



Rea & associates a *brighter* way

City of Rittman

Wayne County, Ohio

*Report Issued Pursuant to
Government Auditing Standards*

December 31, 2012



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Rittman, Wayne County, prepared by Rea & Associates, Inc., for the audit period January 1, 2012 through December 31, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

July 23, 2013

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City of Rittman
Wayne County, Ohio
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June 27, 2013

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

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

We have audited, in accordance with 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Rittman, Wayne County, Ohio (the City) as of and for the year ended December 31, 2012, 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 27, 2013, wherein we noted the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting or Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* and restated their December 31, 2011 net position of governmental activities, business-type activities, and enterprise water fund.

Internal Control over Financial Reporting

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

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 entity'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rea & Associates, Inc.

City of Rittman
Wayne County, Ohio
Schedule of Prior Audit Findings
December 31, 2012

Finding Number	Finding Summary	Fully Corrected?	Corrected, Significantly Different Corrective Action Taken or Finding No Longer Valid Explain
2011-001	Internal Controls over Financial Reporting	Yes	

CITY OF RITTMAN, OHIO



Comprehensive Annual Financial Report For the Year Ended December 31, 2012

City of Rittman, Ohio

**Comprehensive Annual Financial Report
For the Year Ended December 31, 2012**

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



INTRODUCTORY SECTION

City of Rittman, Ohio

**Comprehensive Annual Financial Report
For the Year Ended December 31, 2012**

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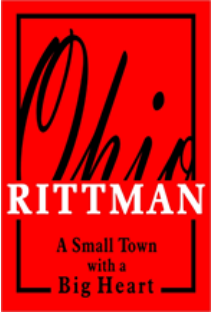
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The City of Rittman Offices

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Rittman, Ohio 44270
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Barbara A. Rissland, CPA
Finance Director
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June 27, 2013

Members of Rittman City Council and
Citizens of Rittman, Ohio

The Comprehensive Annual Financial Report (CAFR) of the City of Rittman (the "City") for the fiscal year ended December 31, 2012 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

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

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

The City of Rittman

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

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

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

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

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

The appropriated budget is prepared by fund, (e.g., General Fund), department (e.g., Police) and line item (e.g., Personal Services). The City Council may pass supplemental appropriations at any time by ordinance. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. The General Fund is presented in the basic financial statements, beginning on page 22. For other funds, this comparison is presented in the governmental fund subsection of this report, which starts on page 70.

2012 Initiatives

In 2012, the City completed the Douglas Drive Project. This project consists of replacing a six inch waterline that is over 50 years old and replacing deteriorated concrete pavement with new asphalt. Also included in the project are underdrains, hydrants and sidewalk. OPWC funds and special assessments will help defer some of the cost of the project. This project is important because the street is located adjacent to the High School football field and has high levels of use during many different sporting events.

The City also completed replacement of the existing bar screen at the wastewater treatment plant with an automated, finer screen. Previously, the bar screen was manually raked two to three times a day. This process still allowed debris to enter the plant and clog sludge tubes, clarifiers and air diffusers. The new process has a finer bar screen that will automatically remove debris, thereby enhancing treatment operations, reducing labor costs and eliminating safety concerns.

A second street improvement was also completed in 2012. The Southfork Street Resurfacing Project replaced deteriorating asphalt and included substantial base repair. OPWC funds and special assessments will help defer some of the cost of the project, as well.

Several vehicles in the City's aging fleet were replaced in 2012. The City was able to replace a sewer jet with the help of a loan and a grant from the USDA. The City also replaced a police cruiser, a two and one-half ton dump truck and a backhoe.

In 2012, the City began a feasibility study to see if construction of a septage receiving station would be cost-effective means to utilize some of the excess capacity at the wastewater treatment plant and generate additional revenues. The City also began replacing utility meters with devices that will automatically transfer reads to a central computer located at City Hall. With the meter upgrade, the City will be able to perform initial reads, final reads and check for leaks without sending employees out in the field. This project will enable the City to more efficiently utilize personnel.

During the year, City Council voted to cap the income tax credit at 1.0 percent for income taxes withheld for City residents who work in other municipal taxing districts. In another action, City Council voted to create a solid waste utility, expanding what qualifies as solid waste to include leaves and brush, in addition to trash and recyclables. The creation of the solid waste utility will provide an ongoing revenue source to fund the popular curbside leaf pickup and brush chipping programs.

Development Activities

In 2012, a plastics manufacturer that is relocating and expanding an existing business completed construction of a new facility. This expansion will create approximately fifteen new positions.

Throughout the year, the City continued to work with the Wayne County Economic Development Council, the current property owner, surrounding property owners, and the State Environmental Protection Agency to attempt to facilitate the redevelopment of a vacant industrial site. This site is comprised of 100 plus usable acres, and contains rail spurs, independent water wells, and very convenient access to several highway systems. During the year, two interested developers produced business plans for the purchase, clean-up, and remarketing of this site. The City is very pleased that this property did transfer in early April of 2013 and is hopeful that there may be some redevelopment in the very near future.

Long-term Financial Planning

In an effort to be proactive instead of reactive, the City continually evaluates its revenues and expenditures, especially those under its control. To ensure ongoing sustainability and infrastructure replacement, City Council voted to cap the income tax credit granted to residents who work outside the City and pay taxes to other municipalities. Also, the creation of the solid waste utility, the implementation of the meter replacement project and the feasibility study of a septage receiving facility are all examples of the City working towards remaining a sustainable entity.

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

Economic Condition and Outlook

The City of Rittman experienced a decline in governmental fund balances on a modified accrual basis in 2012, but the majority of the decline was due to a very aggressive capital project schedule. Overall, revenues were fairly stable, with income taxes increasing and intergovernmental revenues decreasing. There was an offsetting decrease in both revenues and expenditures due to the creation of the solid waste utility.

The planned reduction of state-levied, locally-shared taxes will continue into 2013. The City's governing body, administration, and employees are committed to working together to provide quality services to the residents. The future impact of the initiatives undertaken in 2012, combined with the imminent redevelopment of the large vacant industrial site, should allow the City to gain some financial strength in 2013. However, the City will remain vigilant in evaluating their financial position and be proactive wherever possible by implementing revenue enhancing or cost cutting measures. Administration will continue to look for other ways to expand the City's tax base, focusing on small businesses looking to relocate or revitalization of vacant property. Looking forward, the City is optimistic that the financial position of the City will improve.

Independent Audit

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

Certification of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rittman, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2011. The City has received this award since 1996, the first year that the City prepared and submitted a CAFR. The Certificate of Achievement is a prestigious national award, recognizing conformance to the highest standards for preparation of state and local government financial reports.

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

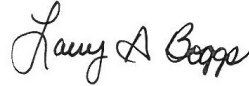
Acknowledgments

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

Respectfully Submitted,



Barbara A. Rissland, CPA
Finance Director



Larry A. Boggs
City Manager

City of Rittman, Ohio

**City Officials
For the Year Ended December 31, 2012**

Mayor

William Robertson

Council Members

Rick Hanlon
Richard Lapehn
Lynn Beaumont

Darrell Carey
Steve Johnson, President
Glen Russell

City Manager

Larry Boggs

Finance Director/Treasurer

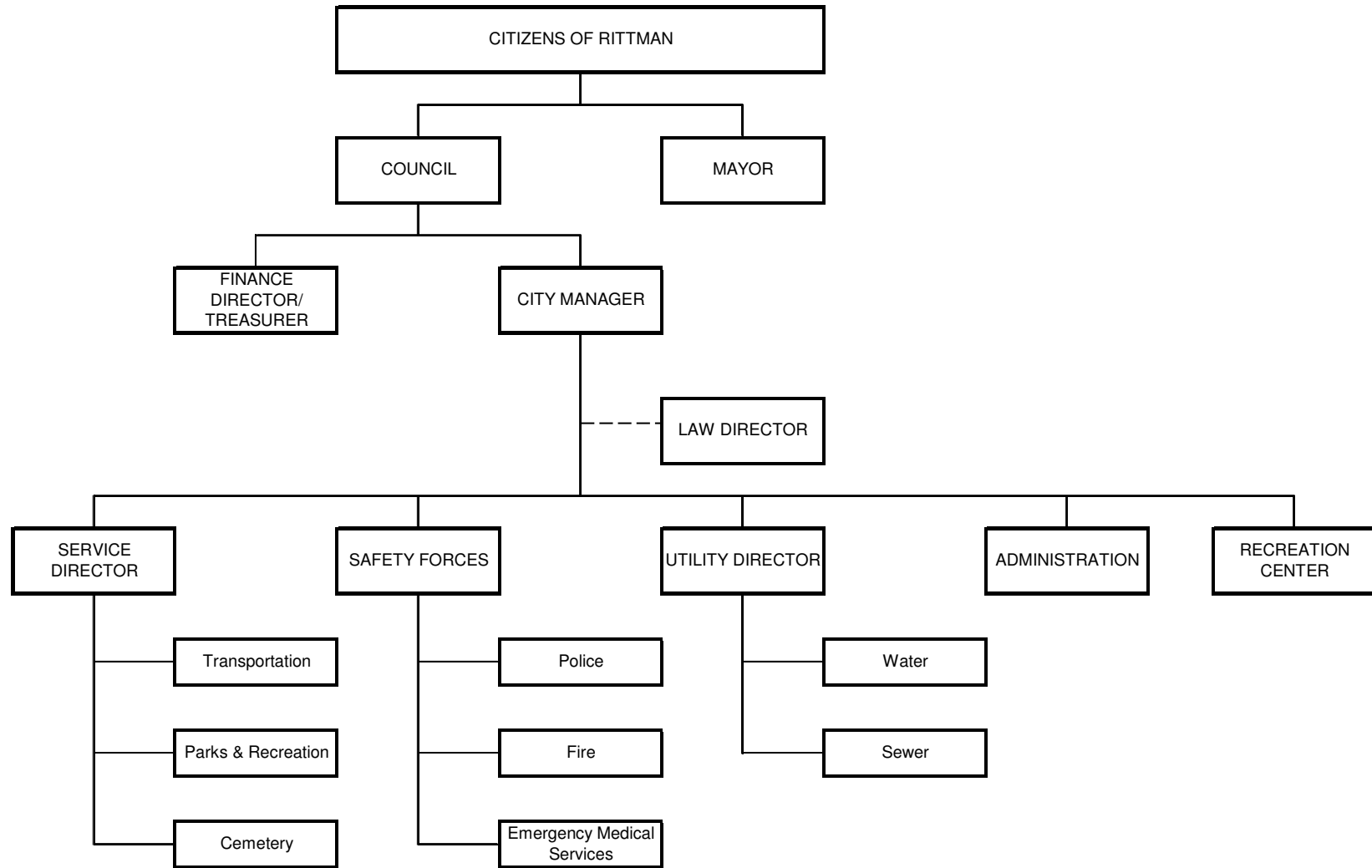
Barbara Rissland

Director of Law

G. Kevin Bower

City of Rittman, Ohio

**Organizational Chart
For the Year Ended December 31, 2012**



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Rittman
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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



Christopher P. Morrell

President

Jeffrey R. Emen

Executive Director

FINANCIAL SECTION



June 27, 2013

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

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rittman, Wayne County, Ohio, (the City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rittman, Wayne County, Ohio, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and emergency medical service fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 4 to the financial statements, during 2012, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting or Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*; and as a result restated their December 31, 2011 net position of governmental activities, business-type activities, and enterprise water fund due to a reclassification of debt issuance costs as an expense in the period incurred rather than amortizing over the life of the debt. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Hea & Associates, Inc.



City of Rittman, Ohio

Management's Discussion and Analysis For the Year Ended December 31, 2012

The discussion and analysis of the City of Rittman's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2012. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the transmittal letter, basic financial statements, and notes to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2012 are as follows:

- The total net position of the City increased \$967,932. Net position of governmental activities increased \$427,284, which represents a 5.88 percent increase from 2011. Net position of business-type activities increased \$540,648 or 4.92 percent from 2011.
- General revenues, for governmental activities, accounted for \$2,274,538 or 55.31 percent of total governmental activities revenue. Program specific revenues accounted for \$1,837,931 or 44.69 percent of total governmental activities revenue.
- Governmental activities' capital assets, net of accumulated depreciation, increased \$323,176, primarily due to current year capital additions exceeding current year depreciation.
- The City had \$3,650,348 in expenses related to governmental activities; \$1,837,931 of those expenses was offset by program specific charges for services, grants, and contributions. General revenues (primarily taxes) of \$2,274,538 were sufficient to offset those program expenses.
- The General Fund, the City's largest major governmental fund, had revenues and other financing sources of \$2,335,007 in 2012, or 57.66 percent of total governmental funds. Expenditures and other financing uses of the General Fund were \$2,313,506, or 53.68 percent of total governmental funds. The General Fund balance increased \$21,501, or 2.75 percent in 2012.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

City of Rittman, Ohio

Management's Discussion and Analysis (Continued) For the Year Ended December 31, 2012

Reporting the City as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and answers the question, "How did we do financially during 2012?" These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. These two statements report the City's net position and changes in net position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions and other factors.

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial reports provide detailed information about the activities within the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The City's major governmental funds are the General Fund, Emergency Medical Service Fund and Capital Improvements Fund. An analysis of the City's major governmental funds begins on page 11.

City of Rittman, Ohio

Management's Discussion and Analysis (Continued) For the Year Ended December 31, 2012

Governmental Funds

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

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

The City maintains a multitude of individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 18-23 of this report.

Proprietary Funds

Proprietary funds (Water, Sewer, and Solid Waste) have historically operated as enterprise funds and are used to report the same functions presented as business-type activities in the government-wide financial statements. Since they use the same basis of accounting as business-type activities, these fund statements will essentially match the information provided in statements for the City as a whole. The basic proprietary fund financial statements can be found on pages 24-26 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government and are not reflected in the government-wide financial statements because resources are not available to support the City's own programs. The City has only agency funds to report within the fiduciary fund category. Agency funds are reported on a full accrual basis of accounting and only present a statement of fiduciary net position. The basic fiduciary fund financial statement can be found on page 27 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 28-57 of this report.

City of Rittman, Ohio

Management's Discussion and Analysis (Continued) For the Year Ended December 31, 2012

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules, which can be found on pages 58-92 of this report.

Government-Wide Financial Analysis

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

Table 1 below provides a summary of the City's net position for 2012 compared to 2011:

Table 1 - Net Position

	Governmental		Business-Type		Total	
	Activities		Activities			
	2012	2011 <u>Restated</u>	2012	2011 <u>Restated</u>	2012	2011 <u>Restated</u>
<u>Assets</u>						
Current and Other Assets	\$ 3,613,454	\$ 3,644,665	\$ 2,138,581	\$ 2,177,948	\$ 5,752,035	\$ 5,822,613
Capital Assets	5,929,932	5,606,756	12,267,575	11,781,065	18,197,507	17,387,821
Total Assets	9,543,386	9,251,421	14,406,156	13,959,013	23,949,542	23,210,434
<u>Liabilities</u>						
Other Liabilities	277,542	300,566	365,992	143,071	643,534	443,637
Long-term Liabilities	1,060,494	1,170,667	2,510,698	2,827,124	3,571,192	3,997,791
Total Liabilities	1,338,036	1,471,233	2,876,690	2,970,195	4,214,726	4,441,428
<u>Deferred Inflows of Resources</u>						
Property Taxes	517,492	519,614	-	-	517,492	519,614
<u>Net Position</u>						
Net Investment in Capital Assets	5,053,799	4,631,034	9,838,234	9,020,581	14,892,033	13,651,615
Restricted	1,575,094	1,669,612	-	-	1,575,094	1,669,612
Unrestricted	1,058,965	959,928	1,691,232	1,968,237	2,750,197	2,928,165
Total Net Position	\$ 7,687,858	\$ 7,260,574	\$ 11,529,466	\$ 10,988,818	\$ 19,217,324	\$ 18,249,392

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2012, the City's assets exceeded liabilities and deferred inflows of resources by \$19,217,324. This amounts to \$7,687,858 in governmental activities and \$11,529,466 in business-type activities. Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets represented 75.98 percent of total governmental and business-type assets. Capital assets include land, construction in progress, land improvements, buildings, equipment, and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2012, were \$14,892,033. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities. As of December 31, 2012, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

City of Rittman, Ohio

**Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2012**

A portion of the City's governmental activities net position, \$1,575,094 or 20.49 percent, represent resources that are subject to external restrictions on how they may be used. Of the total governmental activities restricted net position, \$479,768 for capital projects, \$17,633 is for debt service, \$749,174 is for safety services, \$322,907 is for streets and highways, and \$5,612 is for other purposes. The governmental activities unrestricted net position of \$1,058,965 may be used to meet the City's ongoing obligations to citizens and creditors.

Table 2 below shows the changes in net position for governmental and business-type activities for year 2012 compared to 2011:

Table 2 - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$ 985,276	\$ 1,282,246	\$ 2,167,604	\$ 1,806,395	\$ 3,152,880	\$ 3,088,641
Operating Grants and Contributions	420,612	419,355	-	-	420,612	419,355
Capital Grants and Contributions	432,043	40,489	101,844	159,117	533,887	199,606
<i>General Revenues:</i>						
Property and Other Taxes	641,134	632,190	-	-	641,134	632,190
Income Taxes	1,214,600	996,885	405,030	332,296	1,619,630	1,329,181
Grants and Entitlements	373,798	524,776	-	-	373,798	524,776
Investment Earnings	29,096	30,707	5,550	8,612	34,646	39,319
Other	15,910	46,626	33,967	11,417	49,877	58,043
Total Revenues	4,112,469	3,973,274	2,713,995	2,317,837	6,826,464	6,291,111
Program Expenses						
<i>Governmental Activities:</i>						
General Government	596,980	661,984	-	-	596,980	661,984
Safety Services	1,612,952	1,692,217	-	-	1,612,952	1,692,217
Public Health Services	104,064	97,425	-	-	104,064	97,425
Transportation	658,367	609,020	-	-	658,367	609,020
Basic Utility Services	142,612	412,392	-	-	142,612	412,392
Leisure Time Activities	494,577	496,414	-	-	494,577	496,414
Interest and Fiscal Charges	40,796	47,759	-	-	40,796	47,759
<i>Business-type Activities:</i>						
Water	-	-	872,791	790,762	872,791	790,762
Sewer	-	-	1,100,506	1,063,363	1,100,506	1,063,363
Solid Waste	-	-	234,887	-	234,887	-
Total Program Expenses	3,650,348	4,017,211	2,208,184	1,854,125	5,858,532	5,871,336
Excess Revenues Over Expenditures	462,121	(43,937)	505,811	463,712	967,932	419,775
Transfers	(34,837)	-	34,837	-	-	-
Change in Net Position	\$ 427,284	\$ (43,937)	\$ 540,648	\$ 463,712	\$ 967,932	\$ 419,775

City of Rittman, Ohio

Management's Discussion and Analysis (Continued) For the Year Ended December 31, 2012

Governmental Activities

Governmental activities increased the City's net position by \$427,284 during 2012. This increase was due mainly to an increase in revenues of \$139,195 or 3.50 percent which was attributable to an increase in income tax as a result of capping the income tax credit at 1.0 percent, coupled with an increase in capital grants of \$391,554, due to the receipt of OPWC street improvement grants. These increases were partially offset by a reduction in grants and entitlements not restricted related to the loss of state and locally shared funds. Also contributing to the overall increase in net position was a reduction in governmental expenses of \$366,863 or 9.13 percent. The creation of the Solid Waste Fund which shifted basic utility service activities from governmental activities to business-type activities had an impact on both revenue and expenses. The creation of the Solid Waste Fund was due to the expansion of solid waste services to include leaf pickup and brush chipping, in addition to trash and recycling.

Governmental revenue is comprised of program revenue and general revenue. Program revenues accounted for \$1,837,931 or 44.69 percent of total governmental revenue and the most significant category was charges for services which totaled \$985,276 and reflected a decrease of \$296,970 or 23.16 percent as compared to 2011 due in large part to the creation of the Solid Waste enterprise fund in 2012. General revenues totaled \$2,274,538, and amounted to 55.31 percent of total revenues. These revenues primarily consist of property and other taxes and income taxes totaling \$1,855,734, or 81.59 percent of the general revenues. The other major contributor to general revenues is grants and entitlements not restricted to specific programs, with a majority of the revenue being state and locally shared taxes. For 2012, these revenues totaled \$373,798, or 16.43 percent of the total general revenues. Income tax was the only general revenue areas to show significant increases when compared to 2011.

Safety services, which primarily supports the operations of the City's police, fire and emergency medical services, accounts for \$1,612,952 of expenses, or 44.19 percent of total governmental expenses of the City. These expenses were funded by \$227,636 in charges to users of services and operating grants and contributions. Transportation expenses, which primarily include repairs and maintenance of the City's roads, totaled \$658,367 or 18.04 percent of total governmental expenses. Transportation expenses were covered by \$793,965 of operating and capital grants and contributions. General government expenses, which primarily include legislative, executive and financial management, totaled \$596,980 or 16.35 percent of total governmental expenses. General government expenses were covered by \$370,270 of direct charges to users.

Business-Type Activities

The water, sewer, and solid waste funds represent the City's business-type activities. Business-type activities reported an increase in net position of \$540,648, or 4.92 percent as compared to 2011. These programs had revenues of \$2,713,995 and expenses of \$2,208,184 for the year 2012. Charges for services account for 79.87 percent of total business-type revenues. The increase in charges for services of \$361,209 or 20.00 percent is mainly attributable to the new solid waste fund, previously reported in governmental activities. A water rate increase of 35 percent in early 2011 also had a positive impact. Expenses in business-type activities increased by \$354,059 or 19.1 percent, also primarily due to reporting solid waste activity as business-type activity in 2012.

