

# **City of Orrville, Ohio Comprehensive Annual Financial Report**

For the Year Ended December 31, 2013



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**CITY OF ORRVILLE, OHIO**

**COMPREHENSIVE**

**ANNUAL FINANCIAL REPORT**

**For the Year Ended December 31, 2013**

Janet L. Strimlan  
Finance Director

Prepared by the City Finance Department

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# Introductory Section

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**City of Orrville, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2013*  
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June 16, 2014

To the Members of City Council, Members of the Public Utility Board and Citizens of the City of Orrville, Ohio:

This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file an annual report with Auditor of State within 150 days of fiscal year end.

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 the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

State statutes require the City of Orrville (the City) to be subjected to an annual examination by the Auditor of State. The Auditor of State's office rendered an opinion on the City's financial statements as of December 31, 2013, and the Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

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

### ***Profile of the Government***

The City, founded in 1864, is located in Wayne County in northeastern Ohio, approximately 50 miles south of the City of Cleveland. The City was incorporated as a Village in 1913 and later became a City in 1951. The City's 2010 population was 8,380, according to the U.S. Census.

The City operates under and is governed by its Charter, first adopted by the voters in 1975. The Charter became fully effective in 1976 and has been and may be amended by the voters from time to time. The City is also subject to some general laws that are applicable to all cities. Under the Ohio Constitution, the City may exercise all powers of local self-government, and police powers to the extent not in conflict with applicable general laws. The Charter provides for a Council-Mayor form of government.

Legislative authority is vested in a seven-member Council. Three members are elected at-large and four members are elected from wards, for staggered four-year terms. The Council fixes compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the President of Council, who is elected by the electors of the City for a four-year term. The President of Council has no vote in Council except in the event of a tie. The Charter establishes certain administrative departments; the Council may establish divisions of those departments, and additional departments.

Steven M. Wheeler  
Safety-Service Director

Janet L. Strimlan  
Finance Director  
P.O. Box 61

David T. Handwerk  
Mayor

- v -

Cheryl M. Kirkbride  
Law Director  
100 N. Vine Street  
330-683-5010

Phillip C. McFarren  
Personnel Manager

The City's chief executive and administrative officer is the Mayor, who is elected by the voters for a four-year term. The Mayor appoints the directors of the City's departments. The major appointed officials are the Director of Finance and the Director of Law, appointed with the approval of Council, and the Director of Public Safety and Service. The Public Utility Board is appointed by the Mayor with approval by Council. The Director of Utilities is appointed by the Public Utility Board. The Mayor also appoints members to a number of boards and commissions, and appoints and removes, in accordance with civil service requirements, all appointed officers, except Council officers and employees of the City's utilities, who are hired and removed by the Director of Utilities. The Director of Public Safety and Service and the Director of Finance have hiring authority for their respective departments. The Mayor may veto any legislation passed by the Council. A veto may be overridden by a two-thirds vote of all members of the Council.

The City provides a number of services to its citizens, including police and fire protection, emergency medical service, parks and recreation, building inspection, street maintenance and repairs, water, electric, internet, sewer, and refuse collection.

The Council is required to adopt a temporary appropriation measure in January and then, by April 1, a permanent appropriation measure for that year. This annual budget serves as the foundation for the City of Orrville's financial planning and control. The budget is prepared at the personal services and other object level within each fund. For the personal service object level the Director of Finance has been authorized to allocate and maintain appropriations within each department. For the other object level the Director of Finance has been authorized to allocate appropriations within each department and any object level on which the books are maintained, other than personal services. Transfers between funds, however, need special approval from Council.

### ***Local Economy***

A number of major State highways traverse the County and link the City and the County to the markets of the metropolitan areas of Akron, Cleveland and Columbus and also facilitate travel within the County. In addition, Interstate 71 provides access to other major thoroughfares such as I-76, I-80 and I-77 providing County residents with direct access to major economic centers. One advantage of having such access has been the development of trucking terminals within the County. Several major carriers with terminals are located in the County.

CSX, Norfolk Southern, and Wheeling & Lake Erie provide rail service to the Orrville area and industrial park. These rail services provide local industries with easy access for transporting supplies and products.

Air service is easily accessible to both residents and industry through the Wayne County Airport, the Holmes County Airport and the Wadsworth Municipal Airport (Medina County). All are easily reached and able to handle small aircraft traffic. Commercial passenger and air freight services are available through the Akron-Canton Regional Airport and the Cleveland Hopkins International Airport. Cleveland Hopkins Airport is located 50 miles from Orrville. It is the largest airport in Ohio and the 41st largest in the United States. The airport handles nearly 9 million passengers annually from nearly 200 thousand operations (takeoffs and landings). The airport handles 240 daily nonstop flights to over 70 destinations. A total of seven carriers provide service to Cleveland Hopkins, including: United Airlines, American Eagle, Delta, Frontier, Southwest, and US Airways.

The Akron-Canton Airport is located 25 miles from Orrville. This airport offers the lowest average fare of any airport in Ohio. Two outstanding low cost carriers – AirTran and Frontier Airlines – anchor the airline services. They, plus three network carriers – Delta Air Lines, US Airways and United Express – offer nonstop or one-stop flights to destinations throughout the United States and the globe. Akron Canton Airport offers 90 arrival and departure flights to 14 nonstop destinations.

Orrville offers companies a number of competitive advantages including a skilled workforce with a heritage of a substantial work ethic, perhaps passed down from the pioneering generations who started their farms and small businesses in the area more than 170 years ago and built the City into a prosperous center for

commerce. Other advantages include: the excellent Orrville School District, proximity to numerous colleges and universities, the excellent City services and infrastructure, municipally owned electric utility, affordable housing and Aultman Orrville Hospital.

The City also offers several economic development tools to attract and retain business and industry. Enterprise zone benefits pursuant to Ohio Law may be offered by contract to entities who agree to make a capital investment to create and/or retain jobs. Orrville Job Creation Tax Credit has been established for newly created jobs for companies who qualify. Additionally, the City offers Utility Connection Fee Credits and an Economic Development Electric Rate to encourage capital investment and job creation within the City. All of these programs are administered by the Office of Economic Development.

For more than 100 years, Orrville has built a reputation as a flourishing community with a supportive business climate where major corporations, family businesses, and entrepreneurs can start and grow a business in the midst of strategic U.S. market areas. This long-standing focus on successful enterprises include several nationally prominent companies such as The J. M. Smucker Company, Inc. (1897), The Smith Dairy Company (1909), Schantz Organ Company (1873), The Will-Burt Company (1918), and The Quality Castings Company, Inc. (1933).

In fact, approximately 20 industries have been operating in Orrville since 1970 or earlier, demonstrating a well-established foundation for successful businesses. Today, new industries continue to call Orrville home, and the City's companies currently employ more than 4,000 people, who live primarily in Orrville and the surrounding Wayne County area.

Orrville also offers over 80 commercial business ranging from many fine restaurants, dry cleaners, florists, printing companies, barbers, hair stylists, gas stations, auto parts stores, veterinary clinics and spas, insurance services, chiropractic care, funeral planning, ophthalmology, jewelry stores, plumbing and heating services, roof repairs and renovation, hobby shops, tax preparation, appliance stores, dentists, medical facilities, nursing facilities, retail tire services, furniture, floor coverings, wireless telephone, collision centers, financial services, and numerous banking centers.

Most of the industries located in Orrville provide products that end up all over the state, the region, the country, and basically all over the world. Let me tell you about our most long standing companies and the products they provide.

For more than 110 years the J.M. Smucker Company has been committed to offering consumers quality products that help families create memorable mealtime moments all over the world. Today, Smucker's is the leading marketer and manufacturer of fruit spreads, retail packaged coffee, peanut butter, shortening and oils, ice cream toppings, sweetened condensed milk, and health and natural foods beverages in North America. Those jars of fruit spreads made in Orrville end up creating those mealtime moments in more countries than we can count.

Since 1909, the Smith Dairy Products Company has been committed to producing dairy products of the highest quality. They make many delicious products – from milk and ice cream, cottage cheese and sour cream, to iced tea and juices, dips and punches all with the highest quality, and no compromises. All delivered in packages designed to keep the products fresh. You no doubt recognize the Smith Dairy label when you shop, but don't forget that they are also producing delicious products for other brands and are sometimes "incognito".

Painstaking attention to detail in all aspects of the design, physical layout, tonal composition, construction, installation and tonal finishing ensure that every pipe organ created at the Schantz Organ Company meets their exacting standards. As a musical instrument, a Schantz pipe organ must possess the power and character to thrill and inspire. This can only be accomplished through careful scaling and pipe making followed by meticulous voicing and tonal finishing to tailor each instrument to its unique environment. When completed, the instrument is capable of serving in its myriad roles of accompanying instruments and voices as well as successfully rendering a broad cross section of the literature written for the "King of Instruments." One look at a Schantz Organ and you know you're seeing the best.

In operation since 1933, the Quality Castings Company is a recognized leader in both high-volume and short run production of the finest quality castings available in gray iron and ductile iron. Their experts offer casting engineering assistance to customers. Once the design is finalized their outstanding engineers review the casting processes in every detail in order to meet the customer's specifications at the most economical price. Quality Casting parts and products can be found in construction machinery, compressors & pumps, electric motors, farm machinery, internal combustions engines, water and sewer fittings, axles, brackets, bearings, hubs, crankshafts and transmission to name just a few.

Will-Burt offers a broad array of telescoping masts and Nightscan light towers for fire and rescue professionals. With pneumatic and manual deployment designs, their telescoping masts provide solutions to elevate lights and camera equipment. When you see these on-site radio vans, those emergency lights on trucks, or those telecommunications masts, rest assured that they are being hoisted high by masts made in Orrville. Will-Burt's telescopic mast and tower systems provide intelligent solutions to everything from mobile communications to broadcast, cellular and specific custom applications. Will-Burt masts have helped light the clean up and reconstruction of Ground Zero ever since 9/11, as well as providing services for military applications.

Here's a surprise. Think about colored glass. We're talking about glass bottles, tableware, giftware, containers, architectural glass, and automotive glass. Well, the color in all that glass was made right here in Orrville. Ferro Corporation develops, produces, and markets color stains, glazes, decoration colors, precious metal preparations, and special coating materials for the ceramic industry as well as pigments for the paint and plastic industries. Their color materials enhance the performance of products in electronics, solar energy, telecommunications, pharmaceuticals, building and renovation, appliances, automotive, household furnishings, and industrial markets. Ferro colorants have been used in the production of McDonald's Coca Cola glasses.

This is a small sampling of where Orrville, Ohio manufactured products are distributed: Argentina, Aruba, Australia, Austria, Bahamas, Bahrain, Belgium, Bermuda, Brazil, British Columbia, Bulgaria, Cambodia, Canada, Caribbean Islands, Chile, China, Costa Rica, Croatia, Cyprus, Czechoslovakia, Denmark, Dominica, Dominican Republic, Egypt, El Salvador, England, Europe, Finland, France, Germany, Greece, Guam, Guatemala, Haiti, Hong Kong, India, Indonesia, Israel, Italy, Jamaica, Japan, Jordan, Korea, Kuwait, Latvia, Lebanon, Luxembourg, Malaysia, Mexico, Norway, Pakistan, Panama, Peru, Philippines, Puerto Rico, Qatar, Quebec, Romania, Russia, Saudi Arabia, Scotland, Singapore, South Africa, South America, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, United Arab Emirates, United Kingdom, United States, Uruguay, Venezuela, and Vietnam.

These companies not only provide significant job opportunities to our community, they provide 70 percent of our income tax revenues and you have now learned that products manufactured in Orrville, Ohio end up everywhere in the world.

## *Utilities*

### *Electric*

The Electric Department of Orrville Utilities consists of the electric generating plant, transmission lines, and distribution lines. Started in 1917, the utility is one of only a few communities in Ohio who still generate their power in addition to investments in other long-term generation resources. As a Public Power Utility, the electric department is community-owned and operated at not-for-profit rates.

A concern for our community-owned and operated electric plant is the proposed Boiler Mact Rule which was issued by the EPA in December 2012. The City will continue to monitor all proposed rules but is unsure of the ultimate impact they may have on the electric plant.

The generating station and distribution system provide electricity to over 7,290 customers covering more than 100 square miles in Eastern Wayne County, including Orrville, Marshallville, Dalton, and Kidron areas.



The generation department is supported by 50 professional, technical, skilled maintenance, and operating personnel. In the distribution department, 20 highly trained employees are responsible for maintaining over 300 miles of overhead and underground lines and safely handling voltage systems up to 13,800 volts.

The electric division provides the City's street lighting, telecommunications and other quality services as well as implementing a Utility Reinvestment Program, all of which offer a multitude of services to local businesses and citizens.

The electric utility operated at 46 percent of its capacity this year. The power plant burned 126,899 tons of coal in 2013 at a cost of \$7,874,140.

### ***Wastewater***

The Wastewater Department of Orrville Utilities serves almost 3,000 homes and more than 300 businesses and industries. The collection system includes 3 lift stations and more than 42 miles of sewer mains, ranging in size from 8 to 42 inches in diameter.

Six of the Wastewater Department employees are State Certified Wastewater Plant Operators. The staff operates the wastewater plant, maintains the collection system and performs a wide variety of laboratory duties. The employees have a combined 165 years in the wastewater field and recently celebrated 100 years of service to Orrville.

The sewer facility treated 807 million gallons of sewage during 2013. 91 million gallons of our effluent water was beneficially reused at our power plant. 652 dry tons of residual solids were land applied in 2013 to agricultural fields, returning their nutrients to the soil.

### ***Water***

The Water Department of Orrville Utilities was formed in 1894 to administer a waterworks for the Village of Orrville. With the continued growth in both industry and population, a decision was made to construct a new water treatment plant capable of taking Orrville well into the future.

