonmajor special revenue fund, also transferred \$39,259 to the bond retirement, a nonmajor debt service fund, to provide income tax revenue raised for bond payments.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

	<u>Transfer In</u>	<u>Transfer Out</u>
<u>Major Funds:</u>		
General	\$ -	\$ 4,959,415
Fire/EMS Levy	1,640,000	-
Street Maintenance and Repair	2,590,775	-
Total Major Funds	4,230,775	4,959,415
<u>Nonmajor Governmental Funds:</u>		
Safety Services Income Tax	-	39,259
Police Pension	200,000	-
Bond Retirement	537,899	-
General Infrastructure Reserve	30,000	-
Total Nonmajor Governmental Funds	767,899	39,259
Total	\$ 4,998,674	\$ 4,998,674

B. Interfund Loans

Interfund loans consisted of the following at December 31, 2022, as reported on the fund financial statements.

<u>Receivable Fund</u>	<u>Payable Funds</u>	<u>Amount</u>
General Fund	<i>Major Fund:</i> Fire Station Construction	\$ 24,600
	<i>Nonmajor Governmental Funds:</i> Safety Services Income Tax	406,561
	Tallmadge Reserve Incentive District TIF	136,784
Total interfund loans receivable/payable		\$ 567,945

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

NOTE 6 - RECEIVABLES

Receivables at December 31, 2022, consisted primarily of municipal income taxes, property and other taxes, leases, accounts and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are deemed collectible in full.

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

A. Property Taxes

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 6 - RECEIVABLES - (Continued)

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2022 public utility property taxes became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of Tallmadge. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2022 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2022 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is reported as a deferred inflow of resources.

The full tax rate for all City operations for the year ended December 31, 2022 was \$6.15 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2022 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural and commercial/industrial/mineral	\$ 484,908,530
<u>Public utility</u>	
Personal	<u>8,412,440</u>
Total assessed value	<u>\$ 493,320,970</u>

B. Municipal Income Taxes

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

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 6 - RECEIVABLES - (Continued)

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental activities:</u>	<u>Amounts</u>
Local government	\$ 322,914
Homestead and rollback	162,337
JEDD income tax	442,438
Recycle grant	17,478
Miscellaneous	25,157
Permissive tax	11,634
Auto license tax	86,930
Gas tax and municipal cents per gallon tax	513,699
Ohio Department of Transportation	<u>11,752</u>
Total	<u>\$ 1,594,339</u>

C. Leases Receivable

The City is reporting leases receivable of \$638,417 in the General Fund. For 2022, the City recognized lease revenue of \$39,690, which is reported in charges for services, and interest revenue of \$22,794.

The District has entered into the following lease agreements as the lessor at varying years and terms as follows:

<u>Lease Type</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Summa Health System - recreation center building space	2020	15	2035	Monthly
Water Tower - cell tower	2014	30	2044	Monthly

The following is a schedule of future lease payments under the lease agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 28,821	\$ 21,885	\$ 50,706
2024	29,922	20,860	50,782
2025	31,838	19,781	51,619
2026	32,971	18,649	51,620
2027	34,144	17,476	51,620
2028 - 2032	192,939	68,117	261,056
2033 - 2037	153,494	34,118	187,612
2038 - 2042	93,179	15,830	109,009
2043 - 2044	<u>41,109</u>	<u>1,454</u>	<u>42,563</u>
Total	<u>\$ 638,417</u>	<u>\$ 218,170</u>	<u>\$ 856,587</u>

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 7 - TAX ABATEMENTS

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

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

The City has entered into agreements to abate property taxes through this CRA program. During 2022, the City's property tax revenues were reduced by \$52,980 as a result of these agreements.

NOTE 8 - CAPITAL ASSETS

In accordance with GASB Statement No. 87, intangible right to use - leased equipment has been reported in a separate line item in the following tables for governmental activities and business-type activities. These assets were reported in equipment in the prior year.

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CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 8 - CAPITAL ASSETS - (Continued)

Governmental activities capital asset activity for the year ended December 31, 2022, was as follows:

	(Restated)			
	Balance			Balance
<u>Governmental activities:</u>	<u>12/31/21</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/22</u>
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 3,577,816	\$ 800,874	\$ (25,838)	\$ 4,352,852
Right of ways	80,218	-	-	80,218
Construction in progress	<u>4,019,507</u>	<u>5,476,493</u>	<u>(865,602)</u>	<u>8,630,398</u>
Total capital assets, not being depreciated/amortized	<u>7,677,541</u>	<u>6,277,367</u>	<u>(891,440)</u>	<u>13,063,468</u>
<i>Capital assets, being depreciated/amortized:</i>				
Buildings and improvements	18,282,862	660,098	-	18,942,960
Equipment	9,900,785	819,454	(777,731)	9,942,508
Infrastructure - streets subsystem	26,897,005	1,440,414	-	28,337,419
Intangible right to use:				
Leased equipment	<u>545,256</u>	<u>123,619</u>	<u>(80,994)</u>	<u>587,881</u>
Total capital assets, being depreciated/amortized	<u>55,625,908</u>	<u>3,043,585</u>	<u>(858,725)</u>	<u>57,810,768</u>
<i>Less: accumulated depreciation/amortization</i>				
Buildings and improvements	(10,098,881)	(480,458)	-	(10,579,339)
Equipment	(6,453,011)	(536,454)	788,230	(6,201,235)
Infrastructure - streets subsystem	(16,968,080)	(674,510)	-	(17,642,590)
Intangible right of use:				
Leased equipment	<u>(183,370)</u>	<u>(133,459)</u>	<u>40,497</u>	<u>(276,332)</u>
Total accumulated depreciation/amortization	<u>(33,703,342)</u>	<u>(1,824,881)</u>	<u>828,727</u>	<u>(34,699,496)</u>
Total capital assets, being depreciated/ amortized, net	<u>21,922,566</u>	<u>1,218,704</u>	<u>(29,998)</u>	<u>23,111,272</u>
Governmental activities capital assets, net	<u>\$29,600,107</u>	<u>\$ 7,496,071</u>	<u>\$ (921,438)</u>	<u>\$ 36,174,740</u>

Depreciation/amortization expense was charged to governmental activities as follows:

General government	\$ 196,171
Security of persons and property - police	128,511
Security of persons and property - fire	201,534
Public health and welfare	3,610
Transportation	887,024
Community environment	3,691
Leisure time activity	<u>404,340</u>
Total depreciation/amortization expense	<u>\$ 1,824,881</u>

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 8 - CAPITAL ASSETS - (Continued)

Business-type activities capital asset activity for the year ended December 31, 2022, was as follows:

<u>Business-type activities:</u>	Restated Balance <u>12/31/21</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>12/31/22</u>
<i>Capital assets, not being depreciated/amortized</i>				
Land	\$ 375,519	\$ 210,747	\$ -	\$ 586,266
Right of ways/easements	285,260	-	-	285,260
Construction in progress	<u>-</u>	<u>60,131</u>	<u>-</u>	<u>60,131</u>
Total capital assets, not being depreciated/amortized	<u>660,779</u>	<u>270,878</u>	<u>-</u>	<u>931,657</u>
<i>Capital assets, being depreciated/amortized:</i>				
Buildings and improvements	2,146,092	-	-	2,146,092
Equipment	2,201,651	100,583	-	2,302,234
Infrastructure				
Water lines	12,346,118	251,600	-	12,597,718
Sewer lines	9,383,428	126,134	(11,595)	9,497,967
Storm water subsystem	8,811,815	268,433	-	9,080,248
Intangible right to use:				
Leased equipment	<u>137,723</u>	<u>-</u>	<u>-</u>	<u>137,723</u>
Total capital assets, being depreciated/amortized	<u>35,026,827</u>	<u>746,750</u>	<u>(11,595)</u>	<u>35,761,982</u>
<i>Less: accumulated depreciation/amortization:</i>				
Buildings and improvements	(1,566,481)	(36,863)	-	(1,603,344)
Equipment	(1,287,076)	(109,407)	-	(1,396,483)
Infrastructure				
Water lines	(6,721,105)	(246,967)	-	(6,968,072)
Sewer lines	(6,307,659)	(164,007)	11,595	(6,460,071)
Storm water subsystem	(3,254,215)	(226,531)	-	(3,480,746)
Intangible right to use:				
Leased equipment	<u>(28,607)</u>	<u>(25,793)</u>	<u>-</u>	<u>(54,400)</u>
Total accumulated depreciation/amortization	<u>(19,165,143)</u>	<u>(809,568)</u>	<u>11,595</u>	<u>(19,963,116)</u>
Total capital assets, being depreciated/ amortized, net	<u>15,861,684</u>	<u>(62,818)</u>	<u>-</u>	<u>15,798,866</u>
Business-type activities capital assets, net	<u>\$ 16,522,463</u>	<u>\$ 208,060</u>	<u>\$ -</u>	<u>\$ 16,730,523</u>

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 8 - CAPITAL ASSETS - (Continued)

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

Sewer operating	\$ 235,016
Water operating	333,426
Storm water	<u>241,126</u>
Total depreciation/amortization expense	<u>\$ 809,568</u>

NOTE 9 - LONG-TERM OBLIGATIONS

In accordance with GASB Statement No. 87, leases payable and direct financing notes payable have been reported in separate line items in the following tables for governmental activities and business-type activities. These liabilities were reported in capital leases payable in the prior year.

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

	Restated Balance <u>12/31/21</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/22</u>	Amounts Due in <u>One Year</u>
Governmental activities:					
<u>General obligation bonds</u>					
2015 Recreation center refunding	\$ 1,970,000	\$ -	\$ (175,000)	\$ 1,795,000	\$ 175,000
2021 Various Purpose Fire Station	8,000,000	-	(280,000)	7,720,000	320,000
2021 Various Purpose East Ave.	<u>1,000,000</u>	-	<u>(35,000)</u>	<u>965,000</u>	<u>40,000</u>
Total general obligation bonds	<u>10,970,000</u>	-	<u>(490,000)</u>	<u>10,480,000</u>	<u>535,000</u>
<u>Private placement general obligation bonds</u>					
2020 Fire truck	1,210,000	-	(130,000)	1,080,000	130,000
2020 Various purpose recreation refunding	<u>2,095,000</u>	-	<u>(225,000)</u>	<u>1,870,000</u>	<u>225,000</u>
Total private placement G.O. bonds	<u>3,305,000</u>	-	<u>(355,000)</u>	<u>2,950,000</u>	<u>355,000</u>
<u>Other long-term obligations</u>					
Direct financing notes payable	622,917	495,381	(251,805)	866,493	191,691
Leases payable	250,388	110,602	(115,037)	245,953	104,037
Net pension liability	13,959,409	-	(2,432,277)	11,527,132	-
Net OPEB liability	1,581,864	22,805	-	1,604,669	-
Compensated absences	<u>988,552</u>	<u>273,383</u>	<u>(326,331)</u>	<u>935,604</u>	<u>273,383</u>
Total governmental activities long-term obligations	31,678,130	<u>\$ 902,171</u>	<u>\$ (3,970,450)</u>	28,609,851	<u>\$ 1,459,111</u>
Add: Unamortized premium on bond issue	899,682			850,213	
Less: Unamortized discount on bond issue	<u>(77,169)</u>			<u>(73,262)</u>	
Total reported on statement of net position	<u>\$ 32,500,643</u>			<u>\$ 29,386,802</u>	

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

	(Restated) Balance <u>12/31/21</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/22</u>	Amounts Due in <u>One Year</u>
Business-type activities:					
<u>OWDA loans (direct borrowing)</u>					
Northeast water system	\$ 719,041	\$ -	\$ (76,100)	\$ 642,941	\$ 79,680
South Avenue waterline	<u>216,840</u>	<u>-</u>	<u>(52,002)</u>	<u>164,838</u>	<u>53,447</u>
Tota OWDA loans	<u>935,881</u>	<u>-</u>	<u>(128,102)</u>	<u>807,779</u>	<u>133,127</u>
Direct financing note payable	643,862	-	(188,275)	455,587	190,890
Leases payable	37,828	-	(10,671)	27,157	12,255
Net pension liability	685,622	-	(240,731)	444,891	-
Compensated absences	<u>12,080</u>	<u>19,452</u>	<u>(12,080)</u>	<u>19,452</u>	<u>19,452</u>
Total business-type activities long-term obligations	<u>\$ 2,315,273</u>	<u>\$ 19,452</u>	<u>\$ (579,859)</u>	<u>\$ 1,754,866</u>	<u>\$ 355,724</u>

The interest rate, original issue amount and date of maturity of each of the City's bonds outstanding at December 31, 2022 are as follows:

<u>Bond Issue</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Maturity Date</u>
2015 Recreation center refunding	2.493%	\$ 2,925,000	12/1/2031
2020 Fire Truck	1.200%	1,335,000	12/1/2030
2020 Various Purpose Recreation Refunding Bonds	1.200%	2,550,000	12/1/2030
2021 Various Purpose Fire Station	2.00 - 5.00%	8,000,000	12/1/2041
2021 Various Purpose East Ave.	2.00 - 5.00%	1,000,000	12/1/2041

2015 Recreation Center Bonds Payable:

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

Issuance proceeds, in the amount of \$2,943,456, were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt payments on the refunding debt. This refunded debt is considered defeased. At December 31, 2022 none of the defeased debt was outstanding.

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

2020 Various Purpose Recreation Refunding Bonds - Private Placement:

On April 21, 2020, the City issued general obligation bonds in the amount of \$2,550,000 to refund \$2,460,000 of the 2010 recreation various improvement bonds through a private placement with Baker Tilly Municipal Advisors, LLC. These bonds bear an interest rate of 1.20% and mature on December 1, 2030. These bonds are general obligations of the City, for which its full faith and credit is pledged for repayment.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The reacquisition price exceeded the net carrying amount of the old debt by \$62,763. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. The unamortized deferred charges are reported as a deferred outflow of resources on the statement of net position. This refunding was undertaken to reduce total debt service payments over the next nine years and resulted in an economic gain of \$384,586.

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

2020 Fire Truck Bonds Payable - Private Placement:

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

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

2021 Fire Station Bonds Payable:

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

At December 31, 2022, \$256,194 of the proceeds of this bond issue remain unspent.

2021 East Avenue Bonds Payable:

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

Direct Financing Notes Payable:

During 2022, the City entered into direct financing notes for the purchase of copier equipment and service department vehicles and equipment. In prior years, the City entered into direct financing notes for ambulances, vehicles, hydrovac trucks, street equipment and copier equipment. The notes will be paid out of the general fund, fire/EMS levy special revenue fund, the street maintenance and repair special revenue fund, the safety services income tax nonmajor special revenue fund, water operating fund, sewer operating fund and storm water fund. Capital lease payments are reflected as debt service expenditures in the financial statements for the governmental funds and as functional expenditures in the budgetary statements.

Several pieces of equipment related to the 2021 and 2022 direct financing notes have not been received by the City as of December 31, 2022. The note proceeds related to these pieces of vehicles and equipment is being held in escrow and is reported as restricted cash with fiscal and escrow agents. The balance of the liability related to this portion of the direct financing notes payable at December 31, 2022 is \$164,849 in the governmental activities, \$38,105 in the water operating fund, and \$38,105 in the sewer operating fund. These balances are not included in the City's calculation of net investment in capital assets.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Leases Payable:

The City has entered into lease agreements for the use for the right to use vehicles. The City has reported intangible - right to use capital assets and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid out of the general fund, the street maintenance and repair special revenue fund, the safety services income tax nonmajor special revenue fund, water operating fund, and sewer operating fund. Lease payments are reflected as debt service expenditures in the financial statements and as functional expenditures in the budgetary statements. Payments are due monthly and the leases mature in 2027.

During 2022, governmental activities traded-in leases payable that had a remaining liability of \$18,947.

OWDA Loans:

The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA). The City has pledged future water revenues to repay the OWDA loans. The loans are payable solely from water fund revenues and are payable through 2029. Annual principal and interest payments on the Northeast water system and South Avenue waterline loans are expected to require all of the available net revenues and 8.20 percent of total revenues. The total principal and interest remaining to be paid on the OWDA loans is \$917,067. Principal and interest paid for the current year was \$161,740, total net revenues were \$306,425 and total revenues were \$2,160,523.

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

Net Pension Liability Net OPEB Liability:

See Notes 11 and 12 to the basic financial statements for details on the net pension liability and net OPEB liability, respectively. The net pension and net OPEB liability will be paid from the general fund, fire/EMS levy fund, street maintenance and repair fund, police pension fund, sewer operating fund, water operating fund and storm water fund.