City of Rittman, Ohio

Management's Discussion and Analysis (Continued) For the Year Ended December 31, 2012

Program Expenses

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government-wide activities, the total cost of services and the net cost of services for 2012 compared to 2011. That is, it identifies the cost of these services supported by general revenues.

Table 3 - Program Expenses

	<u>2012</u>		<u>2011</u>		<u>Net Change</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
<i>Governmental Activities:</i>						
General Government	\$ 596,980	\$ 226,740	\$ 661,984	\$ 349,957	\$ (65,004)	\$ (123,217)
Safety Services	1,612,952	1,385,316	1,692,217	1,414,099	(79,265)	(28,783)
Public Health Services	104,064	66,652	97,425	55,947	6,639	10,705
Transportation	658,367	(135,598)	609,020	220,507	49,347	(356,105)
Basic Utility Services	142,612	(58,161)	412,392	(71,643)	(269,780)	13,482
Leisure Time Activities	494,577	286,672	496,414	258,495	(1,837)	28,177
Interest and Fiscal Charges	40,796	40,796	47,759	47,759	(6,963)	(6,963)
<i>Business-type Activities:</i>						
Water	872,791	258,883	790,762	136,605	82,029	122,278
Sewer	1,100,506	(276,992)	1,063,363	(247,992)	37,143	(29,000)
Solid Waste	234,887	(43,155)	-	-	234,887	(43,155)
Total Expenses	<u><u>\$ 5,858,532</u></u>	<u><u>\$ 1,751,153</u></u>	<u><u>\$ 5,871,336</u></u>	<u><u>\$ 2,163,734</u></u>	<u><u>\$ (12,804)</u></u>	<u><u>\$ (412,581)</u></u>

The dependence upon general revenues for government-wide activities is apparent, with over 29.89 percent of expenses supported through general revenues.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The General Fund is the operating fund of the City. At the end of the year, the fund balance of the General Fund was \$803,243, a 2.75 percent increase from the prior year. The primary factor causing the increase in the General Fund balance in 2012 was the increase income tax revenue resulting from increased business profit taxes, as well as the reduction in credit given to residents for taxes filed in other municipalities.

The other two major funds are the Emergency Medical Service Fund and the Capital Improvements Fund. The Emergency Medical Service Fund balance increased \$7,513 or 1.60 percent over 2011. The revenue in this fund is comprised mostly of charges for services, followed by property and other taxes and related intergovernmental revenues. Overall, revenue increased slightly - \$6,973 or 1.71 percent. Expenditures increased \$54,582 or 15.45 percent. The City's emergency medical service is staffed with part-time employees, and expenditures vary based upon the level of staffing in the station and the volume and timing of activity, specifically multiple calls. Fund balance in the City's Capital Improvements Fund decreased \$290,968 or 83.49 percent over 2011 due to the timing and level of infrastructure expenditures.

City of Rittman, Ohio

**Management’s Discussion and Analysis (Continued)
For the Year Ended December 31, 2012**

Table 4 below reports year 2012 balances compared to 2011:

Table 4 - Changes in Fund Balance

	Fund Balance			
	December 31,	December 31,	Increase	Percent
	<u>2012</u>	<u>2011</u>	<u>(Decrease)</u>	<u>Change</u>
General	\$ 803,243	\$ 781,742	\$ 21,501	2.75%
Emergency Medical Service	477,378	469,865	7,513	1.60%
Capital Improvements	57,522	348,490	(290,968)	-83.49%
Other Governmental Funds	493,211	491,444	1,767	0.36%
	<u>\$ 1,831,354</u>	<u>\$ 2,091,541</u>	<u>\$ (260,187)</u>	

Budgeting Highlights - General Fund

The City’s budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City’s appropriations that are restricted by the amounts of anticipated revenues certified by the County Budget Commission in accordance with the ORC. Therefore, the City’s plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity, then the appropriations can be adjusted accordingly. Final budgeted revenues of \$2,398,560 were \$133,350 lower than the original amount mainly due to a reduction in charges for services caused by the creation of a solid waste utility fund. The continuation of historically low interest rates also required revision of the original estimate. These decreases were partially offset by the inclusion of an advance of \$45,000 due to the timing of a street project. Actual revenues exceeded the final amount by \$58,588, primarily due to property and other taxes and charges for services.

Final budgeted expenditures were lower than the original budgeted expenditures by \$55,500. The majority of this change relates to a creation of the Solid Waste Fund and the reduction in budgeted utility expenditures of \$158,000. This decrease was partially offset by an increase of \$74,000 in advances required due the timing of a street project that will be funded by assessments. Increases in fuel costs and unanticipated legal fees related to economic development also necessitated amendments. Increases in fuel costs and unanticipated repairs also necessitated amendments. Actual expenditures for the year were \$294,651 less than the final budgeted amounts. These differences were caused by conservative budgeting coupled with cost containment measures. There were no individually significant events that led to these differences.

Capital Assets and Debt Administration

Capital Assets

At the end of year 2012, the City had \$18,197,507 (net of accumulated depreciation) invested in land, construction in progress, land improvements, buildings, equipment, and infrastructure. Of this total, \$5,929,932 was reported in governmental activities and \$12,267,575 was reported in business-type activities. Table 5 below reports year 2012 balances compared to 2011:

City of Rittman, Ohio

**Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2012**

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Land	\$ 167,508	\$ 167,508	\$ 63,936	\$ 63,936	\$ 231,444	\$ 231,444
Land Improvements	-	-	26,955	3,792	26,955	3,792
Buildings	3,604,002	3,700,723	5,049,489	5,032,743	8,653,491	8,733,466
Equipment	474,731	532,449	679,475	146,645	1,154,206	679,094
Infrastructure	1,683,691	1,197,098	6,445,023	6,501,977	8,128,714	7,699,075
Construction in Progress	-	8,978	2,697	31,972	2,697	40,950
Total	<u>\$ 5,929,932</u>	<u>\$ 5,606,756</u>	<u>\$ 12,267,575</u>	<u>\$ 11,781,065</u>	<u>\$ 18,197,507</u>	<u>\$ 17,387,821</u>

Asset additions exceeding depreciation caused increases in infrastructure. The City's investment in capital assets increased by \$323,176 or 5.76 percent for governmental activities and increased by \$486,510 or 4.13 percent for business-type activities when comparing 2012 to 2011, which reflects the City's commitment to a long-term goal of meeting its infrastructure and facilities' needs. In 2012, management updated the five-year capital plan that provides for building and infrastructure improvements to complement the City's current capital assets. See Note 8 to the basic financial statements for detail on the governmental and business-type activities capital assets.

Debt Administration

At December 31, 2012, the City had total long-term debt outstanding of \$3,305,474. Of this total, \$358,326 is due within one year and \$2,947,148 is due in more than one year. Table 6 below summarizes the bonds, loans and capital lease outstanding:

Table 6 - Outstanding Debt, at Year End

	Governmental		Business-Type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Revenue Bonds	\$ -	\$ -	\$ 886,100	\$ 931,500	\$ 886,100	\$ 931,500
OWDA Loans	-	-	133,002	389,249	133,002	389,249
General Obligation Bonds	865,000	954,000	1,109,000	1,130,000	1,974,000	2,084,000
OPWC Loans	-	-	301,239	309,735	301,239	309,735
Capital Lease	11,133	21,722	-	-	11,133	21,722
Total	<u>\$ 876,133</u>	<u>\$ 975,722</u>	<u>\$ 2,429,341</u>	<u>\$ 2,760,484</u>	<u>\$ 3,305,474</u>	<u>\$ 3,736,206</u>

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

City of Rittman, Ohio

Management's Discussion and Analysis (Continued) For the Year Ended December 31, 2012

At December 31, 2012, the City's overall legal debt margin was \$7,864,844, with an unvoted debt margin of \$3,179,680. The City's credit rating remained unchanged in 2012 as compared to 2011. See Note 10 to the basic financial statements for details on the City's long-term obligations.

Current Issues Affecting Financial Condition

During the volatile economic times spanning the last several years, efficient use of the City's workforce and cost containment measures have resulted in no layoffs of City employees. However, in 2010 management decided to evaluate every position that is vacated and only fill those that are critical to operations, a practice which continued throughout 2012.

Efforts to balance the budget on the state level will result in lost revenue to the City. The loss will total approximately \$300,000 annually by mid-2013. Management is closely monitoring the situation and is preparing a strategy to provide the best service possible with current resources.

In 2011, City Council voted to detach from Milton Township. While the detachment proved to be revenue neutral to the City, property taxes were reduced for the majority of the City and taxpayers were no longer paying taxes to a political subdivision that was not providing any services within the City limits. In 2012, City Council voted to cap the income tax credit for taxes paid to other taxing districts by Rittman residents at 1.0 percent. It is anticipated that income tax collections will increase by more than \$150,000. Finally, the City continues to evaluate various scenarios to reduce expenditures if additional revenues cannot be raised, including the possibility of shared service agreements with surrounding political subdivisions.

During 2010, the Council adopted a five-year capital improvement program which was updated in 2012. The plan will be used to assess the City's ability to meet the needs of the community in future years. One component of the plan is long-term financial projections, which are intended to indicate the need for continued cost containment or revenue enhancement efforts. In 2012, the City continued to replace infrastructure with the completion of a new waterline and several road repair and resurfacing projects.

The City also has excess capacity at both the water and waste water treatment plants. In an effort to defray fixed costs, the City will continue to evaluate provision of utility services to areas outside the City limits, either by agreement or possible annexation. In 2012, the City began studying the feasibility of constructing a septage receiving facility.

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

Contacting the City's Financial Management

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

City of Rittman, Ohio

**Statement of Net Position
December 31, 2012**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 1,662,514	\$ 1,281,870	\$ 2,944,384
Cash and Cash Equivalents:			
In Segregated Accounts	2,841	13,913	16,754
Assets Held for Resale	11,150	-	11,150
Materials and Supplies Inventory	8,885	241,307	250,192
Accounts Receivable	51,614	378,008	429,622
Accrued Interest Receivable	16,895	540	17,435
Intergovernmental Receivable	413,420	3,420	416,840
Prepaid Items	22,243	11,786	34,029
Municipal Income Taxes Receivable	502,911	167,637	670,548
Property Taxes Receivable	661,452	-	661,452
Special Assessments Receivable	259,529	-	259,529
Restricted Assets:			
Customer Deposits	-	40,100	40,100
Nondepreciable Capital Assets	167,508	66,633	234,141
Depreciable Capital Assets	5,762,424	12,200,942	17,963,366
Total Assets	9,543,386	14,406,156	23,949,542
LIABILITIES			
Accounts Payable	62,214	253,348	315,562
Accrued Wages and Benefits	61,261	14,995	76,256
Intergovernmental Payable	85,392	23,540	108,932
Matured Interest Payable	841	3,713	4,554
Matured Bonds Payable	2,000	10,200	12,200
Matured Compensated Absences Payable	36,877	-	36,877
Accrued Interest Payable	3,506	13,784	17,290
Customer Deposits Payable	-	40,100	40,100
Income Tax Refund Payable	18,936	6,312	25,248
Unearned Revenue	6,515	-	6,515
Long-term Liabilities:			
Due within one year	216,809	302,719	519,528
Due in more than one year	843,685	2,207,979	3,051,664
Total Liabilities	1,338,036	2,876,690	4,214,726
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	517,492	-	517,492
Total Deferred Inflows of Resources	517,492	-	517,492
NET POSITION			
Net Investment in Capital Assets	5,053,799	9,838,234	14,892,033
Restricted for:			
Debt Service	17,633	-	17,633
Capital Projects	479,768	-	479,768
Streets and Highways	322,907	-	322,907
Safety Services	749,174	-	749,174
Other Purposes	5,612	-	5,612
Unrestricted	1,058,965	1,691,232	2,750,197
Total Net Position	\$ 7,687,858	\$ 11,529,466	\$ 19,217,324

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

City of Rittman, Ohio

**Statement of Activities
For the Year Ended December 31, 2012**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
Safety Services	\$ 1,612,952	\$ 187,151	\$ 40,485	\$ -
Public Health Services	104,064	37,412	-	-
Leisure Time Activities	494,577	207,605	300	-
Basic Utility Services	142,612	182,868	17,905	-
Transportation	658,367	-	361,922	432,043
General Government	596,980	370,240	-	-
Interest and Fiscal Charges	40,796	-	-	-
Total Governmental activities	<u>3,650,348</u>	<u>985,276</u>	<u>420,612</u>	<u>432,043</u>
Business-type activities:				
Water	872,791	561,003	-	52,905
Sewer	1,100,506	1,335,498	-	42,000
Solid Waste	234,887	271,103	-	6,939
Total Business-type activities	<u>2,208,184</u>	<u>2,167,604</u>	<u>-</u>	<u>101,844</u>
Total Primary Government	<u>\$ 5,858,532</u>	<u>\$ 3,152,880</u>	<u>\$ 420,612</u>	<u>\$ 533,887</u>

General Revenues:

Property and Other Taxes Levied for:

 General Purposes

 Safety Services

Municipal Income Taxes Levied for:

 General Purposes

 Capital Outlay

 Water Utility Services

Grants & Entitlements Not Restricted to Specific Programs

Investment Income

Gain on Sale of Capital Assets

All Other Revenues

Total General Revenues

Transfers

Total Transfers and General Revenues

Change in Net Position

Net Position - Beginning of Year, as Restated (see Note 4)

Net Position - End of Year

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

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (1,385,316)	\$ -	\$ (1,385,316)
(66,652)	-	(66,652)
(286,672)	-	(286,672)
58,161	-	58,161
135,598	-	135,598
(226,740)	-	(226,740)
(40,796)	-	(40,796)
<u>(1,812,417)</u>	<u>-</u>	<u>(1,812,417)</u>
-	(258,883)	(258,883)
-	276,992	276,992
-	43,155	43,155
-	61,264	61,264
<u>(1,812,417)</u>	<u>61,264</u>	<u>(1,751,153)</u>
368,976	-	368,976
272,158	-	272,158
809,733	-	809,733
404,867	-	404,867
-	405,030	405,030
373,798	-	373,798
29,096	5,550	34,646
5,286	20,000	25,286
10,624	13,967	24,591
<u>2,274,538</u>	<u>444,547</u>	<u>2,719,085</u>
<u>(34,837)</u>	<u>34,837</u>	<u>-</u>
<u>2,239,701</u>	<u>479,384</u>	<u>2,719,085</u>
427,284	540,648	967,932
<u>7,260,574</u>	<u>10,988,818</u>	<u>18,249,392</u>
<u>\$ 7,687,858</u>	<u>\$ 11,529,466</u>	<u>\$ 19,217,324</u>

City of Rittman, Ohio

**Balance Sheet
Governmental Funds
December 31, 2012**

	General Fund	Emergency Medical Service	Capital Improvements	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 635,711	\$ 479,044	\$ 43,952	\$ 503,807	\$ 1,662,514
Cash and Cash Equivalents:					
In Segregated Accounts	-	-	-	2,841	2,841
Assets Held for Resale	-	-	11,150	-	11,150
Materials and Supplies Inventory	3,502	-	-	5,383	8,885
Accrued Interest Receivable	16,852	-	-	43	16,895
Accounts Receivable	25,115	26,097	-	402	51,614
Interfund Receivable	50,000	-	20,342	-	70,342
Intergovernmental Receivable	186,900	13,364	1,491	211,665	413,420
Prepaid Items	17,871	2,378	-	1,994	22,243
Municipal Income Taxes Receivable	335,274	-	167,637	-	502,911
Property Taxes Receivable	375,100	174,779	-	111,573	661,452
Special Assessments Receivable	-	-	235,070	24,459	259,529
Total Assets	1,646,325	695,662	479,642	862,167	3,683,796
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 30,995	\$ 6,562	\$ 15,031	\$ 9,626	\$ 62,214
Accrued Wages and Benefits	32,235	14,362	-	14,664	61,261
Intergovernmental Payable	53,443	7,723	-	24,226	85,392
Matured Compensated Absences Payable	36,877	-	-	-	36,877
Matured Interest Payable	-	-	-	841	841
Matured Bonds Payable	-	-	-	2,000	2,000
Accrued Interest Payable	-	-	-	340	340
Interfund Payable	-	-	50,000	20,342	70,342
Income Tax Refund Payable	12,624	-	6,312	-	18,936
Unearned Revenue	6,515	-	-	-	6,515
Total Liabilities	172,689	28,647	71,343	72,039	344,718
Deferred Inflows of Resources:					
Property Taxes	261,294	156,372	-	99,826	517,492
Unavailable Revenue - Delinquent Property Taxes	24,283	14,510	-	9,297	48,090
Unavailable Revenue - Income Taxes	252,735	-	126,367	-	379,102
Unavailable Revenue - Other	132,081	18,755	224,410	187,794	563,040
Total Deferred Inflows of Resources	670,393	189,637	350,777	296,917	1,507,724
Fund Balances:					
Nonspendable	21,373	2,378	-	7,377	31,128
Restricted	-	475,000	57,522	494,056	1,026,578
Committed	5,945	-	-	-	5,945
Assigned	259,253	-	-	-	259,253
Unassigned	516,672	-	-	(8,222)	508,450
Total Fund Balance	803,243	477,378	57,522	493,211	1,831,354
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,646,325	\$ 695,662	\$ 479,642	\$ 862,167	\$ 3,683,796

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

City of Rittman, Ohio

**Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
December 31, 2012**

Total Governmental Funds Balance \$ 1,831,354

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

Capital Assets used in Governmental Activities are not financial resources
and, therefore, are not reported in the funds 5,929,932

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

Delinquent property taxes	\$ 48,090	
Municipal income taxes	379,102	
Special assessments	248,869	
Intergovernmental	290,375	
Charges for services	<u>23,796</u>	
Total		990,232

In the Statement of Activities, interest is accrued on outstanding
bonds, whereas in Governmental Funds, an interest expenditure
is reported when due. (3,166)

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

General obligation bonds	(865,000)	
Capital leases	(11,133)	
Compensated absences	<u>(184,361)</u>	
Total		<u>(1,060,494)</u>

Net Position of Governmental Activities \$ 7,687,858

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

City of Rittman, Ohio

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2012**

	General Fund	Emergency Medical Service	Capital Improvements	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property and Other Taxes	\$ 359,277	\$ 159,397	\$ -	\$ 102,468	\$ 621,142
Municipal Income Taxes	729,725	-	364,864	-	1,094,589
Intergovernmental	407,096	57,781	222,336	411,599	1,098,812
Investment Income	28,845	-	-	251	29,096
Fines, Licenses, and Permits	35,285	-	-	1,252	36,537
Charges for Services	759,287	186,518	36,943	5,875	988,623
Contributions and Donations	300	2,000	-	2,000	4,300
Special Assessments	-	-	340	14,050	14,390
All Other Revenues	14,542	1,242	-	72	15,856
Total Revenues	<u>2,334,357</u>	<u>406,938</u>	<u>624,483</u>	<u>537,567</u>	<u>3,903,345</u>
EXPENDITURES					
Current:					
Safety Services	1,013,584	404,404	29,848	145,637	1,593,473
Public Health Services	95,775	-	-	29,000	124,775
Leisure Time Activities	383,024	-	55,520	-	438,544
Basic Utility Services	142,612	-	-	-	142,612
Transportation	122,206	-	710,354	353,257	1,185,817
General Government	521,305	3,521	21,729	2,237	548,792
Debt Service:					
Principal Retirement	-	-	-	99,589	99,589
Interest and Fiscal Charges	-	-	-	41,080	41,080
Total Expenditures	<u>2,278,506</u>	<u>407,925</u>	<u>817,451</u>	<u>670,800</u>	<u>4,174,682</u>
Excess of Revenues Over (Under) Expenditures	<u>55,851</u>	<u>(987)</u>	<u>(192,968)</u>	<u>(133,233)</u>	<u>(271,337)</u>
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	650	8,500	2,000	-	11,150
Transfers In	-	-	-	135,000	135,000
Transfers Out	(35,000)	-	(100,000)	-	(135,000)
Total Other Financing Sources (Uses)	<u>(34,350)</u>	<u>8,500</u>	<u>(98,000)</u>	<u>135,000</u>	<u>11,150</u>
Net Change in Fund Balances	21,501	7,513	(290,968)	1,767	(260,187)
Fund Balances - Beginning of Year	781,742	469,865	348,490	491,444	2,091,541
Fund Balances - End of Year	<u>\$ 803,243</u>	<u>\$ 477,378</u>	<u>\$ 57,522</u>	<u>\$ 493,211</u>	<u>\$ 1,831,354</u>

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

City of Rittman, Ohio

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2012**

Net Change in Fund Balances-Total Governmental Funds \$ (260,187)

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

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

Capital outlay	\$	778,146	
Depreciation		(414,269)	
Total			363,877

In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (5,864)

Transfer of capital assets to Business-Type Activities decreases net position in the Statement of Activities, but do not appear in the Governmental Funds because they are not financial resources. (34,837)

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

Delinquent property taxes		19,992	
Municipal income taxes		120,011	
Special assessments		182,019	
Intergovernmental		(57,466)	
Charges for services		(10,718)	
Total			253,838

Repayment of bond principal and capital leases are expenditures in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 99,589

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds.