The \$13 million facility was completed in 1997. The plant is capable of treating 3.7 million gallons per day (MGD), with current usage of 1.8 MGD. The department is frequently recognized for its safe and high quality water and programs.

The raw water is supplied from various wells and continues to produce a high quality of water while meeting or exceeding all EPA requirements. The plant currently serves 3,200 residential customers and 350 industrial and commercial customers.

### ***Education***

One of the key foundations for Orrville's successful industrial activities is in its exceptional educational system at all levels, from preschools through advanced degree and adult education programs. Each year, a significant number of Orrville's students achieve recognition for their scholastic accomplishments, including above-average scores in SATs, ACTs, and Ohio Tests of Scholastic Achievement.

Through the combined efforts of parents, teachers, students, business and community leaders, Orrville's public schools continually attain excellent levels of academic performance and achievement. In the fall of 1991, the Heartland Education Community, Inc. was formed to encourage the participation of the whole community in the educational process. The highly successful program involves volunteers who devote their time and resources to bettering education, with a substantial focus on improving competency and literacy and increasing parental involvement. Ultimately, the project's goal is to foster citizenship, lifelong learning, and productive employment in Orrville. The City received a road sign designating Orrville as a BEST (Building Excellent Schools for Today and the 21st Century) Community.

An enriched, expanded curriculum is available for students with exceptional ability, and Orrville schools feature computer education experiences from 1st through 12th grades. Full and part-time staff assists those with special learning difficulties.

To complement the diverse range of advanced programming and early college placement opportunities with a number of local colleges, the Wayne County Schools Career Center in Smithville offers students 33 vocational programs, from auto mechanics to welding and metal fabrication. In addition, Orrville Public Library represents a priceless community resource, which continues to grow as a member of the regional network and as a member of CLEVNET, a system that gives patrons access to more than a million titles from over two dozen Ohio libraries.

Wayne College, a branch campus of the University of Akron, was founded in 1972 on 160 acres located within the City. Wayne College offers general, technical and continuing education programs. Students choosing general studies may transfer to a four-year college or university after the first two basic years at the campus. Those choosing technical education programs may obtain associate degrees from the University of Akron.

Just outside of Orrville, The College of Wooster, and the OSU Agricultural Technical Institute in Wooster offer a wide selection of options for higher education, from a two-year technical degree to baccalaureate and graduate degrees. In all, 16 institutions of higher learning, covering the spectrum of private and public colleges and universities as well as branch campuses, are located within an hour's drive of Orrville.

### ***Recreational Facilities***

The Orrville Boys and Girls Club provides an ideal place for fun, friendship, and healthy physical endeavors for the children of Orrville. The club features a gymnasium, weight room, and game room as well as art, computer, and learning centers. The Boys and Girls Club sponsors a full range of sports leagues, weekly summer trips and a summer Olympics, sports camps, special interest and educational groups, as well as two service organizations.

Orrville YMCA boasts a large indoor swimming pool, smaller training pool, and a sun deck as well as a full slate of fitness and athletic programs. Residents can take advantage of the YMCA's counseling programs, summer day camp, latchkey program, meeting rooms with catering, and parenting and Head Start classes.

Orr Park is the gem of a five-site City park system. Citizens have their choice of softball and baseball fields, tennis courts, playground equipment, and a new swimming pool with spacious bathhouse. They can also relax and enjoy the parks' picnic facilities or a concert and other entertainment activities at Rehm Performing Arts Pavilion. Citizens enjoyed nine concerts at Rehm Performing Arts Pavilion and four summer movies in 2013, and all events were well attended.

The Orrville area abounds with other recreational opportunities as well, including everything from a bicycling club, radio-controlled and dirt track car racing to bowling, camping, swimming, tennis, and golf. Adults can participate in more than 40 different social clubs and organizations.

### ***Cultural Opportunities***

Should residents desire to seek one of the ample cultural or entertainment diversions offered by the Northeast Ohio region, they are just a one to two hour drive away from such major attractions as the Rock and Roll Hall of Fame and Museum, the NFL Football Hall of Fame, Cedar Point Amusement Park, and The Great Lakes Science Center.

Symphony orchestras in Cleveland and Akron, the Ohio Ballet Troupe, Blossom Music Center, world-class art museums in Cleveland and Akron, the Cleveland Playhouse, Playhouse Square and E.J. Thomas Hall ensure a rich selection of cultural experiences.

The region is also home to a variety of fabulous museums, galleries, theaters, shopping centers, and state parks for outdoor pursuits, including the Cuyahoga Valley National Park, historic Hale Farm and Village, and of course, all of the opportunities available on Lake Erie.

For spectator sports enthusiasts, Northern Ohio is home to the Cleveland Indians, Cavaliers, and Browns as well as a minor league baseball team the Akron RubberDucks, and many collegiate athletic programs throughout the region. You can also enjoy the Columbus Blue Jackets of the National Hockey League and The Crew of Major League Soccer. The area has more golf courses, public and private, per capita than many parts of the U.S., including Akron's Firestone Country Club.

The City's area is 6.13 square miles, broken down by value as follows:

|                       | <b>Percent of<br/>Assessed<br/>Valuation</b> |
|-----------------------|--|
| Residential           | 60.0 %                                       |
| Commercial/Industrial | 40.0   |

Source: County Auditor

### ***City Employees***

The City has 172 full-time employees; and 34 are members of the City's volunteer fire department (who are paid on a per-call basis). The number of full-time employees has remained relatively constant over the past several years. A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining. Some full-time employees are represented by the following bargaining units:

| <b>Bargaining Unit</b>                     | <b>Expiration Date<br/>of Current Agreement</b> | <b>Number of Employees</b> |
|--|---|----------------------------|
| United City Workers                        | December 31, 2015                               | 70                         |
| Ohio Patrolmen's<br>Benevolent Association | December 31, 2015                               | 18                         |

The remaining full-time City employees either are not authorized to join a bargaining unit or have elected not to do so.

City Council by ordinance establishes salary, wages and other economic benefits for City employees, the terms of which are the product of negotiations with representatives of the employees or bargaining units. Increases in economic benefits have been provided on an annual basis. In the judgment of the City, its employee relations have been and are currently considered to be excellent.

### ***Long-Term Financial Planning***

The City prefers to pay for its capital items from the capital improvement fund. However, in November of 2006, an increase of ¼ percent in the municipal income tax rate was defeated by the voters, thus restricting the amount of receipts into the capital improvement fund. The plan at present is to fund major capital expenditures by issuing debt. Economic Development Bonds were issued in 2007 to provide monies for the purchase of land and the development of a new industrial park. No additional governmental debt has been issued since that time.

The City has debt for the Water Utility. Future borrowings are not anticipated for the sewer utility however, borrowing may be required for the electric utility to meet future EPA requirements. The water utility will rely on grants and loans for its future capital projects. All three utilities will be subject to rate increases.

### ***Relevant Financial Policies***

The City has ordinances in place that determine the split of the revenue received from the municipal income tax. The current split is 25 percent to the capital improvement fund and 75 percent to the general fund.

There are also ordinances in place to put a certain portion of cemetery receipts into the cemetery improvement fund. The interest from this fund will be used for cemetery maintenance. A portion of the emergency medical service revenues are placed in the EMS equipment fund to purchase capital items used in the Fire Department for emergency medical service.

An ordinance is also in place to allocate the expenses/expenditures of the Finance, Law, and Personnel Departments among the various enterprise funds and the general fund.

### ***Major Initiatives***

The City and its various utilities have completed a number of projects in 2013.

The Service Department, with the help of grants from the Ohio Public Works Commission and the Community Development Block Grant resurfaced a downtown parking lot and reconstructed Ella Street. In addition, capital proceeds were utilized to widen Schrock Road, finish construction of Raspberry Road, and resurface Lakeview, Magnolia and Primrose.

Major capital purchases in 2013 included a police cruiser, a Ventrac mower, and playground equipment.

We also continued engineering on the Truck Route Project, which started in 2007, and Apple Avenue Loop Road.

Despite the bleak economy surrounding us, organizations located within the City have also completed a number of projects in 2013. The total amount invested in property and capital improvements by the following organizations totaled in excess of \$44.8 million: Orrville City Schools, Venture Products, Orrville Area Boys and Girls Club, Quality Castings, Heartland Point, Market Place Orrville, Serpentine Chevrolet, The University of Akron Wayne College, Aultman Orrville Hospital, Goodwill Industries, The Scotts Company, Will-Burt, JLG, Jarret Logistics, Pickett & Pickett Investments, Spherion Staffing, Dairy Queen, J.M. Smucker Company Store & Café, Treasures and Time, Dunlap Family Physicians, and Smith Orr Homestead.

### ***Awards and Acknowledgements***

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 Orrville for its comprehensive financial report for the fiscal year ended December 31, 2012. This was the twelfth consecutive year that the government has achieved this prestigious award. 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 our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

A special thank you is extended to the members of City Council and the Public Utility Board and to the Administration whose continued support is necessary for the City of Orrville to conform to reporting requirements established for municipal governments. Thanks also to my staff in the finance department for all their assistance and support.

A sincere thank you also to the Local Government Services Section of Auditor of State Dave Yost's Office for their assistance in the organization and final review of our 2013 Comprehensive Annual Financial Report.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Janet L. Strimlan".

Janet L. Strimlan  
Director of Finance

**City of Orrville, Ohio**

*City Officials*

ELECTED OFFICIALS

Mayor .....David T. Handwerk  
President of Council.....Lyle Baker  
Council Member .....Ricardo Aspiras  
Council Member ..... Rich Corfman  
Council Member .....Mike Hamsher  
Council Member ..... Julie Leathers  
Council Member ..... Dennis Miller\*  
Council Member .....Arthur Shupp  
Council Member ..... Paul Vance

\*As of January 1, 2014, this position is held by Travis Wilson.

APPOINTED OFFICIALS

Director of Finance ..... Janet L. Strimlan  
Director of Law.....Cheryl M. Kirkbride  
Director of Public Safety and Service.....Steven M. Wheeler  
Director of Utilities .....Jeff Brediger  
Clerk of Council.....Jeanne Gault

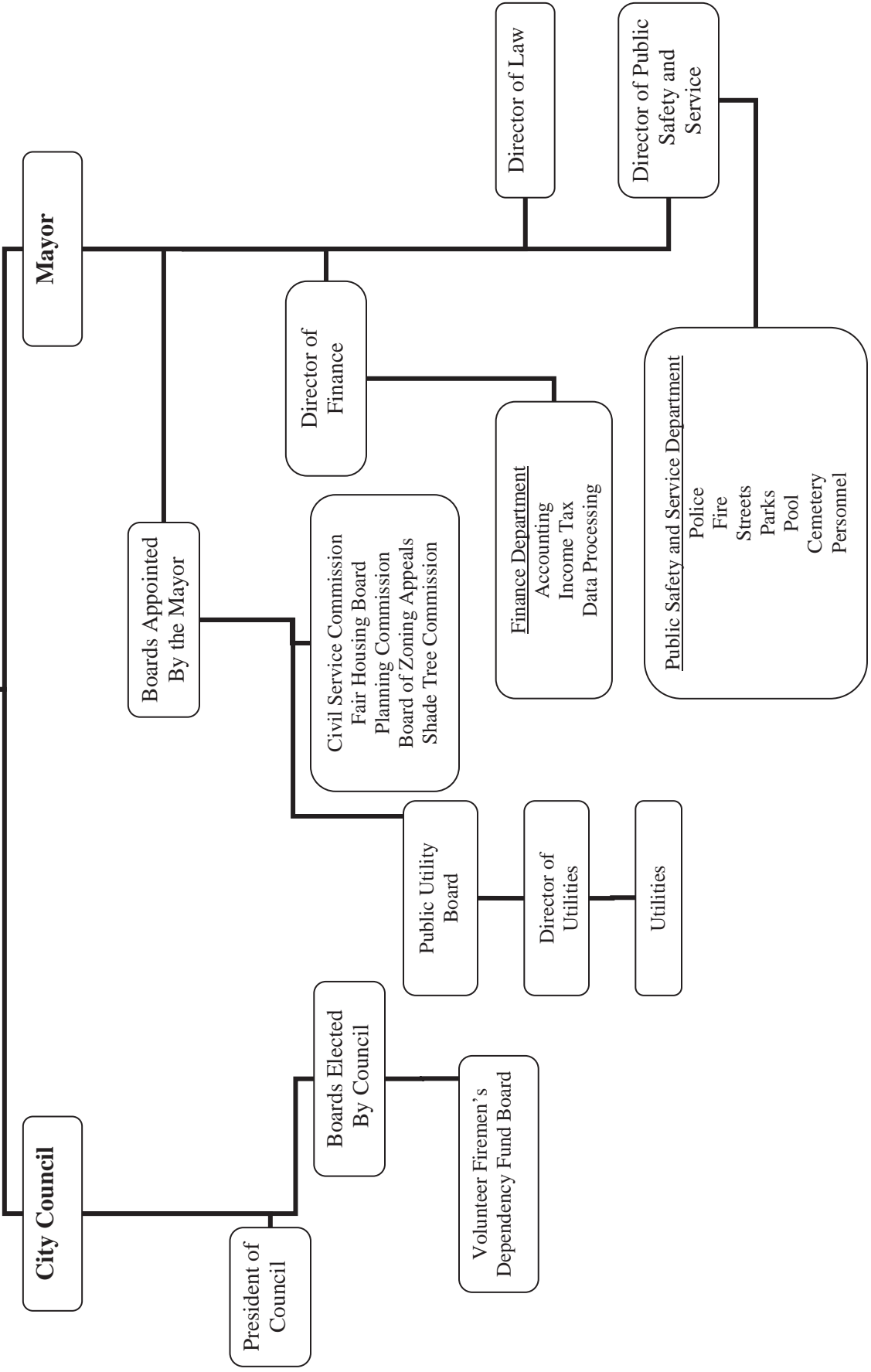
UTILITY BOARD MEMBERS

President of Board.....Jon McGuire\*\*  
Board Member ..... Gary Gossard  
Board Member .....Don McFarlin  
Board Member .....Russell Miller  
Board Member ..... Brad Strausbaugh

\*\*As of January 1, 2014, this position is held by Russell Miller.