Compensated Absences:

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

As of December 31, 2022, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$37,643,096 (net of unamortized debt) and the unvoted legal debt margin was \$27,132,653. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2022 are as follows:

Year Ended	Governmental Activities General Obligation Bonds			Governmental Activities General Obligation Bonds Private Placement		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 535,000	\$ 286,800	\$ 821,800	\$ 355,000	\$ 35,400	\$ 390,400
2024	545,000	274,350	819,350	355,000	31,140	386,140
2025	555,000	261,650	816,650	365,000	26,880	391,880
2026	565,000	248,700	813,700	365,000	22,500	387,500
2027	590,000	234,550	824,550	370,000	18,120	388,120
2028-2032	2,970,000	890,950	3,860,950	1,140,000	27,480	1,167,480
2033-2037	2,515,000	383,100	2,898,100	-	-	-
2038-2041	2,205,000	111,400	2,316,400	-	-	-
Total	<u>\$ 10,480,000</u>	<u>\$ 2,691,500</u>	<u>\$ 13,171,500</u>	<u>\$ 2,950,000</u>	<u>\$ 161,520</u>	<u>\$ 3,111,520</u>

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Year	Governmental Activities			Business-Type Activities		
	Direct Financing Notes Payable			Direct Financing Notes Payable		
Ended	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 191,691	\$ 23,740	\$ 215,431	\$ 190,890	\$ 6,021	\$ 196,911
2024	196,315	19,116	215,431	193,543	3,367	196,910
2025	201,083	14,346	215,429	71,154	676	71,830
2026	122,188	9,428	131,616	-	-	-
2027	102,370	5,373	107,743	-	-	-
2028	52,846	1,807	54,653	-	-	-
Total	<u>\$ 866,493</u>	<u>\$ 73,810</u>	<u>\$ 940,303</u>	<u>\$ 455,587</u>	<u>\$ 10,064</u>	<u>\$ 465,651</u>

Year	Governmental Activities			Business-Type Activities		
	Leases Payable			Leases Payable		
Ended	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 104,037	\$ 11,900	\$ 115,937	\$ 12,255	\$ 3,368	\$ 15,623
2024	57,929	6,024	63,953	9,324	1,684	11,008
2025	47,122	3,244	50,366	5,578	400	5,978
2026	32,305	998	33,303	-	-	-
2027	4,560	88	4,648	-	-	-
Total	<u>\$ 245,953</u>	<u>\$ 22,254</u>	<u>\$ 268,207</u>	<u>\$ 27,157</u>	<u>\$ 5,452</u>	<u>\$ 32,609</u>

Year	Business-Type Activities		
	OWDA Loans		
Ended	Principal	Interest	Total
2023	\$ 133,127	\$ 29,114	\$ 162,241
2024	138,360	24,404	162,764
2025	143,812	19,502	163,314
2026	91,463	14,796	106,259
2027	95,764	11,094	106,858
2028 - 2029	205,253	10,379	215,632
Total	<u>\$ 807,779</u>	<u>\$ 109,289</u>	<u>\$ 917,068</u>

NOTE 10 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2022, the City contracted with Selective Insurance of Southeast for general liability, automobile, firefighters, errors and omissions, and law enforcement and public officials for the policy period covering January 1, 2022 through December 31, 2022. C.N.A. Insurance Company also covers buildings and contents and boiler and machinery. The City carries a \$2,000,000 general liability with \$1,000,000 occurrence, a \$1,000,000 automobile liability and a \$10,000,000 umbrella liability extending coverage on the general, automobile, police professional liability and public official's liability.

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 10 - RISK MANAGEMENT - (Continued)

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

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

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Asset and Net OPEB Liability/Asset

The net pension liability/asset and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB are a component of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. Pensions and OPEB are provided to an employee - on a deferred-payment basis - as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 68/75 assumes the liability/asset is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The remainder of this note includes the pension disclosures. See Note 12 for the OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	State and Local
2022 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2022 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits **	0.0 %
Total Employer	14.0 %
Employee	10.0 %

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

** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

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

The City's contractually required contribution for the Traditional Pension Plan and the Combined Plan was \$711,979 for 2022. Of this amount, \$53,847 is reported as intergovernmental payable.

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

	<u>Police</u>	<u>Firefighters</u>
2022 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2022 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50 %	0.50 %
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$954,011 for 2022. Of this amount, \$78,021 is reported as intergovernmental payable.

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

The net pension liability and net pension asset for OPERS was measured as of December 31, 2021, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.030167%	0.017388%	0.149301%	
Proportion of the net pension liability/asset current measurement date	<u>0.032479%</u>	<u>0.020442%</u>	<u>0.146400%</u>	
Change in proportionate share	<u>0.002312%</u>	<u>0.003054%</u>	<u>-0.002901%</u>	
Proportionate share of the net pension liability	\$ 2,825,804	\$ -	\$ 9,146,219	\$ 11,972,023
Proportionate share of the net pension asset	-	(80,542)	-	(80,542)
Pension expense	(533,830)	(2,906)	713,375	176,639

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources:				
Differences between expected and actual experience	\$ 144,056	\$ 499	\$ 263,724	\$ 408,279
Changes of assumptions	353,364	4,048	1,671,537	2,028,949
Changes in employer's proportionate percentage/ difference between employer contributions	286,268	-	195,467	481,735
Contributions subsequent to the measurement date	<u>707,131</u>	<u>4,848</u>	<u>954,011</u>	<u>1,665,990</u>
Total deferred outflows of resources	<u>\$ 1,490,819</u>	<u>\$ 9,395</u>	<u>\$ 3,084,739</u>	<u>\$ 4,584,953</u>

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

	OPERS - Traditional	OPERS - Combined	OP&F	Total
Deferred inflows of resources:				
Differences between expected and actual experience	\$ 61,977	\$ 9,010	\$ 475,478	\$ 546,465
Net difference between projected and actual earnings on pension plan investments	3,361,192	17,268	2,397,996	5,776,456
Changes in employer's proportionate percentage/ difference between employer contributions	<u>142,382</u>	<u>-</u>	<u>166,932</u>	<u>309,314</u>
Total deferred inflows of resources	<u>\$ 3,565,551</u>	<u>\$ 26,278</u>	<u>\$ 3,040,406</u>	<u>\$ 6,632,235</u>

\$1,665,990 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2023.

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

	OPERS - Traditional	OPERS - Combined	OP&F	Total
Year Ending December 31:				
2023	\$ (382,786)	\$ (5,291)	\$ 47,025	\$ (341,052)
2024	(1,074,039)	(7,310)	(636,446)	(1,717,795)
2025	(790,353)	(4,801)	(264,511)	(1,059,665)
2026	(534,686)	(3,545)	(215,794)	(754,025)
2027	1	(472)	160,049	159,578
Thereafter	<u>-</u>	<u>(312)</u>	<u>(1)</u>	<u>(313)</u>
Total	<u>\$ (2,781,863)</u>	<u>\$ (21,731)</u>	<u>\$ (909,678)</u>	<u>\$ (3,713,272)</u>

Actuarial Assumptions - OPERS

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2021, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	3.25%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 0.50%, simple through 2021, then 2.15% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In July 2021, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 0.50% simple through 2021 then 2.15% simple to 3.00% simple through 2022 then 2.05% simple.

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 15.3% for 2021.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
Fixed income	24.00 %	1.03 %
Domestic equities	21.00	3.78
Real estate	11.00	3.66
Private equity	12.00	7.43
International equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	100.00 %	4.21 %

Discount Rate - The discount rate used to measure the total pension liability/asset was 6.90%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2021 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 7,450,358	\$ 2,825,804	\$ (1,022,439)
Combined Plan	(60,099)	(80,542)	(96,486)

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2022, are presented below.

Valuation date	1/1/21 with actuarial liabilities rolled forward to 12/31/21
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year simple

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

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

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

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return**</u>
Domestic equity	21.00 %	3.60 %
Non-US equity	14.00	4.40
Private markets	8.00	6.80
Core fixed income *	23.00	1.10
High yield fixed income	7.00	3.00
Private credit	5.00	4.50
U.S. inflation linked bonds *	17.00	0.80
Midstream energy infrastructure	5.00	5.00
Real assets	8.00	5.90
Gold	5.00	2.40
Private real estate	12.00	4.80
Total	<u>125.00 %</u>	

Note: assumptions are geometric.

* levered 2x

** Numbers are net of expected inflation.

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

Discount Rate - The total pension liability was calculated using the discount rate of 7.50%. A discount rate of 8.00% was used in the previous measurement date. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 7.50%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 13,563,715	\$ 9,146,219	\$ 5,467,535

NOTE 12 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 11 for a description of the net OPEB liability/asset.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2022 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City did not have a contractually required contribution for 2022.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$22,512 for 2022. Of this amount, \$1,841 is reported as intergovernmental payable.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

The net OPEB liability/asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net OPEB liability/asset was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

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

	OPERS	OP&F	Total
Proportion of the net OPEB liability/asset prior measurement date	0.029006%	0.149301%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.031216%</u>	<u>0.146400%</u>	
Change in proportionate share	<u>0.002210%</u>	<u>-0.002901%</u>	
Proportionate share of the net OPEB liability	\$ -	\$ 1,604,669	\$ 1,604,669
Proportionate share of the net OPEB asset	(977,733)	-	(977,733)
OPEB expense	(939,894)	159,151	(780,743)

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred outflows of resources:			
Differences between expected and actual experience	\$ -	\$ 72,998	\$ 72,998
Changes of assumptions	-	710,276	710,276
Changes in employer's proportionate percentage/difference between employer contributions	33,811	125,330	159,141
Contributions subsequent to the measurement date	<u>-</u>	<u>22,512</u>	<u>22,512</u>
Total deferred outflows of resources	<u>\$ 33,811</u>	<u>\$ 931,116</u>	<u>\$ 964,927</u>

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

	OPERS	OP&F	Total
Deferred inflows of resources:			
Differences between expected and actual experience	\$ 148,308	\$ 212,081	\$ 360,389
Net difference between projected and actual earnings on OPEB plan investments	466,117	144,955	611,072
Changes of assumptions	395,774	186,374	582,148
Changes in employer's proportionate percentage/difference between employer contributions	84,303	15,426	99,729
Total deferred inflows of resources	\$ 1,094,502	\$ 558,836	\$ 1,653,338

\$22,512 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability/asset in the year ending December 31, 2023.

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

	OPERS	OP&F	Total
Year Ending December 31:			
2023	\$ (686,878)	\$ 100,982	\$ (585,896)
2024	(205,025)	79,462	(125,563)
2025	(101,843)	83,816	(18,027)
2026	(66,943)	16,749	(50,194)
2027	(2)	35,962	35,960
Thereafter	-	32,797	32,797
Total	\$ (1,060,691)	\$ 349,768	\$ (710,923)

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	3.25%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	3.25 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	1.84%
Prior Measurement date	2.00%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2034
Prior Measurement date	8.50% initial, 3.50% ultimate in 2035
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.3% for 2021.

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

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00 %	0.91 %
Domestic equities	25.00	3.78
Real Estate Investment Trusts (REITs)	7.00	3.71
International equities	25.00	4.88
Risk parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00 %	3.45 %

Discount Rate - A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 1.84%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB asset	\$ 574,999	\$ 977,733	\$ 1,312,008

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

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of healthcare; the trend starting in 2022 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	<u>1% Decrease</u>	<u>Current Health Care Trend Rate Assumption</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB asset	\$ 988,299	\$ 977,733	\$ 965,199

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	2.84%
Prior measurement date	2.96%
Cost of Living Adjustments	2.20% simple per year

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

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

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

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

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return **</u>
Domestic equity	21.00 %	3.60 %
Non-US equity	14.00	4.40
Private markets	8.00	6.80
Core fixed income *	23.00	1.10
High yield fixed income	7.00	3.00
Private credit	5.00	4.50
U.S. inflation linked bonds *	17.00	0.80
Midstream energy infrastructure	5.00	5.00
Real assets	8.00	5.90
Gold	5.00	2.40
Private real estate	12.00	4.80
Total	125.00 %	

Note: assumptions are geometric.

* levered 2x

** Numbers are net of expected inflation.

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

Discount Rate - For 2021, the total OPEB liability was calculated using the discount rate of 2.84%. For 2020, the total OPEB liability was calculated using the discount rate of 2.96%. The projection of cash flows used to determine the discount rate assumed the contribution rate of 0.5%. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 2.05% at December 31, 2021 and 2.12% at December 31, 2020 was blended with the long-term rate of 7.50%, which resulted in a blended discount rate of 2.84%.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.84%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.84%), or one percentage point higher (3.84%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 2,017,104	\$ 1,604,669	\$ 1,265,646

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

NOTE 13 - OTHER POST-EMPLOYMENT BENEFITS

A. Compensated Absences

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

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

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

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

B. Life Insurance

The City provides life insurance to its employees through MetLife.

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

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

	Net Change in Fund Balance			
	<u>General fund</u>	<u>Fire/EMS Levy</u>	<u>Street Maintenance and Repair</u>	<u>American Rescue Plan Act</u>
Budget basis	\$ 1,696,188	\$ (408,234)	\$ 33,873	\$ 805,521
Net adjustment for revenue accruals	(182,593)	43,551	(23,111)	(862,619)
Net adjustment for expenditure accruals	(122,123)	(15,759)	(363,964)	-
Net adjustment for other financing sources	(226,440)	-	369,753	-
Funds budgeted elsewhere	(16,384)	-	-	-
Adjustment for encumbrances	<u>735,575</u>	<u>10,641</u>	<u>275,024</u>	<u>57,098</u>
GAAP basis	<u>\$ 1,884,223</u>	<u>\$ (369,801)</u>	<u>\$ 291,575</u>	<u>\$ -</u>

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

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

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

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

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

Regional Income Tax Agency (RITA)

In 1971, 38 municipalities joined together to organize a Regional Council of Governments (RCOG) under the authority of Chapter 167 of the Ohio Revised Code to administer tax collection and enforcement concerns facing the cities and villages. The purpose of the RCOG is to foster cooperation between the municipalities through sharing facilities for their common benefit. This includes the establishment of a central collection facility for the purpose of administering the income tax laws of the various municipal corporations who are members of the RCOG and for the purpose of collecting income taxes on behalf of each member municipality, doing all things allowed by law to accomplish such purpose. The first official act of the RCOG was to form RITA. Today RITA serves as the income tax collection agency for 324 municipalities throughout the State of Ohio. The City began using RITA for its income tax collection services in December 2009.

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

Akron Metropolitan Area Transportation Study (AMATS)

The City participates in the Akron Metropolitan Area Transportation Study. This organization is responsible for fulfilling the area's continuous, cooperative and comprehensive transportation planning process. The AMATS service area consists of Summit, Portage, and Chippewa Township of Wayne County. AMATS is led by the AMATS Transportation Policy Committee. The City is a member of the 43 member Policy Committee that is responsible for the preparation of regional transportation policies, plans and programs that meet the areas present and future needs. In 2022, the City contributed \$4,080 to AMATS, which represents the City's formula share.

Summit Area Regional Council of Governments (COG)

The City joined together with Summit County and the cities of Cuyahoga Falls, Fairlawn, and Stow to organize the Summit Area Regional Council of Governments (COG) pursuant to Chapter 167.01-08 of the Ohio Revised Code and an Intergovernmental Agreement to establish the COG dated February 17, 2022. The COG was organized as a voluntary organization of local political subdivisions in Summit County to foster a cooperative effort to plan for and implement a regional dispatch system for emergency services, including a regional dispatch center. The COG was also organized as a forum for the discussion and study of common emergency service problems of a multiple community nature, and for the development of policy, programs and implementation of such remedies as are appropriate. The COG is governed by a Board of Trustees. Each political subdivision which is a party to the Intergovernmental Agreement shall be a member of the COG and shall have on representative on the COG Board of Trustees. In 2022, the City made no contributions to the COG during 2022.

NOTE 16 - CONTRACTUAL COMMITMENTS

At December 31, 2022, the City had \$2,843,742 in contractual commitments to the City of Stow for dispatch services.

NOTE 17 - CONTINGENCIES

A. Grants

The City received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2022.