Compensated absences		10,584	
Accrued interest on bonds		284	
Total			10,868

Change in Net Position of Governmental Activities \$ 427,284

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

City of Rittman, Ohio

**Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property and Other Taxes	\$ 348,500	\$ 339,300	\$ 355,697	\$ 16,397
Municipal Income Taxes	690,000	720,000	731,548	11,548
Intergovernmental	391,239	391,239	403,164	11,925
Investment Income	30,200	24,050	26,486	2,436
Fines, Licenses and Permits	30,000	40,000	37,201	(2,799)
Charges for Services	1,022,771	825,771	842,710	16,939
Contributions and Donations	3,000	3,000	300	(2,700)
All Other Revenues	16,200	10,200	14,392	4,192
Total Revenues	<u>2,531,910</u>	<u>2,353,560</u>	<u>2,411,498</u>	<u>57,938</u>
EXPENDITURES				
Current:				
Safety Services	1,044,213	1,061,102	974,412	86,690
Public Health Services	112,205	115,465	94,053	21,412
Leisure Time Activities	464,920	469,920	388,412	81,508
Basic Utility Services	370,000	212,000	211,811	189
Transportation	138,439	138,439	125,021	13,418
General Government	616,802	620,153	528,719	91,434
Total Expenditures	<u>2,746,579</u>	<u>2,617,079</u>	<u>2,322,428</u>	<u>294,651</u>
Excess of Revenues Over (Under) Expenditures	(214,669)	(263,519)	89,070	352,589
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	650	650
Advances In	-	45,000	45,000	-
Advances Out	-	(74,000)	(74,000)	-
Transfers Out	(35,000)	(35,000)	(35,000)	-
Total Other Financing Sources (Uses)	<u>(35,000)</u>	<u>(64,000)</u>	<u>(63,350)</u>	<u>650</u>
Net Change in Fund Balance	(249,669)	(327,519)	25,720	353,239
Fund Balance - Beginning of Year	532,651	532,651	532,651	-
Prior Year Encumbrances Appropriated	45,633	45,633	45,633	-
Fund Balance - End of Year	<u>\$ 328,615</u>	<u>\$ 250,765</u>	<u>\$ 604,004</u>	<u>\$ 353,239</u>

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

City of Rittman, Ohio

**Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual
Emergency Medical Service Fund
For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
REVENUES				
Property and Other Taxes	\$ 150,000	\$ 155,800	\$ 159,513	\$ 3,713
Intergovernmental	46,768	56,768	57,781	1,013
Charges for Services	172,000	172,000	181,389	9,389
Contributions and Donations	-	-	2,000	2,000
All Other Revenues	500	8,500	581	(7,919)
Total Revenues	<u>369,268</u>	<u>393,068</u>	<u>401,264</u>	<u>8,196</u>
EXPENDITURES				
Current:				
Safety Services	521,257	522,932	407,958	114,974
General Government	3,200	3,525	3,521	4
Total Expenditures	<u>524,457</u>	<u>526,457</u>	<u>411,479</u>	<u>114,978</u>
Excess of Revenues Over (Under) Expenditures	(155,189)	(133,389)	(10,215)	123,174
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	8,500	8,500
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>8,500</u>	<u>8,500</u>
Net Change in Fund Balance	(155,189)	(133,389)	(1,715)	131,674
Fund Balance - Beginning of Year	466,085	466,085	466,085	-
Prior Year Encumbrances Appropriated	6,282	6,282	6,282	-
Fund Balance - End of Year	<u>\$ 317,178</u>	<u>\$ 338,978</u>	<u>\$ 470,652</u>	<u>\$ 131,674</u>

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

City of Rittman, Ohio

**Statement of Fund Net Position
Proprietary Funds
December 31, 2012**

	Business-Type Activities - Enterprise Funds			
	Water Fund	Sewer Fund	Nonmajor Fund	Total
ASSETS				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 471,990	\$ 753,463	\$ 56,417	\$ 1,281,870
Cash and Cash Equivalents:				
In Segregated Accounts	13,913	-	-	13,913
Materials and Supplies Inventory	122,778	118,529	-	241,307
Accrued Interest Receivable	1	494	45	540
Accounts Receivable	85,262	212,081	80,665	378,008
Intergovernmental Receivable	-	-	3,420	3,420
Prepaid Items	7,893	3,893	-	11,786
Restricted Assets:				
Customer Deposits	40,100	-	-	40,100
Income Taxes Receivable	167,637	-	-	167,637
Total Current Assets	<u>909,574</u>	<u>1,088,460</u>	<u>140,547</u>	<u>2,138,581</u>
Noncurrent Assets:				
Capital Assets:				
Land	31,686	32,250	-	63,936
Construction in Progress	131	2,566	-	2,697
Depreciable Assets, Net of Depreciation	5,311,718	6,859,383	29,841	12,200,942
Total Noncurrent Assets	<u>5,343,535</u>	<u>6,894,199</u>	<u>29,841</u>	<u>12,267,575</u>
Total Assets	<u>6,253,109</u>	<u>7,982,659</u>	<u>170,388</u>	<u>14,406,156</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	31,268	139,971	82,109	253,348
Accrued Wages and Benefits	6,298	7,446	1,251	14,995
Compensated Absences Payable	16,395	24,150	3,981	44,526
Customer Deposits Payable	40,100	-	-	40,100
Intergovernmental Payable	9,800	12,227	1,513	23,540
Matured Bonds Payable	10,200	-	-	10,200
Matured Interest Payable	3,713	-	-	3,713
Accrued Interest Payable	3,772	10,012	-	13,784
Income Tax Refund Payable	6,312	-	-	6,312
General Obligation Bonds Payable	70,000	11,500	-	81,500
Revenue Bonds Payable	-	26,700	-	26,700
OWDA Loans Payable	-	133,002	-	133,002
OPWC Loans Payable	16,991	-	-	16,991
Total Current Liabilities	<u>214,849</u>	<u>365,008</u>	<u>88,854</u>	<u>668,711</u>
Noncurrent Liabilities:				
Compensated Absences Payable	12,993	20,370	3,468	36,831
General Obligation Bonds Payable	990,000	37,500	-	1,027,500
Revenue Bonds Payable	-	859,400	-	859,400
OPWC Loans Payable	284,248	-	-	284,248
Total Noncurrent Liabilities	<u>1,287,241</u>	<u>917,270</u>	<u>3,468</u>	<u>2,207,979</u>
Total Liabilities	<u>1,502,090</u>	<u>1,282,278</u>	<u>92,322</u>	<u>2,876,690</u>
NET POSITION				
Net Investment in Capital Assets	3,982,296	5,826,097	29,841	9,838,234
Unrestricted	768,723	874,284	48,225	1,691,232
Total Net Position	<u>\$4,751,019</u>	<u>\$6,700,381</u>	<u>\$ 78,066</u>	<u>\$11,529,466</u>

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

City of Rittman, Ohio

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For The Year Ended December 31, 2012**

	Business-Type Activities - Enterprise Funds			
	Water Fund	Sewer Fund	Nonmajor Fund	Total
OPERATING REVENUES				
Charges for Services	\$ 561,003	1,335,498	271,103	2,167,604
Miscellaneous	5,030	8,937	-	13,967
Total Operating Revenues	566,033	1,344,435	271,103	2,181,571
OPERATING EXPENSES				
Salaries	320,279	359,602	35,054	714,935
Materials and Supplies	87,092	111,850	4,611	203,553
Contractual Services	119,730	213,717	190,226	523,673
Depreciation	208,118	260,934	4,996	474,048
Other	90,000	90,000	-	180,000
Total Operating Expenses	825,219	1,036,103	234,887	2,096,209
Operating Income (Loss)	(259,186)	308,332	36,216	85,362
NONOPERATING REVENUES (EXPENSES)				
Gain on Sale of Capital Assets	-	20,000	-	20,000
Interest	11	5,465	74	5,550
Interest and Fiscal Charges	(47,572)	(64,403)	-	(111,975)
Income Taxes	405,030	-	-	405,030
Total Nonoperating Revenues (Expenses)	357,469	(38,938)	74	318,605
Capital Contributions	52,905	42,000	41,776	136,681
Change in Net Position	151,188	311,394	78,066	540,648
Net Position - Beginning of Year, as Restated (see Note 4)	4,599,831	6,388,987	-	10,988,818
Net Position - End of Year	\$4,751,019	\$6,700,381	\$ 78,066	\$11,529,466

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

City of Rittman, Ohio

**Statement of Cash Flows
Proprietary Funds
For The Year Ended December 31, 2012**

	Business-Type Activities - Enterprise Funds			
	Water Fund	Sewer Fund	Nonmajor Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Charges for Services	\$ 559,849	\$ 1,323,410	\$ 190,438	\$ 2,073,697
Cash Payments to Employees for Services	(314,100)	(349,248)	(24,814)	(688,162)
Cash Payments for Goods and Services	(301,198)	(425,819)	(112,755)	(839,772)
Other Cash Payments	(90,000)	(90,000)	-	(180,000)
Net Cash Provided by (Used in) Operating Activities	<u>(145,449)</u>	<u>458,343</u>	<u>52,869</u>	<u>365,763</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Income Taxes Received	<u>365,775</u>	<u>-</u>	<u>-</u>	<u>365,775</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>365,775</u>	<u>-</u>	<u>-</u>	<u>365,775</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Contributions	52,905	42,000	3,519	98,424
Proceeds from Bond Issuance	-	59,500	-	59,500
Proceeds from Sale of Assets	-	20,000	-	20,000
Principal Paid on Debt	(78,496)	(312,147)	-	(390,643)
Interest Paid on Debt	(47,782)	(64,593)	-	(112,375)
Payments for Capital Acquisitions	(200,900)	(638,235)	-	(839,135)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(274,273)</u>	<u>(893,475)</u>	<u>3,519</u>	<u>(1,164,229)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	<u>10</u>	<u>5,637</u>	<u>29</u>	<u>5,676</u>
Net Cash Provided by Investing Activities	<u>10</u>	<u>5,637</u>	<u>29</u>	<u>5,676</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(53,937)	(429,495)	56,417	(427,015)
Cash and Cash Equivalents - Beginning of Year	<u>579,940</u>	<u>1,182,958</u>	<u>-</u>	<u>1,762,898</u>
Cash and Cash Equivalents - End of Year	<u>\$ 526,003</u>	<u>\$ 753,463</u>	<u>\$ 56,417</u>	<u>\$ 1,335,883</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$(259,186)	\$ 308,332	\$ 36,216	\$ 85,362
Adjustments:				
Depreciation	208,118	260,934	4,996	474,048
(Increase) Decrease in Assets:				
Accounts Receivable	(10,484)	(21,925)	(80,665)	(113,074)
Materials and Supplies Inventory	(114,337)	(113,227)	-	(227,564)
Prepaid Items	(3,132)	(1,409)	-	(4,541)
Increase (Decrease) in Liabilities:				
Accounts Payable	25,572	15,562	82,109	123,243
Accrued Wages	1,810	2,114	1,251	5,175
Compensated Absences Payable	1,900	5,368	7,449	14,717
Intergovernmental Payable	1,790	2,594	1,513	5,897
Customer Deposits Payable	2,500	-	-	2,500
Net Cash Provided by Operating Activities	<u>\$(145,449)</u>	<u>\$ 458,343</u>	<u>\$ 52,869</u>	<u>\$ 365,763</u>

Schedule of Non-Cash Investing, Capital, and Financing Activities:

During 2012, The Solid Waste fund, a non-major fund, received capital assets with a cost of \$95,701 and accumulated depreciation of \$60,864 from the governmental funds.

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

City of Rittman, Ohio

**Statement of Fiduciary Net Position
Agency Funds
December 31, 2012**

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 21,550</u>
Liabilities	
Deposits Held and Due to Others	<u>\$ 21,550</u>

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

City of Rittman, Ohio

Notes to the Basic Financial Statements For The Year Ended December 31, 2012

NOTE 1: DESCRIPTION OF THE CITY AND REPORTING ENTITY

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

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

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 Rittman, Ohio

Notes to the Basic Financial Statements (Continued) For The Year Ended December 31, 2012

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements

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

B. 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.

C. Fund Accounting

Governmental Funds

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

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

City of Rittman, Ohio

Notes to the Basic Financial Statements (Continued) For The Year Ended December 31, 2012

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

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

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

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

Proprietary Funds

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

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

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The Fiduciary Fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City does not have trust funds. The agency funds account for unclaimed funds and returnable bonds. The City's agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for the activities of the unclaimed funds and for deposits received from contractors and developers which will be refunded upon successful completion of the projects.

D. Measurement Focus and Basis of Accounting

Government-wide Financial Statements

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

City of Rittman, Ohio

Notes to the Basic Financial Statements (Continued) For The Year Ended December 31, 2012

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (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 deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Fund Net Position. The Statement of Revenues, Expenses, and 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.

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

Revenues - Exchange and Non-exchange Transactions

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Property Tax Note 12). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied.

City of Rittman, Ohio

Notes to the Basic Financial Statements (Continued) For The Year Ended December 31, 2012

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognize as an outflow of resources (expense/expenditure) until then. For the City, there were no deferred outflows of resources in 2012.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance year 2013 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, intergovernmental grants, special assessments, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

Expenses/Expenditures

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

City of Rittman, Ohio

Notes to the Basic Financial Statements (Continued) For The Year Ended December 31, 2012

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting

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

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

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

On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the Finance Director determines that revenue to be collected will be greater than or less than the prior estimates and the Commission finds the revised estimates to be reasonable. The amounts set forth in the financial statements represent estimates from the final amended certificate issued for 2012.

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

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

City of Rittman, Ohio

Notes to the Basic Financial Statements (Continued) For The Year Ended December 31, 2012

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting (Continued)

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

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

F. Deposits and Investments

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

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

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

G. Inventory of Supplies

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

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2012

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2012, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure or expense is reported in the year in which services are consumed.

I. Capital Assets and Depreciation

Governmental capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net 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 fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, irrigation systems and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

City of Rittman, Ohio

Notes to the Basic Financial Statements (Continued) For The Year Ended December 31, 2012

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences

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

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

K. Accrued Liabilities and Long-term Obligations

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

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

L. Capital Contributions

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

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

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2012

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Balance (Continued)

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

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the City’s Council. Those committed amounts cannot be used for any other purpose unless the City’s 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. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, typically the finance director, or by State Statute.

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

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

N. Interfund Transactions

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

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2012

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Interfund Transactions (Continued)

Transactions that constitute reimbursements for expenditures or expenses initially made from a fund that are properly allocable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditures and expenses in the fund that is reimbursed. As a general rule, interfund services provided and used are not eliminated in the process of consolidation in the government-wide Statement of Activities.

O. Net Position

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

P. Operating Revenues and Expenses

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

Q. Estimates

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

R. Interfund Balances

On fund financial statements, interfund loans are classified as “Interfund Receivable/Payable” on the balance sheet and if they are long-term loans an equal offset should be included in nonspendable fund balance unless the proceeds from their collection are restricted, committed, or assigned. This provision indicates that the loans do not constitute available expendable resources. These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

City of Rittman, Ohio

Notes to the Basic Financial Statements (Continued) For The Year Ended December 31, 2012

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Implementation of New Accounting Policies

For 2012, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, GASB Statement No. 60 *Accounting and Financial Reporting for Service Concession Arrangements*, GASB Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, GASB Statement No. 64 *Derivative Instruments: Application of Hedge Accounting Termination Provisions*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

GASB Statement Number 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2011 and have been implemented by the City.

GASB Statement Number 60, Accounting and Financial Reporting for Service Concession Arrangements. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011 and have been implemented by the City.

GASB Statement Number 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements which does not conflict with or contradict GASB pronouncements. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011 and have been implemented by the City.

GASB Statement Number 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011 and have been implemented by the City.

GASB Statement Number 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2011 and have been implemented by the City.

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2012

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Implementation of New Accounting Policies (Continued)

GASB Statement Number 65, Items Previously Reported as Assets and Liabilities. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012 and have been implemented by the City.

NOTE 3: FUND BALANCES

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 the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	General	Emergency Medical Service	Capital Improvements	Other Governmental Funds	Total
<i>Nonspendable</i>					
Prepaid Items	\$ 17,871	\$ 2,378	\$ -	\$ 1,994	\$ 22,243
Inventories	3,502	-	-	5,383	8,885
Total Nonspendable	<u>21,373</u>	<u>2,378</u>	<u>-</u>	<u>7,377</u>	<u>31,128</u>
<i>Restricted</i>					
Emergency Services	-	475,000	-	-	475,000
Streets and Highways	-	-	-	184,054	184,054
Law Enforcement	-	-	-	11,503	11,503
Education and Recreation Assistance	-	-	-	5,612	5,612
Fire Department	-	-	-	221,418	221,418
Cemetery Capital Improvements	-	-	-	71,469	71,469
Capital Improvements	-	-	57,522	-	57,522
Total Restricted	<u>-</u>	<u>475,000</u>	<u>57,522</u>	<u>494,056</u>	<u>1,026,578</u>
<i>Committed</i>					
Recreation	5,945	-	-	-	5,945
Total Committed	<u>5,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,945</u>
<i>Assigned</i>					
Fiscal Year 2013 Appropriations	254,714	-	-	-	254,714
Purchases on Order	4,539	-	-	-	4,539
Total Assigned	<u>259,253</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>259,253</u>
<i>Unassigned</i>					
	516,672	-	-	(8,222)	508,450
Total Fund Balance	<u>\$ 803,243</u>	<u>\$ 477,378</u>	<u>\$ 57,522</u>	<u>\$ 493,211</u>	<u>\$ 1,831,354</u>

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2012

NOTE 4: PRIOR PERIOD ADJUSTMENTS AND ACCOUNTABILITY

A. Prior Period Adjustments

In prior periods, the City had reported assets related to unamortized debt issuance costs in the Governmental Activities, Business-Type Activities, and Water Fund financial statements. GASB Statement Number 65, Items Previously Reported as Assets and Liabilities, has reclassified debt issuance costs as an expense in the period incurred rather than amortizing the costs over the life of the debt. The implementation of GASB Statement Number 65 requires a restatement of prior period's net position as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Water Fund</u>
Net Position, December 31, 2011	\$ 7,274,023	\$ 11,010,233	\$ 4,621,246
Prior Period Adjustments:			
Unamortized Debt Issuance Costs	(13,449)	(21,415)	(21,415)
Restated Net Position, December 31, 2011	<u>\$ 7,260,574</u>	<u>\$ 10,988,818</u>	<u>\$ 4,599,831</u>

B. Accountability

Fund balances at December 31, 2012 included the following individual fund deficits:

	<u>Deficit</u>
Nonmajor Governmental Fund:	
Police Pension	4,562
SA Debt Retirement	3,660

The General Fund is liable for any deficits in these funds and provides transfers when cash is required not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities in accordance with generally accepted accounting principles (GAAP).

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2012

NOTE 5: BUDGETARY BASIS OF ACCOUNTING

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

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

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) Encumbrances are treated as expenditures (budget basis) rather than as a part of restricted, committed, and assigned fund balances (GAAP basis);

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the General Fund and the Emergency Medical Service Fund are as follows:

	<u>General</u>	<u>Emergency Medical Service</u>
GAAP Basis	\$ 21,501	\$ 7,513
Revenue Accruals	122,139	(5,674)
Expenditure Accruals	(86,212)	4,838
Encumbrances (Budget Basis) outstanding at year end	<u>(31,708)</u>	<u>(8,392)</u>
Budget Basis	<u>\$ 25,720</u>	<u>\$ (1,715)</u>

City of Rittman, Ohio

Notes to the Basic Financial Statements (Continued) For The Year Ended December 31, 2012

NOTE 6: DEPOSITS AND INVESTMENTS

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

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

The City invested funds in STAR Ohio during 2012. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in

STAR Ohio is valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2012.

Interest earnings are distributed to the Sewer and the Solid Waste Enterprise funds, Street Maintenance and Repair and the State Highway Special Revenue funds based on daily cash balances, and the remainder is reported in the General Fund. The interest earned in the Water Bond Escrow account is credited to the Water Enterprise Fund. Interest revenue credited to the General Fund during fiscal year 2012 amounted to \$28,845, which includes \$17,738 assigned from other City funds.

Deposits: At year-end, the carrying amount of the City's deposits was \$3,008,875 and the bank balances totaled \$3,045,913. Of the bank balances, \$2,259,181 was exposed to custodial credit risk. This amount was uninsured and collateral is held by the pledging financial institution's trust department, and not in the City's name.

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2012

NOTE 6: DEPOSITS AND INVESTMENTS (Continued)

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

Investments: As of December 31, 2012, the City had the following investments and maturities:

Investment type	Fair Value	Less than 1 Year
STAROhio	\$ 13,913	\$ 13,913
	\$ 13,913	\$ 13,913

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

Interest rate risk is the possibility that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy does not address limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The weighted average of maturity of the portfolio held by STAR Ohio as of December 31, 2012 is 55.4 days.