**Citizens of Orrville  
(Voters)**





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Orrville**  
**Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

Executive Director/CEO

# **Financial Section**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

City of Orrville  
Wayne County  
207 North Main Street  
Orrville, Ohio 44667

To the Mayor and City Council Members:

### ***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 Orrville, Wayne County, Ohio (the City), as of and for the year ended December 31, 2013, 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 preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### ***Opinion***

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 Orrville, Wayne County, Ohio, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Supplementary and Other Information*

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2014, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 16, 2014

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**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2013*  
*Unaudited*

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The discussion and analysis for the City of Orrville's financial statements provides an overall review of the financial activity of the City for the twelve months ended December 31, 2013. The intent of this discussion is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the transmittal letter and the basic financial statements.

### **Financial Highlights**

Financial highlights for 2013 are as follows:

- Income tax collections were the largest single year of collections in the City's history, on a cash basis, primarily due to increased receipts in employer withholding tax. Overall, local businesses had solid financial performances. Several businesses expanded in the City creating new jobs.
- Expansion of established local businesses also impacted the City's utilities, increasing usage and therefore increasing revenues.
- The City refunded a portion of the Water System Refunding Revenue Bonds, and retired the remaining Water System Refunding Revenue Bonds, which will significantly reduce debt service payments in future years.

### **Using this Annual Financial Report**

This report consists of a series of financial statements and notes to those statements. These statements are prepared and organized in a manner that allows the reader to look at the financial activities of the City of Orrville as a whole. These statements also allow the reader to obtain a more detailed view of the City's operations.

The Statement of Net Position and the Statement of Activities provide summarized information showing the effects of the operations for the year 2013 and how they effected the operations of the City as a whole.

Major 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 dollars remain for future spending. The fund financial statements look at the City's most significant funds with all other nonmajor funds presented in total in one column.

### ***Reporting the City of Orrville as a Whole***

#### *Statement of Net Position and Statement of Activities*

The Statement of Net Position and the Statement of Activities provide summary information concerning the financial position and operations of the City as an entity. They provide a good resource for an overall evaluation of the City's financial performance "on one page." These statements include all assets and all liabilities using the accrual basis of accounting. This method takes into account all revenues when they are earned and all expenses when they are incurred. These transactions are booked as they occur, not when the actual cash is received for revenues or when invoices are paid for expenses.

These two statements report the City's net position and changes in that net position. The change in net position is important since it indicates whether the financial position of the City is improving or declining. However, to properly evaluate the operation of the City, certain non-cash items should be taken into consideration. These items include the current economic situation as a whole, the current tax base for the City and the age and condition of the City buildings and infrastructure.

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2013*  
*Unaudited*

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

- **Governmental Activities** - Most of the City's programs and services are reported here including, general government, police, fire, transportation, public health and welfare and leisure time activities.
- **Business-Type Activities** - These services are provided on a fee basis to recover all of the expenses of the goods or services provided. The City's business-type activities are sewer, electric, and water.

***Reporting on the Most Significant Funds of the City of Orrville***

***Fund Financial Statements***

The fund financial statements begin on page 18. Fund financial reports give a detailed report of the activities within the funds. The City currently has twenty-six funds, as presented in this report. These funds are in existence to provide a multitude of services to the citizens of Orrville. Some funds provide for safety forces, some provide for streets, some provide for electric service, some provide for water service, and some provide for sewer service. Some provide for purchase of capital assets and infrastructure. One even provides health care for the City's employees. Each fund is in some way an entity unto itself. Each fund has a designated revenue stream and restricted uses for the monies within the fund.

In this report, the focus is on five major funds, the general fund, the capital improvements fund, the sewer fund, the electric fund, and the water fund.

***Governmental Funds*** All of the City's major activities (excluding the Utility Department) are reported in the governmental funds. This report shows how monies flow into and out of these funds as well as what balances are available for future expenditures. The accounting method used to report this activity is the modified accrual method. This method reports cash and like-cash items that can be converted into cash. This shows what level of financial resources is available or will be available to provide the services that the general government provides. These services include police and fire protection, as well as improving and maintaining the City's streets, parks, cemeteries, and City hall. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds is reconciled in the financial statements.

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

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

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2013*  
*Unaudited*

**The City of Orrville as a Whole**

The Statement of Net Position provides an overall view of the City. Table 1 shows a summary of the City's net position for 2013 as they compare to 2012.

**Table 1**  
**Net Position**

|                                       | Governmental Activities |                     | Business-Type Activities |                     | Total                |                      |
|---------------------------------------|-------------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
|                                       | 2013                    | 2012                | 2013                     | 2012                | 2013                 | 2012                 |
| <b>Assets</b>                         |                         |                     |                          |                     |                      |                      |
| Current and Other Assets              | \$10,562,079            | \$9,249,040         | \$35,382,913             | \$33,268,068        | \$45,944,992         | \$42,517,108         |
| Capital Assets, Net                   | 44,615,242              | 43,559,333          | 39,053,873               | 41,371,723          | 83,669,115           | 84,931,056           |
| <i>Total Assets</i>                   | <u>55,177,321</u>       | <u>52,808,373</u>   | <u>74,436,786</u>        | <u>74,639,791</u>   | <u>129,614,107</u>   | <u>127,448,164</u>   |
| <b>Deferred Outflows of Resources</b> | <u>0</u>                | <u>0</u>            | <u>0</u>                 | <u>247,010</u>      | <u>0</u>             | <u>247,010</u>       |
| <b>Liabilities</b>                    |                         |                     |                          |                     |                      |                      |
| Current Liabilities                   | 622,753                 | 540,645             | 2,732,133                | 2,692,145           | 3,354,886            | 3,232,790            |
| Long-Term Liabilities:                |                         |                     |                          |                     |                      |                      |
| Due Within One Year                   | 69,339                  | 56,334              | 313,187                  | 739,374             | 382,526              | 795,708              |
| Due in More Than One Year             | 177,822                 | 177,377             | 3,286,736                | 5,402,936           | 3,464,558            | 5,580,313            |
| <i>Total Liabilities</i>              | <u>869,914</u>          | <u>774,356</u>      | <u>6,332,056</u>         | <u>8,834,455</u>    | <u>7,201,970</u>     | <u>9,608,811</u>     |
| <b>Deferred Inflows of Resources</b>  | <u>464,000</u>          | <u>446,500</u>      | <u>0</u>                 | <u>0</u>            | <u>464,000</u>       | <u>446,500</u>       |
| <b>Net Position</b>                   |                         |                     |                          |                     |                      |                      |
| Net Investment in Capital Assets      | 44,596,582              | 43,532,213          | 35,995,830               | 35,863,973          | 80,592,412           | 79,396,186           |
| Restricted for:                       |                         |                     |                          |                     |                      |                      |
| Capital Projects                      | 145,022                 | 147,186             | 0                        | 0                   | 145,022              | 147,186              |
| Debt Service                          | 167,998                 | 178,275             | 0                        | 760,679             | 167,998              | 938,954              |
| Street Repair and Maintenance         | 606,354                 | 491,854             | 0                        | 0                   | 606,354              | 491,854              |
| Law Enforcement and Education         | 18,368                  | 17,799              | 0                        | 0                   | 18,368               | 17,799               |
| Cemetery Maintenance                  | 374,477                 | 353,402             | 0                        | 0                   | 374,477              | 353,402              |
| Replacement and Improvement           | 0                       | 0                   | 0                        | 800,000             | 0                    | 800,000              |
| Unrestricted                          | 7,934,606               | 6,866,788           | 32,108,900               | 28,627,694          | 40,043,506           | 35,494,482           |
| <i>Total Net Position</i>             | <u>\$53,843,407</u>     | <u>\$51,587,517</u> | <u>\$68,104,730</u>      | <u>\$66,052,346</u> | <u>\$121,948,137</u> | <u>\$117,639,863</u> |

Total assets increased from 2012. Current assets were the main contributor for this increase with significant increases in cash balances as well as smaller increases in accounts receivable and intergovernmental receivable. In addition, capital assets decreased as annual depreciation outpaced additions in 2013.

The decrease in liabilities is primarily due to decreases in the long-term liabilities. Both governmental and business-type activities made annual debt payments, but the major decrease in long-term liabilities was for business-type activities. This significant decrease was mainly due to the current refunding of water system refunding revenue bonds previously issued in 2002.

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2013*  
*Unaudited*

Total net position increased, as a result of the increase in current assets and the decrease in long-term liabilities mentioned above.

The City also works hard to increase net position through our investment program. Investment earnings for the City were lower than in 2012. This decrease reflects the decline in interest rates received on investments due to the overall economy.

Table 2 shows the changes in net position for the year ended December 31, 2013, for both our Governmental Activities and our Business-Type Activities.

**Table 2**  
**Change in Net Position**

|                                    | Governmental<br>Activities |                     | Business - Type<br>Activities |                     | Total               |                     |
|------------------------------------|----------------------------|---------------------|-------------------------------|---------------------|---------------------|---------------------|
|                                    | 2013                       | 2012                | 2013                          | 2012                | 2013                | 2012                |
| <b>Revenues</b>                    |                            |                     |                               |                     |                     |                     |
| Program Revenues:                  |                            |                     |                               |                     |                     |                     |
| Charges for Services               | \$1,401,043                | \$962,309           | \$37,583,896                  | \$37,106,393        | \$38,984,939        | \$38,068,702        |
| Operating Grants and Contributions | 605,672                    | 512,274             | 0                             | 0                   | 605,672             | 512,274             |
| Capital Grants and Contributions   | 911,860                    | 432,284             | 0                             | 18,596              | 911,860             | 450,880             |
| <b>Total Program Revenues</b>      | <b>2,918,575</b>           | <b>1,906,867</b>    | <b>37,583,896</b>             | <b>37,124,989</b>   | <b>40,502,471</b>   | <b>39,031,856</b>   |
| General Revenues:                  |                            |                     |                               |                     |                     |                     |
| Property Taxes                     | 397,725                    | 407,917             | 0                             | 0                   | 397,725             | 407,917             |
| Income Taxes                       | 5,849,713                  | 6,132,895           | 0                             | 0                   | 5,849,713           | 6,132,895           |
| Killowatt Per Hour Tax             | 915,131                    | 916,240             | 0                             | 0                   | 915,131             | 916,240             |
| Grants and Entitlements            | 261,887                    | 437,914             | 0                             | 0                   | 261,887             | 437,914             |
| Gain on Sale of Capital Assets     | 0                          | 0                   | 194,281                       | 0                   | 194,281             | 0                   |
| Investment Earnings                | 4,341                      | 24,179              | 106,958                       | 148,673             | 111,299             | 172,852             |
| Other                              | 130,857                    | 383,627             | 607,926                       | 898,385             | 738,783             | 1,282,012           |
| <b>Total General Revenues</b>      | <b>7,559,654</b>           | <b>8,302,772</b>    | <b>909,165</b>                | <b>1,047,058</b>    | <b>8,468,819</b>    | <b>9,349,830</b>    |
| <b>Total Revenues</b>              | <b>\$10,478,229</b>        | <b>\$10,209,639</b> | <b>\$38,493,061</b>           | <b>\$38,172,047</b> | <b>\$48,971,290</b> | <b>\$48,381,686</b> |
| <b>Program Expenses</b>            |                            |                     |                               |                     |                     |                     |
| General Government                 | \$1,256,080                | \$1,524,270         | \$0                           | \$0                 | \$1,256,080         | \$1,524,270         |
| Security of Persons and Property:  |                            |                     |                               |                     |                     |                     |
| Police                             | 2,057,208                  | 2,035,706           | 0                             | 0                   | 2,057,208           | 2,035,706           |
| Fire                               | 601,627                    | 583,869             | 0                             | 0                   | 601,627             | 583,869             |
| Transportation                     | 2,359,161                  | 2,178,927           | 0                             | 0                   | 2,359,161           | 2,178,927           |
| Public Health and Welfare          | 201,826                    | 355,785             | 0                             | 0                   | 201,826             | 355,785             |
| Leisure Time Activities            | 357,702                    | 388,379             | 0                             | 0                   | 357,702             | 388,379             |
| Basic Utility Service              | 432,964                    | 434,596             | 0                             | 0                   | 432,964             | 434,596             |
| Interest and Fiscal Charges        | 40,640                     | 48,529              | 0                             | 0                   | 40,640              | 48,529              |
| Enterprise Operations              | 0                          | 0                   | 37,355,808                    | 38,035,457          | 37,355,808          | 38,035,457          |
| <b>Total Program Expenses</b>      | <b>7,307,208</b>           | <b>7,550,061</b>    | <b>37,355,808</b>             | <b>38,035,457</b>   | <b>44,663,016</b>   | <b>45,585,518</b>   |

(continued)

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2013*  
*Unaudited*

**Table 2**  
**Change in Net Position (continued)**

|  | Governmental Activities |                     | Business - Type Activities |                     | Total                |                      |
|--|-------------------------|---------------------|----------------------------|---------------------|----------------------|----------------------|
|  | 2013                    | 2012                | 2013                       | 2012                | 2013                 | 2012                 |
| Increase (Decrease) in Net Position Before Transfers | 3,171,021               | 2,659,578           | 1,137,253                  | 136,590             | 4,308,274            | 2,796,168            |
| Transfers  | (915,131)               | (916,239)           | 915,131                    | 916,239             | 0                    | 0                    |
| Increase in Net Position                             | 2,255,890               | 1,743,339           | 2,052,384                  | 1,052,829           | 4,308,274            | 2,796,168            |
| Net Position Beginning of Year                       | 51,587,517              | 49,844,178          | 66,052,346                 | 64,999,517          | 117,639,863          | 114,843,695          |
| Net Position End of Year                             | <u>\$53,843,407</u>     | <u>\$51,587,517</u> | <u>\$68,104,730</u>        | <u>\$66,052,346</u> | <u>\$121,948,137</u> | <u>\$117,639,863</u> |

***Governmental Activities***

Funding for governmental activities comes from several different sources, the most significant being the municipal income tax. Other prominent sources are property taxes, grants and entitlements, charges for services, and investment interest. The City also receives money from grants which have limitations on how and where the dollars can be spent.