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 17 - CONTINGENCIES

B. Litigation

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

NOTE 18 - FUND BALANCE

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

Fund balance	General	Fire/EMS Levy	Street Maintenance and Repair	Fire Station Constuction	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Materials and supplies inventory	\$ 123,538	\$ -	\$ 120,956	\$ -	\$ -	\$ 244,494
Prepayments	187,613	64,607	39,827	-	2,459	294,506
Long-term loans	<u>503,678</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>503,678</u>
Total nonspendable	<u>814,829</u>	<u>64,607</u>	<u>160,783</u>	<u>-</u>	<u>2,459</u>	<u>1,042,678</u>
Restricted:						
General government						
Historical preservation	-	-	-	-	700	700
Fire repair and removal	-	-	-	-	79,599	79,599
Security of persons and property						
Police	-	-	-	-	76,778	76,778
Fire	-	389,301	-	-	8,188	397,489
Safety services income tax levy	-	-	-	-	707,661	707,661
Public health						
OneOhio opioid settlement	-	-	-	-	5,019	5,019
Transportation						
Street maintenance and repair	-	-	1,835,431	-	-	1,835,431
State highway	-	-	-	-	133,648	133,648
Community environment						
Community development	-	-	-	-	17,298	17,298
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,167,311</u>	<u>14,223</u>	<u>1,181,534</u>
Total restricted	<u>-</u>	<u>389,301</u>	<u>1,835,431</u>	<u>1,167,311</u>	<u>1,043,114</u>	<u>4,435,157</u>
Committed:						
General government						
Performance deposits	286,434	-	-	-	-	286,434
Capital outlay						
General infrastructure	-	-	-	-	94,643	94,643
Fire station construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>517,680</u>	<u>-</u>	<u>517,680</u>
Total committed	<u>286,434</u>	<u>-</u>	<u>-</u>	<u>517,680</u>	<u>94,643</u>	<u>898,757</u>

- (Continued)

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 18 - FUND BALANCE - (Continued)

<i>-(Continued)</i>							
<u>Fund balance</u>	<u>General</u>	<u>Fire/EMS Levy</u>	<u>Street Maintenance and Repair</u>	<u>Fire Station Construction</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>	
Assigned:							
General government							
Mayor/administration	\$ 16,962	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,962
Finance director	7,191	-	-	-	-	-	7,191
Law director	13,501	-	-	-	-	-	13,501
Service director	18,012	-	-	-	-	-	18,012
Manager of information service	162,403	-	-	-	-	-	162,403
Council	4,259	-	-	-	-	-	4,259
Custodian	16,607	-	-	-	-	-	16,607
General administration	36,980	-	-	-	-	-	36,980
Historical church	45	-	-	-	-	-	45
Security of persons and property							
Police	78,202	-	-	-	-	-	78,202
Leisure time activities	34,754	-	-	-	-	-	34,754
Community environment	237	-	-	-	-	-	237
Transportation	3,974	-	-	-	-	-	3,974
Capital outlay	272,830	-	-	-	-	-	272,830
Debt service	-	-	-	-	51,345	-	51,345
Subsequent year appropriations	2,399,674	-	-	-	-	-	2,399,674
Total assigned	<u>3,065,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,345</u>	<u>-</u>	<u>3,116,976</u>
Unassigned	<u>10,329,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(136,784)</u>	<u>-</u>	<u>10,192,343</u>
Total fund balances	<u>\$ 14,496,021</u>	<u>\$ 453,908</u>	<u>\$ 1,996,214</u>	<u>\$ 1,684,991</u>	<u>\$ 1,054,777</u>	<u>\$ -</u>	<u>\$ 19,685,911</u>

NOTE 19 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 697,644
Fire/EMS levy fund	8,464
Street maintenance and repair fund	259,689
Fire station construction fund	1,621,596
Other governmental	<u>801,302</u>
Total	<u>\$ 3,388,695</u>

CITY OF TALLMADGE, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022*

NOTE 20 - TAX INCREMENT FINANCING DISTRICT

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TALLMADGE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE YEARS

	2022	2021	2020	2019	2018
<i>Traditional Plan:</i>					
City's proportion of the net pension liability	0.032479%	0.030167%	0.033131%	0.032832%	0.032215%
City's proportionate share of the net pension liability	\$ 2,825,804	\$ 4,467,075	\$ 6,548,568	\$ 8,992,019	\$ 5,053,909
City's covered payroll	\$ 4,714,929	\$ 4,249,271	\$ 4,662,314	\$ 4,434,486	\$ 4,259,954
City's proportionate share of the net pension liability as a percentage of its covered payroll	59.93%	105.13%	140.46%	202.77%	118.64%
Plan fiduciary net position as a percentage of the total pension liability	96.62%	86.88%	82.17%	74.70%	84.66%
<i>Combined Plan:</i>					
City's proportion of the net pension liability	0.020442%	0.017388%	0.001872%	0.001512%	0.002889%
City's proportionate share of the net pension asset	\$ (80,542)	\$ 50,193	\$ 3,904	\$ 1,691	\$ 3,932
City's covered payroll	\$ 93,193	\$ 75,564	\$ 7,450	\$ 6,464	\$ 11,838
City's proportionate share of the net pension asset as a percentage of its covered payroll	-86.42%	66.42%	52.40%	26.16%	33.22%
Plan fiduciary net position as a percentage of the total pension asset	169.88%	157.67%	145.28%	126.64%	137.28%

Note: Information prior to 2014 was not available for the Traditional and Combined Plan. The schedule is intended to show information for 10 years. The additional year will be displayed as it becomes available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

CITY OF TALLMADGE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net pension liability	0.146400%	0.149301%	0.146671%	0.146207%	0.144291%
City's proportionate share of the net pension liability	\$ 9,146,219	\$ 10,177,956	\$ 9,880,555	\$ 11,934,355	\$ 8,855,767
City's covered payroll	\$ 3,765,380	\$ 3,711,104	\$ 3,533,294	\$ 3,363,739	\$ 3,202,777
City's proportionate share of the net pension liability as a percentage of its covered payroll	242.90%	274.26%	279.64%	354.79%	276.50%
Plan fiduciary net position as a percentage of the total pension liability	75.03%	70.65%	69.89%	63.07%	70.91%

Note: Information prior to 2014 was not unavailable. The schedule is intended to show information for 10 years. The additional year will be displayed as it becomes available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

CITY OF TALLMADGE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Traditional Plan:</i>					
Contractually required contribution	\$ 707,131	\$ 660,090	\$ 594,898	\$ 652,724	\$ 620,828
Contributions in relation to the contractually required contribution	<u>(707,131)</u>	<u>(660,090)</u>	<u>(594,898)</u>	<u>(652,724)</u>	<u>(620,828)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 5,050,936	\$ 4,714,929	\$ 4,249,271	\$ 4,662,314	\$ 4,434,486
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%
<i>Combined Plan:</i>					
Contractually required contribution	\$ 4,848	\$ 13,047	\$ 10,579	\$ 1,043	\$ 905
Contributions in relation to the contractually required contribution	<u>(4,848)</u>	<u>(13,047)</u>	<u>(10,579)</u>	<u>(1,043)</u>	<u>(905)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 34,629	\$ 93,193	\$ 75,564	\$ 7,450	\$ 6,464
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 553,794	\$ 485,728	\$ 466,572	\$ 460,934	\$ 494,879
<u>(553,794)</u>	<u>(485,728)</u>	<u>(466,572)</u>	<u>(460,934)</u>	<u>(494,879)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,259,954	\$ 4,047,733	\$ 3,888,100	\$ 3,841,117	\$ 3,806,762
13.00%	12.00%	12.00%	12.00%	13.00%
\$ 1,539	\$ 5,046	\$ 7,620	\$ 7,962	\$ 6,478
<u>(1,539)</u>	<u>(5,046)</u>	<u>(7,620)</u>	<u>(7,962)</u>	<u>(6,478)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 11,838	\$ 42,050	\$ 63,500	\$ 66,350	\$ 49,831
13.00%	12.00%	12.00%	12.00%	13.00%

CITY OF TALLMADGE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Police:</i>					
Contractually required contribution	\$ 439,354	\$ 400,956	\$ 415,806	\$ 395,605	\$ 384,145
Contributions in relation to the contractually required contribution	<u>(439,354)</u>	<u>(400,956)</u>	<u>(415,806)</u>	<u>(395,605)</u>	<u>(384,145)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,312,389	\$ 2,110,295	\$ 2,188,453	\$ 2,082,132	\$ 2,021,816
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>					
Contractually required contribution	\$ 514,657	\$ 388,945	\$ 357,823	\$ 341,023	\$ 315,352
Contributions in relation to the contractually required contribution	<u>(514,657)</u>	<u>(388,945)</u>	<u>(357,823)</u>	<u>(341,023)</u>	<u>(315,352)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,190,030	\$ 1,655,085	\$ 1,522,651	\$ 1,451,162	\$ 1,341,923
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

CITY OF TALLMADGE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net OPEB liability/asset	0.031216%	0.029006%	0.031547%	0.031529%	0.031110%
City's proportionate share of the net OPEB liability/(asset)	\$ (977,733)	\$ (516,764)	\$ 4,357,459	\$ 4,110,636	\$ 3,378,317
City's covered payroll	\$ 4,808,122	\$ 4,324,835	\$ 4,669,764	\$ 4,440,950	\$ 4,271,792
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	20.34%	11.95%	93.31%	92.56%	79.08%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	128.23%	115.57%	47.80%	46.33%	54.14%

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

Note: Covered payroll for 2021 and prior have been restated to exclude Member Directed Plan contributions.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017

0.031440%

\$ 3,175,551

\$ 4,089,783

77.65%

54.05%

CITY OF TALLMADGE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net OPEB liability	0.146400%	0.149301%	0.146671%	0.146207%	0.144291%
City's proportionate share of the net OPEB liability	\$ 1,604,669	\$ 1,581,864	\$ 1,448,779	\$ 1,331,439	\$ 8,175,303
City's covered payroll	\$ 3,765,380	\$ 3,711,104	\$ 3,533,294	\$ 3,363,739	\$ 3,202,777
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	42.62%	42.63%	41.00%	39.58%	255.26%
Plan fiduciary net position as a percentage of the total OPEB liability	46.86%	45.42%	47.08%	46.57%	14.13%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017

0.140297%

\$ 6,659,584

\$ 2,962,276

224.81%

15.96%

CITY OF TALLMADGE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ -	\$ 2,418	\$ 2,451	\$ 3,850	\$ 5,290
Contributions in relation to the contractually required contribution	<u>-</u>	<u>(2,418)</u>	<u>(2,451)</u>	<u>(3,850)</u>	<u>(5,290)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 5,085,565	\$ 4,808,122	\$ 4,324,835	\$ 4,669,764	\$ 4,440,950
Contributions as a percentage of covered payroll	0.00%	0.05%	0.06%	0.08%	0.12%

Note: Covered payroll for 2021 and prior have been restated to exclude Member Directed Plan contributions.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 48,188	\$ 88,066	\$ 79,032	\$ 77,837	\$ 38,549
<u>(48,188)</u>	<u>(88,066)</u>	<u>(79,032)</u>	<u>(77,837)</u>	<u>(38,549)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,271,792	\$ 4,089,783	\$ 3,951,600	\$ 3,907,467	\$ 3,856,593
1.13%	2.15%	2.00%	1.99%	1.00%

CITY OF TALLMADGE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Police:</i>					
Contractually required contribution	\$ 11,562	\$ 10,551	\$ 10,942	\$ 10,411	\$ 10,110
Contributions in relation to the contractually required contribution	<u>(11,562)</u>	<u>(10,551)</u>	<u>(10,942)</u>	<u>(10,411)</u>	<u>(10,110)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,312,389	\$ 2,110,295	\$ 2,188,453	\$ 2,082,132	\$ 2,021,816
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%	0.50%
<i>Fire:</i>					
Contractually required contribution	\$ 10,950	\$ 8,275	\$ 7,613	\$ 7,256	\$ 6,709
Contributions in relation to the contractually required contribution	<u>(10,950)</u>	<u>(8,275)</u>	<u>(7,613)</u>	<u>(7,256)</u>	<u>(6,709)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,190,030	\$ 1,655,085	\$ 1,522,651	\$ 1,451,162	\$ 1,341,923
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

CITY OF TALLMADGE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed from 0.50%, simple through 2021, then 2.15% simple to 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.

(Continued)

CITY OF TALLMADGE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

PENSION

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- There were no changes in assumptions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.25% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.
- There were no changes in assumptions for 2019.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the actuarially assumed rate of return was changed from 8.00% to 7.50%.

(Continued)

CITY OF TALLMADGE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.
- There were no changes in benefit terms from the amounts reported for 2022.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.50%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.50%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.

(Continued)

CITY OF TALLMADGE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.56% down to 2.96%.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the investment rate of return was changed from 8.00% to 7.50% and (b) the discount rate was changed from 2.96% to 2.84%.

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

CITY OF TALLMADGE, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Major Special Revenue Funds

Fire/EMS Levy Fund

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

Street Maintenance and Repair Fund

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

American Rescue Plan Act Fund

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

Nonmajor Special Revenue Funds

Safety Services Income Tax Fund

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

State Highway Fund

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

Community Development Fund

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

Alcohol Enforcement and Education Fund

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

Law Enforcement Trust Fund

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

CITY OF TALLMADGE, OHIO

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

Nonmajor Special Revenue Funds (Continued)

Drug Law Enforcement Fund

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

Law Enforcement Assistance Fund

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

Emergency Medical Service Donation Fund

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

K-9 Unit Donation Fund

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

Police Pension Fund

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

Fire Repair/Removal Fund

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

Historical Preservation Fund

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

Tallmadge Reserve Incentive District TIF Fund

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

OneOhio Opioid Settlement Fund

To account for funds received from the OneOhio settlement with national opioid distributors to combat the opioid epidemic within the City.

Federal Equitable Sharing Fund

To account for revenues received from Federal forfeitures to be used for expenditures related to law enforcement purposes.

DEBT SERVICE FUND

Bond Retirement Fund

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

CITY OF TALLMADGE, OHIO

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

CAPITAL PROJECTS FUNDS

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

Major Capital Projects Fund

Fire Station Construction Fund

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

Nonmajor Capital Projects Funds

General Infrastructure Fund

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

East Avenue Improvement Fund

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

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes				
Real estate (public utility)	\$ 935,476	\$ 938,551	\$ 925,856	\$ (12,695)
Municipal income taxes	11,010,812	11,047,000	13,150,878	2,103,878
Intergovernmental				
Local government	721,152	723,522	709,680	(13,842)
Rollback	114,623	115,000	127,875	12,875
JEDD income taxes	1,026,626	1,030,000	1,720,930	690,930
Miscellaneous	102,962	103,300	119,645	16,345
Investment income	72,512	72,750	178,787	106,037
Fines, licenses and permits	320,098	321,150	331,207	10,057
Special assessments.	2,990	3,000	9,685	6,685
Charges for services	1,712,328	1,717,956	1,686,132	(31,824)
Miscellaneous.	278,584	279,500	352,845	73,345
Total revenues.	<u>16,298,163</u>	<u>16,351,729</u>	<u>19,313,520</u>	<u>2,961,791</u>
Expenditures:				
Current:				
General government				
Mayor/administration				
Personnel	782,497	782,497	604,033	178,464
Operating	126,304	126,304	124,879	1,425
Total mayor/administration.	<u>908,801</u>	<u>908,801</u>	<u>728,912</u>	<u>179,889</u>
Finance director				
Personnel	564,227	564,227	539,165	25,062
Operating	251,005	251,005	241,111	9,894
Total finance director.	<u>815,232</u>	<u>815,232</u>	<u>780,276</u>	<u>34,956</u>
Law director				
Personnel	354,321	354,321	325,065	29,256
Operating	45,200	45,200	37,950	7,250
Total law director.	<u>399,521</u>	<u>399,521</u>	<u>363,015</u>	<u>36,506</u>
Service director				
Personnel	227,042	227,042	219,866	7,176
Operating	158,691	158,691	150,953	7,738
Total service director.	<u>385,733</u>	<u>385,733</u>	<u>370,819</u>	<u>14,914</u>
Manager of information service				
Personnel	254,495	254,495	250,120	4,375
Operating	713,429	783,429	783,144	285
Total manager of information service.	<u>967,924</u>	<u>1,037,924</u>	<u>1,033,264</u>	<u>4,660</u>
Council				
Personnel	221,421	221,421	213,532	7,889
Operating	52,323	52,323	44,495	7,828
Total council	<u>273,744</u>	<u>273,744</u>	<u>258,027</u>	<u>15,717</u>
Civil service				
Personnel	31,917	31,917	30,950	967
Operating	4,150	4,150	2,251	1,899
Total civil service.	<u>36,067</u>	<u>36,067</u>	<u>33,201</u>	<u>2,866</u>

- Continued

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Custodian				
Personnel	\$ 87,056	\$ 87,056	\$ 77,385	\$ 9,671
Operating	225,348	225,348	205,667	19,681
Total custodian	<u>312,404</u>	<u>312,404</u>	<u>283,052</u>	<u>29,352</u>
General administration				
Operating	1,106,437	1,291,437	1,274,272	17,165
Total general administration	<u>1,106,437</u>	<u>1,291,437</u>	<u>1,274,272</u>	<u>17,165</u>
Historical church				
Personnel	13,433	13,433	12,477	956
Operating	6,250	6,250	5,438	812
Total historical church	<u>19,683</u>	<u>19,683</u>	<u>17,915</u>	<u>1,768</u>
Total general government	<u>5,225,546</u>	<u>5,480,546</u>	<u>5,142,753</u>	<u>337,793</u>
Security of persons and property				
Police				
Personnel	4,005,622	4,005,622	3,786,380	219,242
Operating	567,797	579,891	566,438	13,453
Total police	<u>4,573,419</u>	<u>4,585,513</u>	<u>4,352,818</u>	<u>232,695</u>
Street lighting				
Operating	45,000	45,000	43,219	1,781
Total security of persons and property	<u>4,618,419</u>	<u>4,630,513</u>	<u>4,396,037</u>	<u>234,476</u>
Transportation				
Garage				
Personnel	389,171	392,171	391,088	1,083
Operating	89,428	86,428	64,763	21,665
Total transportation	<u>478,599</u>	<u>478,599</u>	<u>455,851</u>	<u>22,748</u>
Community environment				
Zoning				
Personnel	204,027	204,027	202,468	1,559
Operating	92,900	92,900	24,174	68,726
Total zoning	<u>296,927</u>	<u>296,927</u>	<u>226,642</u>	<u>70,285</u>
Total community environment	<u>296,927</u>	<u>296,927</u>	<u>226,642</u>	<u>70,285</u>
Leisure time activities				
Community center				
Personnel	11,933	11,933	11,457	476
Operating	56,450	56,450	49,386	7,064
Total community center	<u>68,383</u>	<u>68,383</u>	<u>60,843</u>	<u>7,540</u>
Parks				
Personnel	38,123	38,123	24,211	13,912
Operating	84,448	84,448	80,134	4,314
Total recreation center	<u>122,571</u>	<u>122,571</u>	<u>104,345</u>	<u>18,226</u>