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

NOTE 7: RECEIVABLES

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

In the governmental activities, due from other governments consists primarily of entitlements to be received from the state:

Revenue Description	Amount
Cents Per Gallon and Excise Tax	\$ 116,901
Homestead and Rollback	44,654
Local Government	121,911
Motor Vehicle Tax	24,044
Permissive Sales Tax	61,772
Miscellaneous	44,138
Total Intergovernmental Receivable	\$ 413,420

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2012

NOTE 8: CAPITAL ASSETS

Capital asset activity for the year ending December 31, 2012 is as follows:

Governmental Activities: A summary of the governmental activities' capital assets as of December 31, 2012 follows:

	<u>Balance</u> 12/31/11	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 12/31/12
<u>Governmental Activities</u>				
Capital Assets, not being depreciated:				
Land	\$ 167,508	\$ -	\$ -	\$ 167,508
Construction in Progress	8,978	-	(8,978)	-
Total Capital Assets, not being depreciated	<u>176,486</u>	<u>-</u>	<u>(8,978)</u>	<u>167,508</u>
Capital Assets, being depreciated:				
Land Improvements	119,026	-	-	119,026
Buildings	5,650,174	46,962	-	5,697,136
Infrastructure	1,840,928	588,103	-	2,429,031
Equipment	3,286,115	168,959	(200,706)	3,254,368
Total Capital Assets, being depreciated	<u>10,896,243</u>	<u>804,024</u>	<u>(200,706)</u>	<u>11,499,561</u>
Less Accumulated Depreciation:				
Land Improvements	(119,026)	-	-	(119,026)
Buildings	(1,949,451)	(143,683)	-	(2,093,134)
Infrastructure	(643,830)	(101,510)	-	(745,340)
Equipment	(2,753,666)	(185,976)	160,005	(2,779,637)
Total Accumulated Depreciation	<u>(5,465,973)</u>	<u>(431,169)</u>	<u>160,005</u>	<u>(5,737,137)</u>
Total Capital Assets being depreciated, net	<u>5,430,270</u>	<u>372,855</u>	<u>(40,701)</u>	<u>5,762,424</u>
Governmental Activities Capital Assets, net	<u><u>\$ 5,606,756</u></u>	<u><u>\$ 372,855</u></u>	<u><u>\$ (49,679)</u></u>	<u><u>\$ 5,929,932</u></u>

The amount of depreciation expense that was charged to governmental functions for the year ended December 31, 2012 is as follows:

<u>Depreciation Expense:</u>	
General Government	\$ 11,724
Safety Services	174,457
Public Health	2,074
Leisure Time Activities	103,133
Transportation	122,881
	<u><u>\$ 414,269</u></u>

Governmental activities received fully depreciated equipment in the amount of \$16,900 from the Sewer fund.

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2012

NOTE 8: CAPITAL ASSETS (Continued)

Business-type Activities: A summary of the business-type activities' capital assets as of December 31, 2012 follows:

	Balance 12/31/11	Additions	Deletions	Balance 12/31/12
<u>Business-type Activities</u>				
Capital Assets, not being depreciated:				
Land	\$ 63,936	\$ -	\$ -	\$ 63,936
Construction in Progress	31,972	2,697	(31,972)	2,697
Total Capital Assets not being depreciated	95,908	2,697	(31,972)	66,633
Capital Assets, being depreciated:				
Land Improvements	16,033	24,889	-	40,922
Buildings	8,661,789	238,993	-	8,900,782
Infrastructure	9,717,181	115,723	-	9,832,904
Equipment	1,460,626	671,092	(386,438)	1,745,280
Total Capital Assets, being depreciated	19,855,629	1,050,697	(386,438)	20,519,888
Less Accumulated Depreciation:				
Land Improvements	(12,241)	(1,726)	-	(13,967)
Buildings	(3,629,046)	(222,247)	-	(3,851,293)
Infrastructure	(3,215,204)	(172,677)	-	(3,387,881)
Equipment	(1,313,981)	(138,262)	386,438	(1,065,805)
Total Accumulated Depreciation	(8,170,472)	(534,912)	386,438	(8,318,946)
Total Capital Assets being depreciated, net	11,685,157	515,785	-	12,200,942
Business-type Activities Capital Assets, net	\$ 11,781,065	\$ 518,482	\$ (31,972)	\$ 12,267,575

The amount of depreciation expense that was charged to the Water, Sewer, and Solid Waste funds for the year ended December 31, 2012 is as follows:

<u>Depreciation Expense:</u>	
Water	\$ 208,118
Sewer	260,934
Solid Waste	4,996
	\$ 474,048

The Solid Waste fund received equipment with a cost of \$95,701 and accumulated depreciation of \$60,864 from the governmental funds.

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2012

NOTE 9: COMPENSATED ABSENCES

City employees earn vacation leave at varying rates based upon length of service, from two to five weeks per year. Vacation leave is accrued bi-weekly. Employees are allowed to accrue up to two times their annual vacation rate.

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

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

NOTE 10: BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS

Governmental Activities: A summary of the governmental activities' debt and other long-term obligations as of December 31, 2012 follows:

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Amount Outstanding December 31</u>	<u>Amount Due in One Year</u>
<u>Governmental Activities</u>					
<u>General Obligation Bonds</u>					
2004 Refunding Recreation Center Bonds 2.00 - 4.35%	\$ 885,000	\$ -	\$ 85,000	\$ 800,000	\$ 85,000
2009 Emergency Dispatch Communications Bonds 4.25%	69,000	-	4,000	65,000	4,000
Total General Obligation Bonds	<u>954,000</u>	<u>-</u>	<u>89,000</u>	<u>865,000</u>	<u>89,000</u>
 <u>Other Obligations</u>					
Capital Lease	21,722	-	10,589	11,133	11,133
Compensated Absences	194,945	115,809	126,393	184,361	116,676
Total Other Obligations	<u>216,667</u>	<u>115,809</u>	<u>136,982</u>	<u>195,494</u>	<u>127,809</u>
Total Governmental Activities	<u>\$ 1,170,667</u>	<u>\$ 115,809</u>	<u>\$ 225,982</u>	<u>\$ 1,060,494</u>	<u>\$ 216,809</u>

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2012

NOTE 10: BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

Business-type Activities: A summary of the business-type activities' debt and other long-term obligations as of December 31, 2012 follows:

	Balance January 1	Additions	Deletions	Amount Outstanding December 31	Amount Due in One Year
<u>Business-type Activities</u>					
<u>Revenue Bonds</u>					
1993 Mortgage Revenue Bonds 5.2%	\$ 931,500	\$ -	\$ 45,400	\$ 886,100	\$ 26,700
<u>General Obligation Bonds</u>					
2004 Water Improvement Bonds 2.0-4.7%	1,130,000	-	70,000	1,060,000	70,000
2011 Sewer Vehicle Acquisition Bonds 3.75%	-	59,500	10,500	49,000	11,500
Total General Obligation Bonds	<u>1,130,000</u>	<u>59,500</u>	<u>80,500</u>	<u>1,109,000</u>	<u>81,500</u>
Total Bonds	<u>2,061,500</u>	<u>59,500</u>	<u>125,900</u>	<u>1,995,100</u>	<u>108,200</u>
<u>Loans</u>					
2010 OPWC Loan 0%	134,735	-	2,246	132,489	4,491
2005 OPWC Loan 0%	175,000	-	6,250	168,750	12,500
1993 OWDA Loan 5%	389,249	-	256,247	133,002	133,002
Total Loans	<u>698,984</u>	<u>-</u>	<u>264,743</u>	<u>434,241</u>	<u>149,993</u>
<u>Other Obligations</u>					
Compensated Absences	66,640	51,187	36,470	81,357	44,526
Total Business-type Activities	<u>\$ 2,827,124</u>	<u>\$ 110,687</u>	<u>\$ 427,113</u>	<u>\$ 2,510,698</u>	<u>\$ 302,719</u>

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. General obligation bonds will be retired from the Debt Service Fund using general property taxes, and from the Water and Sewer Funds using resources within these funds.

On July 12, 2004, the City issued \$1,410,000 and \$415,000 in general obligation bonds with interest rates varying between; 2.00-4.35 percent, and 2.00-2.75 percent, respectively. The bond issues were used to refund \$1,361,000 of outstanding recreation center bonds with an interest rate of 5.30 percent, and to refund \$415,000 of outstanding safety building bonds with an average interest rate of 4.84 percent. As of December 31, 2012, all of the defeased bonds have been called and subsequently redeemed. The refunding recreation center bonds will mature on December 1, 2020.

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

In 2012, the City received \$59,500 from the issuance of the 2011 general obligation bonds with an interest rate of 3.75 percent and will mature in 2016. These bonds were issued for the purpose of improving the City's sewer system.

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2012

NOTE 10: BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

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

The City has pledged future revenues to repay OPWC loans in the Water Fund. The debt is payable solely from revenues and is payable through 2025. In 2012, the annual principal payment on the loan required 1.10 percent of operating revenues and 0.61 percent of total revenues. The total principal remaining to be paid on the loan is \$168,750. Principal paid in the current year was \$6,250, total operating revenues were \$566,033 and total revenues were \$1,023,979.

The City has pledged future revenues to repay revenue bonds and OWDA loans in the Sewer Fund. The debt is payable solely from operating revenues and is payable through 2033. In 2012, the annual principal and interest payments on the bonds and loans required 27.20 percent of operating revenues and 25.90 percent of total revenues. The total principal and interest remaining to be paid on the bonds and loans is \$1,570,400. Principal and interest paid in the current year was \$365,685, total operating revenues were \$1,344,435 and total revenues were \$1,411,900.

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

The 1993 Ohio Water Development Authority (OWDA) loan was for the construction, maintenance and operation of wastewater treatment facilities. This loan ends in 2013 and has a 5.00 percent interest rate.

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

Compensated Absences: Sick leave benefits will be paid from the fund from which the person is paid. The compensated absences liability is mainly paid from the General Fund, Water Fund, and Sewer Fund.

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2012

NOTE 10: BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

The annual requirements to amortize all bonded debt and loans as of December 31, 2012, including interest payments of \$4,354,377, are as follows:

<u>Year</u>	General Obligation Bonds		OPWC & OWDA Loans	
	Principal	Interest	Principal	Interest
	2013	\$ 170,500	\$ 82,330	\$ 149,993
2014	176,000	75,994	16,991	-
2015	187,500	69,293	16,991	-
2016	193,000	61,984	16,991	-
2017	185,000	54,282	16,991	-
2018-2022	839,000	149,201	84,956	-
2023-2027	223,000	15,654	66,206	-
2028-2032	-	-	22,456	-
2033-2037	-	-	22,456	-
2038-2042	-	-	20,210	-
	\$ 1,974,000	\$ 508,738	\$ 434,241	\$ 3,271

<u>Year</u>	Revenue Bonds		<u>Total</u>
	Principal	Interest	
2013	\$ 26,700	\$ 45,413	\$ 478,207
2014	28,000	44,044	341,029
2015	29,500	42,609	345,893
2016	31,000	41,097	344,072
2017	32,600	39,509	328,382
2018-2022	189,600	170,729	1,433,486
2023-2027	243,600	116,881	665,341
2028-2032	305,100	47,745	375,301
2033-2037	-	-	22,456
2038-2042	-	-	20,210
	\$ 886,100	\$ 548,027	\$ 4,354,377

NOTE 11: CAPITAL LEASE – LESSEE DISCLOSURE

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

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

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2012

NOTE 11: CAPITAL LEASE – LESSEE DISCLOSURE (Continued)

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

<u>Year</u>	<u>Payment</u>
2013	11,706
	<u>11,706</u>
Less Interest	(573)
Future Minimum Lease	<u><u>\$ 11,133</u></u>

NOTE 12: PROPERTY TAX

Property taxes include amounts levied against all real and public utility property, and tangible personal property located in the City. Real property taxes were levied after October 1, on the assessed value as of the prior January 1, the lien date. Assessed values are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was in 2008 for Wayne County and 2011 for Medina County.

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

The full-tax rate for all City operations applied to taxable property for the year ended December 31, 2012 was \$7.10 and \$5.80 per \$1,000 of assessed valuation in Wayne and Medina counties, respectively. For 2012, only 2.49 percent of the total valuations were attributed to property in Medina County.

The assessed values upon which the 2012 taxes were collected are as follows:

<u>Property Category</u>	<u>Assessed Value</u>	<u>Percent</u>
<u>Real Property</u>		
Residential and agricultural	\$76,732,240	81.89
Commercial and industrial	15,069,240	16.08
<u>Tangible Personal Property</u>		
Public utilities	1,901,800	2.03
Total	<u><u>\$93,703,280</u></u>	<u><u>100.00</u></u>

City of Rittman, Ohio

Notes to the Basic Financial Statements (Continued) For The Year Ended December 31, 2012

NOTE 12: PROPERTY TAX (Continued)

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

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

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility, and tangible personal property taxes which became measurable as of December 31, 2012. However, since these tax collections will not be received during the available period nor are they intended to finance 2012 operations, the receivable is offset by a credit to deferred inflows of resources.

NOTE 13: INCOME TAX

The City levies and collects an income tax of 1.5 percent on all income earned within the City, as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 1.5 percent of the tax paid to another municipality. City Council voted to cap the credit at 1.0 percent, effective January 1, 2012. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated taxes at least quarterly and to file a final return annually. Income tax revenues are distributed between the General Fund (50 percent), the Water Enterprise Fund (25 percent), and the Capital Improvements Capital Projects Fund (25 percent).

NOTE 14: CONTINGENCIES

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

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

City of Rittman, Ohio

Notes to the Basic Financial Statements (Continued) For The Year Ended December 31, 2012

NOTE 15: DEFINED BENEFIT PENSION PLANS

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

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.html>, writing to OPERS at 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800)222-7377 and OP&F at 140 East Town Street, Columbus, Ohio 43215-5164.

OPERS: The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2012 member contribution rates were 10 percent for members in state and local classifications. Public safety and law enforcement members contributed 11.5 percent and 12.1 percent, respectively. For 2012, the employer pension contribution rate for the City was 14 percent of covered payroll. The 2012 employer contribution rate for both the law enforcement and public safety divisions was 18.10 percent of covered payroll. The contribution rates are determined actuarially. The City's required pension contributions to OPERS for the years ending December 31, 2012, 2011, and 2010, were \$165,116, \$170,755, and \$154,370 respectively. The full amount has been contributed for 2011 and 2010, and 90.89 percent had been contributed for 2012, with the remainder being reported as a liability within the respective funds.

OP&F: Plan members are required to contribute 10 percent of their covered salary to fund pension obligations, while employers are required to contribute 19.5 percent and 24 percent respectively for police officers and firefighters. The portion used to fund pension obligations was 12.75 percent and 17.25 percent, respectively, for police officers and firefighters. Contributions are authorized by state statute. The City's required pension contributions to OP&F for the years ending December 31, 2012, 2011, and 2010, were \$55,319, \$60,564, and \$52,357, respectively. The full amount has been contributed for 2011 and 2010, and 74.21 percent has been contributed for 2012, with the remainder being reported as a liability within the respective funds.

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2012

NOTE 16: POST-EMPLOYMENT BENEFITS

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans, the Traditional Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO), all of which are described in Note 15. OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the MD Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age and service retirees must have ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor benefit recipients is available. The health care coverage provided by the Retirement System is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 45. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The OPERS law enforcement program is separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The 2012 employer contribution rate for local government employers was 14.0 percent of covered payroll. For both the public safety and law enforcement divisions the 2012 employer rate was 18.10 percent.

OPERS Post-employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care was 4.0 percent during calendar year 2012. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's contributions for the years ending 2012, 2011, and 2010, which were used to fund post-employment benefits, were \$66,046, \$68,302, and \$89,143, respectively. For 2012, 90.89 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

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

City of Rittman, Ohio

Notes to the Basic Financial Statements (Continued) For The Year Ended December 31, 2012

NOTE 16: POST-EMPLOYMENT BENEFITS (Continued)

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

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

The Ohio Revised Code permits, 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.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2012, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of the Sections 115 and 401(h).

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

The City's contributions for the years ending 2012, 2011, and 2010 that were used to fund post-employment benefits were \$29,287, \$32,063, and \$27,718, respectively. For 2012, 74.21 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2012

NOTE 17: RISK MANAGEMENT

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

These risks are covered by commercial insurance policies purchased from independent third parties. The City purchases extended coverage insurance on all buildings and contents to \$24,614,101. Coverage is purchased on City vehicles for a combined single limit liability of \$1,000,000. The City purchases general liability insurance coverage with a \$1,000,000 limit per occurrence and \$3,000,000 aggregate. Other policies held by the City include law enforcement, public officials, boiler & machinery, inland marine, and commercial crime. An umbrella policy held by the City provides an additional \$5,000,000 of coverage over the policies listed above. There were no settled claims from these risks that have exceeded commercial insurance coverage nor has insurance coverage been significantly reduced in the past three years.

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

NOTE 18: INTERFUND TRANSFERS

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. During the year, the Capital Improvements Fund transferred \$100,000 to the Debt Service Fund and the General Fund transferred \$25,000 and \$10,000 to the Fire Department Levy and Street Maintenance and Repair funds, respectively, for these purposes.

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City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2012

NOTE 19: INTERFUND RECEIVABLES AND PAYABLES

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

Following is a detail of the Interfund Receivable/Payable, by debt issue, as of December 31, 2012:

	Balance 12/31/2011	Additions	Deletions	Balance 12/31/2012
<u>Governmental Activities</u>				
2002 Rufener Street				
Issued 2002, Matured 2012, Rate 5.50%	\$ 6,627	\$ -	\$ 6,627	\$ -
2009 Street Improvement				
Issued 2009, Maturity 2014, Rate 5.00%	8,177	-	2,593	5,584
2010 Street Improvement				
Issued 2010, Maturity 2015, Rate 5.00%	19,217	-	4,459	14,758
Total Governmental Activities	\$ 34,021	\$ -	\$ 13,679	\$ 20,342

Of the \$20,342 balance, \$12,936 will be repaid in more than one year.

In addition to the City's internal bonds outstanding, the General Fund provided temporary funding in the amount of \$50,000 to the Capital Improvements Fund until funds are received. This loan will be repaid within one year.

NOTE 20: OTHER COMMITMENTS

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are components of fund balance for subsequent year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. As of December 31, 2012, the City's commitments for encumbrances in the governmental funds were as follows:

	Encumbrances Outstanding
General	\$ 4,539
Emergency Medical Service	1,830
Capital Improvements Fund	135
Nonmajor Funds:	
Special Revenue Funds	3,105
Total	\$ 9,609

Combining Statements

City of Rittman, Ohio

Combining Statements Fund Descriptions December 31, 2012

Non-Major Special Revenue Funds

Special Revenue funds are established to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. A description of the City's special revenue funds follows:

Street Maintenance and Repair

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

State Highway

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

Permissive Tax

Required by the Ohio Revised Code to account for that portion of motor vehicle registration fees allocated to assist in maintaining those city streets designated as contributing to the effective and efficient flow of traffic through and within the county

Permissive Tax II

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

Police Pension

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

Law Enforcement and Education

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

Law Enforcement

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

Law Enforcement Assistance Grant

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

Education and Recreation Assistance

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

Fire Department Levy

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

City of Rittman, Ohio

Combining Statements Fund Descriptions December 31, 2012

Non-Major Debt Service Fund

Debt Service funds are established to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest and to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. A description of the City's debt service fund follows:

Debt Retirement

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

Non-Major Capital Project Fund

Capital Project funds are established to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. A description of the City's capital project fund follows:

Cemetery Endowment

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

Enterprise Fund

Enterprise funds are established to account for any activity for which a fee is charged to external users for goods or services. A description of the City's enterprise fund follows:

Solid Waste

This fund accounts for the operation of the City's solid waste (refuse, leaves, and brush) pickup and disposal service.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are purely custodial (assets equals liabilities) and thus do not involve measurement of results of operations.