The City's income tax was established by ordinance to be effective January 1, 1961 at a rate of 0.6 percent. The rate was later increased by resolution to 1 percent effective October 1, 1970. The rate has remained at that level since then. This rate is much lower than the State average for municipalities that have an income tax. The income tax accounted for revenues of \$5,849,713 in 2013. These revenues were split between the general fund and the capital improvements fund with an allocation of 75 percent to the general fund and 25 percent to the capital improvements fund. The allocation percentage is set by resolution and historically has changed from time to time depending on the balances in the two aforementioned funds. The allocation has been 80 - 20 percent, 65 - 35 percent, 60 - 40 percent as well as 70 - 30 percent. This practice of putting a percentage of income tax revenue into the capital improvements fund has been an excellent tool for the City in making capital improvements without the need to issue debt. In the last several years some major projects have been accomplished with monies from the capital improvements fund, such as the repaving of several small streets and the purchase of a new fire truck.

In 2013, many businesses in the City had strong financial performance and some expanded their workforce.

Program revenues for governmental funds increased on a GAAP basis in 2013 due to a road construction project. Both a grant from the State and charges for services revenue from a local company were used to fund the project.

General government expenses decreased in 2013 as compared to 2012. The higher amount in 2012 was due to losses on the disposal of several capital assets.

Transportation represents the largest expense of the governmental activities. These funds are used to maintain the streets and the equipment used for the streets. Transportation expenses increased in 2013 due to an increased emphasis on road maintenance projects and City-wide street clearing during snow events.



**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
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*Unaudited*

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Our Police Department is also funded through the general fund. The Department is a full-time 24-hour a day, 365-days a year Department. The expenses for the Department for the year 2013 were fairly consistent with the prior year's expenses.

Our Fire Department is a part-time department with a full-time Chief. The City is committed to maintaining a very efficient department. Regular meetings, drills, and training sessions are held. The Department's functions include firefighting, emergency medical service including paramedic service, fire prevention education, and investigation. The Department also contracts with surrounding townships to provide firefighting and emergency medical services. The revenues generated by these contracts are reported under the charges for services area. The expenses for the Fire Department were fairly consistent with the prior year's expenses.

***Business-Type Activities***

The City operates a Utility Department that consists of three utilities. The largest from an asset and revenue standpoint is the electric utility. This utility consists of a coal fired generation plant and distribution system that serves the City and surrounding area with reliable and competitively priced power. In 2013, the electric utility sold 302,475,235 KWH of electricity to generate \$32,232,307 in charges for services revenue. They burned 126,899 tons of coal at a cost of \$7,874,140. The overhaul of the Number 10 Turbine Generator was completed in February 2013. The 138kV tie line circuit breaker at the AEP substation was replaced. The EPA mandated Energy Efficiency Program that began in 2011 ended in 2013. The three year program saved Orrville Utility customers \$628,000 per year for a total lifetime savings of \$9.6 million. Residential savings were realized in the form of compact fluorescent light bulbs and new appliance purchase and retirement programs. The greatest savings, however, came from nineteen commercial and industrial customers and was mainly derived from lighting upgrades.

The water utility treated an average of 1.8 million gallons of water per day in 2013. The water plant is the newest of the utility facilities. It was put into service in 1996. The raw water is supplied from various wells and continued to produce a high quality of water while meeting or exceeding all EPA requirements. The plant currently serves approximately 3,200 residential customers and over 350 industrial and commercial customers.

The sewer facility treated 807 million gallons of sewage during 2013. 91 million gallons of our effluent water was beneficially reused at our Power Plant. 652 dry tons of residual solids were land applied in 2013 to agricultural fields, returning their nutrients to the soil. The facility is currently operating at approximately 80 percent of its rated capacity and continues to maintain its operations to assure reliable wastewater collection and treatment for Orrville's residents, businesses and industries.

The revenues and expenses for all three of these utilities are reported under the business-type activities on Table 2. Reviewing this table shows the majority of the City's revenues and expenses flow through the Utility Department. The revenues for the Utility Department come primarily from charges for services. In 2013 this amount accounted for approximately 97.6 percent of the revenues. The increase in the revenues in the utility funds during 2013 was primarily due to the charges for services increases in the sewer fund and the water fund. The increases in charges for services revenues in these funds were due to increases in industrial and commercial usage and penalties compared to 2012. Usage was up due to several local companies increasing production. The revenues and transfers in exceeded total expenses for the utilities, increasing net position \$2,052,384 in the business-type activities.

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2013*  
*Unaudited*

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## **The City's Funds**

Information about the City's governmental funds begins on page 18. These funds are accounted for using the modified accrual method of accounting. The general fund revenues of \$6,502,276 are slightly lower than 2012 revenues, due to decreases in other revenue and intergovernmental revenue. Expenditures of \$4,526,008 are lower than 2012 expenditures, due to decreases in several expenses, including transportation, leisure time activities, and general government, despite an increase in police expense. Although this shows a surplus of \$1,976,268, the true picture is somewhat different. Some of the revenue collected in the general fund is from the collection of the Kilowatt-hour tax that is then passed back through the electric fund by way of a transfer. When these receipts and other transfers are eliminated, the true surplus is \$570,937. The capital improvements fund revenues of \$2,734,016 are larger than in 2012 due to additional grant receipts for street projects. The expenditures of \$2,180,469 are higher than 2012, due to more street projects being completed during 2013. Revenues exceeding expenditures creates a surplus of \$553,547.

Information about the business-type funds starts on page 23. These funds are accounted for on an accrual basis. The sewer fund had operating revenues of \$2,208,260 and operating expenses of \$2,328,229, the electric fund had operating revenues of \$32,798,263 and operating expenses of \$32,032,618 and the water fund had operating revenues of \$3,185,299 and operating expenses of \$2,806,034. As a result, the sewer utility fund reflected an operating loss and the electric and water utility funds had operating income. After non-operating revenues (expenses) and transfers are taken into consideration, the sewer and water funds had decreases in net position, while the electric fund had an increase in net position.

## ***Budgeting Highlights***

The City's budget is prepared according to the laws of the State of Ohio and is based on accounting for certain transactions on a cash basis for receipts, expenditures, and encumbrances. All recommendations for appropriation changes come to Council from the Director of Finance. The Finance Committee of Council reviews them, and makes their recommendations to the Council as a whole.

For the general fund, the original budgeted revenues and the final budgeted revenues were \$4,786,200 and \$5,033,200, respectively. The actual revenues were \$6,578,596. Of this \$1,545,396 difference between final budgeted and actual revenues, most was due to higher than anticipated income tax revenues. The final expenditures of \$4,831,071 compare favorably with the final budget figure of \$5,254,712. The final budget was higher than actual expenditures in every department, due to conservative budgeting by the City's administration.

Strong emphasis is placed on fund balances. The Director of Finance reviews fund balances on a weekly basis. Special attention is paid to the major operating funds, which are the general, the electric, sewer and water funds. Council also receives a monthly report showing fund balance for all funds at the beginning of the year, the change in the balances thus far, and the current fund balance.

Line item reports are reviewed regularly by the Director of Finance to ensure spending is within the legal level of control. The managers and superintendents, as well as the Utility and Safety Service Directors, also monitor their appropriations and fund balances to ensure the entire operation of the City operates within the appropriations.

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2013*  
*Unaudited*

**Capital Assets and Debt Administration**

***Capital Assets***

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

|   | Governmental Activities |                     | Business-Type Activities |                     | Total               |                     |
|---|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
|   | 2013                    | 2012                | 2013                     | 2012                | 2013                | 2012                |
| Land  | \$2,251,068             | \$2,251,068         | \$1,127,503              | \$1,318,307         | \$3,378,571         | \$3,569,375         |
| Construction In Progress                            | 2,443,978               | 1,218,986           | 117,443                  | 0                   | 2,561,421           | 1,218,986           |
| Buildings and Improvements                          | 3,280,661               | 3,366,163           | 8,878,020                | 9,528,512           | 12,158,681          | 12,894,675          |
| Equipment   | 570,141                 | 557,169             | 4,153,091                | 4,571,577           | 4,723,232           | 5,128,746           |
| Vehicles  | 768,677                 | 874,270             | 495,570                  | 516,377             | 1,264,247           | 1,390,647           |
| Electric - Generation/<br>Transmission/Distribution | 0                       | 0                   | 14,394,043               | 14,908,833          | 14,394,043          | 14,908,833          |
| Infrastructure                                      | 35,300,717              | 35,291,677          | 9,888,203                | 10,528,117          | 45,188,920          | 45,819,794          |
| <b>Totals</b>                                       | <b>\$44,615,242</b>     | <b>\$43,559,333</b> | <b>\$39,053,873</b>      | <b>\$41,371,723</b> | <b>\$83,669,115</b> | <b>\$84,931,056</b> |

Total capital assets decreased in 2013, as annual depreciation was higher than additions of new assets during the year. Several projects were begun during 2011, 2012, and 2013 and continued into 2014. These projects are reflected in the construction in progress amounts above and include several street projects, as well as projects in all three utilities.

The City has a formal capital asset policy, which outlines the procedures for purchasing, receiving, and disposing of capital assets. The policy contains forms and includes a tagging process, which was instituted in 2005. For additional information see Note 8 to the basic financial statements.

***Debt***

The following is the outstanding debt for the City of Orrville as of December 31, 2013:

**Table 4**  
**Outstanding Debt at Year End**

|                                    | Governmental Activities |                 | Business-Type Activities |                    | Total              |                    |
|------------------------------------|-------------------------|-----------------|--------------------------|--------------------|--------------------|--------------------|
|                                    | 2013                    | 2012            | 2013                     | 2012               | 2013               | 2012               |
| Special Assessment Bonds           | \$18,660                | \$27,120        | \$0                      | \$0                | \$18,660           | \$27,120           |
| Revenue Bonds                      | 0                       | 0               | 0                        | 3,580,000          | 0                  | 3,580,000          |
| Refunding General Obligation Bonds | 0                       | 0               | 975,000                  | 0                  | 975,000            | 0                  |
| OWDA Loans                         | 0                       | 0               | 0                        | 9,608              | 0                  | 9,608              |
| OPWC Loan                          | 0                       | 0               | 783,042                  | 865,152            | 783,042            | 865,152            |
| Notes                              | 0                       | 0               | 1,300,000                | 1,300,000          | 1,300,000          | 1,300,000          |
| <b>Totals</b>                      | <b>\$18,660</b>         | <b>\$27,120</b> | <b>\$3,058,042</b>       | <b>\$5,754,760</b> | <b>\$3,076,702</b> | <b>\$5,781,880</b> |

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2013*  
*Unaudited*

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The Governmental Activities' only debt is \$18,660 of special assessment bonds, which were issued after our Downtown Improvement Project (Streetscape) was finished and for residential sidewalk installation. The bonds cover the amount of unpaid property owner assessments. The payments on these bonds come from the assessments collected by the County Auditor on property tax duplicates.

The Utility Department carries the vast majority of the debt, which is in the water fund. The water utility has an outstanding bond anticipation general obligation note. This was issued originally in 2007 to call a portion of the Mortgage Revenue Bonds and was due in 2008. In 2008, additional notes were issued to refinance the 2007 note and also to improve the water utility system. These notes were refinanced in 2009, 2010, 2011, 2012, and again in 2013. The water utility also carries two other kinds of debt. Water System Improvement Revenue Bonds were issued in 1994 for the construction of a new treatment plant and then refunded in 2002. These bonds were refunded again in 2013 and are now general obligation bonds. The water utility also has three interest free loans from the OPWC; the oldest is scheduled to be paid off in 2018. The two newest loans which were both issued in 2007 are scheduled to be paid off in 2027 and 2037. The sewer utility had a loan from the Ohio Water Development Authority which was used to defease the original mortgage revenue bonds issued to construct the treatment plant. This loan was paid off in 2013. Total debt service payments for the sewer utility in 2013 were \$10,129, and for the water utility \$5,193,938.

The administration and City Council are both very committed to controlling and managing the debt. Over the last ten years, we have been able to manage the cash balances of the City to a point that debt issuance is not necessary for capital improvement except in extreme cases or instances where it is fiscally better to issue debt rather than spend reserves. For additional information see Note 11 to the basic financial statements.

### **Current Financial Issues**

The City's finances during 2013 reflected a positive outcome. While the majority of the county is attempting recovery from the recession and some still experiencing very trying times, we were fortunate to have companies that were experiencing stability and in some cases growth and expansion. The Office of Economic Development had an excellent year assisting with the expansion of existing industries in Orrville. Although future collections are not certain, income tax revenues were the highest collections in the City's history on a cash basis. The City as a whole operated in a surplus position due to continued controlled spending and strong income tax revenue. The strength of the City was evident, as the services to our citizens remained at a high level. Our street department continued to repair and improve streets and plow snow. Our park system continues to provide a high level of leisure activity for the citizens and visitors of Orrville. Revenues for the utilities are up from 2012 due to increased usage by the City's businesses. The Utility Department continues to review EPA rules which could dramatically impact the future operations of the power plant and could have a significant negative impact on the cost structure. Rate studies are in progress to determine what level of funding will be needed for current and future needs of our utilities. All three utilities continue to provide quality service at a reasonable cost. There were no lay-offs.