- Continued

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Recreation center				
Personnel	\$ 1,100,743	\$ 1,100,743	\$ 974,801	\$ 125,942
Operating	644,964	644,964	529,686	115,278
Total recreation center	<u>1,745,707</u>	<u>1,745,707</u>	<u>1,504,487</u>	<u>241,220</u>
Maca pool				
Personnel	182,019	182,019	166,129	15,890
Operating	90,636	116,236	102,749	13,487
Total Maca Pool	<u>272,655</u>	<u>298,255</u>	<u>268,878</u>	<u>29,377</u>
Total leisure time activities	<u>2,209,316</u>	<u>2,234,916</u>	<u>1,938,553</u>	<u>296,363</u>
Capital outlay				
Recreation - repairs, improvements, and fleet	679,000	754,782	622,749	132,033
Zoning - software	22,500	22,500	-	22,500
Garage - fleet.	7,750	7,750	7,704	46
Service director - fleet	5,000	5,000	4,906	94
Servers/software	208,997	237,997	237,902	95
Total capital outlay	<u>923,247</u>	<u>1,028,029</u>	<u>873,261</u>	<u>154,768</u>
Total expenditures	<u>13,752,054</u>	<u>14,149,530</u>	<u>13,033,097</u>	<u>1,116,433</u>
Excess of revenues over expenditures	<u>2,546,109</u>	<u>2,202,199</u>	<u>6,280,423</u>	<u>4,078,224</u>
Other financing sources (uses):				
Sale of capital assets.	500	500	-	(500)
Advances in				
Safety services income tax	250,000	250,000	250,000	-
FEMA Mitigation Grant	189,448	189,448	189,448	-
Advances out				
Tallmadge Reserve Incentive District	(64,268)	(64,268)	(64,268)	-
Transfers out				
Police pension	(200,000)	(200,000)	(200,000)	-
Fire/EMS levy	(1,640,000)	(1,640,000)	(1,640,000)	-
General infrastructure reserve	(30,000)	(30,000)	(30,000)	-
Street maintenance and repair	(2,590,775)	(2,590,775)	(2,590,775)	-
Community development.	(20,000)	(20,000)	-	20,000
Bond retirement	(498,640)	(498,640)	(498,640)	-
Total other financing sources (uses)	<u>(4,603,735)</u>	<u>(4,603,735)</u>	<u>(4,584,235)</u>	<u>19,500</u>
Net change in fund balance	(2,057,626)	(2,401,536)	1,696,188	4,097,724
Fund balance at beginning of year	8,581,399	8,581,399	8,581,399	-
Prior year encumbrances appropriated.	538,194	538,194	538,194	-
Fund balance at end of year.	<u>\$ 7,061,967</u>	<u>\$ 6,718,057</u>	<u>\$ 10,815,781</u>	<u>\$ 4,097,724</u>

CITY OF TALLMADGE, OHIO

*COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	1,277,016	\$ 51,345	\$ 108,866	\$ 1,437,227
Receivables:				
Income taxes	364,382	-	-	364,382
Real and other taxes	140,555	-	-	140,555
Intergovernmental	54,078	-	11,752	65,830
Prepayments.	2,459	-	-	2,459
Total assets	\$ 1,838,490	\$ 51,345	\$ 120,618	\$ 2,010,453
Liabilities:				
Accounts payable.	\$ 9,157	\$ -	\$ -	\$ 9,157
Contracts payable.	-	-	11,752	11,752
Accrued wages and benefits payable	1,012	-	-	1,012
Interfund loan payable	543,345	-	-	543,345
Intergovernmental payable	34,952	-	-	34,952
Total liabilities	588,466	-	11,752	600,218
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	135,986	-	-	135,986
Delinquent property tax revenue not available.	4,569	-	-	4,569
Income tax revenue not available	173,760	-	-	173,760
Intergovernmental nonexchange transactions	41,143	-	-	41,143
Total deferred inflows of resources.	355,458	-	-	355,458
Fund balances:				
Nonspendable	2,459	-	-	2,459
Restricted for:				
General government	80,299	-	-	80,299
Security of persons and property:				
Police	76,778	-	-	76,778
Fire	8,188	-	-	8,188
Safety services income tax levy	707,661	-	-	707,661
Public health	5,019	-	-	5,019
Transportation.	133,648	-	-	133,648
Community environment	17,298	-	-	17,298
Capital outlay	-	-	14,223	14,223
Committed	-	-	94,643	94,643
Assigned	-	51,345	-	51,345
Unassigned (deficit)	(136,784)	-	-	(136,784)
Total fund balances	894,566	51,345	108,866	1,054,777
Total liabilities, deferred inflows of resources and fund balances.	\$ 1,838,490	\$ 51,345	\$ 120,618	\$ 2,010,453

CITY OF TALLMADGE, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and other taxes	\$ 131,869	\$ -	\$ -	\$ 131,869
Municipal income taxes	1,412,469	-	-	1,412,469
Intergovernmental	143,557	-	711,959	855,516
Fines, licenses and permits	8,299	-	-	8,299
Investment income	49	-	-	49
Miscellaneous	30,086	-	-	30,086
Total revenues	<u>1,726,329</u>	<u>-</u>	<u>711,959</u>	<u>2,438,288</u>
Expenditures:				
Current:				
General government	93,517	3,500	-	97,017
Security of persons and property:				
Police	974,644	-	-	974,644
Fire	89,901	-	-	89,901
Transportation	85,444	-	-	85,444
Capital outlay	660,628	-	764,495	1,425,123
Debt service:				
Principal retirement	145,149	810,000	-	955,149
Interest and fiscal charges	43,387	341,728	-	385,115
Total expenditures	<u>2,092,670</u>	<u>1,155,228</u>	<u>764,495</u>	<u>4,012,393</u>
Excess of expenditures over revenues	<u>(366,341)</u>	<u>(1,155,228)</u>	<u>(52,536)</u>	<u>(1,574,105)</u>
Other financing sources (uses):				
Lease transaction	87,490	-	-	87,490
Transfers in	200,000	537,899	30,000	767,899
Transfers (out)	<u>(39,259)</u>	<u>-</u>	<u>-</u>	<u>(39,259)</u>
Total other financing sources (uses)	<u>248,231</u>	<u>537,899</u>	<u>30,000</u>	<u>816,130</u>
Net change in fund balances	(118,110)	(617,329)	(22,536)	(757,975)
Fund balances at beginning of year	<u>1,012,676</u>	<u>668,674</u>	<u>131,402</u>	<u>1,812,752</u>
Fund balances at end of year	<u>\$ 894,566</u>	<u>\$ 51,345</u>	<u>\$ 108,866</u>	<u>\$ 1,054,777</u>

CITY OF TALLMADGE, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2022*

	Safety Services Income Tax	State Highway	Community Development	Alcohol Enforcement and Education
Assets:				
Equity in pooled cash and cash equivalents	\$ 932,757	\$ 122,104	\$ 17,298	\$ 9,369
Receivables:				
Income taxes	364,382	-	-	-
Real and other taxes	-	-	-	-
Intergovernmental	-	45,047	-	-
Prepayments.	-	2,459	-	-
Total assets	<u>\$ 1,297,139</u>	<u>\$ 169,610</u>	<u>\$ 17,298</u>	<u>\$ 9,369</u>
Liabilities:				
Accounts payable.	\$ 9,157	\$ -	\$ -	\$ -
Accrued wages and benefits payable	-	1,012	-	-
Interfund payable	406,561	-	-	-
Intergovernmental payable	-	379	-	-
Total liabilities.	<u>415,718</u>	<u>1,391</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	-	-	-	-
Delinquent property tax revenue not available.	-	-	-	-
Income tax revenue not available	173,760	-	-	-
Intergovernmental nonexchange transactions	-	32,112	-	-
Total deferred inflows of resources	<u>173,760</u>	<u>32,112</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	2,459	-	-
Restricted for:				
General government	-	-	-	-
Security of persons and property:				
Police	-	-	-	9,369
Fire	-	-	-	-
Safety services income tax levy	707,661	-	-	-
Public health	-	-	-	-
Transportation.	-	133,648	-	-
Community environment	-	-	17,298	-
Unassigned (deficit)	-	-	-	-
Total fund balances.	<u>707,661</u>	<u>136,107</u>	<u>17,298</u>	<u>9,369</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 1,297,139</u>	<u>\$ 169,610</u>	<u>\$ 17,298</u>	<u>\$ 9,369</u>

<u>Law Enforcement Trust</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement Assistance</u>	<u>Emergency Medical Service Donation</u>	<u>K-9 Unit Donation</u>	<u>Police Pension</u>	<u>Fire Repair/Removal</u>
\$ 1,250	\$ 11,605	\$ 10,580	\$ 8,188	\$ 8,130	\$ 62,563	\$ 79,599
-	-	-	-	-	-	-
-	-	-	-	-	140,555	-
-	-	-	-	-	9,031	-
-	-	-	-	-	-	-
<u>\$ 1,250</u>	<u>\$ 11,605</u>	<u>\$ 10,580</u>	<u>\$ 8,188</u>	<u>\$ 8,130</u>	<u>\$ 212,149</u>	<u>\$ 79,599</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	34,573	-
-	-	-	-	-	34,573	-
-	-	-	-	-	-	-
-	-	-	-	-	135,986	-
-	-	-	-	-	4,569	-
-	-	-	-	-	-	-
-	-	-	-	-	9,031	-
-	-	-	-	-	149,586	-
-	-	-	-	-	-	-
-	-	-	-	-	-	79,599
1,250	11,605	10,580	-	8,130	27,990	-
-	-	-	8,188	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,250</u>	<u>11,605</u>	<u>10,580</u>	<u>8,188</u>	<u>8,130</u>	<u>27,990</u>	<u>79,599</u>
<u>\$ 1,250</u>	<u>\$ 11,605</u>	<u>\$ 10,580</u>	<u>\$ 8,188</u>	<u>\$ 8,130</u>	<u>\$ 212,149</u>	<u>\$ 79,599</u>

- (Continued)

CITY OF TALLMADGE, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - (CONTINUED)
DECEMBER 31, 2022*

	<u>Historical Preservation</u>	<u>Tallmadge Reserve Incentive District</u>	<u>OneOhio Opioid Settlement</u>	<u>Federal Equitable Sharing</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 700	\$ -	\$ 5,019	\$ 7,854
Receivables:				
Income taxes	-	-	-	-
Real and other taxes	-	-	-	-
Intergovernmental	-	-	-	-
Prepayments.	-	-	-	-
Total assets	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ 5,019</u>	<u>\$ 7,854</u>
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits payable	-	-	-	-
Interfund payable	-	136,784	-	-
Intergovernmental payable	-	-	-	-
Total liabilities.	<u>-</u>	<u>136,784</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	-	-	-	-
Delinquent property tax revenue not available.	-	-	-	-
Income tax revenue not available	-	-	-	-
Intergovernmental nonexchange transactions	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted for:				
General government	700	-	-	-
Security of persons and property:				
Police	-	-	-	7,854
Fire	-	-	-	-
Safety services income tax levy	-	-	-	-
Public health	-	-	5,019	-
Transportation.	-	-	-	-
Community environment	-	-	-	-
Unassigned (deficit)	-	(136,784)	-	-
Total fund balances.	<u>700</u>	<u>(136,784)</u>	<u>5,019</u>	<u>7,854</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ 5,019</u>	<u>\$ 7,854</u>

Totals

\$ 1,277,016

364,382

140,555

54,078

2,459

\$ 1,838,490

9,157

1,012

543,345

34,952

588,466

135,986

4,569

173,760

41,143

355,458

2,459

80,299

76,778

8,188

707,661

5,019

133,648

17,298

(136,784)

894,566

\$ 1,838,490

CITY OF TALLMADGE, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022*

	Safety Services Income Tax	State Highway	Community Development	Alcohol Enforcement and Education
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	1,412,469	-	-	-
Intergovernmental	-	88,094	29,345	-
Fines, licenses and permits.	-	-	-	365
Investment income.	-	49	-	-
Miscellaneous	-	291	-	-
Total revenues.	<u>1,412,469</u>	<u>88,434</u>	<u>29,345</u>	<u>365</u>
Expenditures:				
Current:				
General government.	62,117	-	-	-
Security of persons and property:				
Police	519,534	-	-	-
Fire	89,345	-	-	-
Transportation	-	85,444	-	-
Capital outlay.	660,628	-	-	-
Debt service:				
Principal retirement	110,149	-	-	-
Interest and fiscal charges	14,119	-	-	-
Total expenditures.	<u>1,455,892</u>	<u>85,444</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43,423)</u>	<u>2,990</u>	<u>29,345</u>	<u>365</u>
Other financing sources (uses):				
Lease transaction	87,490	-	-	-
Transfers in	-	-	-	-
Transfers (out).	<u>(39,259)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>48,231</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,808	2,990	29,345	365
Fund balances (deficits) at beginning of year . . .	<u>702,853</u>	<u>133,117</u>	<u>(12,047)</u>	<u>9,004</u>
Fund balances (deficit) at end of year	<u>\$ 707,661</u>	<u>\$ 136,107</u>	<u>\$ 17,298</u>	<u>\$ 9,369</u>

Law Enforcement Trust	Drug Law Enforcement	Law Enforcement Assistance	Emergency Medical Service Donation	K-9 Unit Donation	Police Pension	Fire Repair/Removal
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 131,869	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	18,264	-
-	2,915	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,230	1,002	-	27,563
-	2,915	-	1,230	1,002	150,133	27,563
-	-	-	-	-	-	31,400
-	2,207	-	-	-	452,903	-
-	-	-	556	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,207	-	556	-	452,903	31,400
-	708	-	674	1,002	(302,770)	(3,837)
-	-	-	-	-	-	-
-	-	-	-	-	200,000	-
-	-	-	-	-	-	-
-	-	-	-	-	200,000	-
-	708	-	674	1,002	(102,770)	(3,837)
1,250	10,897	10,580	7,514	7,128	130,760	83,436
<u>\$ 1,250</u>	<u>\$ 11,605</u>	<u>\$ 10,580</u>	<u>\$ 8,188</u>	<u>\$ 8,130</u>	<u>\$ 27,990</u>	<u>\$ 79,599</u>

- (Continued)

CITY OF TALLMADGE, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022*

	Historical Preservation	Tallmadge Reserve Incentive District	OneOhio Opioid Settlement	Federal Equitable Sharing
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	-	-	-	-
Intergovernmental	-	-	-	7,854
Fines, licenses and permits.	-	-	5,019	-
Investment income.	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues.	<u>-</u>	<u>-</u>	<u>5,019</u>	<u>7,854</u>
Expenditures:				
Current:				
General government.	-	-	-	-
Security of persons and property:				
Police	-	-	-	-
Fire	-	-	-	-
Transportation	-	-	-	-
Capital outlay.	-	-	-	-
Debt service:				
Principal retirement	-	35,000	-	-
Interest and fiscal charges	-	29,268	-	-
Total expenditures.	<u>-</u>	<u>64,268</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(64,268)</u>	<u>5,019</u>	<u>7,854</u>
Other financing sources (uses):				
Lease transaction	-	-	-	-
Transfers in	-	-	-	-
Transfers (out).	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(64,268)	5,019	7,854
Fund balances (deficits) at beginning of year . . .	<u>700</u>	<u>(72,516)</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) at end of year	<u>\$ 700</u>	<u>\$ (136,784)</u>	<u>\$ 5,019</u>	<u>\$ 7,854</u>

Totals

\$	131,869
	1,412,469
	143,557
	8,299
	49
	<u>30,086</u>
	<u>1,726,329</u>

93,517

974,644
89,901
85,444
660,628

145,149
43,387

2,092,670

(366,341)

87,490
200,000
(39,259)

248,231

(118,110)