Agency Funds

Unclaimed Funds

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

Returnable Bonds

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

City of Rittman, Ohio

**Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2012**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Project Fund	Total Nonmajor Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 415,716	\$ 17,022	\$ 71,069	\$ 503,807
Cash and Cash Equivalents:				
In Segregated Accounts	-	2,841	-	2,841
Materials and Supplies Inventory	5,383	-	-	5,383
Accrued Interest Receivable	43	-	-	43
Accounts Receivable	2	-	400	402
Intergovernmental Receivable	211,665	-	-	211,665
Prepaid Items	1,994	-	-	1,994
Property Taxes Receivable	111,573	-	-	111,573
Special Assessments Receivable	-	24,459	-	24,459
Total Assets	<u>746,376</u>	<u>44,322</u>	<u>71,469</u>	<u>862,167</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 9,626	\$ -	\$ -	\$ 9,626
Accrued Wages and Benefits	14,664	-	-	14,664
Intergovernmental Payable	24,226	-	-	24,226
Matured Interest Payable	-	841	-	841
Matured Bonds Payable	-	2,000	-	2,000
Accrued Interest Payable	-	340	-	340
Interfund Payable	-	20,342	-	20,342
Total Liabilities	<u>48,516</u>	<u>23,523</u>	<u>-</u>	<u>72,039</u>
Deferred Inflows of Resources:				
Property Taxes	99,826	-	-	99,826
Unavailable Revenue - Delinquent Property Taxes	9,297	-	-	9,297
Unavailable Revenue - Other	163,335	24,459	-	187,794
Total Deferred Inflows of Resources	<u>272,458</u>	<u>24,459</u>	<u>-</u>	<u>296,917</u>
Fund Balances:				
Nonspendable	7,377	-	-	7,377
Restricted	422,587	-	71,469	494,056
Unassigned (Deficit)	(4,562)	(3,660)	-	(8,222)
Total Fund Balances	<u>425,402</u>	<u>(3,660)</u>	<u>71,469</u>	<u>493,211</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 746,376</u>	<u>\$ 44,322</u>	<u>\$ 71,469</u>	<u>\$ 862,167</u>

City of Rittman, Ohio

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For The Year Ended December 31, 2012**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Project Fund	Total Nonmajor Governmental Funds
REVENUES				
Property and Other Taxes	\$ 102,468	\$ -	\$ -	\$ 102,468
Intergovernmental	411,599	-	-	411,599
Investment Income	251	-	-	251
Fines, Licenses, and Permits	1,252	-	-	1,252
Charges for Services	-	-	5,875	5,875
Contributions and Donations	-	-	2,000	2,000
Special Assessments	-	14,050	-	14,050
All Other Revenues	72	-	-	72
Total Revenues	<u>515,642</u>	<u>14,050</u>	<u>7,875</u>	<u>537,567</u>
EXPENDITURES				
Current:				
Safety Services	145,637	-	-	145,637
Public Health Services	-	-	29,000	29,000
Transportation	353,257	-	-	353,257
General Government	2,237	-	-	2,237
Debt Service:				
Principal Retirement	-	99,589	-	99,589
Interest and Fiscal Charges	-	41,080	-	41,080
Total Expenditures	<u>501,131</u>	<u>140,669</u>	<u>29,000</u>	<u>670,800</u>
Excess of Revenues Over (Under) Expenditures	<u>14,511</u>	<u>(126,619)</u>	<u>(21,125)</u>	<u>(133,233)</u>
OTHER FINANCING SOURCES				
Transfer In	35,000	100,000	-	135,000
Total Other Financing Sources	<u>35,000</u>	<u>100,000</u>	<u>-</u>	<u>135,000</u>
Net Change in Fund Balances	49,511	(26,619)	(21,125)	1,767
Fund Balances - Beginning of Year	375,891	22,959	92,594	491,444
Fund Balances - End of Year	<u>\$ 425,402</u>	<u>\$ (3,660)</u>	<u>\$ 71,469</u>	<u>\$ 493,211</u>

City of Rittman, Ohio

**Combining Balance Sheet
Non-Major Special Revenue Funds
December 31, 2012**

	Street Maintenance and Repair	State Highway	Permissive Tax	Permissive Tax II	Police Pension	Law Enforcement and Education	Law Enforcement	Education and Recreation Assistance	Fire Department Levy	Nonmajor Special Revenue Funds
ASSETS										
Equity in Pooled Cash and Cash Equivalents	\$ 46,176	\$ 36,100	\$ -	\$ 73,070	\$ 4,372	\$ 2,871	\$ 8,630	\$ 5,612	\$ 238,885	\$ 415,716
Materials and Supplies Inventory	2,696	2,687	-	-	-	-	-	-	-	5,383
Accrued Interest Receivable	25	18	-	-	-	-	-	-	-	43
Accounts Receivable	-	-	-	-	-	2	-	-	-	2
Intergovernmental Receivable	130,374	10,571	58,098	3,674	2,228	-	-	-	6,720	211,665
Prepaid Items	-	-	-	-	-	-	-	-	1,994	1,994
Property Taxes Receivable	-	-	-	-	25,782	-	-	-	85,791	111,573
Total Assets	<u>\$ 179,271</u>	<u>\$ 49,376</u>	<u>\$ 58,098</u>	<u>\$ 76,744</u>	<u>\$ 32,382</u>	<u>\$ 2,873</u>	<u>\$ 8,630</u>	<u>\$ 5,612</u>	<u>\$ 333,390</u>	<u>\$ 746,376</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts Payable	\$ 403	\$ 7,224	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,999	\$ 9,626
Accrued Wages and Benefits	3,223	2,366	-	-	-	-	-	-	9,075	14,664
Intergovernmental Payable	6,387	62	-	-	9,500	-	-	-	8,277	24,226
Total Liabilities	<u>10,013</u>	<u>9,652</u>	<u>-</u>	<u>-</u>	<u>9,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,351</u>	<u>48,516</u>
Deferred Inflows of Resources:										
Property Taxes	-	-	-	-	23,066	-	-	-	76,760	99,826
Unavailable Revenue - Delinquent Property Taxes	-	-	-	-	2,150	-	-	-	7,147	9,297
Unavailable Revenue - Other	89,067	7,222	58,098	-	2,228	-	-	-	6,720	163,335
Total Deferred Inflows of Resources	<u>89,067</u>	<u>7,222</u>	<u>58,098</u>	<u>-</u>	<u>27,444</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,627</u>	<u>272,458</u>
Fund Balances:										
Nonspendable	2,696	2,687	-	-	-	-	-	-	1,994	7,377
Restricted	77,495	29,815	-	76,744	-	2,873	8,630	5,612	221,418	422,587
Unassigned (Deficit)	-	-	-	-	(4,562)	-	-	-	-	(4,562)
Total Fund Balances (Deficit)	<u>80,191</u>	<u>32,502</u>	<u>-</u>	<u>76,744</u>	<u>(4,562)</u>	<u>2,873</u>	<u>8,630</u>	<u>5,612</u>	<u>223,412</u>	<u>425,402</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 179,271</u>	<u>\$ 49,376</u>	<u>\$ 58,098</u>	<u>\$ 76,744</u>	<u>\$ 32,382</u>	<u>\$ 2,873</u>	<u>\$ 8,630</u>	<u>\$ 5,612</u>	<u>\$ 333,390</u>	<u>\$ 746,376</u>

City of Rittman, Ohio

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For The Year Ended December 31, 2012**

	Street Maintenance and Repair	State Highway	Permissive Tax	Permissive Tax II	Police Pension	Law Enforcement and Education	Law Enforcement	Law Enforcement Assistance Grant	Education and Recreation Assistance	Fire Department Levy	Nonmajor Special Revenue Funds
REVENUES											
Property and Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ 23,683	\$ -	\$ -	\$ -	\$ -	\$ 78,785	\$ 102,468
Intergovernmental	259,660	21,054	59,587	48,697	6,703	-	-	-	-	15,898	411,599
Investment Income	97	154	-	-	-	-	-	-	-	-	251
Fines, Licenses, and Permits	-	-	-	-	-	412	840	-	-	-	1,252
All Other Revenues	72	-	-	-	-	-	-	-	-	-	72
Total Revenues	<u>259,829</u>	<u>21,208</u>	<u>59,587</u>	<u>48,697</u>	<u>30,386</u>	<u>412</u>	<u>840</u>	<u>-</u>	<u>-</u>	<u>94,683</u>	<u>515,642</u>
EXPENDITURES											
Current:											
Safety Services	-	-	-	-	38,000	-	-	155	-	107,482	145,637
Transportation	248,889	15,790	59,587	28,991	-	-	-	-	-	-	353,257
General Government	-	-	-	-	517	-	-	-	-	1,720	2,237
Total Expenditures	<u>248,889</u>	<u>15,790</u>	<u>59,587</u>	<u>28,991</u>	<u>38,517</u>	<u>-</u>	<u>-</u>	<u>155</u>	<u>-</u>	<u>109,202</u>	<u>501,131</u>
Excess of Revenues Over (Under) Expenditures	<u>10,940</u>	<u>5,418</u>	<u>-</u>	<u>19,706</u>	<u>(8,131)</u>	<u>412</u>	<u>840</u>	<u>(155)</u>	<u>-</u>	<u>(14,519)</u>	<u>14,511</u>
OTHER FINANCING SOURCES											
Transfer In	10,000	-	-	-	-	-	-	-	-	25,000	35,000
Total Other Financing Sources	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>35,000</u>
Net Change in Fund Balances	20,940	5,418	-	19,706	(8,131)	412	840	(155)	-	10,481	49,511
Fund Balances - Beginning of Year	59,251	27,084	-	57,038	3,569	2,461	7,790	155	5,612	212,931	375,891
Fund Balances - End of Year	<u>\$ 80,191</u>	<u>\$ 32,502</u>	<u>\$ -</u>	<u>\$ 76,744</u>	<u>\$ (4,562)</u>	<u>\$ 2,873</u>	<u>\$ 8,630</u>	<u>\$ -</u>	<u>\$ 5,612</u>	<u>\$ 223,412</u>	<u>\$ 425,402</u>

City of Rittman, Ohio

**Combining Statement of Fund Net Position
Non-Major Enterprise Fund
For The Year Ended December 31, 2012**

	Solid Waste
ASSETS	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 56,417
Accrued Interest Receivable	45
Accounts Receivable	80,665
Intergovernmental Receivable	3,420
Total Current Assets	<u>140,547</u>
Noncurrent Assets:	
Capital Assets:	
Depreciable Capital Assets, Net of Depreciation	<u>29,841</u>
Total Noncurrent Assets	<u>29,841</u>
Total Assets	<u>170,388</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	82,109
Accrued Wages and Benefits	1,251
Compensated Absences Payable	3,981
Intergovernmental Payable	1,513
Total Current Liabilities	<u>88,854</u>
Noncurrent Liabilities:	
Compensated Absences Payable	<u>3,468</u>
Total Liabilities	<u>92,322</u>
NET POSITION	
Net Investment in Capital Assets	29,841
Unrestricted	48,225
Total Net Position	<u>\$ 78,066</u>

City of Rittman, Ohio

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Non-Major Enterprise Fund
For The Year Ended December 31, 2012**

	Solid Waste
OPERATING REVENUES	
Charges for Services	\$ 271,103
Total Operating Revenues	<u>271,103</u>
OPERATING EXPENSES	
Salaries	35,054
Materials and Supplies	4,611
Contractual Services	190,226
Depreciation	4,996
Total Operating Expense	<u>234,887</u>
Operating Income (Loss)	<u>36,216</u>
NONOPERATING REVENUES (EXPENSES)	
Interest	74
Total Nonoperating Revenues (Expenses)	<u>74</u>
Capital Contributions	41,776
Change in Net Position	78,066
Net Position - Beginning of Year	-
Net Position - End of Year	<u><u>\$ 78,066</u></u>

City of Rittman, Ohio

**Combining Statement of Cash Flows
Non-Major Enterprise Fund
For The Year Ended December 31, 2012**

	Solid Waste
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Charges for Services	\$ 190,438
Cash Payments to Employees for Services	(24,814)
Cash Payments for Goods and Services	(112,755)
Net Cash Provided by (Used in) Operating Activities	52,869
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Contributions	3,519
Net Cash Provided by Capital and Related Financing Activities	3,519
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	29
Net Cash Provided by Investing Activities	29
Net Increase in Cash and Cash Equivalents	56,417
Cash and Cash Equivalents - Beginning of Year	-
Cash and Cash Equivalents - End of Year	\$ 56,417
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 36,216
Adjustments:	
Depreciation	4,996
(Increase) Decrease in Assets:	
Accounts Receivable	(80,665)
Increase (Decrease) in Liabilities:	
Accounts Payable	82,109
Accrued Wages and Benefits	1,251
Compensated Absences Payable	7,449
Intergovernmental Payable	1,513
Net Cash Provided by Operating Activities	\$ 52,869

Schedule of Non-Cash Investing, Capital, and Financing Activities:

During 2012, The Solid Waste fund, a non-major fund, received capital assets with a cost of \$95,701 and accumulated depreciation of \$60,864 from the governmental funds.

City of Rittman, Ohio

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2012**

	<u>Balance 12/31/2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2012</u>
Unclaimed Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 908</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 908</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 908</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 908</u>
Returnable Bonds				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ -</u>	<u>\$ 22,117</u>	<u>\$ 1,475</u>	<u>\$ 20,642</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ -</u>	<u>\$ 22,117</u>	<u>\$ 1,475</u>	<u>\$ 20,642</u>
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 908</u>	<u>\$ 22,117</u>	<u>\$ 1,475</u>	<u>\$ 21,550</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 908</u>	<u>\$ 22,117</u>	<u>\$ 1,475</u>	<u>\$ 21,550</u>

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

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 348,500	\$ 339,300	\$ 355,697	\$ 16,397
Municipal Income Taxes	690,000	720,000	731,548	11,548
Intergovernmental	391,239	391,239	403,164	11,925
Investment Income	30,200	24,050	26,486	2,436
Fines, Licenses, and Permits	30,000	40,000	37,201	(2,799)
Charges for Services	1,022,771	825,771	842,710	16,939
Contributions and Donations	3,000	3,000	300	(2,700)
All Other Revenues	16,200	10,200	14,392	4,192
Total Revenues	2,531,910	2,353,560	2,411,498	57,938
Expenditures:				
Current:				
Safety Services				
Division of Police				
Personal Services	914,405	914,406	841,420	72,986
Other than Personal Services	105,466	117,854	105,896	11,958
Total Division of Police	1,019,871	1,032,260	947,316	84,944
Division of Street Lighting				
Other than Personal Services	24,342	28,842	27,096	1,746
Total Division of Street Lighting	24,342	28,842	27,096	1,746
Total Safety Services	1,044,213	1,061,102	974,412	86,690
Public Health Services				
Cemetery Board				
Personal Services	64,180	64,180	57,545	6,635
Other than Personal Services	7,500	10,500	8,395	2,105
Total Cemetery Board	71,680	74,680	65,940	8,740
Board of Health				
Other than Personal Services	23,600	23,600	23,595	5
Total Board of Health	23,600	23,600	23,595	5

(Continued)

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (continued)
For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Division of Pest and Animal Control				
Personal Services	3,225	3,225	1,563	1,662
Other than Personal Services	13,700	13,960	2,955	11,005
Total Division of Pest and Animal Control	<u>16,925</u>	<u>17,185</u>	<u>4,518</u>	<u>12,667</u>
Total Public Health Services	<u>112,205</u>	<u>115,465</u>	<u>94,053</u>	<u>21,412</u>
Leisure Time Activities				
Division of Parks				
Personal Services	74,370	74,370	56,769	17,601
Other than Personal Services	16,410	16,410	8,416	7,994
Total Division of Parks	<u>90,780</u>	<u>90,780</u>	<u>65,185</u>	<u>25,595</u>
Recreation Center				
Personal Services	209,269	209,269	196,556	12,713
Other Expenses	164,871	169,871	126,671	43,200
Total Recreation Center	<u>374,140</u>	<u>379,140</u>	<u>323,227</u>	<u>55,913</u>
Total Leisure Time Activities	<u>464,920</u>	<u>469,920</u>	<u>388,412</u>	<u>81,508</u>
Basic Utility Services				
Division of Waste Management				
Other than Personal Services	370,000	212,000	211,811	189
Total Basic Utility Services	<u>370,000</u>	<u>212,000</u>	<u>211,811</u>	<u>189</u>
Transportation				
Division of Street Maintenance				
Personal Services	81,355	81,355	80,764	591
Other than Personal Services	32,611	32,611	22,855	9,756
Total Division of Street Maintenance	<u>113,966</u>	<u>113,966</u>	<u>103,619</u>	<u>10,347</u>

(Continued)

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (continued)
For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Division of Vehicle Maintenance				
Other than Personal Services	24,473	24,473	21,402	3,071
Total Division of Vehicle Maintenance	24,473	24,473	21,402	3,071
Total Transportation	138,439	138,439	125,021	13,418
General Government				
Office of City Council				
Personal Services	39,628	34,828	34,004	824
Other than Personal Services	7,000	7,000	3,000	4,000
Total Office of City Council	46,628	41,828	37,004	4,824
Department of Mayor and Administration				
Personal Services	192,896	197,396	164,481	32,915
Other than Personal Services	120,846	121,146	99,405	21,741
Total Department of Mayor and Administration	313,742	318,542	263,886	54,656
Department of Finance and Tax				
Personal Services	146,598	147,507	147,425	82
Other than Personal Services	6,200	6,200	-	6,200
Total Department of Finance and Tax	152,798	153,707	147,425	6,282
Division of Lands and Buildings				
Personal Services	14,917	14,917	14,543	374
Other than Personal Services	8,013	8,013	5,267	2,746
Total Division of Lands and Buildings	22,930	22,930	19,810	3,120
Department of Law				
Personal Services	29,000	29,000	28,653	347
Other than Personal Services	8,084	8,084	1,886	6,198
Total Department of Law	37,084	37,084	30,539	6,545

(Continued)

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (continued)
For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Miscellaneous				
Personal Services	7,500	7,500	7,470	30
Other than Personal Services	36,120	38,562	22,585	15,977
Total Miscellaneous	<u>43,620</u>	<u>46,062</u>	<u>30,055</u>	<u>16,007</u>
Total General Government	<u>616,802</u>	<u>620,153</u>	<u>528,719</u>	<u>91,434</u>
Total Expenditures	<u><u>2,746,579</u></u>	<u><u>2,617,079</u></u>	<u><u>2,322,428</u></u>	<u><u>294,651</u></u>
Excess of Revenues Over (Under) Expenditures	(214,669)	(263,519)	89,070	352,589
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	650	650
Advances In	-	45,000	45,000	-
Advances Out	-	(74,000)	(74,000)	-
Transfers Out	(35,000)	(35,000)	(35,000)	-
Total Other Financing Sources (Uses)	<u>(35,000)</u>	<u>(64,000)</u>	<u>(63,350)</u>	<u>650</u>
Net Change in Fund Balance	(249,669)	(327,519)	25,720	353,239
Fund Balance - Beginning of Year	532,651	532,651	532,651	-
Prior Year Encumbrances Appropriated	45,633	45,633	45,633	-
Fund Balance - End of Year	<u><u>\$ 328,615</u></u>	<u><u>\$ 250,765</u></u>	<u><u>\$ 604,004</u></u>	<u><u>\$ 353,239</u></u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Emergency Medical Service Fund
For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Property and Other Taxes	\$150,000	\$155,800	\$ 159,513	\$ 3,713
Intergovernmental	46,768	56,768	57,781	1,013
Charges for Services	172,000	172,000	181,389	9,389
Contributions and Donations	-	-	2,000	2,000
All Other Revenues	500	8,500	581	(7,919)
Total Revenues	<u>369,268</u>	<u>393,068</u>	<u>401,264</u>	<u>8,196</u>
Expenditures:				
Current:				
Safety Services				
Division of Emergency Services				
Personal Services	274,998	274,898	258,450	16,448
Other than Personal Services	87,242	89,017	81,720	7,297
Capital Outlay	159,017	159,017	67,788	91,229
Total Safety Services	<u>521,257</u>	<u>522,932</u>	<u>407,958</u>	<u>114,974</u>
General Government				
Other than Personal Services	3,200	3,525	3,521	4
Total Expenditures	<u>524,457</u>	<u>526,457</u>	<u>411,479</u>	<u>114,978</u>
Excess of Revenues Over (Under) Expenditures	<u>(155,189)</u>	<u>(133,389)</u>	<u>(10,215)</u>	<u>123,174</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	8,500	8,500
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>8,500</u>	<u>8,500</u>
Net Change in Fund Balance	(155,189)	(133,389)	(1,715)	131,674
Fund Balance - Beginning of Year	466,085	466,085	466,085	-
Prior Year Encumbrances Appropriated	6,282	6,282	6,282	-
Fund Balance - End of Year	<u>\$317,178</u>	<u>\$338,978</u>	<u>\$470,652</u>	<u>\$ 131,674</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Capital Improvements Fund
For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$345,000	\$360,000	\$365,775	\$ 5,775
Intergovernmental	-	212,757	212,848	91
Charges for Services	-	22,000	29,259	7,259
Total Revenues	<u>345,000</u>	<u>594,757</u>	<u>607,882</u>	<u>13,125</u>
Expenditures:				
Current:				
Safety Services				
Division of Police				
Capital Outlay	34,600	34,600	29,848	4,752
Leisure Time Activities				
Division of Parks				
Capital Outlay	12,813	56,814	55,655	1,159
Transportation				
Division of Street Construction				
Capital Outlay	298,884	754,290	747,791	6,499
General Government				
Other than Personal Services	23,000	23,000	20,000	3,000
Capital Outlay	15,475	10,475	1,729	8,746
Total General Government	<u>38,475</u>	<u>33,475</u>	<u>21,729</u>	<u>11,746</u>
Total Expenditures	<u>384,772</u>	<u>879,179</u>	<u>855,023</u>	<u>24,156</u>
Excess of Revenues Over (Under) Expenditures	<u>(39,772)</u>	<u>(284,422)</u>	<u>(247,141)</u>	<u>37,281</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	2,000	2,000
Advances In	-	50,000	50,000	-
Transfers Out	(100,000)	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(50,000)</u>	<u>(48,000)</u>	<u>2,000</u>
Net Change in Fund Balance	(139,772)	(334,422)	(295,141)	39,281
Fund Balance - Beginning of Year	198,501	198,501	198,501	-
Prior Year Encumbrances Appropriated	137,772	137,772	137,772	-
Fund Balance - End of Year	<u>\$196,501</u>	<u>\$ 1,851</u>	<u>\$ 41,132</u>	<u>\$ 39,281</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Street Maintenance and Repair Fund
For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 268,000	\$ 268,000	\$260,749	\$ (7,251)
Investment Income	200	200	75	(125)
All Other Revenues	200	200	72	(128)
Total Revenues	<u>268,400</u>	<u>268,400</u>	<u>260,896</u>	<u>(7,504)</u>
Expenditures:				
Current:				
Transportation				
Division of Street Maintenance				
Personal Services	229,055	222,055	208,208	13,847
Other than Personal Services	43,300	53,300	38,203	15,097
Total Expenditures	<u>272,355</u>	<u>275,355</u>	<u>246,411</u>	<u>28,944</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,955)</u>	<u>(6,955)</u>	<u>14,485</u>	<u>21,440</u>
Other Financing Sources (Uses)				
Transfers In	-	10,000	10,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net Change in Fund Balance	(3,955)	3,045	24,485	21,440
Fund Balance - Beginning of Year	21,288	21,288	21,288	-
Fund Balance - End of Year	<u>\$ 17,333</u>	<u>\$ 24,333</u>	<u>\$ 45,773</u>	<u>\$ 21,440</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
State Highway Fund
For The Year Ended December 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$21,600	\$21,600	\$21,142	\$ (458)
Investment Income	200	200	148	(52)
Total Revenues	<u>21,800</u>	<u>21,800</u>	<u>21,290</u>	<u>(510)</u>
Expenditures:				
Current:				
Transportation				
Division of Street Maintenance				
Personal Services	10,236	10,236	258	9,978
Other than Personal Services	15,200	15,200	12,416	2,784
Total Expenditures	<u>25,436</u>	<u>25,436</u>	<u>12,674</u>	<u>12,762</u>
Net Change in Fund Balance	(3,636)	(3,636)	8,616	12,252
Fund Balance - Beginning of Year	<u>20,260</u>	<u>20,260</u>	<u>20,260</u>	<u>-</u>
Fund Balance - End of Year	<u>\$16,624</u>	<u>\$16,624</u>	<u>\$28,876</u>	<u>\$ 12,252</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Permissive Tax Fund
For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$20,000	\$59,587	\$59,587	\$ -
Total Revenues	\$20,000	\$59,587	\$59,587	\$ -
Expenditures:				
Current:				
Transportation				
Division of Street Maintenance				
Capital Outlay	41,000	59,587	59,587	-
Total Expenditures	41,000	59,587	59,587	-
Excess of Revenues Over (Under) Expenditures	(21,000)	-	-	-
Other Financing Sources (Uses)				
Advances In	-	24,000	24,000	-
Advances Out	-	(45,000)	(45,000)	-
Total Other Financing Sources (Uses)	-	(21,000)	(21,000)	-
Net Change in Fund Balance	(21,000)	(21,000)	(21,000)	-
Fund Balance - Beginning of Year	-	-	-	-
Prior Year Encumbrances	21,000	21,000	21,000	-
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ -

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Permissive Tax II Fund
For The Year Ended December 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$50,000	\$50,000	\$48,872	\$ (1,128)
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>48,872</u>	<u>(1,128)</u>
Expenditures:				
Current:				
Transportation				
Division of Street Maintenance				
Other than Personal Services	45,000	30,000	13,991	16,009
Capital Outlay	-	15,000	15,000	-
Total Expenditures	<u>45,000</u>	<u>45,000</u>	<u>28,991</u>	<u>16,009</u>
Net Change in Fund Balance	5,000	5,000	19,881	14,881
Fund Balance - Beginning of Year	53,189	53,189	53,189	-
Fund Balance - End of Year	<u>\$58,189</u>	<u>\$58,189</u>	<u>\$73,070</u>	<u>\$ 14,881</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Police Pension Fund
For The Year Ended December 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues:				
Property and Other Taxes	\$23,700	\$24,000	\$23,710	\$ (290)
Intergovernmental	9,202	6,382	6,703	321
Total Revenues	<u>32,902</u>	<u>30,382</u>	<u>30,413</u>	<u>31</u>
Expenditures:				
Current:				
Safety Services				
Division of Police				
Personal Services	38,000	38,000	38,000	-
General Government				
Other than Personal Services	600	600	517	83
Total Expenditures	<u>38,600</u>	<u>38,600</u>	<u>38,517</u>	<u>83</u>
Net Change in Fund Balance	(5,698)	(8,218)	(8,104)	114
Fund Balance - Beginning of Year	12,476	12,476	12,476	-
Fund Balance - End of Year	<u>\$ 6,778</u>	<u>\$ 4,258</u>	<u>\$ 4,372</u>	<u>\$ 114</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Law Enforcement and Education Fund
For The Year Ended December 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues:				
Fines, Licenses, and Permits	\$ 600	\$ 400	\$ 410	\$ 10
Total Revenues	<u>600</u>	<u>400</u>	<u>410</u>	<u>10</u>
Expenditures:				
Current:				
Safety Services				
Division of Police				
Capital Outlay	1,000	1,000	-	1,000
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net Change in Fund Balance	(400)	(600)	410	1,010
Fund Balance - Beginning of Year	2,461	2,461	2,461	-
Fund Balance - End of Year	<u>\$ 2,061</u>	<u>\$ 1,861</u>	<u>\$ 2,871</u>	<u>\$ 1,010</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Law Enforcement Fund
For The Year Ended December 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Licenses, and Permits	\$ 1,500	\$ 800	\$1,055	\$ 255
Total Revenues	<u>1,500</u>	<u>800</u>	<u>1,055</u>	<u>255</u>
Expenditures:				
Current:				
Safety Services				
Division of Police				
Capital Outlay	1,000	1,000	-	1,000
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net Change in Fund Balance	500	(200)	1,055	1,255
Fund Balance - Beginning of Year	<u>7,575</u>	<u>7,575</u>	<u>7,575</u>	<u>-</u>
Fund Balance - End of Year	<u>\$8,075</u>	<u>\$7,375</u>	<u>\$8,630</u>	<u>\$ 1,255</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Law Enforcement Assistance Grant Fund
For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 300	\$ -	\$ -	\$ -
Total Revenues	<u>300</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Safety Services				
Division of Police				
Other than Personal Services	300	155	155	-
Total Expenditures	<u>300</u>	<u>155</u>	<u>155</u>	<u>-</u>
Net Change in Fund Balance	-	(155)	(155)	-
Fund Balance - Beginning of Year	155	155	155	-
Fund Balance - End of Year	<u>\$ 155</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Education and Recreation Assistance Fund
For The Year Ended December 31, 2012**

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

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Fire Department Levy Fund
For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 80,450	\$ 77,550	\$ 78,883	\$ 1,333
Intergovernmental	14,747	14,747	15,898	1,151
All Other Revenues	500	500	-	(500)
Total Revenues	<u>95,697</u>	<u>92,797</u>	<u>94,781</u>	<u>1,984</u>
Expenditures:				
Current:				
Safety Services				
Division of Emergency Services				
Personal Services	84,535	84,535	72,042	12,493
Other than Personal Services	38,775	40,675	37,621	3,054
Capital Outlay	27,188	27,188	6,846	20,342
Total Safety Services	<u>150,498</u>	<u>152,398</u>	<u>116,509</u>	<u>35,889</u>
General Government				
Other than Personal Services	2,000	2,000	1,720	280
Total Expenditures	<u>152,498</u>	<u>154,398</u>	<u>118,229</u>	<u>36,169</u>
Excess of Revenues Over (Under) Expenditures	<u>(56,801)</u>	<u>(61,601)</u>	<u>(23,448)</u>	<u>38,153</u>
Other Financing Sources (Uses)				
Transfers In	-	25,000	25,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net Change in Fund Balance	(56,801)	(36,601)	1,552	38,153
Fund Balance - Beginning of Year	223,169	223,169	223,169	-
Prior Year Encumbrances Appropriated	9,060	9,060	9,060	-
Fund Balance - End of Year	<u>\$ 175,428</u>	<u>\$ 195,628</u>	<u>\$ 233,781</u>	<u>\$ 38,153</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Debt Retirement Fund
For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Special Assessments	\$ 14,534	\$ 14,534	\$ 14,050	\$ (484)
Total Revenues	<u>14,534</u>	<u>14,534</u>	<u>14,050</u>	<u>(484)</u>
Expenditures:				
Current:				
General Government				
Other than Personal Services	500	500	-	500
Debt Service				
Principal	108,269	113,269	113,268	1
Interest & Fiscal Charges	41,312	41,312	41,312	-
Total Debt Service	<u>149,581</u>	<u>154,581</u>	<u>154,580</u>	<u>1</u>
Total Expenditures	<u>150,081</u>	<u>155,081</u>	<u>154,580</u>	<u>501</u>
Excess of Revenues Over (Under) Expenditures	<u>(135,547)</u>	<u>(140,547)</u>	<u>(140,530)</u>	<u>17</u>
Other Financing Sources (Uses)				
Transfers In	100,000	100,000	100,000	-
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net Change in Fund Balance	(35,547)	(40,547)	(40,530)	17
Fund Balance - Beginning of Year	57,552	57,552	57,552	-
Fund Balance - End of Year	<u>\$ 22,005</u>	<u>\$ 17,005</u>	<u>\$ 17,022</u>	<u>\$ 17</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Cemetery Endowment Fund
For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 5,000	\$ 5,000	\$ 5,474	\$ 474
Contributions and Donations	-	-	2,000	2,000
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>7,474</u>	<u>2,474</u>
Expenditures:				
Current:				
Public Health Services				
Capital Outlay	24,000	29,000	29,000	-
Total Expenditures	<u>24,000</u>	<u>29,000</u>	<u>29,000</u>	<u>-</u>
Net Change in Fund Balance	(19,000)	(24,000)	(21,526)	2,474
Fund Balance - Beginning of Year, Restated	92,594	92,594	92,594	-
Fund Balance - End of Year	<u>\$ 73,594</u>	<u>\$ 68,594</u>	<u>\$ 71,068</u>	<u>\$ 2,474</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget (Non-GAAP Budgetary Basis) and Actual
Water Fund
For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Municipal Income Taxes	\$ 345,000	\$ 360,000	\$ 365,775	\$ 5,775
Charges for Services	510,700	530,700	542,819	12,119
Investment Income	20	20	10	(10)
All Other Revenues	1,000	1,000	5,030	4,030
Total Revenues	856,720	891,720	913,634	21,914
Expenses:				
Current:				
Basic Utility Services				
Office of Superintendent				
Personal Services	128,224	131,149	129,671	1,478
Other than Personal Services	257,349	266,669	236,922	29,747
Capital Outlay	500	1,500	959	541
Total Office of Superintendent	386,073	399,318	367,552	31,766
Division of Water Treatment				
Personal Services	67,088	89,493	89,287	206
Other than Personal Services	50,248	50,248	37,054	13,194
Capital Outlay	45,000	150,250	136,051	14,199
Total Division of Water Treatment	162,336	289,991	262,392	27,599
Division of Water Distribution				
Personal Services	102,854	101,854	96,137	5,717
Other than Personal Services	28,083	28,083	18,236	9,847
Capital Outlay	38,156	294,956	286,381	8,575
Total Division of Water Distribution	169,093	424,893	400,754	24,139
Total Basic Utility Services	717,502	1,114,202	1,030,698	83,504
Debt Service				
Principal	82,500	86,991	78,496	8,495
Interest & Fiscal Charges	47,783	47,783	47,783	-
Total Debt Service	130,283	134,774	126,279	8,495
Total Expenses	847,785	1,248,976	1,156,977	91,999

(Continued)

City of Rittman, Ohio

**Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget (Non-GAAP Budgetary Basis) and Actual
Water Fund (continued)
For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of Revenues Over (Under) Expenses	8,935	(357,256)	(243,343)	113,913
Other Financing Sources				
Capital Contribution- OPWC Grant	-	52,702	52,905	203
Capital Contribution - Tap-in Fee	4,000	4,000	12,000	8,000
Total Other Financing Sources	4,000	56,702	64,905	8,203
Net Change in Fund Equity	12,935	(300,554)	(178,438)	122,116
Fund Equity - Beginning of Year	528,250	528,250	528,250	-
Prior Year Encumbrances Appropriated	41,119	41,119	41,119	-
Fund Equity - End of Year	<u>\$ 582,304</u>	<u>\$ 268,815</u>	<u>\$ 390,931</u>	<u>\$ 122,116</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenses and Changes in Fund Equity-
Budget (Non-GAAP Budgetary Basis) and Actual
Sewer Fund
For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$1,197,000	\$1,292,000	\$1,314,473	\$ 22,473
Investment Income	5,000	5,000	5,637	637
All Other Revenues	300	7,300	8,937	1,637
Total Revenues	<u>1,202,300</u>	<u>1,304,300</u>	<u>1,329,047</u>	<u>24,747</u>
Expenses:				
Current:				
Basic Utility Services				
Office of Superintendent				
Personal Services	130,364	130,364	118,135	12,229
Other than Personal Services	269,844	301,494	299,161	2,333
Total Office of Superintendent	<u>400,208</u>	<u>431,858</u>	<u>417,296</u>	<u>14,562</u>
Division of Sewer Maintenance				
Personal Services	108,602	96,562	95,977	585
Other than Personal Services	21,560	101,460	12,011	89,449
Capital Outlay	549,063	578,063	574,512	3,551
Total Division of Sewer Maintenance	<u>679,225</u>	<u>776,085</u>	<u>682,500</u>	<u>93,585</u>
Division of Wastewater Treatment				
Personal Services	123,984	136,484	136,000	484
Other than Personal Services	83,126	83,126	64,414	18,712
Capital Outlay	376,779	419,429	419,228	201
Total Division of Wastewater Treatment	<u>583,889</u>	<u>639,039</u>	<u>619,642</u>	<u>19,397</u>
Total Basic Utility Services	<u>1,663,322</u>	<u>1,846,982</u>	<u>1,719,438</u>	<u>127,544</u>
Debt Service				
Principal	281,647	312,147	312,147	-
Interest & Fiscal Charges	67,114	64,669	64,593	76
Total Debt Service	<u>348,761</u>	<u>376,816</u>	<u>376,740</u>	<u>76</u>
Total Expenses	<u>2,012,083</u>	<u>2,223,798</u>	<u>2,096,178</u>	<u>127,620</u>

(Continued)

City of Rittman, Ohio

**Schedule of Revenues, Expenses and Changes in Fund Equity-
Budget (Non-GAAP Budgetary Basis) and Actual
Sewer Fund (continued)
For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of Revenues Over (Under) Expenses	(809,783)	(919,498)	(767,131)	152,367
Other Financing Sources (Uses)				
Sale of capital assets	-	10,000	20,000	10,000
Capital Contribution - USDA Grant	-	30,500	28,000	(2,500)
Capital Contribution - USDA Loan	-	57,000	59,500	2,500
Capital Contribution - Tap-in Fee	6,000	6,000	14,000	8,000
Transfers In	476,214	731,214	731,214	-
Transfers Out	(476,214)	(731,214)	(731,214)	-
Total Other Financing Sources (Uses)	6,000	103,500	121,500	18,000
Net Change in Fund Equity	(803,783)	(815,998)	(645,631)	170,367
Fund Equity - Beginning of Year	441,364	441,364	441,364	-
Prior Year Encumbrances Appropriated	741,595	741,595	741,595	-
Fund Equity - End of Year	<u>\$ 379,176</u>	<u>\$ 366,961</u>	<u>\$ 537,328</u>	<u>\$ 170,367</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenses and Changes in Fund Equity-
Budget (Non-GAAP Budgetary Basis) and Actual
Solid Waste Fund
For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Charges for Services	\$ 188,000	\$ 188,000	\$ 190,438	\$ 2,438
Intergovernmental	-	-	3,519	3,519
Investment Income	-	-	29	29
Total Revenues	<u>188,000</u>	<u>188,000</u>	<u>193,986</u>	<u>5,986</u>
Expenses:				
Current:				
Basic Utility Services				
Division of Solid Waste				
Personal Services	25,000	25,000	24,841	159
Other than Personal Services	163,000	163,000	162,858	142
Total Division of Solid Waste	<u>188,000</u>	<u>188,000</u>	<u>187,699</u>	<u>301</u>
 Total Expenses	 <u>188,000</u>	 <u>188,000</u>	 <u>187,699</u>	 <u>301</u>
 Net Change in Fund Equity	 -	 -	 6,287	 6,287
 Fund Equity - Beginning of Year	 -	 -	 -	 -
Fund Equity - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,287</u>	<u>\$ 6,287</u>

STATISTICAL SECTION

City of Rittman, Ohio

Statistical Section

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

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.



City of Rittman, Ohio

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

Last Ten Fiscal Years

Table 1

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities										
Net Investment in Capital Assets	\$ 5,054	\$ 4,631	\$ 4,861	\$ 5,059	\$ 5,216	\$ 5,079	\$ 5,123	\$ 5,149	\$ 5,005	\$ 4,701
Restricted:	1,575	1,670	1,265	1,140	968	948	1,090	1,134	1,241	1,056
Unrestricted	1,059	973	1,192	1,195	1,045	994	1,288	1,143	1,066	1,043
<i>Total Governmental Activities Net Position</i>	<u>\$7,688</u>	<u>\$7,274</u>	<u>\$7,318</u>	<u>\$7,394</u>	<u>\$7,229</u>	<u>\$7,021</u>	<u>\$7,501</u>	<u>\$7,426</u>	<u>\$7,312</u>	<u>\$6,800</u>
Business Type - Activities										
Net Investment in Capital Assets	\$ 9,838	\$ 9,020	\$ 8,910	\$ 8,841	\$ 8,575	\$ 8,557	\$ 8,199	\$ 8,118	\$ 8,280	\$ 8,003
Unrestricted	1,691	1,990	1,754	1,808	1,664	1,618	1,728	1,537	1,044	1,080
<i>Total Business-Type Activities Net Position</i>	<u>\$ 11,529</u>	<u>\$ 11,010</u>	<u>\$ 10,664</u>	<u>\$ 10,649</u>	<u>\$ 10,239</u>	<u>\$ 10,175</u>	<u>\$ 9,927</u>	<u>\$ 9,655</u>	<u>\$ 9,324</u>	<u>\$ 9,083</u>
Primary Government										
Net Investment in Capital Assets	\$ 14,892	\$ 13,651	\$ 13,771	\$ 13,900	\$ 13,791	\$ 13,636	\$ 13,322	\$ 13,267	\$ 13,285	\$ 12,704
Restricted	1,575	1,670	1,265	1,140	968	948	1,090	1,134	1,241	1,056
Unrestricted	2,750	2,963	2,946	3,003	2,709	2,612	3,016	2,680	2,110	2,123
<i>Total Primary Government Net Position</i>	<u>\$ 19,217</u>	<u>\$ 18,284</u>	<u>\$ 17,982</u>	<u>\$ 18,043</u>	<u>\$ 17,468</u>	<u>\$ 17,196</u>	<u>\$ 17,428</u>	<u>\$ 17,081</u>	<u>\$ 16,636</u>	<u>\$ 15,883</u>

The periods noted above do not reflect amounts restated.

City of Rittman, Ohio

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

Last Ten Fiscal Years

Table 2

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Program Revenues										
Governmental Activities:										
Charges for Services:										
Safety Services	\$ 187	\$ 236	\$ 220	\$ 240	\$ 272	\$ 230	\$ 183	\$ 184	\$ 225	\$ 148
Public Health and Welfare	37	41	33	14	35	22	21	33	39	39
Leisure Time Activities	208	235	228	263	262	199	232	231	264	221
Basic utility services	183	460	439	456	382	375	374	246	235	230
Transportation	-	-	8	2	5	-	41	34	-	42
General Government	370	310	287	290	258	248	286	288	257	235
Operating Grants and Contributions	421	419	504	662	572	635	416	622	411	420
Capital Grants and Contributions	432	41	104	206	74	1	16	125	534	140
<i>Total Governmental Activities Program Revenues</i>	<u>1,838</u>	<u>1,742</u>	<u>1,823</u>	<u>2,133</u>	<u>1,860</u>	<u>1,710</u>	<u>1,569</u>	<u>1,763</u>	<u>1,965</u>	<u>1,475</u>
Business-Type Activities:										
Charges for Services:										
Water	561	514	362	401	441	390	384	644	425	479
Sewer	1,336	1,292	1,279	1,294	1,220	1,200	1,166	1,019	1,052	913
Solid Waste	271	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	102	159	18	110	-	-	-	-	190	50
<i>Total Business-Type Activities Program Revenues</i>	<u>2,270</u>	<u>1,965</u>	<u>1,659</u>	<u>1,805</u>	<u>1,661</u>	<u>1,590</u>	<u>1,550</u>	<u>1,663</u>	<u>1,667</u>	<u>1,442</u>
<i>Total Primary Government Program Revenues</i>	<u>4,108</u>	<u>3,707</u>	<u>3,482</u>	<u>3,938</u>	<u>3,521</u>	<u>3,300</u>	<u>3,119</u>	<u>3,426</u>	<u>3,632</u>	<u>2,917</u>
Expenses										
Governmental Activities:										
Safety Services	1,613	1,692	1,666	1,639	1,812	1,750	1,634	1,569	1,638	1,489
Public Health and Welfare	104	97	116	134	97	97	93	91	95	100
Leisure Time Activities	495	497	511	608	650	982	548	556	541	538
Basic Utility Services	143	412	459	385	384	364	351	231	223	215
Transportation	658	609	783	878	823	812	675	914	605	785
General Government	597	662	664	747	665	653	622	650	588	624
Interest and Fiscal Charges	41	48	52	50	69	73	66	74	109	108
<i>Total Governmental Activities Expenses</i>	<u>3,651</u>	<u>4,017</u>	<u>4,251</u>	<u>4,441</u>	<u>4,500</u>	<u>4,731</u>	<u>3,989</u>	<u>4,085</u>	<u>3,799</u>	<u>3,859</u>
Business-Type Activities:										
Water	873	791	967	797	905	726	785	721	758	655
Sewer	1,100	1,063	1,046	1,023	995	952	974	994	1,018	1,095
Solid Waste	235	-	-	-	-	-	-	-	-	-
<i>Total Business-Type Activities Expenses</i>	<u>2,208</u>	<u>1,854</u>	<u>2,013</u>	<u>1,820</u>	<u>1,900</u>	<u>1,678</u>	<u>1,759</u>	<u>1,715</u>	<u>1,776</u>	<u>1,750</u>
<i>Total Primary Government Program Expenses</i>	<u>5,859</u>	<u>5,871</u>	<u>6,264</u>	<u>6,261</u>	<u>6,400</u>	<u>6,409</u>	<u>5,748</u>	<u>5,800</u>	<u>5,575</u>	<u>5,609</u>
Net (Expense)/Revenue										
Governmental Activities	(1,813)	(2,275)	(2,428)	(2,308)	(2,640)	(3,021)	(2,420)	(2,322)	(1,834)	(2,384)
Business-Type Activities	62	111	(354)	(15)	(239)	(88)	(209)	(52)	(109)	(308)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(1,751)</u>	<u>(2,164)</u>	<u>(2,782)</u>	<u>(2,323)</u>	<u>(2,879)</u>	<u>(3,109)</u>	<u>(2,629)</u>	<u>(2,374)</u>	<u>(1,943)</u>	<u>(2,692)</u>

(Continued)

City of Rittman, Ohio

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

Last Ten Fiscal Years

Table 2

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes:										
Property and Other Local Taxes Levied For:										
General Purposes	369	366	345	380	324	359	304	317	364	249
Safety Services	272	266	238	267	319	333	329	315	371	244
Income Taxes Levied For:										
General Purposes	810	664	723	783	601	671	745	732	645	777
Capital Improvements	405	332	361	392	299	335	373	366	323	388
Grants and Entitlements not Restricted to										
Specific Programs	374	525	609	567	479	555	506	467	448	457
Investment Earnings	29	31	46	57	121	193	147	151	91	54
Gain (Loss) on Sale of Capital Assets	5	-	-	-	-	-	-	-	-	-
Other	11	47	31	26	704	95	91	88	105	117
Transfers	(35)	-	-	-	-	-	-	-	-	-
<i>Total Governmental Activities</i>	<u>2,240</u>	<u>2,231</u>	<u>2,353</u>	<u>2,472</u>	<u>2,847</u>	<u>2,541</u>	<u>2,495</u>	<u>2,436</u>	<u>2,347</u>	<u>2,286</u>
Business-Type Activities										
Income Taxes Levied For:										
Water Utility Services	405	332	361	392	302	335	373	366	350	369
Other	19	20	9	24	-	1	108	17	-	-
Gain (Loss) on Sale of Capital Assets	20	-	-	-	-	-	-	-	-	-
Transfers	35	-	-	-	-	-	-	-	-	-
<i>Total Business-Type Activities</i>	<u>479</u>	<u>352</u>	<u>370</u>	<u>416</u>	<u>302</u>	<u>336</u>	<u>481</u>	<u>383</u>	<u>350</u>	<u>369</u>
<i>Total Primary Government</i>	<u>2,719</u>	<u>2,583</u>	<u>2,723</u>	<u>2,888</u>	<u>3,149</u>	<u>2,877</u>	<u>2,976</u>	<u>2,819</u>	<u>2,697</u>	<u>2,655</u>
Change in Net Position										
Governmental Activities	427	(44)	(75)	164	207	(480)	75	114	513	(99)
Business-Type Activities	541	463	16	401	63	248	272	331	241	61
<i>Total Primary Government Change in Net Position</i>	<u>\$ 968</u>	<u>\$ 419</u>	<u>\$ (59)</u>	<u>\$ 565</u>	<u>\$ 270</u>	<u>\$ (232)</u>	<u>\$ 347</u>	<u>\$ 445</u>	<u>\$ 754</u>	<u>\$ (38)</u>

The periods noted above do not reflect amounts restated.