The Safety and Services Department operates under a comprehensive plan. This plan is updated every ten years, and provides a structure for development within the City. The plan was updated in 2012. The Safety Service Director, the Mayor, and City Council spent a great deal of time working with a planning consultant and the citizens to develop the plan for the next ten years. The plan deals with Land Use, Economic Development, Transportation, and Community Facilities/Parks and Recreation.

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2013*  
*Unaudited*

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The City continues with its sidewalk improvement plan that requires sidewalks on every street throughout the City. This plan has been very successful to date and will continue until every street within the City has sidewalks. The City also has a long-range street-paving plan, which will result in all curbed streets within the City being either asphalt or concrete.

The Mayor, Directors, and Council work very hard to keep the City's debt low. However, debt may have to be incurred in the future. The majority of routine capital expenditures will continue to come from reserve funds. To complete special projects the City may need to explore the possibility of debt financing. We watch our funds closely and make sure monies are budgeted to provide for proper maintenance of our equipment and facilities. Our superintendents, managers, and directors are all involved in our budget process. Our budget is developed from the bottom up with the emphasis of good stewardship of our ratepayers' and taxpayers' money.

**Contacting the City's Finance Department**

This report is intended to provide our citizens and anyone interested in the financial aspects of the City of Orrville a general overview of our financial operation. If there are questions, please contact the Director of Finance Janet L. Strimlan, City of Orrville, 207 North Main Street, P.O. Box 61, Orrville, Ohio 44667, telephone 330-684-5007 or website at [www.orrville.com](http://www.orrville.com).

**City of Orrville, Ohio**

*Statement of Net Position*

*December 31, 2013*

|  | Governmental<br>Activities | Business-Type<br>Activities | Total                |
|--|----------------------------|-----------------------------|----------------------|
| <b>Assets</b>                              |                            |                             |                      |
| Equity in Pooled Cash and Cash Equivalents | \$6,693,486                | \$25,982,883                | \$32,676,369         |
| Materials and Supplies Inventory           | 78,973                     | 4,182,974                   | 4,261,947            |
| Accrued Interest Receivable                | 3,522                      | 47,279                      | 50,801               |
| Accounts Receivable                        | 615,328                    | 4,498,280                   | 5,113,608            |
| Internal Balances                          | (629,176)                  | 629,176                     | 0                    |
| Intergovernmental Receivable               | 812,299                    | 0                           | 812,299              |
| Prepaid Items                              | 17,839                     | 42,321                      | 60,160               |
| Income Taxes Receivable                    | 2,454,839                  | 0                           | 2,454,839            |
| Property Taxes Receivable                  | 489,366                    | 0                           | 489,366              |
| Special Assessments Receivable             | 25,603                     | 0                           | 25,603               |
| Nondepreciable Capital Assets              | 4,695,046                  | 1,244,946                   | 5,939,992            |
| Depreciable Capital Assets, Net            | 39,920,196                 | 37,808,927                  | 77,729,123           |
| <i>Total Assets</i>                        | <u>55,177,321</u>          | <u>74,436,786</u>           | <u>129,614,107</u>   |
| <b>Liabilities</b>                         |                            |                             |                      |
| Accounts Payable                           | 242,677                    | 1,993,905                   | 2,236,582            |
| Accrued Wages                              | 124,728                    | 164,782                     | 289,510              |
| Intergovernmental Payable                  | 140,606                    | 264,448                     | 405,054              |
| Accrued Interest Payable                   | 14,569                     | 9,310                       | 23,879               |
| Claims Payable                             | 0                          | 91,380                      | 91,380               |
| Vacation Benefits Payable                  | 100,173                    | 208,308                     | 308,481              |
| Long-Term Liabilities:                     |                            |                             |                      |
| Due Within One Year                        | 69,339                     | 313,187                     | 382,526              |
| Due In More Than One Year                  | 177,822                    | 3,286,736                   | 3,464,558            |
| <i>Total Liabilities</i>                   | <u>869,914</u>             | <u>6,332,056</u>            | <u>7,201,970</u>     |
| <b>Deferred Inflows of Resources</b>       |                            |                             |                      |
| Property Taxes                             | 464,000                    | 0                           | 464,000              |
| <b>Net Position</b>                        |                            |                             |                      |
| Net Investment in Capital Assets           | 44,596,582                 | 35,995,830                  | 80,592,412           |
| Restricted for:                            |                            |                             |                      |
| Capital Projects                           | 145,022                    | 0                           | 145,022              |
| Debt Service                               | 167,998                    | 0                           | 167,998              |
| Street Repair and Maintenance              | 606,354                    | 0                           | 606,354              |
| Law Enforcement and Education              | 18,368                     | 0                           | 18,368               |
| Cemetery Maintenance                       | 374,477                    | 0                           | 374,477              |
| Unrestricted                               | 7,934,606                  | 32,108,900                  | 40,043,506           |
| <i>Total Net Position</i>                  | <u>\$53,843,407</u>        | <u>\$68,104,730</u>         | <u>\$121,948,137</u> |

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2013

|                                       | Program Revenues    |  |                                       |                  |
|---------------------------------------|---------------------|--|---------------------------------------|------------------|
|                                       | Expenses            | Charges for<br>Services and<br>Operating Assessments | Operating Grants<br>and Contributions |                  |
| <b>Governmental Activities:</b>       |                     |  |                                       |                  |
| General Government                    | \$1,256,080         | \$145,721  | \$22,141                              | \$0              |
| Security of Persons and Property:     |                     |  |                                       |                  |
| Police                                | 2,057,208           | 17,514   | 0                                     | 0                |
| Fire                                  | 601,627             | 77,582   | 15,000                                | 0                |
| Transportation                        | 2,359,161           | 527,474  | 561,634                               | 911,860          |
| Public Health and Welfare             | 201,826             | 141,024  | 0                                     | 0                |
| Leisure Time Activities               | 357,702             | 74,946   | 6,897                                 | 0                |
| Basic Utility Service                 | 432,964             | 416,782  | 0                                     | 0                |
| Interest and Fiscal Charges           | 40,640              | 0  | 0                                     | 0                |
| <i>Total Governmental Activities</i>  | <u>7,307,208</u>    | <u>1,401,043</u>                                     | <u>605,672</u>                        | <u>911,860</u>   |
| <b>Business-Type Activities:</b>      |                     |  |                                       |                  |
| Sewer                                 | 2,301,197           | 2,197,638  | 0                                     | 0                |
| Electric                              | 31,893,556          | 32,232,307   | 0                                     | 0                |
| Water                                 | 3,161,055           | 3,153,951  | 0                                     | 0                |
| <i>Total Business-Type Activities</i> | <u>37,355,808</u>   | <u>37,583,896</u>                                    | <u>0</u>                              | <u>0</u>         |
| <i>Total - Primary Government</i>     | <u>\$44,663,016</u> | <u>\$38,984,939</u>                                  | <u>\$605,672</u>                      | <u>\$911,860</u> |

**General Revenues**

Property Taxes Levied for  
    General Purposes  
Kilowatt per Hour Taxes Levied for  
    General Purposes  
Income Tax Levied for:  
    General Purposes  
    Capital Outlay  
Grants and Entitlements not Restricted to Specific Programs  
Gain on Sale of Capital Assets  
Investment Earnings  
Other

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

Change in Net Position

*Net Position Beginning of Year*

*Net Position End of Year*

See accompanying notes to the basic financial statements



| Net (Expense) Revenue and Changes in Net Position |                             |                      |
|---|-----------------------------|----------------------|
| Governmental<br>Activities                        | Business-Type<br>Activities | Total                |
| (\$1,088,218)                                     | \$0                         | (\$1,088,218)        |
| (2,039,694)                                       | 0                           | (2,039,694)          |
| (509,045)   | 0                           | (509,045)            |
| (358,193)   | 0                           | (358,193)            |
| (60,802)  | 0                           | (60,802)             |
| (275,859)   | 0                           | (275,859)            |
| (16,182)  | 0                           | (16,182)             |
| (40,640)  | 0                           | (40,640)             |
| <u>(4,388,633)</u>                                | <u>0</u>                    | <u>(4,388,633)</u>   |
| 0   | (103,559)                   | (103,559)            |
| 0   | 338,751                     | 338,751              |
| 0   | (7,104)                     | (7,104)              |
| <u>0</u>  | <u>228,088</u>              | <u>228,088</u>       |
| <u>(4,388,633)</u>                                | <u>228,088</u>              | <u>(4,160,545)</u>   |
| 397,725   | 0                           | 397,725              |
| 915,131   | 0                           | 915,131              |
| 4,214,928   | 0                           | 4,214,928            |
| 1,634,785   | 0                           | 1,634,785            |
| 261,887   | 0                           | 261,887              |
| 0   | 194,281                     | 194,281              |
| 4,341   | 106,958                     | 111,299              |
| 130,857   | 607,926                     | 738,783              |
| 7,559,654   | 909,165                     | 8,468,819            |
| <u>(915,131)</u>                                  | <u>915,131</u>              | <u>0</u>             |
| <u>6,644,523</u>                                  | <u>1,824,296</u>            | <u>8,468,819</u>     |
| 2,255,890   | 2,052,384                   | 4,308,274            |
| <u>51,587,517</u>                                 | <u>66,052,346</u>           | <u>117,639,863</u>   |
| <u>\$53,843,407</u>                               | <u>\$68,104,730</u>         | <u>\$121,948,137</u> |

**City of Orrville, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2013*

|   | General            | Capital<br>Improvements | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|--------------------|-------------------------|--------------------------------|--------------------------------|
| <b>Assets</b>   |                    |                         |                                |                                |
| Equity in Pooled Cash and<br>Cash Equivalents                                 | \$4,186,127        | \$1,096,260             | \$1,411,099                    | \$6,693,486                    |
| Materials and Supplies Inventory  | 78,973             | 0                       | 0                              | 78,973                         |
| Accrued Interest Receivable   | 3,407              | 0                       | 115                            | 3,522                          |
| Accounts Receivable   | 23,426             | 527,458                 | 64,444                         | 615,328                        |
| Intergovernmental Receivable  | 136,005            | 445,000                 | 231,294                        | 812,299                        |
| Prepaid Items   | 17,839             | 0                       | 0                              | 17,839                         |
| Income Taxes Receivable   | 1,841,129          | 613,710                 | 0                              | 2,454,839                      |
| Property Taxes Receivable   | 489,366            | 0                       | 0                              | 489,366                        |
| Special Assessments Receivable  | 0                  | 0                       | 25,603                         | 25,603                         |
| <i>Total Assets</i>   | <u>\$6,776,272</u> | <u>\$2,682,428</u>      | <u>\$1,732,555</u>             | <u>\$11,191,255</u>            |
| <b>Liabilities</b>  |                    |                         |                                |                                |
| Accounts Payable  | \$53,842           | \$138,640               | \$50,195                       | \$242,677                      |
| Accrued Wages   | 111,131            | 0                       | 13,597                         | 124,728                        |
| Intergovernmental Payable   | 120,661            | 0                       | 19,945                         | 140,606                        |
| Accrued Interest Payable  | 0                  | 14,462                  | 0                              | 14,462                         |
| Interfund Payable   | 0                  | 690,000                 | 0                              | 690,000                        |
| <i>Total Liabilities</i>  | <u>285,634</u>     | <u>843,102</u>          | <u>83,737</u>                  | <u>1,212,473</u>               |
| <b>Deferred Inflows of Resources</b>  |                    |                         |                                |                                |
| Property Taxes  | 464,000            | 0                       | 0                              | 464,000                        |
| Unavailable Revenue   | 880,636            | 253,564                 | 190,369                        | 1,324,569                      |
| <i>Total Deferred Inflows of Resources</i>                                    | <u>1,344,636</u>   | <u>253,564</u>          | <u>190,369</u>                 | <u>1,788,569</u>               |
| <b>Fund Balances</b>  |                    |                         |                                |                                |
| Nonspendable  | 96,812             | 0                       | 0                              | 96,812                         |
| Restricted  | 0                  | 0                       | 1,183,988                      | 1,183,988                      |
| Committed   | 0                  | 1,585,762               | 244,358                        | 1,830,120                      |
| Assigned  | 1,860,961          | 0                       | 30,103                         | 1,891,064                      |
| Unassigned  | 3,188,229          | 0                       | 0                              | 3,188,229                      |
| <i>Total Fund Balances</i>  | <u>5,146,002</u>   | <u>1,585,762</u>        | <u>1,458,449</u>               | <u>8,190,213</u>               |
| <i>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</i> | <u>\$6,776,272</u> | <u>\$2,682,428</u>      | <u>\$1,732,555</u>             | <u>\$11,191,255</u>            |

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 December 31, 2013*

|  |                            |
|--|----------------------------|
| <b>Total Governmental Fund Balances</b>  | <b>\$8,190,213</b>         |
| <i>Amounts reported for governmental activities in the<br/>statement of net position are different because</i>   |                            |
| Capital assets used in governmental activities are not financial<br>resources and therefore are not reported in the funds.   | 44,615,242                 |
| Other long-term assets are not available to pay for current-period<br>expenditures and therefore are deferred inflows in the funds:  |                            |
| Delinquent Property Taxes  | \$25,366                   |
| Income Taxes   | 1,014,256                  |
| Grants   | 258,644                    |
| Special Assessments  | 25,603                     |
| Charges for Services   | <u>700</u>                 |
| Total  | 1,324,569                  |
| The accumulated overpayments to the internal service fund.   | 60,824                     |
| Vacation benefits payable is a contractually required benefit not<br>expected to be paid with expendable available financial<br>resources and therefore not reported in the funds. | (100,173)                  |
| In the statement of activities interest is accrued on outstanding bonds,<br>whereas in governmental funds, an interest expenditure is<br>reported when due.                        | (107)                      |
| Long-term liabilities are not due and payable in the current<br>period and therefore are not reported in the funds:  |                            |
| Special Assessment Bonds   | (18,660)                   |
| Compensated Absences   | <u>(228,501)</u>           |
| Total  | <u>(247,161)</u>           |
| <i>Net Position of Governmental Activities</i>   | <u><u>\$53,843,407</u></u> |