1,012,676

\$ 894,566

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE/EMS LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property and other taxes	\$ 1,356,195	\$ 1,366,799	\$ 1,373,252	\$ 6,453
Intergovernmental	188,526	190,000	210,886	20,886
Charges for services	426,664	430,000	533,721	103,721
Miscellaneous.	92,279	93,000	79,370	(13,630)
Total revenues	<u>2,063,664</u>	<u>2,079,799</u>	<u>2,197,229</u>	<u>117,430</u>
Expenditures:				
Current:				
Security of persons and property				
Fire				
Personnel	3,926,470	3,926,470	3,818,843	107,627
Operating	419,583	444,583	413,441	31,142
Total fire	<u>4,346,053</u>	<u>4,371,053</u>	<u>4,232,284</u>	<u>138,769</u>
Capital outlay				
Equipment.	40,857	40,857	40,857	-
Total expenditures	<u>4,386,910</u>	<u>4,411,910</u>	<u>4,273,141</u>	<u>138,769</u>
Excess of expenditures over revenues	<u>(2,323,246)</u>	<u>(2,332,111)</u>	<u>(2,075,912)</u>	<u>256,199</u>
Other financing sources:				
Sale of capital assets	-	-	27,678	27,678
Transfers in.	1,640,000	1,640,000	1,640,000	-
Total other financing sources	<u>1,640,000</u>	<u>1,640,000</u>	<u>1,667,678</u>	<u>27,678</u>
Net change in fund balance.	(683,246)	(692,111)	(408,234)	283,877
Fund balance at beginning of year	816,347	816,347	816,347	-
Prior year encumbrances appropriated	15,640	15,640	15,640	-
Fund balance at end of year.	<u>\$ 148,741</u>	<u>\$ 139,876</u>	<u>\$ 423,753</u>	<u>\$ 283,877</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET MAINTENANCE AND REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,246,848	\$ 1,331,294	\$ 1,362,363	\$ 31,069
Investment income	304	325	601	276
Special assessments.	9,366	10,000	30,594	20,594
Charges for services.	163,825	174,920	199,295	24,375
Miscellaneous.	97,403	104,000	99,166	(4,834)
Total revenues.	<u>1,517,746</u>	<u>1,620,539</u>	<u>1,692,019</u>	<u>71,480</u>
Expenditures:				
Current:				
Public health and welfare				
Personnel	102,957	102,957	86,067	16,890
Operating	55,540	55,540	44,988	10,552
Total public health and welfare	<u>158,497</u>	<u>158,497</u>	<u>131,055</u>	<u>27,442</u>
Transportation				
Personnel	1,115,999	1,115,999	978,671	137,328
Operating	982,516	982,516	875,548	106,968
Total transportation	<u>2,098,515</u>	<u>2,098,515</u>	<u>1,854,219</u>	<u>244,296</u>
Leisure time activities				
Personnel	397,087	397,087	344,268	52,819
Operating	183,209	183,209	157,477	25,732
Total leisure time activities.	<u>580,296</u>	<u>580,296</u>	<u>501,745</u>	<u>78,551</u>
Capital outlay				
Road program.	1,771,714	1,874,634	1,634,861	239,773
Fleet program	166,200	166,200	151,195	15,005
Total capital outlay	<u>1,937,914</u>	<u>2,040,834</u>	<u>1,786,056</u>	<u>254,778</u>
Total expenditures.	<u>4,775,222</u>	<u>4,878,142</u>	<u>4,273,075</u>	<u>605,067</u>
Excess of expenditures over revenues.	<u>(3,257,476)</u>	<u>(3,257,603)</u>	<u>(2,581,056)</u>	<u>676,547</u>
Other financing sources:				
Transfers in.	2,590,775	2,590,775	2,590,775	-
Sale of capital assets	1,873	2,000	24,154	22,154
Total other financing sources.	<u>2,592,648</u>	<u>2,592,775</u>	<u>2,614,929</u>	<u>22,154</u>
Net change in fund balance.	(664,828)	(664,828)	33,873	698,701
Fund balance at beginning of year	924,165	924,165	924,165	-
Prior year encumbrances appropriated	<u>286,139</u>	<u>286,139</u>	<u>286,139</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 545,476</u>	<u>\$ 545,476</u>	<u>\$ 1,244,177</u>	<u>\$ 698,701</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AMERICAN RESCUE PLAN ACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 917,567	\$ 917,567	\$ 924,893	\$ 7,326
Expenditures:				
Current:				
General government				
Operating	-	42,010	39,071	2,939
Security of persons and property				
Operating	-	79,024	51,398	27,626
Leisure time activities				
Operating	-	456,857	12,518	444,339
Transportation				
Operating	-	322,109	16,385	305,724
Total expenditures.	-	900,000	119,372	780,628
Net change in fund balance.	917,567	17,567	805,521	787,954
Fund balance at beginning of year	917,567	917,567	917,567	-
Fund balance at end of year.	\$ 1,835,134	\$ 935,134	\$ 1,723,088	\$ 787,954

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SAFETY SERVICES INCOME TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 1,180,875	\$ 1,180,875	\$ 1,441,253	\$ 260,378
Expenditures:				
Current:				
General government				
General administration				
Operating	37,000	67,000	62,117	4,883
Security of persons and property				
Police				
Operating	576,661	576,661	573,627	3,034
Fire				
Operating	120,196	120,196	119,671	525
Total security of persons and property. . . .	696,857	696,857	693,298	3,559
Capital outlay				
Police.	500,624	500,624	459,074	41,550
Fire.	152,710	152,710	141,037	11,673
Total capital outlay	653,334	653,334	600,111	53,223
Total expenditures	1,387,191	1,417,191	1,355,526	61,665
Excess of expenditures over revenues.	(206,316)	(236,316)	85,727	322,043
Other financing (uses):				
Advances (out)	(250,000)	(250,000)	(250,000)	-
Transfers (out).	(39,259)	(39,259)	(39,259)	-
Total other financing (uses).	(289,259)	(289,259)	(289,259)	-
Net change in fund balance	(495,575)	(525,575)	(203,532)	322,043
Fund balance at beginning of year.	556,515	556,515	556,515	-
Prior year encumbrances appropriated . . .	388,677	388,677	388,677	-
Fund balance at end of year	<u>\$ 449,617</u>	<u>\$ 419,617</u>	<u>\$ 741,660</u>	<u>\$ 322,043</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 87,000	\$ 87,000	\$ 90,210	\$ 3,210
Investment income	20	20	49	29
Miscellaneous.	750	750	291	(459)
Total revenues.	<u>87,770</u>	<u>87,770</u>	<u>90,550</u>	<u>2,780</u>
Expenditures:				
Current:				
Transportation				
Personnel	102,957	102,957	85,647	17,310
Net change in fund balance	(15,187)	(15,187)	4,903	20,090
Fund balance at beginning of year.	<u>117,201</u>	<u>117,201</u>	<u>117,201</u>	<u>-</u>
Fund balance at end of year	<u>\$ 102,014</u>	<u>\$ 102,014</u>	<u>\$ 122,104</u>	<u>\$ 20,090</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 32,047	\$ 32,047	\$ 29,345	\$ (2,702)
Expenditures:				
Current:				
Community environment				
Operating	89,990	89,990	49,990	40,000
Excess of expenditures over revenues	(57,943)	(57,943)	(20,645)	37,298
Other financing sources:				
Transfers in	20,000	20,000	-	(20,000)
Net change in fund balance	(37,943)	(37,943)	(20,645)	17,298
Fund balance (deficit) at beginning of year .	(12,047)	(12,047)	(12,047)	-
Prior year encumbrances appropriated . . .	49,990	49,990	49,990	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,298</u>	<u>\$ 17,298</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALCOHOL ENFORCEMENT AND EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, licenses and permits	\$ 500	\$ 500	\$ 365	\$ (135)
Net change in fund balance.	500	500	365	(135)
Fund balance at beginning of year	<u>9,004</u>	<u>9,004</u>	<u>9,004</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 9,504</u>	<u>\$ 9,504</u>	<u>\$ 9,369</u>	<u>\$ (135)</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Security of persons and property				
Operating	\$ 500	\$ 500	\$ 500	\$ -
Net change in fund balance.	(500)	(500)	(500)	-
Fund balance at beginning of year	<u>1,250</u>	<u>1,250</u>	<u>1,250</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 750</u>	<u>\$ 750</u>	<u>\$ 750</u>	<u>\$ -</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, licenses and permits	\$ 6,000	\$ 6,000	\$ 2,915	\$ (3,085)
Expenditures:				
Current:				
Security of persons and property				
Operating	7,207	7,207	7,207	-
Net change in fund balance.	(1,207)	(1,207)	(4,292)	(3,085)
Fund balance at beginning of year	8,690	8,690	8,690	-
Prior year encumbrances appropriated	2,207	2,207	2,207	-
Fund balance at end of year.	<u>\$ 9,690</u>	<u>\$ 9,690</u>	<u>\$ 6,605</u>	<u>\$ (3,085)</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT ASSISTANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Expenditures:				
Current:				
Security of persons and property				
Operating	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Net change in fund balance.	(5,000)	(5,000)	(5,000)	-
Fund balance at beginning of year	<u>10,580</u>	<u>10,580</u>	<u>10,580</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 5,580</u>	<u>\$ 5,580</u>	<u>\$ 5,580</u>	<u>\$ -</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY MEDICAL SERVICE DONATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous	\$ 500	\$ 500	\$ 1,230	\$ 730
Expenditures:				
Current:				
Security of persons and property				
Operating	2,000	2,000	1,957	43
Net change in fund balance.	(1,500)	(1,500)	(727)	773
Fund balance at beginning of year	<u>7,550</u>	<u>7,550</u>	<u>7,550</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 6,050</u>	<u>\$ 6,050</u>	<u>\$ 6,823</u>	<u>\$ 773</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
K-9 UNIT DONATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous	\$ 500	\$ 500	\$ 1,002	\$ 502
Expenditures:				
Current:				
Security of persons and property				
Operating	4,500	4,500	3,500	1,000
Net change in fund balance.	(4,000)	(4,000)	(2,498)	1,502
Fund balance at beginning of year	3,628	3,628	3,628	-
Prior year encumbrances appropriated	3,500	3,500	3,500	-
Fund balance at end of year.	<u>\$ 3,128</u>	<u>\$ 3,128</u>	<u>\$ 4,630</u>	<u>\$ 1,502</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE PENSION FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 132,926	\$ 130,112	\$ 131,869	\$ 1,757
Intergovernmental	20,432	20,000	18,264	(1,736)
Total revenues	<u>153,358</u>	<u>150,112</u>	<u>150,133</u>	<u>21</u>
Expenditures:				
Current:				
Security of persons and property				
Operating	<u>460,881</u>	<u>460,881</u>	<u>451,587</u>	<u>9,294</u>
Excess of expenditures over revenues	<u>(307,523)</u>	<u>(310,769)</u>	<u>(301,454)</u>	<u>9,315</u>
Other financing sources:				
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net change in fund balance.	(107,523)	(110,769)	(101,454)	9,315
Fund balance at beginning of year	<u>164,017</u>	<u>164,017</u>	<u>164,017</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 56,494</u>	<u>\$ 53,248</u>	<u>\$ 62,563</u>	<u>\$ 9,315</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE REPAIR/REMOVAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous	\$ 40,000	\$ 40,000	\$ 27,563	\$ (12,437)
Expenditures:				
Current:				
General government				
Operating	40,000	40,000	31,400	8,600
Net change in fund balance	-	-	(3,837)	(3,837)
Fund balance at beginning of year	<u>83,436</u>	<u>83,436</u>	<u>83,436</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 83,436</u>	<u>\$ 83,436</u>	<u>\$ 79,599</u>	<u>\$ (3,837)</u>

CITY OF TALLMADGE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HISTORICAL PRESERVATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	\$ 700	\$ 700	\$ 700	\$ -
Fund balance at end of year	<u>\$ 700</u>	<u>\$ 700</u>	<u>\$ 700</u>	<u>\$ -</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TALLMADGE RESERVE INCENTIVE DISTRICT TIF FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Debt service:				
Principal retirement.	\$ 35,000	\$ 35,000	\$ 35,000	\$ -
Interest and fiscal charges.	29,268	29,268	29,268	-
Total expenditures	<u>64,268</u>	<u>64,268</u>	<u>64,268</u>	<u>-</u>
Excess of expenditures over revenues	<u>(64,268)</u>	<u>(64,268)</u>	<u>(64,268)</u>	<u>-</u>
Other financing (sources):				
Advances in	<u>64,268</u>	<u>64,268</u>	<u>64,268</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ONEOHIO OPIOID SETTLEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, licenses and permits	\$ -	\$ -	\$ 5,019	\$ 5,019
Net change in fund balance	-	-	5,019	5,019
Fund balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,019</u>	<u>\$ 5,019</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL EQUITABLE SHARING FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 7,854	\$ 7,854
Net change in fund balance	-	-	7,854	7,854
Fund balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,854</u>	<u>\$ 7,854</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General government	\$ 5,000	\$ 5,000	\$ 3,500	\$ 1,500
Debt service:				
Principal retirement.	810,000	810,000	810,000	-
Interest and fiscal charges.	341,840	341,840	341,727	113
Total expenditures.	<u>1,156,840</u>	<u>1,156,840</u>	<u>1,155,227</u>	<u>1,613</u>
Excess of expenditures over revenues	<u>(1,156,840)</u>	<u>(1,156,840)</u>	<u>(1,155,227)</u>	<u>1,613</u>
Other financing sources:				
Transfers in.	<u>537,899</u>	<u>537,899</u>	<u>537,899</u>	<u>-</u>
Net change in fund balance.	(618,941)	(618,941)	(617,328)	1,613
Fund balance at beginning of year	<u>668,673</u>	<u>668,673</u>	<u>668,673</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 49,732</u>	<u>\$ 49,732</u>	<u>\$ 51,345</u>	<u>\$ 1,613</u>

CITY OF TALLMADGE, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2022

	General Infrastructure	East Avenue Improvement	Totals
Assets:			
Equity in pooled cash and cash equivalents.	94,643	14,223	\$ 108,866
Receivables:			
Intergovernmental.	-	11,752	11,752
Total assets.	\$ 94,643	\$ 25,975	\$ 120,618
Liabilities:			
Contracts payable.	\$ -	\$ 11,752	\$ 11,752
Fund balances:			
Restricted for:			
Capital outlay.	-	14,223	14,223
Committed	94,643	-	94,643
Total fund balances.	94,643	14,223	108,866
Total liabilities and fund balances	\$ 94,643	\$ 25,975	\$ 120,618

CITY OF TALLMADGE, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>General Infrastructure</u>	<u>East Avenue Improvement</u>	<u>Totals</u>
Revenues:			
Intergovernmental.	<u>\$ -</u>	<u>\$ 711,959</u>	<u>\$ 711,959</u>
Expenditures:			
Capital outlay.	<u>54,300</u>	<u>710,195</u>	<u>764,495</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(54,300)</u>	<u>1,764</u>	<u>(52,536)</u>
Other financing sources:			
Transfers in	<u>30,000</u>	<u></u>	<u>30,000</u>
Net change in fund balances.	<u>(24,300)</u>	<u>1,764</u>	<u>(22,536)</u>
Fund balances at beginning of year	<u>118,943</u>	<u>12,459</u>	<u>131,402</u>
Fund balances at end of year.	<u><u>\$ 94,643</u></u>	<u><u>\$ 14,223</u></u>	<u><u>\$ 108,866</u></u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE STATION CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Municipal income taxes	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
Investment income	-	-	9,865	9,865
Total revenues.	<u>200,000</u>	<u>200,000</u>	<u>209,865</u>	<u>9,865</u>
Expenditures:				
Capital outlay	<u>7,327,720</u>	<u>7,357,720</u>	<u>7,338,294</u>	<u>19,426</u>
Net change in fund balance	(7,127,720)	(7,157,720)	(7,128,429)	29,291
Fund balance at beginning of year	88,705	88,705	88,705	-
Prior year encumbrances appropriated.	<u>7,127,720</u>	<u>7,127,720</u>	<u>7,127,720</u>	<u>-</u>
Fund balance at end of year	<u>\$ 88,705</u>	<u>\$ 58,705</u>	<u>\$ 87,996</u>	<u>\$ 29,291</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL INFRASTRUCTURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Capital outlay	\$ 45,000	\$ 70,000	\$ 54,300	\$ 15,700
Excess of expenditures over revenues	(45,000)	(70,000)	(54,300)	15,700
Other financing sources:				
Transfers in	30,000	30,000	30,000	-
Net change in fund balance	(15,000)	(40,000)	(24,300)	15,700
Fund balance at beginning of year	<u>118,943</u>	<u>118,943</u>	<u>118,943</u>	<u>-</u>
Fund balance at end of year	<u>\$ 103,943</u>	<u>\$ 78,943</u>	<u>\$ 94,643</u>	<u>\$ 15,700</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EAST AVENUE IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,039,174	\$ 1,415,356	\$ 865,731	\$ (549,625)
Expenditures:				
Capital outlay	1,540,135	1,540,135	1,534,906	5,229
Net change in fund balance	(500,961)	(124,779)	(669,175)	(544,396)
Fund balance (deficit) at beginning of year	(1,415,356)	(1,415,356)	(1,415,356)	-
Prior year encumbrances appropriated.	1,540,135	1,540,135	1,540,135	-
Fund balance (deficit) at end of year	\$ (376,182)	\$ -	\$ (544,396)	\$ (544,396)

CITY OF TALLMADGE, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - PROPRIETARY FUNDS*