City of Rittman, Ohio

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

Last Ten Fiscal Years

Table 3

	2012	2011	Restated 2010	2009	2008	2007	2006	2005	2004	2003
General Fund										
Nonspendable	\$ 21	\$ 22	\$ 23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	6	6	27	-	-	-	-	-	-	-
Assigned	259	219	276	-	-	-	-	-	-	-
Unassigned	517	535	502	-	-	-	-	-	-	-
Reserved		-	-	44	9	14	13	25	18	-
Unreserved, Designated		-	-	152	230	273	335	385	438	474
Unreserved		-	-	765	655	686	684	533	408	304
Total General Fund	\$ 803	\$ 782	\$ 828	\$ 961	\$ 894	\$ 973	\$ 1,032	\$ 943	\$ 864	\$ 778
All Other Governmental Funds										
Nonspendable	\$ 9	\$ 15	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,027	1,295	1,112	-	-	-	-	-	-	-
Unassigned	(8)	-	-	-	-	-	-	-	-	-
Reserved	-	-	-	74	-	43	9	3	88	1
Unreserved:,										
Undesignated (Deficit), Reported in:										
Special Revenue funds	-	-	-	667	514	663	508	560	557	532
Debt Service funds	-	-	-	49	88	91	88	78	53	152
Capital Projects funds	-	-	-	56	90	(333)	176	246	203	115
Total All Other Governmental Funds	\$ 1,028	\$ 1,310	\$ 1,121	\$ 846	\$ 692	\$ 464	\$ 781	\$ 887	\$ 901	\$ 800
Total Governmental Funds	\$ 1,831	\$ 2,092	\$ 1,949	\$ 1,807	\$ 1,586	\$ 1,437	\$ 1,813	\$ 1,830	\$ 1,765	\$ 1,578

Note: In 2011, the City implemented GASB Statement No. 54. As a result, the 2010 fund balances were reclassified to reflect the effects of GASB Statement No. 54.

City of Rittman, Ohio

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

Last Ten Fiscal Years

Table 4

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Taxes	\$ 1,716	\$ 1,612	\$ 1,686	\$ 1,679	\$ 1,669	\$ 1,724	\$ 1,682	\$ 1,749	\$ 1,743	\$ 1,563
Charges for Services	989	1,225	1,159	1,171	1,094	1,027	1,076	942	975	873
Fines, Licenses and Permits	36	33	29	31	90	96	94	96	33	85
Intergovernmental	1,099	955	1,075	1,255	1,091	1,159	943	1,171	981	811
Special Assessments	14	18	83	23	18	17	20	16	17	15
Investment Income	29	34	46	57	123	196	149	151	92	55
Contributions and Donations	4	5	30	200	5	20	5	6	3	6
Other	16	45	16	46	655	66	33	26	14	67
Total Revenues	3,903	3,927	4,124	4,462	4,745	4,305	4,002	4,157	3,858	3,475
Expenditures										
Current:										
Safety Services	1,593	1,504	1,465	1,464	1,619	1,560	1,469	1,421	1,464	1,307
Public Health Services	125	96	112	132	95	96	92	100	90	97
Leisure Time Activities	439	423	460	484	531	868	428	432	394	398
Basic Utility Services	143	412	460	385	384	364	351	231	223	215
Transportation	1,186	557	588	791	724	705	592	821	529	713
General Government	549	648	641	728	657	648	642	633	583	615
Capital Outlay	-	6	113	212	312	167	193	78	167	444
Debt Service:										
Principal Retirement	99	94	94	84	212	206	202	335	150	140
Interest and Fiscal Charges	41	45	49	47	65	68	61	67	115	110
Bond Issuance Costs	-	-	-	-	-	-	-	-	52	-
Total Expenditures	4,175	3,785	3,982	4,327	4,599	4,682	4,030	4,118	3,767	4,039
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(272)</i>	<i>142</i>	<i>142</i>	<i>135</i>	<i>146</i>	<i>(377)</i>	<i>(28)</i>	<i>39</i>	<i>91</i>	<i>(564)</i>
Other Financing Sources (Uses)										
Bonds Issued	-	-	-	77	-	-	12	26	-	18
Inception of Capital Lease	-	-	-	-	56	-	-	-	-	261
Issuance of Refunding Bonds	-	-	-	-	-	-	-	-	1,850	-
Sale of Capital Assets	11	-	-	-	-	-	-	-	30	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(1,784)	-
Transfers In	135	198	165	202	305	313	308	250	-	235
Transfers Out	(135)	(198)	(165)	(202)	(305)	(313)	(308)	(250)	-	(235)
Total Other Financing Sources (Uses)	11	-	-	77	56	-	12	26	96	279
Net Change in Fund Balances	\$ (261)	\$ 142	\$ 142	\$ 212	\$ 202	\$ (377)	\$ (16)	\$ 65	\$ 187	\$ (285)
Debt Service as a Percentage of Noncapital Expenditures										
	4.1%	3.7%	3.7%	3.2%	6.5%	6.1%	6.9%	10.0%	8.8%	7.0%

Note: In 2012, the Debt Service as a Percentage of Noncapital Expenditures was calculated using the amounts from the financial statements. In 2011 and prior, this percentages was calculated using the rounded amounts from this table.

City of Rittman, Ohio

Assessed Valuations and Estimated True Values

Last Ten Years

Table 5

Tax Year/ Collection Year	Real Property			Tangible Personal Property		Tangible Personal Property		Total		Weighted Average Tax Rate
	Assessed Value		Estimated Actual Value	Public Utility		General Business		Assessed Value	Estimated Actual Value	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Value	Assessed Value	Estimated Value			
2012	\$ 76,732,240	\$ 15,069,240	\$ 262,289,943	\$ 1,901,800	\$ 2,161,136	\$ -	\$ -	\$ 93,703,280	\$ 264,451,079	35.43%
2011	82,363,310	12,266,040	270,369,571	1,794,390	2,039,080	72,830	1,456,600	96,496,570	273,865,251	35.24
2010	82,547,380	12,138,700	270,531,657	1,788,410	2,032,284	104,498	1,671,968	96,578,988	274,235,909	35.22
2009	83,553,170	13,670,050	277,780,629	1,544,980	2,305,940	238,177	3,810,832	99,006,377	283,897,401	34.87
2008	79,896,630	12,806,990	264,867,486	1,617,040	2,413,493	6,552,905	52,423,240	100,873,565	319,704,219	26.84
2007	79,113,160	12,140,590	260,725,000	1,999,340	2,984,090	11,528,225	61,483,867	104,781,315	325,192,957	26.17
2006	75,426,750	11,373,170	247,999,771	1,735,490	2,590,284	16,911,260	67,645,040	105,446,670	318,235,095	30.63
2005	68,994,860	12,206,920	232,005,086	3,002,120	3,411,500	17,135,184	68,540,736	101,339,084	303,957,322	32.63
2004	67,081,670	10,931,910	222,895,943	2,466,630	2,802,989	15,243,491	60,973,964	95,723,701	286,672,895	32.78
2003	65,302,140	12,138,110	221,257,857	2,348,170	2,668,375	17,570,580	70,282,320	97,359,000	294,208,552	32.52

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

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

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

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

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

City of Rittman, Ohio

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

Last Ten Years

Table 6

Collection Year	City of Rittman Direct Rates					Overlapping Rates				
	General Fund	Fire	Ambulance & E.M.S.	Police Pension Fund	Total City	Wayne County	Milton Township	Rittman Exempted Village School District	Special District	Total Direct & Overlapping Rates
2012	\$3.50	\$ 1.00	\$ 2.30	\$ 0.30	\$ 7.10	\$ 9.25	\$ 0.50	\$ 63.35	\$ 7.10	\$ 87.30
2011	3.50	1.00	2.30	0.30	7.10	9.25	0.50	63.35	7.10	87.30
2010	3.50	1.00	2.30	0.30	7.10	9.65	0.50	63.20	7.10	87.55
2009	3.50	1.00	2.30	0.30	7.10	9.65	0.50	63.35	7.10	87.70
2008	3.50	1.00	2.30	0.30	7.10	9.65	0.50	63.05	6.35	86.65
2007	3.50	1.00	2.30	0.30	7.10	9.65	0.50	59.60	6.35	83.20
2006	3.50	1.00	2.30	0.30	7.10	9.65	0.50	60.30	6.10	83.65
2005	3.50	1.40	2.30	0.30	7.50	9.65	0.50	60.30	6.10	84.05
2004	3.50	1.40	2.30	0.30	7.50	9.65	0.50	54.80	6.10	78.55
2003	3.50	1.40	2.30	0.30	7.50	8.75	0.50	54.80	6.10	77.65

Source: Wayne County, Ohio; County Auditor

City of Rittman, Ohio

Property Tax Levies and Collections

Last Ten Years

Table 7

Collection Year	Total Current Tax Levy	Current Tax Collections (1)	Percent of Current Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2012	\$ 653,468	\$ 605,464	92.65%	\$ 20,645	\$ 626,109	95.81%	\$ 48,095	7.36%
2011	647,538	624,538	96.45	18,954	643,492	99.38	28,337	4.38
2010	631,097	612,955	97.13	18,674	631,629	100.08	17,304	2.74
2009	614,600	607,491	98.84	18,636	626,127	101.88	20,103	3.27
2008	659,419	654,378	99.24	29,887	684,265	103.77	12,723	1.93
2007	618,998	615,750	99.48	25,667	641,417	103.62	5,313	0.86
2006	607,628	572,976	94.30	14,168	587,144	96.63	19,990	3.29
2005	593,000	561,000	94.60	24,707	585,707	98.77	6,057	1.02
2004	495,777	464,229	93.64	23,154	487,383	98.31	8,073	1.63
2003	494,827	461,991	93.36	16,890	478,881	96.78	16,395	3.31

Source: Wayne County Auditor

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

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

City of Rittman, Ohio

Principal Taxpayers – Real Estate

2012 and 2003

Table 8

Taxpayer	2012			2003		
	Real Property Assessed Valuation	Rank	Percentage of Real Assessed Valuation	Real Property Assessed Valuation	Rank	Percentage of Real Assessed Valuation
Morton International, Inc	\$1,796,650	1	1.90 %	\$984,460	2	1.27 %
Oscar & Christine Gross	827,890	2	0.87	489,140	4	0.63
Rittman Nursing Property, LLC	670,860	3	0.71	-	-	-
Unilock Ohio, Inc.	515,030	4	0.54	255,800	10	0.33
Priority II, LLC	488,610	5	0.52	-	-	-
Rittman Market Square, LLC	466,190	6	0.49	-	-	-
Caraustar Paperboard Corporation	443,080	7	0.47	1,224,700	1	1.58
Rittman Acres Limited Partnership	353,860	8	0.38	-	-	-
Villas Limited	351,180	9	0.37	317,590	7	0.41
Thompson Services, Inc.	339,690	10	0.36	406,030	6	0.52
Laria Management Ltd.	-	-	-	279,890	8	0.36
Northern Health Facilities	-	-	-	638,770	3	0.82
Kenneth Maibach & David Rufen	-	-	-	256,250	9	0.33
Rittman Associates, Ltd.	-	-	-	452,300	5	0.58
Total	\$6,253,040		6.61 %	\$5,304,930		6.85 %
Total Assessed Valuation	\$94,629,350			\$77,440,250		

Source: Wayne County Auditor

City of Rittman, Ohio

Municipal Income Tax Collections By Source
Cash Basis of Accounting

Last Ten Years

Table 9

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2012	1.50%	\$ 1,463,098	\$ 934,132	63.85%	\$ 155,728	10.64%	\$ 373,238	25.51%
2011	1.50	1,309,294	899,890	68.73	65,964	5.04	343,440	26.23
2010	1.50	1,468,579	853,353	58.11	282,912	19.26	332,314	22.63
2009	1.50	1,379,284	861,707	62.47	153,419	11.12	364,158	26.40
2008	1.50	1,372,190	879,694	64.11	111,710	8.14	380,786	27.75
2007	1.50	1,343,468	892,875	66.46	87,519	6.51	363,074	27.03
2006	1.50	1,506,935	1,016,445	67.22	99,167	6.56	396,405	26.22
2005	1.50	1,475,958	978,148	66.27	92,210	6.25	405,599	27.48
2004	1.50	1,372,388	908,415	66.19	67,131	4.89	396,841	28.92
2003	1.50	1,465,986	982,375	67.01	78,102	5.33	405,508	27.66

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

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

City of Rittman, Ohio

Ratio of Outstanding Debt by Type

Last Ten Years

Table 10

Year	Governmental Activities (1)				Business-Type Activities (1)					Total Debt	Percentage of Personal Income (3)	Per Capita (3)
	General Obligation Bonds	Special Assessment Bonds (2)	OPWC Loans	Capital Leases	Revenue Bonds	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	OWDA Loans			
2012	\$ 865,000	\$ -	\$ -	\$ 11,133	\$ 886,100	\$ 1,109,000	\$ -	\$ 301,239	\$ 133,002	3,305,474	2.64%	509
2011	954,000	-	-	21,722	931,500	1,130,000	-	309,735	389,249	3,736,206	2.98%	576
2010	1,038,000	-	-	31,793	1,015,600	1,195,000	-	187,500	633,148	4,101,041	3.27%	632
2009	1,122,000	-	-	41,370	1,038,500	1,260,000	-	200,000	865,295	4,527,165	4.47%	717
2008	1,120,000	43,208	-	50,479	1,060,300	1,320,000	-	212,500	1,086,256	4,892,743	4.83%	775
2007	1,310,000	60,008	-	-	1,081,100	1,380,000	-	225,000	1,296,569	5,352,677	5.28%	848
2006	1,495,000	75,982	4,850	-	1,100,900	1,440,000	-	237,500	1,496,748	5,850,980	5.77%	927
2005	1,670,000	81,283	14,550	-	1,119,700	1,495,000	7,742	141,647	1,687,282	6,217,204	6.14%	985
2004	1,850,000	68,897	24,250	132,400	1,137,600	1,550,000	15,187	-	1,868,635	6,646,969	6.56%	1,053
2003	1,776,000	81,409	33,950	260,600	1,154,600	-	22,345	-	2,041,249	5,370,153	5.30%	851

(1) Details regarding the City's outstanding debt can be found in Note 10 in the basic financial statements

(2) Includes internal bonds for 2008 and prior

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

Source: City Records

City of Rittman, Ohio

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

Last Ten Years

Table 11

<u>Year</u>	<u>General Obligation Bonds (1)</u>	<u>Resources Available for Repayment</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2012	\$ 1,974,000	-	1,974,000	0.75 %	304.11
2011	2,084,000	22,959	2,061,041	0.75	317.52
2010	2,233,000	22,775	2,210,225	0.81	340.51
2009	2,382,000	49,064	2,332,936	0.82	369.49
2008	2,440,000	88,393	2,351,607	0.74	372.44
2007	3,196,000	90,669	3,105,331	0.95	491.82
2006	2,935,000	105,388	2,829,612	0.89	448.15
2005	3,165,000	77,774	3,087,226	1.02	488.95
2004	3,400,000	52,767	3,347,233	1.17	530.13
2003	1,776,000	152,337	1,623,663	0.55	257.15

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

(1) Details regarding the City's outstanding debt can be found in Note 10 in the basic financial statements

City of Rittman, Ohio

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

December 31, 2012

Table 12

	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City</u>
Governmental Unit			
Rittman Exempted Village School District	\$ 6,924	87.33 %	\$ 6,047
Wayne County, Ohio	<u>7,240</u>	4.22	<u>305</u>
<i>Subtotal, Overlapping Debt</i>			<u>6,352</u>
City of Rittman governmental activities direct debt			<u>\$ 876,133</u>
Total Direct and Overlapping Debt			<u><u>\$ 882,485</u></u>

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

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

City of Rittman, Ohio

Legal Debt Margin

Last Ten Fiscal Years

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Total Assessed Property Value	<u>\$ 93,703,280</u>	<u>\$ 96,496,570</u>	<u>\$ 96,578,988</u>	<u>\$ 99,006,377</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>\$ 9,838,844</u>	<u>\$ 10,132,140</u>	<u>\$ 10,140,794</u>	<u>\$ 10,395,670</u>
Debt Outstanding:				
General Obligation Bonds	1,974,000	2,084,000	2,233,000	2,382,000
Revenue Bonds	886,100	931,500	1,015,600	1,038,500
Special Assessment Bonds	-	-	-	42,758
OPWC Loans	301,239	309,735	187,500	200,000
OWDA Loans	<u>133,002</u>	<u>389,249</u>	<u>633,148</u>	<u>865,295</u>
Total Gross Indebtedness	3,294,341	3,714,484	4,069,248	4,528,553
Less:				
Sewer Revenue Bonds	(886,100)	(931,500)	(1,015,600)	(1,038,500)
Special Assessment Bonds	-	-	-	(42,758)
OPWC Loans	(301,239)	(309,735)	(187,500)	(200,000)
OWDA Loans	(133,002)	(389,249)	(633,148)	(865,295)
General Obligation Bond Retirement Fund Balance	<u>-</u>	<u>(22,959)</u>	<u>(22,775)</u>	<u>(49,064)</u>
Total Net Debt Applicable to Debt Limit	<u>1,974,000</u>	<u>2,061,041</u>	<u>2,210,225</u>	<u>2,332,936</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 7,864,844</u>	<u>\$ 8,071,099</u>	<u>\$ 7,930,569</u>	<u>\$ 8,062,734</u>
Legal Debt Margin as a Percentage of the Debt Limit	79.94%	79.66%	78.20%	77.56%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$5,153,680</u>	<u>\$5,307,311</u>	<u>\$5,311,844</u>	<u>\$5,445,351</u>
Total Gross Indebtedness	3,294,341	3,714,484	4,069,248	4,528,553
Less:				
Sewer Revenue Bonds	(886,100)	(931,500)	(1,015,600)	(1,038,500)
Special Assessment Bonds	-	-	-	(42,758)
Mortgage Revenue Bonds	(301,239)	(309,735)	(187,500)	(200,000)
OWDA Loans	(133,002)	(389,249)	(633,148)	(865,295)
General Obligation Bond Retirement Fund Balance	<u>-</u>	<u>(22,959)</u>	<u>(22,775)</u>	<u>(49,064)</u>
Net Debt Within 5 ½ % Limitations	<u>1,974,000</u>	<u>2,061,041</u>	<u>2,210,225</u>	<u>2,332,936</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$ 3,179,680</u>	<u>\$ 3,246,270</u>	<u>\$ 3,101,619</u>	<u>\$ 3,112,415</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	61.70%	61.17%	58.39%	57.16%