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2013*

|   | General            | Capital<br>Improvements | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|--------------------|-------------------------|--------------------------------|--------------------------------|
| <b>Revenues</b>   |                    |                         |                                |                                |
| Property Taxes  | \$431,521          | \$0                     | \$0                            | \$431,521                      |
| Income Taxes  | 4,286,136          | 1,658,521               | 0                              | 5,944,657                      |
| Killowatt Per Hour Tax                                  | 915,131            | 0                       | 0                              | 915,131                        |
| Special Assessments                                     | 0                  | 0                       | 11,556                         | 11,556                         |
| Intergovernmental                                       | 356,673            | 497,961                 | 893,451                        | 1,748,085                      |
| Interest  | 3,979              | 0                       | 362                            | 4,341                          |
| Fines, Licenses and Permits                             | 34,411             | 0                       | 4,905                          | 39,316                         |
| Rentals   | 31,418             | 0                       | 0                              | 31,418                         |
| Charges for Services                                    | 302,285            | 527,474                 | 503,068                        | 1,332,827                      |
| Contributions and Donations                             | 65,291             | 0                       | 6,897                          | 72,188                         |
| Other   | 75,431             | 50,060                  | 5,366                          | 130,857                        |
| <i>Total Revenues</i>                                   | <u>6,502,276</u>   | <u>2,734,016</u>        | <u>1,425,605</u>               | <u>10,661,897</u>              |
| <b>Expenditures</b>                                     |                    |                         |                                |                                |
| Current:  |                    |                         |                                |                                |
| General Government                                      | 1,157,195          | 0                       | 247                            | 1,157,442                      |
| Security of Persons and Property:                       |                    |                         |                                |                                |
| Police  | 2,029,155          | 0                       | 4,136                          | 2,033,291                      |
| Fire  | 467,667            | 0                       | 0                              | 467,667                        |
| Transportation  | 397,852            | 0                       | 853,704                        | 1,251,556                      |
| Public Health and Welfare                               | 182,521            | 0                       | 0                              | 182,521                        |
| Leisure Time Activities                                 | 291,618            | 0                       | 7,129                          | 298,747                        |
| Basic Utility Service                                   | 0                  | 0                       | 432,964                        | 432,964                        |
| Capital Outlay  | 0                  | 2,141,612               | 416,063                        | 2,557,675                      |
| Debt Service:   |                    |                         |                                |                                |
| Principal Retirement                                    | 0                  | 0                       | 8,460                          | 8,460                          |
| Interest and Fiscal Charges                             | 0                  | 38,857                  | 1,831                          | 40,688                         |
| <i>Total Expenditures</i>                               | <u>4,526,008</u>   | <u>2,180,469</u>        | <u>1,724,534</u>               | <u>8,431,011</u>               |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | <u>1,976,268</u>   | <u>553,547</u>          | <u>(298,929)</u>               | <u>2,230,886</u>               |
| <b>Other Financing Sources (Uses)</b>                   |                    |                         |                                |                                |
| Transfers In  | 0                  | 0                       | 490,200                        | 490,200                        |
| Transfers Out   | (1,405,331)        | 0                       | 0                              | (1,405,331)                    |
| <i>Total Other Financing Sources (Uses)</i>             | <u>(1,405,331)</u> | <u>0</u>                | <u>490,200</u>                 | <u>(915,131)</u>               |
| <i>Net Change in Fund Balances</i>                      | 570,937            | 553,547                 | 191,271                        | 1,315,755                      |
| <i>Fund Balances Beginning of Year</i>                  | <u>4,575,065</u>   | <u>1,032,215</u>        | <u>1,267,178</u>               | <u>6,874,458</u>               |
| <i>Fund Balances End of Year</i>                        | <u>\$5,146,002</u> | <u>\$1,585,762</u>      | <u>\$1,458,449</u>             | <u>\$8,190,213</u>             |

See accompanying notes to the basic financial statements

**City of Orrville, 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, 2013*

**Net Change in Fund Balances - Total Governmental Funds** \$1,315,755

*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 Asset Additions   | \$2,476,809        |
| Current Year Depreciation | <u>(1,420,900)</u> |

|       |           |
|-------|-----------|
| Total | 1,055,909 |
|-------|-----------|

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.

|                      |                |
|----------------------|----------------|
| Property Taxes       | (33,796)       |
| Income Taxes         | (94,944)       |
| Grants               | (40,854)       |
| Special Assessments  | (11,556)       |
| Charges for Services | <u>(2,518)</u> |

|       |           |
|-------|-----------|
| Total | (183,668) |
|-------|-----------|

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

8,460

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

48

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      | (21,910)       |
| Vacation Benefits Payable | <u>(2,788)</u> |

|       |          |
|-------|----------|
| Total | (24,698) |
|-------|----------|

The change in the accumulated overpayments to the internal service fund for governmental funds is reported for the year.

84,084

*Change in Net Position of Governmental Activities*

\$2,255,890

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2013*

|                                       | <u>Budgeted Amounts</u> |                    |                    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|--------------------|--------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>       | <u>Actual</u>      |   |
| <b>Revenues</b>                       |                         |                    |                    |   |
| Property Taxes                        | \$393,000               | \$393,000          | \$431,521          | \$38,521  |
| Income Taxes                          | 2,590,000               | 2,894,000          | 4,335,470          | 1,441,470   |
| Kilowatt Per Hour Tax                 | 1,175,000               | 1,175,000          | 915,131            | (259,869)   |
| Intergovernmental                     | 301,500                 | 247,900            | 366,116            | 118,216   |
| Interest                              | 22,500                  | 19,100             | 13,419             | (5,681)   |
| Fines, Licenses and Permits           | 27,500                  | 27,500             | 34,361             | 6,861   |
| Rentals                               | 30,000                  | 30,000             | 31,418             | 1,418   |
| Charges for Services                  | 239,700                 | 239,700            | 310,438            | 70,738  |
| Contributions and Donations           | 6,000                   | 6,000              | 65,291             | 59,291  |
| Other                                 | 1,000                   | 1,000              | 75,431             | 74,431  |
| <i>Total Revenues</i>                 | <u>4,786,200</u>        | <u>5,033,200</u>   | <u>6,578,596</u>   | <u>1,545,396</u>  |
| <b>Expenditures</b>                   |                         |                    |                    |   |
| Current:                              |                         |                    |                    |   |
| General Government                    | 1,236,100               | 1,313,111          | 1,168,772          | 144,339   |
| Security of Persons and Property:     |                         |                    |                    |   |
| Police                                | 1,985,372               | 2,106,732          | 2,063,854          | 42,878  |
| Fire                                  | 527,591                 | 530,711            | 500,967            | 29,744  |
| Transportation                        | 580,480                 | 546,692            | 410,037            | 136,655   |
| Public Health and Welfare             | 190,306                 | 200,706            | 190,429            | 10,277  |
| Leisure Time Activities               | 363,028                 | 364,760            | 305,012            | 59,748  |
| Debt Service:                         |                         |                    |                    |   |
| Principal                             | 150,000                 | 150,000            | 150,000            | 0   |
| Interest and Fiscal Charges           | 42,000                  | 42,000             | 42,000             | 0   |
| <i>Total Expenditures</i>             | <u>5,074,877</u>        | <u>5,254,712</u>   | <u>4,831,071</u>   | <u>423,641</u>  |
| <i>Excess of Revenues</i>             |                         |                    |                    |   |
| <i>Over (Under) Expenditures</i>      | (288,677)               | (221,512)          | 1,747,525          | 1,969,037   |
| <b>Other Financing Uses</b>           |                         |                    |                    |   |
| Transfers Out                         | (1,510,000)             | (1,577,000)        | (1,405,331)        | 171,669   |
| <i>Net Change in Fund Balance</i>     | (1,798,677)             | (1,798,512)        | 342,194            | 2,140,706   |
| <i>Fund Balance Beginning of Year</i> | 3,675,585               | 3,675,585          | 3,675,585          | 0   |
| Prior Year Encumbrances Appropriated  | 61,508                  | 61,508             | 61,508             | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$1,938,416</u>      | <u>\$1,938,581</u> | <u>\$4,079,287</u> | <u>\$2,140,706</u>                                      |

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Funds*  
*December 31, 2013*

|   | Business-Type Activities |                     |                     |                   | Business-Type<br>Activity -<br>Internal Service<br>Fund |
|---|--------------------------|---------------------|---------------------|-------------------|---|
|   | Sewer                    | Electric            | Water               | Total             |   |
| <b>Assets</b>   |                          |                     |                     |                   |   |
| <i>Current Assets:</i>                                    |                          |                     |                     |                   |   |
| Equity in Pooled Cash and Cash Equivalents                | \$2,295,497              | \$20,520,176        | \$2,873,205         | \$25,688,878      | \$294,005   |
| Receivables:  |                          |                     |                     |                   |   |
| Accounts  | 258,175                  | 3,860,964           | 379,141             | 4,498,280         | 0   |
| Accrued Interest  | 33,147                   | 12,870              | 1,140               | 47,157            | 122   |
| Materials and Supplies Inventory                          | 207,838                  | 3,755,655           | 219,481             | 4,182,974         | 0   |
| Prepaid Items   | 8,461                    | 25,399              | 8,461               | 42,321            | 0   |
| Interfund Receivable                                      | 1,630,000                | 940,000             | 0                   | 2,570,000         | 0   |
| <i>Total Current Assets</i>                               | <u>4,433,118</u>         | <u>29,115,064</u>   | <u>3,481,428</u>    | <u>37,029,610</u> | <u>294,127</u>  |
| <i>Non-Current Assets:</i>                                |                          |                     |                     |                   |   |
| Nondepreciable Assets                                     | 153,672                  | 440,086             | 651,188             | 1,244,946         | 0   |
| Depreciable Capital Assets, Net                           | 4,727,351                | 19,517,431          | 13,564,145          | 37,808,927        | 0   |
| <i>Total Non-Current Assets</i>                           | <u>4,881,023</u>         | <u>19,957,517</u>   | <u>14,215,333</u>   | <u>39,053,873</u> | <u>0</u>  |
| <i>Total Assets</i>                                       | <u>9,314,141</u>         | <u>49,072,581</u>   | <u>17,696,761</u>   | <u>76,083,483</u> | <u>294,127</u>  |
| <b>Liabilities</b>  |                          |                     |                     |                   |   |
| <i>Current Liabilities:</i>                               |                          |                     |                     |                   |   |
| Accounts Payable  | 55,870                   | 1,841,889           | 96,146              | 1,993,905         | 0   |
| Accrued Wages   | 19,029                   | 128,379             | 17,374              | 164,782           | 0   |
| Intergovernmental Payable                                 | 31,514                   | 202,947             | 29,987              | 264,448           | 0   |
| Interfund Payable   | 0                        | 0                   | 1,880,000           | 1,880,000         | 0   |
| Compensated Absences Payable                              | 16,589                   | 98,284              | 16,205              | 131,078           | 0   |
| Accrued Interest Payable                                  | 0                        | 0                   | 9,310               | 9,310             | 0   |
| Loans Payable   | 0                        | 0                   | 82,109              | 82,109            | 0   |
| Vacation Benefits Payable                                 | 29,418                   | 155,179             | 23,711              | 208,308           | 0   |
| General Obligation Bonds Payable                          | 0                        | 0                   | 100,000             | 100,000           | 0   |
| Claims Payable  | 0                        | 0                   | 0                   | 0                 | 91,380  |
| <i>Total Current Liabilities</i>                          | <u>152,420</u>           | <u>2,426,678</u>    | <u>2,254,842</u>    | <u>4,833,940</u>  | <u>91,380</u>   |
| <i>Long-Term Liabilities:</i>                             |                          |                     |                     |                   |   |
| Notes Payable (net of current portion)                    | 0                        | 0                   | 1,300,000           | 1,300,000         | 0   |
| Compensated Absences Payable (net of current portion)     | 72,231                   | 257,514             | 81,058              | 410,803           | 0   |
| Loans Payable (net of current portion)                    | 0                        | 0                   | 700,933             | 700,933           | 0   |
| General Obligation Bonds Payable (net of current portion) | 0                        | 0                   | 875,000             | 875,000           | 0   |
| <i>Total Long-Term Liabilities</i>                        | <u>72,231</u>            | <u>257,514</u>      | <u>2,956,991</u>    | <u>3,286,736</u>  | <u>0</u>  |
| <i>Total Liabilities</i>                                  | <u>224,651</u>           | <u>2,684,192</u>    | <u>5,211,833</u>    | <u>8,120,676</u>  | <u>91,380</u>   |
| <b>Net Position</b>                                       |                          |                     |                     |                   |   |
| Net Investment in Capital Assets                          | 4,881,023                | 19,957,517          | 11,157,290          | 35,995,830        | 0   |
| Unrestricted  | 4,208,467                | 26,430,872          | 1,327,638           | 31,966,977        | 202,747   |
| <i>Total Net Position</i>                                 | <u>\$9,089,490</u>       | <u>\$46,388,389</u> | <u>\$12,484,928</u> | <u>67,962,807</u> | <u>\$202,747</u>  |

Some amounts reported for business-type activities in the statement of net position are different because internal service fund assets and liabilities are included with business-type activities.

|   |
|---|
| 141,923   |
| <u>Net position of business-type activities</u> |
| <u>\$68,104,730</u>                             |