MAJOR ENTERPRISE FUNDS

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

Sewer Operating Fund

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

Water Operating Fund

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

Storm Water Fund

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

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 4,470,000	\$ 4,470,000	\$ 4,803,595	\$ 333,595
Miscellaneous	13,800	13,800	21,527	7,727
Total revenues	<u>4,483,800</u>	<u>4,483,800</u>	<u>4,825,122</u>	<u>341,322</u>
Expenses:				
Personal services.	586,264	586,264	501,769	84,495
Materials and supplies	172,227	172,227	150,893	21,334
Contractual services	3,895,781	3,895,781	3,826,460	69,321
Other	48,185	48,185	56,068	(7,883)
Capital outlay				
Meter reading system upgrade	145,000	145,000	-	145,000
Fleet management	40,500	40,500	25,694	14,806
Sewer rehabilitation.	225,460	225,460	214,028	11,432
Cues sewer camera.				-
Debt service:				
Principal retirement	95,559	95,559	95,559	-
Interest and fiscal charges.	4,441	4,441	4,140	301
Total expenses.	<u>5,213,417</u>	<u>5,213,417</u>	<u>4,874,611</u>	<u>338,806</u>
Net change in fund equity	(729,617)	(729,617)	(49,489)	680,128
Fund equity at beginning of year.	3,619,134	3,619,134	3,619,134	-
Prior year encumbrances appropriated . . .	<u>279,485</u>	<u>279,485</u>	<u>279,485</u>	<u>-</u>
Fund equity at end of year	<u>\$ 3,169,002</u>	<u>\$ 3,169,002</u>	<u>\$ 3,849,130</u>	<u>\$ 680,128</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 2,046,000	\$ 2,046,000	\$ 2,127,330	\$ 81,330
Miscellaneous	18,800	18,800	37,482	18,682
Total revenues.	<u>2,064,800</u>	<u>2,064,800</u>	<u>2,164,812</u>	<u>100,012</u>
Expenses:				
Personal services.	586,264	586,264	502,204	84,060
Materials and supplies	172,595	172,595	150,920	21,675
Contractual services	1,388,480	1,388,480	1,306,444	82,036
Other	106,235	106,235	95,380	10,855
Capital outlay				
Southwest waterline	14,173	14,173	14,173	-
East Ave. waterline	25,366	25,366	25,366	-
Software purchases.	140,000	140,000	142,700	(2,700)
Fleet management	40,500	40,500	25,694	14,806
Hydrant & valve replacement	25,000	25,000	25,392	(392)
Meter reading system upgrade	125,000	125,000	-	125,000
Debt service:				
Principal retirement.	179,425	179,425	179,425	-
Interest and fiscal charges.	37,575	37,575	36,070	1,505
Total expenses	<u>2,840,613</u>	<u>2,840,613</u>	<u>2,503,768</u>	<u>336,845</u>
Net change in fund equity	(775,813)	(775,813)	(338,956)	436,857
Fund equity at beginning of year.	3,133,755	3,133,755	3,133,755	-
Prior year encumbrances appropriated . . .	<u>196,782</u>	<u>196,782</u>	<u>196,782</u>	<u>-</u>
Fund equity at end of year	<u>\$ 2,554,724</u>	<u>\$ 2,554,724</u>	<u>\$ 2,991,581</u>	<u>\$ 436,857</u>

CITY OF TALLMADGE, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STORM WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 333,000	\$ 333,000	\$ 338,407	\$ 5,407
Intergovernmental	189,448	189,448	189,448	-
Miscellaneous	500	500	1,915	1,415
Total revenues.	<u>522,948</u>	<u>522,948</u>	<u>529,770</u>	<u>6,822</u>
Expenses:				
Personal services.	279,435	279,435	242,068	37,367
Materials and supplies	36,552	36,552	20,883	15,669
Contractual services	52,109	52,109	81,772	(29,663)
Other	-	-	122	(122)
Advances out.	189,448	189,448	189,448	-
Capital outlay				
Ditching work	75,000	75,000	69,908	5,092
FEMA hazard mitigation	214,848	214,848	186,051	28,797
Debt service:				
Principal retirement	41,393	41,393	41,393	-
Interest and fiscal charges.	2,607	2,607	2,063	544
Total expenses	<u>891,392</u>	<u>891,392</u>	<u>833,708</u>	<u>57,684</u>
Net change in fund equity	(368,444)	(368,444)	(303,938)	64,506
Fund equity at beginning of year.	211,893	211,893	211,893	-
Prior year encumbrances appropriated	191,724	191,724	191,724	-
Fund equity at end of year	<u>\$ 35,173</u>	<u>\$ 35,173</u>	<u>\$ 99,679</u>	<u>\$ 64,506</u>

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STATISTICAL SECTION

CITY OF TALLMADGE, OHIO

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	160
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the income tax and property tax.	171
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.	178
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	182
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	184

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

TABLE 1

CITY OF TALLMADGE, OHIO

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

	Year Ended			
	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$ 17,423,842	\$ 17,400,202	\$ 17,237,094	\$ 21,380,493
Restricted	1,741,398	938,818	1,089,332	1,021,205
Unrestricted	8,651,613	(13,710)	(453,009)	1,361,578
Total governmental activities net position	\$ 27,816,853	\$ 18,325,310	\$ 17,873,417	\$ 23,763,276
Business-type activities				
Net investment in capital assets	\$ 13,040,099	\$ 12,480,844	\$ 12,275,784	\$ 12,827,739
Unrestricted	5,547,959	5,058,591	5,521,861	5,143,660
Total business-type activities net position	\$ 18,588,058	\$ 17,539,435	\$ 17,797,645	\$ 17,971,399
Primary government				
Net investment in capital assets	\$ 29,676,369	\$ 29,881,046	\$ 29,025,245	\$ 33,875,568
Restricted	1,741,398	938,818	1,089,332	1,021,205
Unrestricted	14,987,144	5,044,881	5,556,485	6,837,902
Total primary government net position	\$ 46,404,911	\$ 35,864,745	\$ 35,671,062	\$ 41,734,675

Notes:

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

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

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

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 19,123,730	\$ 19,498,663	\$ 18,867,627	\$ 18,829,238	\$ 18,127,401	\$ 21,157,942
806,140	274,037	186,000	981,141	2,649,980	3,729,695
<u>(9,351,088)</u>	<u>(11,179,353)</u>	<u>(5,773,072)</u>	<u>(5,419,099)</u>	<u>1,408,406</u>	<u>3,008,550</u>
<u>\$ 10,578,782</u>	<u>\$ 8,593,347</u>	<u>\$ 13,280,555</u>	<u>\$ 14,391,280</u>	<u>\$ 22,185,787</u>	<u>\$ 27,896,187</u>
\$ 14,454,902	\$ 14,757,523	\$ 14,223,000	\$ 14,255,462	\$ 15,006,026	\$ 15,516,210
5,630,339	7,308,183	7,531,052	7,012,551	7,493,897	7,846,277
<u>\$ 20,085,241</u>	<u>\$ 22,065,706</u>	<u>\$ 21,754,052</u>	<u>\$ 21,268,013</u>	<u>\$ 22,499,923</u>	<u>\$ 23,362,487</u>
\$ 33,578,632	\$ 34,256,186	\$ 33,090,627	\$ 33,084,700	\$ 33,133,427	\$ 36,674,152
806,140	274,037	186,000	981,141	2,649,980	3,729,695
<u>(3,720,749)</u>	<u>(3,871,170)</u>	<u>1,757,980</u>	<u>1,593,452</u>	<u>8,902,303</u>	<u>10,854,827</u>
<u>\$ 30,664,023</u>	<u>\$ 30,659,053</u>	<u>\$ 35,034,607</u>	<u>\$ 35,659,293</u>	<u>\$ 44,685,710</u>	<u>\$ 51,258,674</u>

TABLE 2

CITY OF TALLMADGE, OHIO

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

	Year Ended			
	2013	2014	2015	2016
Expenses				
Governmental activities:				
General government	\$ 3,564,772	\$ 3,796,832	\$ 4,013,860	\$ 4,189,505
Security of persons and property				
Police	3,717,588	3,834,635	4,100,747	4,470,737
Street lights	30,364	27,287	35,335	34,663
Fire	2,671,188	2,934,683	3,181,762	3,278,321
Public health and welfare	70,758	73,335	72,192	78,701
Transportation	3,483,558	4,172,815	3,862,300	3,303,595
Community environment	161,310	147,887	126,520	247,564
Leisure time activity	2,142,722	2,174,630	2,315,093	2,474,982
Utility services	-	-	-	-
Interest and fiscal charges	415,825	390,861	331,527	306,671
Total governmental activities expenses	<u>16,258,085</u>	<u>17,552,965</u>	<u>18,039,336</u>	<u>18,384,739</u>
Business-type activities:				
Sewer operating	3,847,032	3,884,775	4,007,772	4,461,756
Water operating	1,903,383	2,409,488	1,927,721	2,173,956
Storm water	445,813	378,463	406,712	487,373
Total business-type activities expenses	<u>6,196,228</u>	<u>6,672,726</u>	<u>6,342,205</u>	<u>7,123,085</u>
Total primary government expenses	<u>\$ 22,454,313</u>	<u>\$ 24,225,691</u>	<u>\$ 24,381,541</u>	<u>\$ 25,507,824</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 398,855	\$ 380,786	\$ 356,067	\$ 324,132
Security of persons and property				
Police	5,665	25,948	4,272	25,856
Fire	404,330	405,140	458,369	404,113
Public health and welfare	3,821	2,163	2,942	2,565
Transportation	54,232	45,612	57,514	59,880
Community environment	29,781	39,824	38,520	44,575
Leisure time activity	1,752,221	1,655,897	1,675,577	1,793,613
Operating grants and contributions	1,096,602	1,456,971	1,269,128	1,191,375
Capital grants and contributions	10,513	18,673	232,040	4,682,170
Total governmental program revenues	<u>3,756,020</u>	<u>4,031,014</u>	<u>4,094,429</u>	<u>8,528,279</u>
Business-type activities:				
Charges for services:				
Sewer operating	3,495,275	3,742,246	3,806,251	3,923,707
Water operating	1,998,973	1,972,805	2,192,281	2,008,569
Storm water	311,614	327,676	323,013	305,252
Capital grants and contributions	-	-	-	1,031,476
Total business-type activities program revenues	<u>5,805,862</u>	<u>6,042,727</u>	<u>6,321,545</u>	<u>7,269,004</u>
Total primary government program revenue	<u>\$ 9,561,882</u>	<u>\$ 10,073,741</u>	<u>\$ 10,415,974</u>	<u>\$ 15,797,283</u>
Net (Expense)/Revenue				
Governmental activities	\$ (12,502,065)	\$ (13,521,951)	\$ (13,944,907)	\$ (9,856,460)
Business-type activities	(390,366)	(629,999)	(20,660)	145,919
Total primary government net expense	<u>\$ (12,892,431)</u>	<u>\$ (14,151,950)</u>	<u>\$ (13,965,567)</u>	<u>\$ (9,710,541)</u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 4,590,950	\$ 4,885,634	\$ 5,203,616	\$ 4,747,031	\$ 3,664,086	\$ 4,497,025
4,538,862	5,095,099	1,809,260	5,352,730	4,714,491	5,208,973
35,445	37,309	35,126	36,182	28,439	43,219
3,580,450	3,956,386	1,065,306	4,110,228	4,123,991	4,436,557
73,275	87,955	94,931	131,468	136,525	109,075
4,450,856	4,089,726	4,352,004	3,933,604	2,693,858	3,972,641
346,400	389,036	324,278	262,442	237,615	159,162
2,660,058	2,680,260	3,115,698	2,456,690	1,860,081	2,388,172
-	-	-	47,353	89,909	-
322,376	273,292	264,713	218,601	322,680	364,477
<u>20,598,672</u>	<u>21,494,697</u>	<u>16,264,932</u>	<u>21,296,329</u>	<u>17,871,675</u>	<u>21,179,301</u>
4,107,890	3,715,964	4,737,178	4,365,118	4,303,032	4,605,411
2,039,430	2,090,577	2,192,291	2,288,670	2,093,789	2,225,352
458,769	454,543	591,588	652,502	460,603	482,724
<u>6,606,089</u>	<u>6,261,084</u>	<u>7,521,057</u>	<u>7,306,290</u>	<u>6,857,424</u>	<u>7,313,487</u>
<u>\$ 27,204,761</u>	<u>\$ 27,755,781</u>	<u>\$ 23,785,989</u>	<u>\$ 28,602,619</u>	<u>\$ 24,729,099</u>	<u>\$ 28,492,788</u>
\$ 292,870	\$ 688,715	\$ 413,674	\$ 342,864	\$ 391,896	\$ 405,723
7,441	10,358	7,416	5,154	4,583	5,155
378,181	432,560	424,920	422,745	431,212	574,172
2,564	5,198	4,087	3,681	7,233	17,178
61,247	106,650	79,963	48,192	287,592	170,556
56,980	44,758	39,852	39,502	77,366	58,987
1,854,305	1,874,238	1,958,915	760,536	1,197,342	1,775,404
1,467,132	1,528,418	1,961,633	3,814,475	2,104,155	1,793,297
428,835	44,240	2,523	78,762	905,398	1,376,459
<u>4,549,555</u>	<u>4,735,135</u>	<u>4,892,983</u>	<u>5,515,911</u>	<u>5,406,777</u>	<u>6,176,931</u>
4,514,010	4,743,445	4,665,336	4,000,161	4,473,801	5,005,702
2,156,467	2,182,363	2,073,246	1,909,613	2,154,825	2,123,041
318,523	349,661	339,528	296,198	332,176	346,758
-	934,330	87,451	522,192	1,051,002	639,608
<u>6,989,000</u>	<u>8,209,799</u>	<u>7,165,561</u>	<u>6,728,164</u>	<u>8,011,804</u>	<u>8,115,109</u>
<u>\$ 11,538,555</u>	<u>\$ 12,944,934</u>	<u>\$ 12,058,544</u>	<u>\$ 12,244,075</u>	<u>\$ 13,418,581</u>	<u>\$ 14,292,040</u>
\$ (16,049,117)	\$ (16,759,562)	\$ (11,371,949)	\$ (15,780,418)	\$ (12,464,898)	\$ (15,002,370)
382,911	1,948,715	(355,496)	(578,126)	1,154,380	801,622
<u>\$ (15,666,206)</u>	<u>\$ (14,810,847)</u>	<u>\$ (11,727,445)</u>	<u>\$ (16,358,544)</u>	<u>\$ (11,310,518)</u>	<u>\$ (14,200,748)</u>

TABLE 2

CITY OF TALLMADGE, OHIO

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

	Year Ended			
	2013	2014	2015	2016
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 2,077,781	\$ 2,051,246	\$ 2,036,907	\$ 2,046,484
Income taxes	9,423,158	9,166,550	9,836,002	10,873,754
Unrestricted grants and contributions	1,810,363	1,426,170	1,684,506	2,636,593
Investment earnings	34,549	34,733	43,929	64,428
Change in fair value of investments	-	-	-	(36,756)
Miscellaneous	212,923	166,274	152,030	161,816
Transfers	-	-	(260,360)	-
Total governmental activities	<u>13,558,774</u>	<u>12,844,973</u>	<u>13,493,014</u>	<u>15,746,319</u>
Business-type activities:				
Investment earnings	-	-	-	-
Miscellaneous	22,470	28,492	18,510	27,835
Transfers	-	-	260,360	-
Total business-type activities	<u>22,470</u>	<u>28,492</u>	<u>278,870</u>	<u>27,835</u>
Total primary government	<u>\$ 13,581,244</u>	<u>\$ 12,873,465</u>	<u>\$ 13,771,884</u>	<u>\$ 15,774,154</u>
Change in Net Position				
Governmental activities	\$ 1,056,709	\$ (676,978)	\$ (451,893)	\$ 5,889,859
Business-type activities	(367,896)	(601,507)	258,210	173,754
Total primary government	<u>\$ 688,813</u>	<u>\$ (1,278,485)</u>	<u>\$ (193,683)</u>	<u>\$ 6,063,613</u>

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

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 2,071,912	\$ 2,167,776	\$ 2,232,791	\$ 2,282,011	\$ 2,401,946	\$ 2,443,867
10,242,096	10,110,310	11,161,240	11,709,492	14,848,907	14,708,305
1,605,087	1,719,143	1,930,092	2,004,132	2,697,890	3,093,587
119,726	270,484	333,463	195,287	71,281	280,091
30,106	(30,230)	52,485	40,959	(62,344)	(165,925)
265,074	391,938	349,086	659,262	301,725	352,845
(2,113,760)	-	-	-	-	-
<u>12,220,241</u>	<u>14,629,421</u>	<u>16,059,157</u>	<u>16,891,143</u>	<u>20,259,405</u>	<u>20,712,770</u>
-	-	-	-	12	18
32,485	31,750	43,842	92,087	77,518	60,924
2,113,760	-	-	-	-	-
<u>2,146,245</u>	<u>31,750</u>	<u>43,842</u>	<u>92,087</u>	<u>77,530</u>	<u>60,942</u>
<u>\$ 14,366,486</u>	<u>\$ 14,661,171</u>	<u>\$ 16,102,999</u>	<u>\$ 16,983,230</u>	<u>\$ 20,336,935</u>	<u>\$ 20,773,712</u>
\$ (3,828,876)	\$ (2,130,141)	\$ 4,687,208	\$ 1,110,725	\$ 7,794,507	\$ 5,710,400
2,529,156	1,980,465	(311,654)	(486,039)	1,231,910	862,564
<u>\$ (1,299,720)</u>	<u>\$ (149,676)</u>	<u>\$ 4,375,554</u>	<u>\$ 624,686</u>	<u>\$ 9,026,417</u>	<u>\$ 6,572,964</u>