Source: City Financial Records

Table 13

2008	2007	2006	2005	2004	2003
<u>\$ 100,873,565</u>	<u>\$ 104,781,315</u>	<u>\$ 105,446,670</u>	<u>\$ 101,339,084</u>	<u>\$ 95,723,701</u>	<u>\$ 97,359,000</u>
<u>\$ 10,591,724</u>	<u>\$ 11,002,038</u>	<u>\$ 11,071,900</u>	<u>\$ 10,640,604</u>	<u>\$ 10,050,989</u>	<u>\$ 10,222,695</u>
2,440,000	3,196,000	2,935,000	3,165,000	3,400,000	1,776,000
1,060,300	1,081,100	1,100,900	1,119,700	1,137,600	1,154,600
43,208	60,007	75,982	89,025	84,084	103,754
212,500	225,000	242,350	156,197	24,250	33,950
<u>1,086,256</u>	<u>1,296,569</u>	<u>1,496,748</u>	<u>1,687,282</u>	<u>1,868,635</u>	<u>2,041,249</u>
4,842,264	5,858,676	5,850,980	6,217,204	6,514,569	5,109,553
(1,060,300)	(1,081,100)	(1,100,900)	(1,119,700)	(1,137,600)	(1,154,600)
(43,208)	(60,007)	(75,982)	(89,025)	(84,084)	(103,754)
(212,500)	(225,000)	(242,350)	(156,197)	(24,250)	(33,950)
(1,086,256)	(1,296,569)	(1,496,748)	(1,687,282)	(1,868,635)	(2,041,249)
<u>(88,393)</u>	<u>(90,669)</u>	<u>(105,388)</u>	<u>(77,774)</u>	<u>(52,767)</u>	<u>(152,337)</u>
<u>2,351,607</u>	<u>3,105,331</u>	<u>2,829,612</u>	<u>3,087,226</u>	<u>3,347,233</u>	<u>1,623,663</u>
<u>\$ 8,240,117</u>	<u>\$ 7,896,707</u>	<u>\$ 8,242,288</u>	<u>\$ 7,553,378</u>	<u>\$ 6,703,756</u>	<u>\$ 8,599,032</u>
77.80%	71.77%	74.44%	70.99%	66.70%	84.12%
<u>\$5,548,046</u>	<u>\$5,762,972</u>	<u>\$5,799,567</u>	<u>\$5,573,650</u>	<u>\$5,264,804</u>	<u>\$5,354,745</u>
4,842,264	5,858,676	5,850,980	6,217,204	6,514,569	5,109,553
(1,060,300)	(1,081,100)	(1,100,900)	(1,119,700)	(1,137,600)	(1,154,600)
(43,208)	(60,007)	(75,982)	(89,025)	(84,084)	(103,754)
(212,500)	(225,000)	(242,350)	(156,197)	(24,250)	(33,950)
(1,086,256)	(1,296,569)	(1,496,748)	(1,687,282)	(1,868,635)	(2,041,249)
<u>(88,393)</u>	<u>(90,669)</u>	<u>(105,388)</u>	<u>(77,774)</u>	<u>(52,767)</u>	<u>(152,337)</u>
<u>2,351,607</u>	<u>3,105,331</u>	<u>2,829,612</u>	<u>3,087,226</u>	<u>3,347,233</u>	<u>1,623,663</u>
<u>\$ 3,196,439</u>	<u>\$ 2,657,641</u>	<u>\$ 2,969,955</u>	<u>\$ 2,486,424</u>	<u>\$ 1,917,571</u>	<u>\$ 3,731,082</u>
57.61%	46.12%	51.21%	44.61%	36.42%	69.68%

City of Rittman, Ohio

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

Last Ten Fiscal Years

Table 14

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>General Bonded Debt</u>										
Debt Service	\$ 100	\$ 94	\$ 94	\$ 84	\$ 207	\$ 206	\$ 202	\$ 203	\$ 22	\$ 140
General Governmental Expenditures	4,175	3,785	3,982	4,327	4,599	4,682	4,031	4,118	3,767	4,039
Ratio of Debt Service to General Governmental Expenditures	2.40	2.48	2.36	1.94	4.50	4.40	5.01	4.93	0.58	3.47
<u>Revenue Bond Coverage</u>										
Sewer										
Direct Revenue	1,335	1,292	1,279	1,294	1,221	1,200	1,257	1,021	1,052	913
Operating expense (1)	775	738	735	699	660	608	622	630	644	693
Net available	560	554	544	595	561	592	635	391	408	220
Principal	45	84	23	22	21	20	19	18	17	16
Interest	48	52	53	54	55	56	57	58	59	60
Total Debt Service	93	136	76	76	76	76	76	76	76	76
Coverage	6.02	4.07	7.16	7.83	7.38	7.79	8.36	5.14	5.37	2.89

Source: City Financial Records

(1) Excludes depreciation

City of Rittman, Ohio

Principal Employers

2012 and 2003

Table 15

Employer	Industry	2012		2003		Rank	Percentage of Total City W-2's processed
		Number of W-2's processed	Rank	Number of W-2's processed	Rank		
Morton International, Inc.	Salt Mines	276	1	8.97%	293	1	9.73%
Rittman Exempted Village School District	Public Education	248	2	8.06	238	3	7.90
City of Rittman	Municipal Government	138	3	4.49	197	5	6.54
Embassy Autumnwood Management	Health Care	122	4	3.97	-		0.00
Laria Chevrolet Buick	Automobile Dealership	73	5	2.37	62	7	2.06
Unilock Ohio, Inc.	Excavation	71	6	2.31	53	8	1.76
Rittman IGA	Grocery Store	51	7	1.66	-		0.00
Bauman Orchard	Orchard	49	8	1.59	-		0.00
All Creatures Veterinary, Inc.	Veterinarian	44	9	1.43	-		0.00
PEC Management - Burger King	Food Service	44	10	1.43	-		0.00
Caraustar Mill Group, Inc.	Paper recycling	-		0.00	240	2	7.97
Northern Health Facilities	Health Care	-		0.00	198	4	6.58
Imperial Plastics, Inc	Plastics	-		0.00	105	6	3.49
Promotional Fixtures	Marketing	-		0.00	41	9	1.36
Swiss Woodcraft, Inc.	Cabinet Manufacturer	-		0.00	36	10	1.20
Total		1,116		36.28%	1,463		48.59%
Total W-2's Processed		3,076			3,011		

Source: City of Rittman

City of Rittman, Ohio

Demographic and Economic Statistics

Last Ten Years

Table 16

Year	Population (1)	Total Personal	Personal	Median	School	Unemployment Rate (3)			City
		Income (1)	Income	Family		Wayne	Medina	State of	
		(000 omitted)	Per Capita (1)	Income (1)	Enrollment (2)	County	County	Ohio	Miles (4)
2012	6,491	\$ 125,413	\$ 19,321	\$ 43,837	1,155	5.6 %	5.9 %	7.0 %	6.43
2011	6,491	125,413	19,321	43,837	1,140	7.7	6.7	8.6	6.43
2010	6,491	125,413	19,321	43,837	1,135	9.4	7.8	10.0	6.43
2009	6,314	101,333	16,049	41,643	1,155	9.9	8.3	10.1	6.24
2008	6,314	101,333	16,049	41,643	1,097	5.6	5.8	6.5	6.24
2007	6,314	101,333	16,049	41,643	1,063	5.0	5.8	5.6	6.24
2006	6,314	101,333	16,049	41,643	1,121	4.6	4.7	5.4	6.24
2005	6,314	101,333	16,049	41,643	1,153	4.9	4.7	5.9	6.24
2004	6,314	101,333	16,049	41,643	1,162	5.3	4.9	5.9	6.24
2003	6,314	101,333	16,049	41,643	1,216	5.1	5.0	6.1	6.24

Sources:

(1) U. S. Census 2000 for 2003 thru 2009
 U. S. Census 2010 for 2010 thru 2012

(2) School District Records

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

City of Rittman, Ohio

Full Time Employees by Function/Program

Last Ten Years

Table 17

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government										
City Council	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Mayor	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
City Manager	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00
Law	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	2.00	1.50	1.50	1.50	1.00	1.00	1.00	1.00	1.00	1.00
Tax	0.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration	0.50	1.00	1.00	1.00	2.50	2.50	2.50	2.50	2.50	2.50
Security of Persons and Property										
Police	12.00	12.00	12.00	11.50	11.00	11.00	11.00	11.00	11.50	12.00
Police - School Guards	1.00	1.50	1.50	1.50	5.00	5.00	5.00	6.50	6.50	5.50
Police - Dispatchers	4.50	4.50	4.50	5.50	5.00	5.00	5.00	6.00	5.00	5.00
Police - Animal Wardens	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00	1.00	0.00
Fire	11.50	12.00	14.50	14.50	14.50	14.50	14.50	16.50	16.00	16.00
Public Health Services										
Emergency Medical Services	14.50	15.00	15.00	15.00	15.50	15.50	15.50	15.50	15.50	14.00
Cemetery	1.50	1.50	1.50	1.50	1.00	1.00	1.00	1.00	1.00	1.00
Leisure Time Activities										
Recreation	13.00	10.50	12.50	12.50	12.00	12.00	12.00	12.00	13.00	11.50
Parks	1.50	1.50	1.50	1.50	1.00	1.00	1.00	1.00	1.00	1.00
Transportation										
Service	2.00	2.00	2.00	2.00	2.50	2.50	2.50	2.50	2.50	3.50
Street M&R	3.00	4.50	5.50	5.50	7.00	7.00	7.00	5.00	6.00	6.00
Basic Utility Services										
Solid Waste	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Water	5.50	4.50	4.75	4.75	5.00	5.00	5.00	4.00	5.00	5.00
Waste Water	6.00	5.50	5.75	5.75	4.00	4.00	4.00	4.00	4.00	5.00
Totals:	86.00	84.50	90.50	91.00	95.50	95.50	95.50	97.00	99.00	96.50

Source: City Payroll Department Attendance Cards at Year End

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

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

City of Rittman, Ohio

Operating Indicators by Function/Program

Last Ten Years

Table 18

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government										
Council and Clerk										
Number of Ordinances Passed	37	31	29	31	37	28	30	36	47	35
Number of Resolutions Passed	25	23	11	21	19	10	14	18	19	4
Number of Planning Commission docket items	-	-	1	-	2	1	5	6	11	4
Zoning Board of Appeals docket items	3	5	1	4	4	7	9	9	11	11
Finance Department										
Number of checks/vouchers issued	1,724	1,847	1,961	2,165	2,424	2,497	2,483	2,436	3,877	2,618
Amount of checks written	\$ 7,205,354	\$ 5,889,329	\$ 5,973,160	\$ 6,252,415	\$ 6,698,892	\$ 66,500,835	\$ 5,927,649	\$ 6,947,390	\$ 7,260,449	\$ 6,173,985
Number of payroll checks issued	3,158	3,309	3,305	3,386	3,415	3,351	3,346	3,410	3,397	3,467
Interest earning for fiscal year (cash basis)	\$ 32,385	\$ 43,921	\$ 40,458	\$ 81,002	\$ 127,981	\$ 202,302	\$ 157,201	\$ 133,639	\$ 89,796	\$ 77,257
Number of receipts issued	2,374	2,447	2,328	2,039	1,990	1,980	1,972	1,997	1,842	1,902
General fund receipts (cash basis)	\$ 2,457,148	\$ 2,707,878	\$ 2,766,788	\$ 2,905,901	\$ 2,908,884	\$ 2,832,218	\$ 2,828,136	\$ 2,678,059	\$ 2,596,735	\$ 2,522,852
General fund expenditures (cash basis)	\$ 2,431,428	\$ 2,763,070	\$ 2,719,082	\$ 2,894,932	\$ 2,909,987	\$ 2,798,914	\$ 2,706,074	\$ 2,432,279	\$ 2,376,547	\$ 2,426,831
General fund cash balances	\$ 635,711	\$ 569,260	\$ 624,452	\$ 552,889	\$ 554,138	\$ 549,732	\$ 520,281	\$ 382,840	\$ 273,493	\$ 178,457
Income Tax Department										
Number of individual returns	3,451	3,532	3,452	3,441	3,523	3,485	4,460	3,971	4,077	4,805
Number of business returns	437	409	360	357	426	465	473	380	407	399
Number of business withholding accounts	493	495	446	384	243	308	2,880	2,797	2,664	2,625
Amount of penalties and interest collected	\$ 35,036	\$ 31,264	\$ 31,997	\$ 25,596	\$ 22,498	\$ 24,710	\$ 44,694	\$ 21,829	\$ 17,185	\$ 28,923
Civil Services										
Number of police entry tests administered	n/a	n/a	n/a	n/a	n/a	13	n/a	n/a	n/a	36
Number of dispatcher entry tests administered	n/a	n/a	n/a	n/a	n/a	n/a	n/a	12	n/a	n/a
Number of hires of Police Officers from certified lists	n/a	n/a	n/a	n/a	n/a	2	n/a	n/a	n/a	1
Number of hires of Dispatchers from certified lists	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1	n/a	n/a

City of Rittman, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 18

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Building Department Indicators										
Number of zoning permits issued	65	60	64	46	46	68	140	145	165	195
Number of new housing permits issued	8	9	4	4	6	10	14	20	38	29
Estimated Value of Construction	\$ 2,477,301	\$ 1,727,841	\$ 698,107	\$ 15,491,375	\$ 910,574	\$ 7,667,346	\$ 2,712,612	\$ 12,030,811	\$ 2,468,000	\$ 5,003,102
Amount of Revenue generated from permits	\$ 2,743	\$ 3,040	\$ 1,834	\$ 13,324	\$ 2,190	\$ 4,418	\$ 5,246	\$ 11,850	\$ 10,982	\$ 8,416
Security of Persons and Property										
Police										
Total Calls for Services	8,902	10,189	12,954	7,996	9,932	7,829	7,773	n/a	4,787	3,830
Number of traffic citations issued	228	264	663	213	414	443	419	n/a	391	428
Number of parking citations issued	210	342	387	280	294	267	493	n/a	435	702
Number of criminal arrests	464	423	463	520	543	475	454	n/a	426	346
Number of accident reports completed	115	122	107	121	122	132	130	n/a	121	120
Injury accidents	12	9	8	8	8	15	15	n/a	13	13
Stolen vehicles	5	3	1	6	9	14	15	n/a	16	8
Incident reports	546	597	595	482	599	721	611	n/a	506	484
DUI arrests	26	20	15	14	25	47	26	n/a	31	28
Burglary	46	63	66	55	52	49	32	n/a	19	19
Thefts	285	255	345	180	221	107	93	n/a	97	73
Robberies	1	4	5	6	6	4	1	n/a	1	1
Homicides	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gasoline costs of fleet	\$ 31,450	\$ 29,876	\$ 21,721	\$ 16,852	\$ 30,536	\$ 26,487	\$ 22,000	\$ 18,460	\$ 14,358	\$ 13,164
Total calls handled through communication center	13,836	13,652	14,584	11,173	13,582	18,998	16,845	n/a	13,269	12,487

City of Rittman, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 18

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Fire/EMS										
EMS total runs	910	961	852	878	817	872	787	735	784	684
EMS transports	571	646	530	618	557	636	579	450	568	516
Ambulance billing collections (net)	\$ 181,390	\$ 190,899	\$ 173,138	\$ 186,981	\$ 168,748	\$ 171,068	\$ 111,701	\$ 114,413	\$ 109,333	\$ 74,955
Fire calls	165	160	159	196	194	192	n/a	n/a	n/a	n/a
Fires with loss	6	5	3	4	8	4	n/a	n/a	n/a	n/a
Fires with losses exceeding \$10K	2	3	1	1	n/a	1	n/a	n/a	n/a	n/a
Fire Losses	\$ 50,000	\$ 206,000	\$ 45,000	\$ 84,500	\$ 13,000	\$ 18,000	n/a	n/a	n/a	n/a
Fire safety inspections	21	15	31	58	28	20	n/a	n/a	n/a	n/a
Number of times mutual aid received for fire and EMS	28	31	36	22	35	46	n/a	n/a	n/a	n/a
Public Health and Welfare										
Cemetery Burials	42	45	39	44	32	30	34	45	38	45
Cemetery cremations	11	6	14	13	8	13	4	9	6	3
Cemetery sale of lots	29	56	29	38	34	15	26	41	44	40
Cemetery receipts	\$ 3,162	\$ 47,180	\$ 30,479	\$ 37,183	\$ 35,314	\$ 21,811	\$ 25,847	\$ 38,065	\$ 35,438	\$ 38,258
Leisure Time Activities										
Recreation										
Recreation Center membership receipts	\$ 157,405	\$ 165,794	\$ 161,523	\$ 150,607	\$ 171,172	\$ 128,679	\$ 156,885	\$ 159,191	\$ 168,244	\$ 156,825
Recreation Center Silver Sneaker receipts	\$ 24,280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recreation Center rental receipts	\$ 16,747	\$ 18,398	\$ 16,167	\$ 16,776	\$ 15,160	\$ 8,376	\$ 15,598	\$ 18,024	\$ 17,139	\$ 17,814
Recreation Center program receipts	\$ 34,414	\$ 45,424	\$ 49,758	\$ 52,578	\$ 60,110	\$ 47,353	\$ 50,426	\$ 46,357	\$ 41,288	\$ 40,974
Recreation Center miscellaneous receipts	\$ 4,700	\$ 10,254	\$ 37,381	\$ 17,428	\$ 27,153	\$ 25,643	\$ 20,476	\$ 20,409	\$ 13,972	\$ 15,378
Total Recreation Department receipts	\$ 237,546	\$ 239,870	\$ 264,829	\$ 237,389	\$ 273,595	\$ 210,050	\$ 243,384	\$ 243,981	\$ 240,643	\$ 230,990

City of Rittman, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 18

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Transportation										
Crackseal Coating Program - Annual Cost	\$ 7,695	\$ 11,333	\$ 29,347	\$ -	\$ 11,456	\$ 14,850	\$ 17,000	\$ 16,632	\$ 15,348	\$ 17,653
Paint Striping - Annual Cost	\$ 11,766	\$ 11,766	\$ 11,874	\$ 9,918	\$ 12,545	n/a	\$ 10,000	\$ 9,288	\$ 6,888	\$ 8,706
Leaf collection - disposal costs	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 4,701	\$ 1,540	\$ 3,489	\$ 3,565	\$ 2,445	\$ 2,288
Cost of salt purchased	\$ 17,321	\$ 18,312	\$ 28,112	\$ 16,206	\$ 23,206	\$ 26,889	\$ 22,732	\$ 39,020	\$ 32,436	\$ 34,723
Water Department										
Water rates per 1st 300 Cu ft of water used	\$ 10.00	\$ 10.00	\$ 7.40	\$ 7.40	\$ 7.40	\$ 7.40	\$ 7.40	\$ 7.40	\$ 7.40	\$ 7.40
Annual total of utility accounts billed	30,017	30,017	29,964	30,048	33,780	29,715	29,791	29,695	29,333	28,967
Annual total Water Collections Billed	\$ 519,310	\$ 485,910	\$ 364,715	\$ 355,291	\$ 349,999	\$ 358,757	\$ 375,263	\$ 363,723	\$ 366,846	\$ 361,024
Avg. water billed monthly (Gallons)	15,252	13,546	12,454	12,712	12,181	12,905	15,186	13,006	15,329	19,209
Total water collections annually (Including P&I)	\$ 542,819	\$ 488,740	\$ 404,617	\$ 396,095	\$ 361,428	\$ 359,042	\$ 364,517	\$ 371,453	\$ 366,800	\$ 374,095
Waste Water Department										
Waste water rates per 1st 300 Cu ft of water used	\$ 23.00	\$ 23.00	\$ 31.00	\$ 31.00	\$ 25.78	\$ 24.33	\$ 22.96	\$ 21.66	\$ 21.66	\$ 20.43
Annual total sewer collections billed	\$ 1,273,560	\$ 1,256,262	\$ 1,208,474	\$ 1,165,163	\$ 1,048,802	\$ 1,028,074	\$ 1,229,844	\$ 969,035	\$ 918,648	\$ 852,413
Total sewer collections annually	\$ 1,314,473	\$ 1,310,780	\$ 1,263,609	\$ 2,053,066	\$ 1,149,011	\$ 1,154,935	\$ 1,110,995	\$ 983,697	\$ 917,436	\$ 881,995
Solid Waste Program										
Solid waste rate per residential unit per month	\$ 16.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Leaf collection - disposal costs	\$ 1,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total solid waste collections annually (partial year)	\$ 190,438	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: City of Rittman

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

City of Rittman, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Table 19

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government										
Number of Buildings	1	1	1	1	1	1	1	1	1	1
Administrative Vehicles	1	1	1	1	1	1	1	1	1	1
Safety - Police/Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles - Police	10	10	9	9	9	9	9	9	8	7
Vehicles - Fire	7	7	8	8	7	6	6	6	6	6
Emergency Medical Services										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	4	4	4	4	4	5	5	3	3	3
Recreation										
Number of Buildings	1	1	1	1	1	1	1	1	1	1
Number of Shelters/Pavilions	3	3	3	3	3	3	3	3	3	3
Number of Parks	12	12	12	12	11	11	11	11	11	11
Number of Pools	1	1	1	1	1	1	1	1	1	1
Number of Baseball Diamonds	8	8	8	8	8	8	8	8	8	8
Number of Skateboarding Areas	0	0	0	0	0	1	1	1	1	1
Number of Tot Lots	9	9	9	9	9	9	9	9	9	9
Vehicles	0	1	2	1	1	1	1	1	1	1
Transportation										
Number of Buildings	2	2	2	2	2	2	2	2	2	2
Salt Building	1	1	1	1	1	1	1	1	1	1
Streets (Center Lane Miles)	41	41	41	41	41	41	41	41	41	41
Storm Sewers (Miles)	19	19	19	19	19	19	19	19	19	19
Service Vehicles	11	11	11	12	12	15	15	14	13	13
Public Health and Welfare										
Number of Buildings	1	1	1	1	1	1	1	1	1	1
Service Vehicles	1	1	1	1	1	1	1	1	1	1
Water										
Treatment Plant	1	1	1	1	1	1	1	1	1	1
Pole Building	1	1	1	1	1	1	1	1	1	1
Water Lines (Miles)	44	44	44	44	44	44	44	44	44	43
Vehicles	4	3	6	6	6	7	7	7	7	7
Waste Water										
Treatment Plant	1	1	1	1	1	1	1	1	1	1
Sanitary Sewers (Miles)	39	39	39	39	39	39	39	39	39	38
Vehicles	5	5	7	7	7	7	6	6	6	6

Source: City of Rittman's capital asset records



Dave Yost • Auditor of State

CITY OF RITTMAN

WAYNE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST 6, 2013