See accompanying notes to the basic financial statements



**City of Orrville, Ohio**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2013*

|   | Business-Type             |                            |
|---|---------------------------|----------------------------|
|   | Sewer                     | Electric                   |
| <b>Operating Revenues</b>                       |                           |                            |
| Charges for Services                            | \$2,197,638               | \$32,232,307               |
| Other   | 10,622                    | 565,956                    |
| <i>Total Operating Revenues</i>                 | <u>2,208,260</u>          | <u>32,798,263</u>          |
| <b>Operating Expenses</b>                       |                           |                            |
| Personal Services                               | 1,129,856                 | 6,837,204                  |
| Purchased Services                              | 272,876                   | 2,561,891                  |
| Materials and Supplies                          | 305,119                   | 19,880,546                 |
| Utilities                                       | 17,071                    | 706,294                    |
| Depreciation                                    | 603,307                   | 2,046,683                  |
| Claims  | 0                         | 0                          |
| <i>Total Operating Expenses</i>                 | <u>2,328,229</u>          | <u>32,032,618</u>          |
| <i>Operating Income (Loss)</i>                  | <u>(119,969)</u>          | <u>765,645</u>             |
| <b>Non-Operating Revenues (Expenses)</b>        |                           |                            |
| Interest and Fiscal Charges                     | (388)                     | 0                          |
| Gain on Sale of Capital Assets                  | 0                         | 194,281                    |
| Bond Issuance Costs                             | 0                         | 0                          |
| Interest  | 56,071                    | 46,941                     |
| <i>Total Non-Operating Revenues (Expenses)</i>  | <u>55,683</u>             | <u>241,222</u>             |
| <i>Income (Loss) before Transfers</i>           | (64,286)                  | 1,006,867                  |
| Transfers In                                    | 0                         | 915,131                    |
| <i>Change in Net Position</i>                   | (64,286)                  | 1,921,998                  |
| <i>Net Position (Deficit) Beginning of Year</i> | <u>9,153,776</u>          | <u>44,466,391</u>          |
| <i>Net Position End of Year</i>                 | <u><u>\$9,089,490</u></u> | <u><u>\$46,388,389</u></u> |

Some amounts reported for business-type activities in the statement of activities are different because the net expense of the internal service fund is reported with business-type activities.

Change in net position of business-type activities

See accompanying notes to the basic financial statements

| Activities          |                    | Business-Type<br>Activity -<br>Internal Service<br>Fund |
|---------------------|--------------------|---|
| Water               | Total              |   |
| \$3,153,951         | \$37,583,896       | \$2,164,599   |
| 31,348              | 607,926            | 0   |
| 3,185,299           | 38,191,822         | 2,164,599   |
| 1,102,687           | 9,069,747          | 0   |
| 238,228             | 3,072,995          | 232,450   |
| 589,696             | 20,775,361         | 0   |
| 10,630              | 733,995            | 0   |
| 864,793             | 3,514,783          | 0   |
| 0                   | 0                  | 1,652,203   |
| 2,806,034           | 37,166,881         | 1,884,653   |
| 379,265             | 1,024,941          | 279,946   |
| (329,401)           | (329,789)          | 0   |
| 0                   | 194,281            | 0   |
| (55,000)            | (55,000)           | 0   |
| 3,612               | 106,624            | 334   |
| (380,789)           | (83,884)           | 334   |
| (1,524)             | 941,057            | 280,280   |
| 0                   | 915,131            | 0   |
| (1,524)             | 1,856,188          | 280,280   |
| 12,486,452          |                    | (77,533)  |
| <u>\$12,484,928</u> |                    | <u>\$202,747</u>  |
|                     | <u>196,196</u>     |   |
|                     | <u>\$2,052,384</u> |   |

**City of Orrville, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2013

|  | Business-Type Activities |                     |                    |                     | Business-Type<br>Activities -<br>Internal<br>Service Fund |
|--|--------------------------|---------------------|--------------------|---------------------|---|
|  | Sewer                    | Electric            | Water              | Total               |   |
| <b>Increase (Decrease) in Cash and Cash Equivalents</b>          |                          |                     |                    |                     |   |
| <b>Cash Flows from Operating Activities</b>                      |                          |                     |                    |                     |   |
| Cash Received from Customers                                     | \$2,206,773              | \$32,372,085        | \$3,146,047        | \$37,724,905        | \$0   |
| Cash Received from Transactions<br>with Other Funds              | 0                        | 0                   | 0                  | 0                   | 2,164,599   |
| Other Cash Receipts  | 10,622                   | 565,956             | 29,217             | 605,795             | 0   |
| Cash Payments to Employees for Services                          | (1,095,047)              | (6,703,061)         | (1,070,286)        | (8,868,394)         | 0   |
| Cash Payments for Goods and Services                             | (553,794)                | (22,416,848)        | (817,157)          | (23,787,799)        | (232,450)   |
| Cash Payments for Claims   | 0                        | 0                   | 0                  | 0                   | (1,790,554)   |
| <i>Net Cash Provided by Operating Activities</i>                 | <u>568,554</u>           | <u>3,818,132</u>    | <u>1,287,821</u>   | <u>5,674,507</u>    | <u>141,595</u>  |
| <b>Cash Flows from Noncapital Financing Activities</b>           |                          |                     |                    |                     |   |
| Transfers In   | 0                        | 915,131             | 0                  | 915,131             | 0   |
| <b>Cash Flows from Capital and Related Financing Activities</b>  |                          |                     |                    |                     |   |
| Proceeds from Sale of Notes                                      | 0                        | 0                   | 1,300,000          | 1,300,000           | 0   |
| Interfund Activity - Manuscript Bonds - Water                    | (940,000)                | (940,000)           | (120,000)          | (2,000,000)         | 0   |
| Interfund Activity - Manuscript Bonds - Economic Dev.            | 150,000                  | 0                   | 0                  | 150,000             | 0   |
| Principal Paid on Refunding GO Bonds                             | 0                        | 0                   | (60,000)           | (60,000)            | 0   |
| Interest Paid on Refunding GO Bonds                              | 0                        | 0                   | (14,052)           | (14,052)            | 0   |
| Interest Paid on Mortgage Revenue Bonds                          | 0                        | 0                   | (139,576)          | (139,576)           | 0   |
| Principal Paid on OWDA Loans                                     | (9,608)                  | 0                   | 0                  | (9,608)             | 0   |
| Interest Paid on OWDA Loans                                      | (521)                    | 0                   | 0                  | (521)               | 0   |
| Principal Paid on OPWC Loan                                      | 0                        | 0                   | (82,110)           | (82,110)            | 0   |
| Principal Paid on Notes  | 0                        | 0                   | (1,300,000)        | (1,300,000)         | 0   |
| Interest Paid on Notes   | 0                        | 0                   | (18,200)           | (18,200)            | 0   |
| Proceeds from Disposal of Capital Assets                         | 0                        | 398,475             | 0                  | 398,475             | 0   |
| Payments for Capital Acquisitions                                | (92,513)                 | (1,190,658)         | (120,087)          | (1,403,258)         | 0   |
| <i>Net Cash Used in Capital and Related Financing Activities</i> | <u>(892,642)</u>         | <u>(1,732,183)</u>  | <u>(554,025)</u>   | <u>(3,178,850)</u>  | <u>0</u>  |
| <b>Cash Flows from Investing Activities</b>                      |                          |                     |                    |                     |   |
| Interest on Investments  | 59,613                   | 46,031              | 234,288            | 339,932             | 313   |
| <i>Net Increase (Decrease) in Cash and Cash Equivalents</i>      | <u>(264,475)</u>         | <u>3,047,111</u>    | <u>968,084</u>     | <u>3,750,720</u>    | <u>141,908</u>  |
| <i>Cash and Cash Equivalents Beginning of Year</i>               | <u>2,559,972</u>         | <u>17,473,065</u>   | <u>1,905,121</u>   | <u>21,938,158</u>   | <u>152,097</u>  |
| <i>Cash and Cash Equivalents End of Year</i>                     | <u>\$2,295,497</u>       | <u>\$20,520,176</u> | <u>\$2,873,205</u> | <u>\$25,688,878</u> | <u>\$294,005</u>  |

(continued)

**City of Orrville, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
For the Year Ended December 31, 2013

|   | Business-Type Activities |                    |                    |                    | Business-Type<br>Activities -<br>Internal<br>Service Fund |
|---|--------------------------|--------------------|--------------------|--------------------|---|
|   | Sewer                    | Electric           | Water              | Total              |   |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b> |                          |                    |                    |                    |   |
| Operating Income (Loss)   | (\$119,969)              | \$765,645          | \$379,265          | \$1,024,941        | \$279,946   |
| Adjustments:  |                          |                    |                    |                    |   |
| Depreciation  | 603,307                  | 2,046,683          | 864,793            | 3,514,783          | 0   |
| (Increase) Decrease in Assets:  |                          |                    |                    |                    |   |
| Accounts Receivable   | 9,135                    | 139,778            | (7,904)            | 141,009            | 0   |
| Prepaid Items   | (416)                    | (1,263)            | (416)              | (2,095)            | 0   |
| Materials and Supplies Inventory  | 14,953                   | 616,461            | 10,013             | 641,427            | 0   |
| Increase (Decrease) in Liabilities:   |                          |                    |                    |                    |   |
| Accounts Payable  | 26,790                   | 116,762            | 9,712              | 153,264            | 0   |
| Accrued Wages   | 2,855                    | 18,202             | 918                | 21,975             | 0   |
| Vacation Benefits Payable   | 3,720                    | 26,834             | 5,087              | 35,641             | 0   |
| Compensated Absences Payable  | 28,775                   | 95,318             | 30,238             | 154,331            | 0   |
| Intergovernmental Payable   | (596)                    | (6,288)            | (3,885)            | (10,769)           | 0   |
| Claims Payable  | 0                        | 0                  | 0                  | 0                  | (138,351)   |
| <i>Net Cash Provided by Operating Activities</i>  | <u>\$568,554</u>         | <u>\$3,818,132</u> | <u>\$1,287,821</u> | <u>\$5,674,507</u> | <u>\$141,595</u>  |

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*December 31, 2013*

|  | Private Purpose<br>Trust |          |
|--|--------------------------|----------|
|  | Cemetery<br>Memorial     | Agency   |
| <b>Assets</b>                              |                          |          |
| Equity in Pooled Cash and Cash Equivalents | \$4,156                  | \$61,396 |
| <b>Liabilities</b>                         |                          |          |
| Deposits Held and Due to Others            | 0                        | \$61,396 |
| <b>Net Position</b>                        |                          |          |
| Held in Trust for Cemetery                 | 129                      |          |
| Endowments                                 | 4,027                    |          |
| <i>Total Net Position</i>                  | \$4,156                  |          |

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Changes in Fiduciary Net Position*  
*Fiduciary Fund*  
*For the Year Ended December 31, 2013*

|                                       | Private-Purpose<br>Trust |
|---------------------------------------|--------------------------|
|                                       | Cemetery<br>Memorial     |
| <b>Additions</b>                      |                          |
| Interest                              | \$4                      |
| <b>Deductions</b>                     |                          |
| Materials and Supplies                | 100                      |
| <i>Change in Net Position</i>         | (96)                     |
| <i>Net Position Beginning of Year</i> | 4,252                    |
| <i>Net Position End of Year</i>       | \$4,156                  |

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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**Note 1 - Description of the City and Reporting Entity**

The City of Orrville (the City) is a home rule municipal corporation established under the laws of the State of Ohio. The City operates under its own Charter made effective January 1, 1976. The Charter, as amended, provides for a Council-Mayor form of government. Four council members are elected from wards for four year terms. The Mayor, President of Council and three council members are elected by separate ballot from the municipality at large for four-year terms. The Mayor may veto any legislation passed by the Council. In addition to establishing City policies, Council is responsible for passing ordinances, adopting the budget, and appointing boards and commissions. The Mayor is responsible for carrying out the policies and ordinances of Council, for overseeing the day-to-day operations of the City and for appointing the heads of the various City departments.

***Reporting Entity***

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. The primary government provides the following services to its citizens: police and fire/emergency medical services protection, parks and recreation, building inspection, street maintenance and repairs, water, electric, sewer and refuse collection. Council has direct responsibility for these activities.

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; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organizations. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The City has no component units.

**Note 2 - Summary of Significant Accounting Policies**

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

***Basis of Presentation***

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

***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 activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.



**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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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 governmental program or business activity is self-financing or draws from the general revenues of the City.

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

***Fund Accounting***

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

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

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

***Capital Improvements Fund*** The capital improvement fund accounts for and reports that portion of municipal income tax designated by Council for the purpose of improving, constructing, maintaining, and purchasing those items necessary to enhance the operation of the City.

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

***Proprietary Funds*** Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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

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

**Electric Fund** The electric fund accounts for the provision of electric power service to the residents and commercial users located within the City.

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

**Internal Service Fund** The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund reports on a self-insurance program for employee health and dental benefits.

**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's only trust fund is a private-purpose trust fund established to account for funds given by individuals with the interest specifically designated to be used for the decoration of individually named graves. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency fund accounts for utility line installation deposits and deposits held for the use of recreation facilities.

**Measurement Focus**

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

**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 and current liabilities and deferred inflows generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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***Basis of Accounting***

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

***Revenues - Exchange and Nonexchange 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 year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days of year-end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the 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 and motor vehicle license fees), fines and forfeitures, interest, grants 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 recognized as an outflow of resources (expense/expenditure) until then.

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 revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2013, but which were levied to finance fiscal year 2014 operations. These amounts have been recorded as a deferred inflow 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 and intergovernmental grants. These amounts are deferred and recognized as an inflow 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.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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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.

***Cash and Cash Equivalents***

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Interest in the pool is presented as “equity in pooled cash and cash equivalents”.

During 2013, investments were limited to Federal Home Loan Bank Notes, Federal Farm Credit Bank Bonds and STAR Ohio, the State Treasurer’s Investment Pool.