TABLE 3

CITY OF TALLMADGE, OHIO

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund				
Nonspendable	\$ 109,310	\$ 111,300	\$ 71,993	\$ 224,368
Committed	-	-	-	-
Assigned	1,985,047	1,605,527	332,881	721,654
Unassigned	6,113,312	5,297,977	6,436,553	8,224,427
Total general fund	<u>\$ 8,207,669</u>	<u>\$ 7,014,804</u>	<u>\$ 6,841,427</u>	<u>\$ 9,170,449</u>
All Other Governmental Funds				
Nonspendable	\$ 59,476	\$ 54,022	\$ 69,664	\$ 164,524
Restricted	1,462,666	1,899,015	1,997,588	1,748,212
Committed	-	407,000	288,398	170,300
Assigned	69,696	76,219	99,839	87,463
Unassigned (deficit)	(489)	-	-	(272,519)
Total all other governmental funds	<u>\$ 1,591,349</u>	<u>\$ 2,436,256</u>	<u>\$ 2,455,489</u>	<u>\$ 1,897,980</u>

Note:

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

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 175,328	\$ 169,188	\$ 276,241	\$ 295,112	\$ 292,206	\$ 814,829
-	335,127	298,024	337,498	302,818	286,434
1,082,057	1,005,745	1,143,432	836,804	2,442,188	3,065,631
7,894,320	6,849,232	7,523,668	8,711,289	9,574,586	10,329,127
<u>\$ 9,151,705</u>	<u>\$ 8,359,292</u>	<u>\$ 9,241,365</u>	<u>\$ 10,180,703</u>	<u>\$ 12,611,798</u>	<u>\$ 14,496,021</u>
\$ 158,072	\$ 277,737	\$ 266,074	\$ 378,472	\$ 232,194	\$ 227,849
1,598,522	1,667,710	1,762,478	3,608,498	9,263,958	4,435,157
90,160	106,741	99,293	505,346	636,623	612,323
66,332	24,851	16,171	43,085	668,674	51,345
(52,548)	(16,540)	(5,101)	-	(84,563)	(136,784)
<u>\$ 1,860,538</u>	<u>\$ 2,060,499</u>	<u>\$ 2,138,915</u>	<u>\$ 4,535,401</u>	<u>\$ 10,716,886</u>	<u>\$ 5,189,890</u>

TABLE 4

CITY OF TALLMADGE, OHIO

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

	2013	2014	2015	2016
Revenues				
Property and other taxes	\$ 2,109,423	\$ 2,059,317	\$ 2,059,080	\$ 2,052,791
Municipal income taxes	9,256,758	9,560,660	9,844,999	10,628,415
Intergovernmental	2,957,933	2,729,999	3,086,741	7,022,306
Investment income	33,485	33,822	42,885	59,239
Fines, licenses, and permits	370,469	391,916	356,831	366,002
Special assessments	134,432	110,603	107,432	99,975
Charges for services	2,227,877	2,123,555	2,165,699	2,270,401
Change in fair value of investments	-	-	-	(36,756)
Miscellaneous	361,207	333,527	271,263	334,532
Total revenues	<u>17,451,584</u>	<u>17,343,399</u>	<u>17,934,930</u>	<u>22,796,905</u>
Expenditures				
Current:				
General government	3,414,974	3,632,420	3,682,315	3,895,399
Security of persons and property				
Police	3,566,511	3,737,673	3,941,589	3,950,057
Street lighting	30,364	27,287	35,335	34,663
Fire	2,551,371	2,746,929	2,921,254	2,879,469
Public health and welfare	69,642	71,619	69,876	76,385
Transportation	1,254,060	1,812,826	1,964,913	1,892,975
Community environment	163,581	145,941	126,047	242,047
Leisure time activity	1,802,674	1,865,931	1,978,136	2,074,446
Utility services	-	-	-	-
Capital outlay	1,967,917	2,500,947	2,382,717	6,040,590
Debt service				
Principal retirement	731,542	749,212	819,943	845,564
Interest and fiscal charges	425,421	400,572	346,052	300,618
Bond issue costs	-	-	110,335	-
Total expenditures	<u>15,978,057</u>	<u>17,691,357</u>	<u>18,378,512</u>	<u>22,232,213</u>
Excess of revenues over (under) expenditures	<u>1,473,527</u>	<u>(347,958)</u>	<u>(443,582)</u>	<u>564,692</u>
Other financing sources (uses)				
Sale of capital assets	-	-	-	-
Capital lease transaction	-	-	179,104	406,821
Direct financing note transaction	-	-	-	-
Lease transaction	-	-	-	-
Sale of bonds	-	-	2,925,000	-
Sale of notes	-	-	-	800,000
Premium on bond/note issuances	-	-	128,790	-
Discount on bond issuance	-	-	-	-
Payment to refunded bond escrow agent	-	-	(2,943,456)	-
Transfers in	3,654,275	5,588,777	4,819,200	4,027,250
Transfers (out)	(3,654,275)	(5,588,777)	(4,819,200)	(4,027,250)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>289,438</u>	<u>1,206,821</u>
Net change in fund balances	<u>\$ 1,473,527</u>	<u>\$ (347,958)</u>	<u>\$ (154,144)</u>	<u>\$ 1,771,513</u>
Capital expenditures	581,540	928,737	1,048,247	6,515,158
Debt service as a percentage of noncapital expenditures (2)	7.51%	6.86%	6.73%	7.29%

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

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

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

	2017	2018	2019	2020	2021	2022
\$	2,057,730	\$ 2,179,146	\$ 2,233,402	\$ 2,293,689	\$ 2,391,118	\$ 2,430,977
	10,156,843	10,011,817	10,938,609	12,118,753	14,040,922	14,504,283
	3,630,150	3,034,077	3,464,347	5,537,127	5,181,842	5,322,631
	118,964	254,232	340,392	197,521	99,895	256,095
	336,532	305,805	338,179	332,191	416,550	338,475
	94,423	107,177	102,016	78,978	36,637	40,279
	2,309,777	2,824,347	2,523,187	1,301,641	1,805,288	2,628,421
	30,106	(30,230)	52,485	40,959	(62,344)	(165,925)
	429,893	626,448	607,786	1,178,415	734,477	564,567
	<u>19,164,418</u>	<u>19,312,819</u>	<u>20,600,403</u>	<u>23,079,274</u>	<u>24,644,385</u>	<u>25,919,803</u>
	3,988,120	4,494,620	4,092,829	4,245,734	4,615,992	5,008,105
	4,106,240	4,315,465	4,531,301	4,784,136	4,863,305	5,313,803
	35,445	37,309	35,126	36,182	28,439	43,219
	3,204,066	3,323,493	3,491,241	3,637,839	3,874,893	4,327,303
	70,959	85,639	92,615	128,831	133,241	129,375
	2,039,398	2,215,675	2,228,357	2,123,807	2,299,024	2,342,500
	321,885	366,329	280,273	232,641	351,396	221,287
	2,100,515	2,154,495	2,391,224	1,965,045	2,142,863	2,475,581
	-	-	-	47,353	89,909	-
	2,717,795	2,139,193	1,279,535	2,655,099	6,434,236	8,759,549
	1,684,750	1,211,662	1,059,936	1,150,804	1,204,699	1,192,895
	299,707	276,194	269,574	179,141	172,130	406,874
	25,000	-	-	45,500	135,000	-
	<u>20,593,880</u>	<u>20,620,074</u>	<u>19,752,011</u>	<u>21,232,112</u>	<u>26,345,127</u>	<u>30,220,491</u>
	<u>(1,429,462)</u>	<u>(1,307,255)</u>	<u>848,392</u>	<u>1,847,162</u>	<u>(1,700,742)</u>	<u>(4,300,688)</u>
	-	-	-	-	-	51,832
	448,276	570,097	112,097	111,832	559,380	-
	-	-	-	-	-	495,381
	-	-	-	-	-	110,602
	825,000	-	-	3,885,000	9,000,000	-
	-	-	-	-	-	-
	-	-	-	-	832,088	-
	-	-	-	-	(78,146)	-
	-	-	-	(2,508,170)	-	-
	4,279,750	4,905,544	4,406,905	4,649,728	4,483,864	4,988,674
	<u>(4,179,750)</u>	<u>(4,905,544)</u>	<u>(4,406,905)</u>	<u>(4,649,728)</u>	<u>(4,483,864)</u>	<u>(4,988,674)</u>
	<u>1,373,276</u>	<u>570,097</u>	<u>112,097</u>	<u>1,488,662</u>	<u>10,313,322</u>	<u>657,815</u>
\$	<u>(56,186)</u>	<u>(737,158)</u>	<u>960,489</u>	<u>3,335,824</u>	<u>8,612,580</u>	<u>(3,642,873)</u>
	1,428,972	1,459,411	567,499	2,015,192	5,933,172	8,455,350
	10.35%	7.77%	6.93%	6.92%	6.75%	7.35%

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TABLE 5**CITY OF TALLMADGE, OHIO***REAL AND PUBLIC UTILITY PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS*

Year	Net Tax Levy (Current Billed Portion)	Current Collections	Percent of Current Collections to Net Levy	Delinquent Collections	Total Collections	Percent of Total Collections to Levy	Current Delinquent Amount
2013	\$ 2,293,350	\$ 2,245,271	97.90%	\$ 125,476	\$ 2,370,747	103.37%	\$ 48,079
2014	2,314,571	2,246,437	97.06%	75,229	2,321,666	100.31%	68,135
2015	2,292,469	2,239,447	97.69%	74,475	2,313,922	100.94%	53,022
2016	2,298,861	2,252,662	97.99%	38,860	2,291,522	99.68%	46,199
2017	2,312,158	2,264,620	97.94%	48,077	2,312,697	100.02%	47,539
2018	2,418,192	2,380,621	98.45%	67,291	2,447,912	101.23%	37,571
2019	2,473,255	2,428,405	98.19%	41,555	2,469,960	99.87%	44,820
2020	2,513,500	2,444,030	97.24%	36,469	2,480,499	98.69%	69,469
2021	2,659,634	2,603,133	97.88%	38,107	2,641,240	99.31%	56,501
2022	2,669,290	2,601,390	97.46%	53,405	2,654,795	99.46%	67,899

Source: Summit County, Ohio; County Fiscal Officer

TABLE 6**CITY OF TALLMADGE, OHIO***ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS*

Year	Real Property		Public Utility Property	
	Estimated Actual Value (A)	Assessed Value	Estimated Actual Value (B)	Assessed Value
2013	\$ 1,057,273,219	\$ 368,131,590	\$ 5,419,909	\$ 4,769,520
2014	1,068,253,993	371,766,430	6,064,193	5,336,490
2015	1,061,273,964	369,219,410	6,361,364	5,598,000
2016	1,064,701,144	370,364,200	6,517,716	5,735,590
2017	1,070,985,951	372,360,560	7,098,636	6,246,800
2018	1,168,370,457	408,929,660	7,369,216	6,484,910
2019	1,195,192,400	418,317,340	7,817,261	6,879,190
2020	1,220,158,971	427,055,640	8,387,443	7,380,950
2021	1,380,610,171	483,213,560	9,038,045	7,953,480
2022	1,385,452,943	484,908,530	9,559,591	8,412,440

Notes:

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

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

Summit County valuations only - Portage County not included.

Source: Summit County, Ohio; County Fiscal Officer

Total		Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
Estimated Actual Value	Assessed Value		
\$ 1,062,693,128	\$ 372,901,110	\$ 6.15	35.09%
1,074,318,186	377,102,920	6.15	35.10%
1,067,635,328	374,817,410	6.15	35.11%
1,071,218,860	376,099,790	6.15	35.11%
1,078,084,587	378,607,360	6.15	35.12%
1,175,739,673	415,414,570	6.15	35.33%
1,203,009,661	425,196,530	6.15	35.34%
1,228,546,414	434,436,590	6.15	35.36%
1,389,648,216	491,167,040	6.15	35.34%
1,395,012,534	493,320,970	6.15	35.36%

TABLE 7

CITY OF TALLMADGE, OHIO

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

Collection Year	County Levy	School Levy	Akron/Summit Library	Tallmadge City	Total Levy	Debt Service
1 2013	\$ 14.16	\$ 71.56	\$ 2.10	\$ 6.15	\$ 93.97	\$ 6.09
2 2013	14.16	45.05	2.00	6.15	67.36	0.59
1 2014	14.16	72.41	2.10	6.15	94.82	6.23
2 2014	14.16	53.66	2.00	6.15	75.97	0.59
1 2015	14.16	72.27	2.62	6.15	95.20	6.23
2 2015	14.16	53.58	2.00	6.15	75.89	0.68
1 2016	14.16	77.03	2.60	6.15	99.94	11.02
2 2016	14.16	55.34	2.00	6.15	77.65	0.68
1 2017	14.16	75.35	2.56	6.15	98.22	9.99
2 2017	14.16	54.10	2.00	6.15	76.41	0.74
1 2018	14.16	75.09	2.56	6.15	97.96	9.91
2 2018	14.16	53.87	2.00	6.15	76.18	0.74
1 2019	14.16	75.09	2.56	6.15	97.96	9.91
2 2019	14.16	53.87	2.00	6.15	76.18	0.74
1 2020	15.16	82.23	2.52	6.15	106.06	9.67
2 2020	15.16	53.84	2.00	6.15	77.15	0.66
1 2021	15.16	80.46	1.90	6.15	103.67	8.04
2 2021	15.16	51.47	2.00	6.15	74.78	0.66
1 2022	16.10	80.03	1.90	6.15	104.18	7.56
2 2022	16.10	51.49	2.00	6.15	75.74	0.57

Source: Summit County, Ohio; County Fiscal Officer

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

TABLE 8

CITY OF TALLMADGE, OHIO

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

Collection Year	Inside Operating	Outside Operating	Police Pension	Fire/Ambulance	Total Tax Rate
2013	\$ 2.10	N/A	\$ 0.30	\$ 3.75	\$ 6.15
2014	2.10	N/A	0.30	3.75	6.15
2015	2.10	N/A	0.30	3.75	6.15
2016	2.10	N/A	0.30	3.75	6.15
2017	2.10	N/A	0.30	3.75	6.15
2018	2.10	N/A	0.30	3.75	6.15
2019	2.10	N/A	0.30	3.75	6.15
2020	2.10	N/A	0.30	3.75	6.15
2021	2.10	N/A	0.30	3.75	6.15
2022	2.10	N/A	0.30	3.75	6.15

Source: Summit County, Ohio; County Fiscal Officer

TABLE 9

CITY OF TALLMADGE, OHIO

REAL PROPERTY PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

		<u>December 31, 2022</u>	
<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Valuation</u>	<u>Percent of Total</u>
OI Tallmadge Funding Company LLC	Industrial Warehouses Light	\$ 4,763,750	0.98%
Big Zilla Development LLC	Commercial Warehouses	3,949,770	0.81%
Eastwood Square Associates I LLC	Community Shopping Center	2,992,610	0.62%
Saxon Village Limited	Apartments 40 or more	2,363,840	0.49%
Tallmadge Associates	Apartments 40 or more	2,065,990	0.43%
Heather Knoll Rental Properties LLC	Nursing Home & Private Hospital	2,050,050	0.42%
Tallmadge Oaks LTD	Apartments 40 or more	2,038,620	0.42%
Premier Developments LLC	Apartments 20-39 Rental Units (2 Parcels)	1,776,000	0.37%
Tallmadge Senior Housing LTD	Apartments 40 or more	1,727,510	0.36%
Mindale Farms Co.	Other Agricultural Uses	1,556,610	0.32%
Total		<u>\$ 25,284,750</u>	<u>5.22%</u>
Total Assessed Valuation - Real Property		<u>\$ 484,908,530</u>	
		<u>December 31, 2013</u>	
<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Valuation</u>	<u>Percent of Total</u>
Big Zilla Development LLC	Retail Property Management	\$ 3,290,270	0.89%
Eastwood Square Associates LTD	Retail Property Management	2,221,900	0.60%
Tallmadge Oaks LTD	Apartment Complex	1,900,740	0.52%
Saxon Village Limited	Apartment Complex	1,637,180	0.44%
Tallmadge Shopping Center LLC	Retail Property Management	1,541,710	0.42%
Mindale Farms Co.	Agriculture	1,511,850	0.41%
Tallmadge Associates	Retail Property Management	1,447,080	0.39%
Heather Knoll Rental Properties LLC	Apartment Complex	1,339,160	0.36%
Colonial Gardens LLC	Nursing Home	1,250,740	0.34%
Myers Family Limited Partnership	Light Manufacturing	1,115,340	0.30%
Total		<u>\$ 17,255,970</u>	<u>4.67%</u>
Total Assessed Valuation - Real Property		<u>\$ 368,131,590</u>	

Source: Summit County, Ohio; County Fiscal Officer

TABLE 10**CITY OF TALLMADGE, OHIO***INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS*

Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits
2013	2.00%	\$ 9,190,631	\$ 6,457,114	70.26%	\$ 1,691,232	18.40%
2014	2.00%	9,493,963	6,679,215	70.35%	1,636,547	17.24%
2015	2.00%	10,527,612	7,599,180	72.18%	1,768,558	16.80%
2016	2.00%	10,973,929	7,996,704	72.87%	1,623,956	14.80%
2017	2.00%	11,178,777	8,200,825	73.36%	1,593,715	14.26%
2018	2.00%	9,993,800	7,650,696	76.55%	1,045,953	10.47%
2019	2.00%	10,872,868	7,954,279	73.16%	1,360,601	12.51%
2020	2.25%	11,513,129	8,606,006	74.75%	1,561,394	13.56%
2021	2.25%	13,955,943	9,658,805	69.21%	2,475,033	17.73%
2022	2.25%	14,792,130	9,844,159	66.55%	2,980,667	20.15%

Sources: Regional Income Tax Agency (RITA)

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

	Taxes from Individuals	Percentage of Taxes from Individuals	Tax from Utilities	Percentage of Tax from Utilities
\$	1,037,692	11.29%	\$ 4,593	0.05%
	1,168,799	12.31%	9,402	0.10%
	1,156,523	10.99%	3,351	0.03%
	1,329,950	12.12%	23,319	0.21%
	1,381,598	12.36%	2,639	0.02%
	1,266,459	12.67%	30,692	0.31%
	1,526,300	14.04%	31,687	0.29%
	1,330,983	11.56%	14,746	0.13%
	1,803,607	12.92%	18,498	0.13%
	1,964,548	13.28%	2,756	0.02%

TABLE 11

CITY OF TALLMADGE, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Year	Governmental Activities					Business-Type Activities		
	General Obligation Bonds	Special Assessment Bonds	Notes	Direct Financing Notes	Leases	Capital Leases (c)	Special Assessment Bonds	OWDA Loans
2013	\$ 8,719,573	\$ 525,000	\$ -	\$ -	\$ -	\$ 162,268	\$ 105,000	\$ 1,216,832
2014	8,066,529	465,000	-	-	-	108,056	70,000	1,164,147
2015	7,565,124	400,000	-	-	-	192,217	35,000	1,592,091
2016	6,951,648	330,000	800,000	-	-	428,474	-	1,507,731
2017	7,143,162	255,000	-	-	-	692,000	-	1,401,915
2018	6,285,719	180,000	-	-	-	975,435	-	1,291,995
2019	5,584,132	100,000	-	-	-	802,596	-	1,177,801
2020	6,240,860	-	-	-	-	638,324	-	1,059,158
2021	15,097,513	-	-	622,917	250,388	-	-	935,881
2022	14,206,951	-	-	866,493	245,953	-	-	807,779

Notes/Sources:

- (a) See notes to the financial statements regarding the City's debt information.
- (b) See Table 17 Demographic and Economic Statistics - Last Ten Years for personal income and population.
- (c) See the notes to the financial statements regarding the City's debt information. Obligations reported as capital leases in 2021 were restated as leases payable and direct financing notes in accordance with the implementation of GASB Statement No. 87 in 2022.

Business-Type Activities - (Continued)								
Direct Financing Notes	Leases	Capital Leases (c)	(a) Total Primary Government	(b) Total Personal Income	Percentage of Personal Income	(b) Population	Per Capita	
\$ -	\$ -	\$ 36,326	\$ 10,764,999	\$ 483,484,060	2.23%	17,515	\$ 615	
-	-	23,600	9,897,332	492,270,592	2.01%	17,536	564	
-	-	9,818	9,794,250	486,128,872	2.01%	17,527	559	
-	-	-	10,017,853	491,001,456	2.04%	17,512	572	
-	-	-	9,492,077	528,635,328	1.80%	17,537	541	
-	-	-	8,733,149	567,830,523	1.54%	17,537	498	
-	-	25,602	7,690,131	591,880,448	1.30%	17,582	437	
-	-	527,552	8,465,894	597,450,457	1.42%	17,519	483	
643,862	37,828	-	17,588,389	625,530,762	2.81%	18,114	971	
455,587	27,157	-	16,609,920	663,849,130	2.50%	18,305	907	

TABLE 12

CITY OF TALLMADGE, OHIO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

Year	General Obligation Bonds	(a) Estimated Actual Property Value	Percentage of Actual Taxable Value of Property	(b) Population	Per Capita
2013	\$ 8,719,573	\$ 1,062,693,128	0.82%	17,515	\$ 498
2014	8,066,529	1,074,318,186	0.75%	17,536	460
2015	7,565,124	1,067,635,328	0.71%	17,527	432
2016	6,951,648	1,071,218,860	0.65%	17,512	397
2017	7,143,162	1,078,084,587	0.66%	17,537	407
2018	6,285,719	1,175,739,673	0.53%	17,537	358
2019	5,584,132	1,203,009,661	0.46%	17,582	318
2020	6,240,860	1,228,546,414	0.51%	17,519	356
2021	15,097,513	1,389,648,216	1.09%	18,114	833
2022	14,206,951	1,395,012,534	1.02%	18,305	776

Sources:

(a) Summit County, Ohio; County Fiscal Officer

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

TABLE 13

CITY OF TALLMADGE, OHIO

SPECIAL ASSESSMENT TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year	Current Billed	Delinquent Billed*	Current % Collected	Total Collected	Total % Collected	Current Delinquent**
2013	\$ 230,276	\$ 93,295	92.72%	\$ 245,768	106.73%	\$ 16,757
2014	227,105	n/a	n/a	213,595	94.05%	13,510
2015	220,719	n/a	n/a	223,919	101.45%	-
2016	211,265	n/a	n/a	204,649	96.87%	6,617
2017	167,012	n/a	n/a	158,622	94.98%	2,640
2018	160,424	n/a	n/a	147,140	91.72%	13,284
2019	159,402	n/a	n/a	158,573	99.48%	829
2020	145,066	n/a	n/a	136,775	94.28%	8,290
2021	50,843	n/a	n/a	61,621	121.20%	(10,778)
2022	48,163	n/a	n/a	60,392	125.39%	(12,229)

Source: Summit County, Ohio; County Fiscal Officer

* The delinquent billed amount was not available for 2014 - 2022.

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

TABLE 14

CITY OF TALLMADGE, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2022

Jurisdiction	Governmental Activities Debt	Percentage Overlapping	Applicable to the City
Direct:			
City of Tallmadge	\$ 15,319,397	100.00%	\$ 15,319,397
Overlapping Debt:			
Summit County	75,670,000	3.42%	2,587,914
Portage County	7,004,413	0.47%	32,921
Brimfield Township	83,184	5.66%	4,708
Stow/Munroe Falls City School District	2,065,000	0.01%	207
Tallmadge City School District	48,347,176	99.85%	48,274,655
Field Local School District	14,965,000	2.34%	350,181
Total Overlapping Debt	<u>148,134,773</u>		<u>51,250,586</u>
Total Direct and Overlapping Debt	<u>\$ 163,454,170</u>		<u>\$ 66,569,983</u>

Source: Debt outstanding for overlapping government - Ohio Municipal Advisory Council (OMAC), as of January 1, 2023.

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

TABLE 15

CITY OF TALLMADGE, OHIO

COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS

Year	Debt Limit - Voted	Debt Limit - Unvoted	Net Debt Applicable to Limit	Debt Service Available Balance	Legal Debt Margin - Voted*	Legal Debt Margin - Unvoted*	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2013	\$ 39,154,617	\$ 20,509,561	\$ 8,719,573	\$ 69,696	\$ 30,504,740	\$ 20,509,561	22.27%
2014	39,595,807	20,740,661	8,066,529	76,219	31,605,497	20,740,661	20.37%
2015	39,355,828	20,614,958	7,565,124	99,839	31,890,543	20,614,958	19.22%
2016	40,982,825	21,467,194	6,951,648	87,463	34,118,640	21,467,194	16.96%
2017	39,753,773	20,823,405	7,143,162	66,332	32,676,943	20,823,405	17.97%
2018	43,303,530	22,682,801	6,285,719	24,851	37,042,662	22,682,801	14.52%
2019	44,645,636	23,385,809	5,584,132	16,171	39,077,675	23,385,809	12.51%
2020	45,615,842	23,894,012	6,240,860	43,085	39,418,067	23,894,012	13.68%
2021	51,572,539	27,014,187	15,097,513	668,674	37,143,700	27,014,187	29.27%
2022	51,798,702	27,132,653	14,206,951	51,345	37,643,096	27,132,653	27.43%

Source: Summit County, Ohio; County Fiscal Officer

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

* Legal debt margin includes unamortized debt.

TABLE 16

CITY OF TALLMADGE, OHIO

*DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS*

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (c)</u>	<u>Per Capita Personal Income (a)</u>	<u>Unemployment Rates (b)</u>		
				<u>Summit County</u>	<u>Ohio</u>	<u>United States</u>
2013	17,515	\$ 483,484,060	\$ 27,604	6.5%	7.0%	7.0%
2014	17,536	492,270,592	28,072	5.7%	5.6%	5.8%
2015	17,527	486,128,872	27,736	5.6%	5.4%	5.1%
2016	17,512	491,001,456	28,038	5.0%	4.9%	4.7%
2017	17,537	528,635,328	30,144	4.6%	4.7%	4.1%
2018	17,537	567,830,523	32,379	4.7%	4.6%	3.9%
2019	17,582	591,880,448	33,664	4.3%	4.1%	3.7%
2020	17,519	597,450,457	34,103	5.2%	5.3%	6.5%
2021	18,114	625,530,762	34,533	3.7%	4.5%	3.9%
2022	18,305	663,849,130	36,266	3.9%	3.6%	3.3%

Sources:

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

TABLE 17

CITY OF TALLMADGE, OHIO

*NEW HOUSING STARTS
LAST TEN YEARS*

<u>Year</u>	<u>New Housing Starts</u>	
	<u>Single Family</u>	<u>Condominium</u>
2013	19	-
2014	12	-
2015	20	-
2016	50	12
2017	61	-
2018	35	-
2019	15	-
2020	8	-
2021	76	-
2022	48	31

- Sources: City of Tallmadge Zoning Department (2017-2022)
Summit County Department of Building Standards (2013-2016)

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

TABLE 18

CITY OF TALLMADGE, OHIO

*PRINCIPAL EMPLOYERS
BY TOTAL INCOME TAX WITHHOLDING
CURRENT YEAR AND NINE YEARS AGO*

Employer	Description	2022	2013
		Rank	Rank
Tallmadge Public Schools	Education	1	2
Steere Enterprises Inc.	Plastic Fabrication	2	4
Autosales Inc.	Retail	3	1
Summit Racing Management	Retail	4	-
City of Tallmadge	Government	5	6
S.D. Myers Inc.	Transformer Maintenance & Testing	6	5
Dayton Freight	Transportation	7	-
Summit County	Government	8	3
M&B Tallmadge LLC	Auto Dealer	9	-
Owens Corning Foam Insulation	Manufacturing	10	-
Waltco Truck Equipment Co.	Manufacturing	-	7
Horton Archery	Manufacturing	-	8
Kent Displays	Technology	-	9
East End Welding	Welding & Fabrication	-	10

Source: Regional Income Tax Agency

TABLE 19

CITY OF TALLMADGE, OHIO

*MISCELLANEOUS STATISTICS
DECEMBER 31, 2022*

Founded	1806
Incorporated as Village	1936
Incorporated as City	1951
Town Hall erected	1859
Form of government	Charter
Population	18,305
Area	13.5 Square miles 8,915 Acres
Education:	
Elementary schools	1 K-5
Middle school	1 6-8
High school	1 9-12
Libraries	1 (30,000 volumes)
Churches	28

Source: Various Departments of the City of Tallmadge

TABLE 20

CITY OF TALLMADGE, OHIO

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Council	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Mayor	5.0	4.5	4.5	5.0	6.0	7.5	7.5	7.5	7.5	5.0
Finance	6.5	6.0	6.0	6.0	7.0	7.0	7.0	7.0	6.5	6.0
Law	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.5
Service	3.0	3.0	3.0	3.5	4.5	3.0	2.0	2.0	3.0	3.0
Information Systems	1.5	1.5	2.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5
Civil Service	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Maintenance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Boards and Commissions	0.5	0.5	0.5	0.5	0.5	-	-	-	-	-
Security of Persons and Property										
Police	34.5	37.5	34.5	40.5	40.0	39.0	39.5	44.0	39.0	38.0
Fire	38.5	41.5	40.5	39.5	42.5	40.5	40.5	46.5	39.0	32.5
Leisure Time Activities										
Maca Pool*	16.0	16.5	16.0	15.5	18.0	17.5	23.5	-	22.0	17.5
Recreation Center	62.5	65.0	64.5	60.0	70.5	50.0	45.5	35.5	37.0	44.0
Community Environment										
Building & Zoning	2.0	2.0	2.0	2.5	3.0	2.5	3.0	3.0	3.0	3.0
Transportation										
Garage	4.5	4.5	4.5	4.5	7.0	4.5	4.5	4.0	5.0	4.0
Street	19.0	20.0	18.5	19.0	19.0	19.5	21.5	20.5	17.5	19.0
Utilities										
Utilities Services	6.0	6.5	6.5	7.0	6.0	7.0	8.0	8.0	6.5	9.0
Total	210.5	220.0	214.0	216.5	237.0	211.0	215.5	191.0	199.5	195.0

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

Source: City of Tallmadge Finance Department

TABLE 21

CITY OF TALLMADGE, OHIO

OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Security of Persons and Property										
Police****										
Physical Arrests	593	582	556	795	773	966	847	332	753	714
Parking Violations	16	17	20	22	6	15	12	9	16	10
Traffic Violations	995	859	733	673	471	472	423	233	259	327
Fire										
Emergency Response Calls	2,544	2,456	2,680	2,889	2,938	3,125	3,275	2,930	3,500	3,807
Fires Extinguished	27	22	27	28	34	20	22	35	45	16
Inspections Conducted ***	753	881	658	570	788	768	669	381	409	442
Transportation										
Street resurfacing miles	5.23	5.60	6.70	3.00	3.00	2.43	1.85	0.91	2.91	3.37
Leisure Time Activities										
Trees Planted	-	-	-	-	-	-	-	27	19	11
Recreation Center Memberships*										
Annual	3,694	4,285	4,844	5,323	5,839	5,581	6,311	5,721	6,852	6,992
Monthly	1,908	1,402	1,545	1,231	1,273	1,383	1,349	1,231	1,105	1,355
Swimming Pool Memberships**	1,684	1,772	1,793	1,754	1,999	1,901	1,739	-	1,870	2,601
Water										
Customers Served	7,091	7,302	7,208	7,330	7,409	7,463	7,479	7,525	7,589	7,725
New Connections	25	29	130	62	97	58	20	28	53	16
Water Main Breaks	18	14	13	28	13	24	22	20	11	19
Avg. Daily Consumption (gpd) million gallons per day	1.20	1.10	1.10	1.20	1.20	1.20	1.10	1.20	1.20	1.20
Peak Daily Consumption (gpd) million gallons per day	1.70	2.00	1.70	1.50	1.40	1.50	1.70	1.60	1.50	1.60
Sewer										
Customers Served	7,981	7,981	7,888	8,001	8,163	8,210	8,340	8,380	8,456	8,576
Storm Water										
Customers Served	6,039	6,059	6,095	6,143	6,212	6,252	6,262	6,279	6,333	6,467

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

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

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

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

Source: Various City of Tallmadge Department Records

TABLE 22

CITY OF TALLMADGE, OHIO

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Security of Persons and Property										
Police:										
Stations	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Patrol Units	19.0	21.0	20.0	20.0	20.0	20.0	20.0	22.0	20.0	20.0
Fire Stations	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Public Health and Welfare										
Cemeteries	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Leisure Time Activities										
Park Acreage	161.7	161.7	161.7	161.7	161.7	161.7	161.7	161.7	161.7	161.7
Parks	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Swimming Pools	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Tennis Courts	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Baseball/Softball Fields	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Soccer Fields	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Recreation Center	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Transportation										
Streets (paved miles)	96.3	96.1	96.1	99.1	99.1	100.0	100.0	100.0	100.9	101.2
Traffic Signals	187.0	187.0	187.0	186.0	189.0	189.0	189.0	189.0	189.0	190.0
Water										
Water Mains (miles)	87.0	87.0	87.0	88.1	88.1	88.5	88.5	88.9	90.0	90.3
Sewer										
Sanitary Sewers (miles)	60.7	60.7	60.7	61.1	61.1	61.5	61.5	62.3	62.3	62.3

Source: City of Tallmadge Records

OHIO AUDITOR OF STATE KEITH FABER



CITY OF TALLMADGE

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/13/2023

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

This report is a matter of public record and is available online at
www.ohioauditor.gov