Investments are reported at fair value which is based on quoted market prices.

STAR Ohio is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s net asset value per share, which is the price the investment could be sold for on December 31, 2013.

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the general fund, state highway and performing arts special revenue funds, the special assessment bond retirement debt service fund, the park improvement capital projects fund, the employee self-insurance internal service fund, the cemetery memorial private-purpose trust fund, and the sewer, electric, and water enterprise funds. Interest revenue credited to the general fund during 2013 amounted to \$3,979 which includes \$1,288 assigned from other City funds.

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

***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2013, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

***Inventory***

Inventories are presented at cost on a weighted average basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption.

***Capital Assets***

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of one thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

| Description                                     | Governmental<br>Activities<br>Estimated Lives | Business-Type<br>Activities<br>Estimated Lives |
|---|---|--|
| Buildings and Improvements                      | 15-40 years                                   | 20-45 years                                    |
| Equipment                                       | 5-10 years                                    | 6-20 years                                     |
| Vehicles  | 10 years                                      | 5 years  |
| Electric - Generation/Transmission/Distribution | N/A   | 30-65 years                                    |
| Infrastructure                                  | 60 years                                      | 30-65 years                                    |

The City's reported infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, and water and sewer lines and includes infrastructure acquired prior to December 31, 1980.

***Interfund Balances***

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables." Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

***Compensated Absences***

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. The City records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service. Since the City's policy limits the accrual of vacation time to one year from the employee's anniversary date, the outstanding liability is recorded as "vacation benefits payable" on the statement of net position rather than as a long-term liability.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination payments and those the City has identified as probable of receiving payment in the future (those employees who will be eligible to receive termination payments within the next ten years). The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy.



**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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***Accrued Liabilities and Long-Term Obligations***

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

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

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

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

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by the highest level of formal action (ordinance or resolution, as both are equally legally binding) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. 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.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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**Assigned** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter, ordinance or State statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance to cover a gap between estimated revenue and appropriations in the 2014 appropriated budget.

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit fund balance.

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

***Net Position***

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

***Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for electric, sewer treatment and water services and self-insurance programs. 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.

***Internal Activity***

Transfers between governmental and business type activities on the government-wide statements are reported in the same manner as general revenue. Transfers between governmental activities are eliminated on the governmental-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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

***Estimates***

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

***Budgetary Process***

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the personal services and other object level within each fund. For the personal service object level the Director of Finance has been authorized to allocate and maintain appropriations within each department. For the other object level the Director of Finance has been authorized to allocate appropriations within each department and any object level maintained on the books, other than personal services.

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

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

**Note 3 – Change in Accounting Principles**

For 2013, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 61, "The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34." GASB Statement No. 61 modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, the display of component units' presentation, and certain disclosure requirements. The implementation of this statement did not result in any change in the City's financial statements.



**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2013

**Note 4 – 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 government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

| Fund Balances              | General            | Capital<br>Improvements | Other<br>Governmental<br>Funds | Total              |
|----------------------------|--------------------|-------------------------|--------------------------------|--------------------|
| <u>Nonspendable:</u>       |                    |                         |                                |                    |
| Inventory                  | \$78,973           | \$0                     | \$0                            | \$78,973           |
| Prepays                    | 17,839             | 0                       | 0                              | 17,839             |
| <i>Total Nonspendable</i>  | 96,812             | 0                       | 0                              | 96,812             |
| <u>Restricted for:</u>     |                    |                         |                                |                    |
| Police Department          | 0                  | 0                       | 18,368                         | 18,368             |
| Cemetery Maintenance       | 0                  | 0                       | 374,477                        | 374,477            |
| Debt Service Retirement    | 0                  | 0                       | 142,502                        | 142,502            |
| Street Maintenance         | 0                  | 0                       | 502,344                        | 502,344            |
| Community Development      | 0                  | 0                       | 113,868                        | 113,868            |
| Grants                     | 0                  | 0                       | 32,429                         | 32,429             |
| <i>Total Restricted</i>    | 0                  | 0                       | 1,183,988                      | 1,183,988          |
| <u>Committed to:</u>       |                    |                         |                                |                    |
| Capital Improvements       | 0                  | 1,585,762               | 0                              | 1,585,762          |
| Solid Waste Management     | 0                  | 0                       | 41,655                         | 41,655             |
| Fire and EMS Department    | 0                  | 0                       | 197,797                        | 197,797            |
| Performing Arts            | 0                  | 0                       | 4,906                          | 4,906              |
| <i>Total Committed</i>     | 0                  | 1,585,762               | 244,358                        | 1,830,120          |
| <u>Assigned to:</u>        |                    |                         |                                |                    |
| 2014 Appropriations        | 1,812,451          | 0                       | 0                              | 1,812,451          |
| Purchases on Order         | 42,698             | 0                       | 0                              | 42,698             |
| Other Purposes             | 5,812              | 0                       | 27,835                         | 33,647             |
| Park Improvements          | 0                  | 0                       | 2,268                          | 2,268              |
| <i>Total Assigned</i>      | 1,860,961          | 0                       | 30,103                         | 1,891,064          |
| Unassigned                 | 3,188,229          | 0                       | 0                              | 3,188,229          |
| <b>Total Fund Balances</b> | <b>\$5,146,002</b> | <b>\$1,585,762</b>      | <b>\$1,458,449</b>             | <b>\$8,190,213</b> |

**Note 5 - Budgetary Basis of Accounting**

While the City is reporting financial position, results of operations and changes in fund balance/net position on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than restricted, committed, or assigned fund balance (GAAP).
4. Investments are reported at fair value (GAAP) rather than cost (budget basis).
5. Budgetary revenues and expenditures of the parking meter fund are reclassified to the general fund for GAAP Reporting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

| Net Change in Fund Balance                       |           |
|--|-----------|
| GAAP Basis                                       | \$570,937 |
| Net Adjustment for Revenue Accruals              | 67,927    |
| Perspective Difference:                          |           |
| Parking Meter                                    | 1,620     |
| Beginning Fair Value Adjustments for Investments | 12,871    |
| Ending Fair Value Adjustments for Investments    | (4,478)   |
| Net Adjustment for Expenditure Accruals          | (210,633) |
| Encumbrances                                     | (96,050)  |
| Budget Basis                                     | \$342,194 |

**Note 6 - Deposits and Investments**

The City is a charter City and has adopted an investment policy through City Ordinance. The City has elected to follow the provision of State statute. State statutes classify monies held by the City into three categories.

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

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement exceeds the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligation of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and,
8. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

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

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which is no default of principle, interest or coupons; and
3. Obligations of the City.

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
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Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, the carrying amount of the City's deposits was \$21,864,696 and the bank balance was \$22,357,133. Of the bank balance \$18,751,380 was covered by Federal depository insurance and the remaining \$3,605,753 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging or financial institution's trust department or agent.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**Investments**

As of December 31, 2013, the City had the following investments:

|                                | Fair Value          | Investment<br>Maturities (in Years) |                    |                    |
|--------------------------------|---------------------|-------------------------------------|--------------------|--------------------|
|                                |                     | Less                                |                    |                    |
|                                |                     | Than 1                              | 1-2                | 2-3                |
| Federal Home Loan Bank Notes   | \$2,002,230         | \$0                                 | \$2,002,230        | \$0                |
| Federal Farm Credit Bank Bonds | 1,999,010           | 0                                   | 0                  | 1,999,010          |
| STAR Ohio                      | 6,875,985           | 6,875,985                           | 0                  | 0                  |
| Total Portfolio                | <u>\$10,877,225</u> | <u>\$6,875,985</u>                  | <u>\$2,002,230</u> | <u>\$1,999,010</u> |

**Interest Rate Risk** As a means of limiting its exposure to fair value losses caused by rising interest rates, the City purchases all investments with the intention to hold them until maturity. The City also generally limits security purchases to those that mature within five years of the settlement date.

**Credit Risk** for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All investments of the City carry a rating of AA+ by Standard & Poor's, except for STAR Ohio which carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk.

**Custodial Credit Risk** for an investment is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Federal Home Loan Bank Notes and the Federal Farm Credit Bank Bonds are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty. The City has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee.

**City of Orrville, Ohio**  
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**Concentration of Credit Risk** is defined as having five percent or more of the City's investments invested in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but only states that the investments should be distributed as evenly as possible among the various instruments and institutions. The following is the City's allocation as of December 31, 2013:

| Investment Issuer              | Percentage of Investments |
|--------------------------------|---------------------------|
| Federal Home Loan Bank Notes   | 18.41%                    |
| Federal Farm Credit Bank Bonds | 18.38                     |

**Note 7 - Receivables**

Receivables at December 31, 2013, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from grants, entitlements and shared revenues, special assessments, accrued interest on investments and accounts (billings for utility service). All allowances for uncollectibles represent estimates of uncollectible receivables in the accounts receivable classification. Taxes, intergovernmental, special assessments and interest receivable are deemed collectible in full. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

|               | Accounts<br>Receivable | Allowance for<br>Uncollectibles | Net Accounts<br>Receivable |
|---------------|------------------------|---------------------------------|----------------------------|
| Governmental  | \$615,345              | \$17                            | \$615,328                  |
| Business-Type | 4,499,551              | 1,271                           | 4,498,280                  |

Special assessments expected to be collected in more than one year amount to \$9,630 in the Special Assessment Bond Retirement Fund. The amount of delinquent special assessments outstanding at year-end is \$5,263.

**Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2013 for real and public utility property taxes represents collections of 2012 taxes.

2013 real property taxes were levied after October 1, 2013, on the assessed value as of January 1, 2013, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2013 real property taxes are collected in and intended to finance 2014.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2013 public utility property taxes which became a lien December 31, 2012, are levied after October 1, 2013, and are collected in 2014 with real property taxes.

**City of Orrville, Ohio**  
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The full tax rate for all City operations for the year ended December 31, 2013, was \$2.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2013 property tax receipts were based are as follows:

|                         |               |
|-------------------------|---------------|
| Real Property           | \$171,876,810 |
| Public Utility Property | 697,760       |
| Total                   | \$172,574,570 |

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2013, and for which there was an enforceable legal claim. In governmental funds, the portion of receivable not levied to finance 2013 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

***Income Taxes***

The City levies a one percent income tax on substantially all income earned within the City. In addition, City residents employed in municipalities having an income tax less than one percent must pay the difference to the City of Orrville. Additional increases in the income tax rate require voter approval. Employers within the City withhold income tax on employee compensation and remit at least quarterly. Corporations and other individual taxpayers pay estimated taxes quarterly and file an annual declaration.

The City's income tax ordinance requires twenty-five percent of the income tax revenues to be used to finance governmental and business-type capital improvements. As a result, this portion of the revenue is allocated to the capital improvements capital projects fund each year. The remaining income tax proceeds are to be used to pay the cost of administering the tax, general fund operations, capital improvements, debt service and other governmental functions when needed, as determined by Council. In 2013, the proceeds were allocated to the general fund and the capital improvements fund.

***Intergovernmental Receivables***

A summary of intergovernmental receivables follows:

|                                      | Amount    |
|--------------------------------------|-----------|
| <b>Governmental Activities</b>       |           |
| State of Ohio Grant                  | \$445,000 |
| Gasoline Tax                         | 153,164   |
| Local Government                     | 105,970   |
| Auto Regulation                      | 72,527    |
| Homestead and Rollback               | 25,085    |
| Solid Waste District Recycling Grant | 4,950     |
| Permissive Motor Vehicle Tax         | 4,703     |
| ODOT Grant                           | 900       |
| Total                                | \$812,299 |

**City of Orrville, Ohio**  
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For the Year Ended December 31, 2013

**Note 8 - Capital Assets**

Capital asset activity for the year ended December 31, 2013, was as follows:

|   | Balance<br>12/31/12 | Additions            | Deductions         | Balance<br>12/31/13 |
|---|---------------------|----------------------|--------------------|---------------------|
| <b>Governmental Activities</b>                  |                     |                      |                    |                     |
| Capital Assets, not being Depreciated:          |                     |                      |                    |                     |
| Land  | \$2,251,068         | \$0                  | \$0                | \$2,251,068         |
| Construction in Progress                        | 1,218,986           | 1,224,992            | 0                  | 2,443,978           |
| Total Capital Assets, not being Depreciated     | <u>3,470,054</u>    | <u>1,224,992</u>     | <u>0</u>           | <u>4,695,046</u>    |
| Capital Assets, being Depreciated               |                     |                      |                    |                     |
| Buildings and Improvements                      | 7,558,510           | 91,230               | 0                  | 7,649,740           |
| Equipment                                       | 2,616,108           | 141,942              | (39,026)           | 2,719,024           |
| Vehicles  | 3,201,461           | 30,320               | (63,648)           | 3,168,133           |
| Infrastructure                                  | 54,665,596          | 988,325              | 0                  | 55,653,921          |
| Total Capital Assets, being Depreciated         | <u>68,041,675</u>   | <u>1,251,817</u>     | <u>(102,674)</u>   | <u>69,190,818</u>   |
| Less Accumulated Depreciation:                  |                     |                      |                    |                     |
| Buildings and Improvements                      | (4,192,347)         | (176,732)            | 0                  | (4,369,079)         |
| Equipment                                       | (2,058,939)         | (128,970)            | 39,026             | (2,148,883)         |
| Vehicles  | (2,327,191)         | (135,913)            | 63,648             | (2,399,456)         |
| Infrastructure                                  | (19,373,919)        | (979,285)            | 0                  | (20,353,204)        |
| Total Accumulated Depreciation                  | <u>(27,952,396)</u> | <u>(1,420,900) *</u> | <u>102,674</u>     | <u>(29,270,622)</u> |
| Total Capital Assets, being Depreciated, net    | <u>40,089,279</u>   | <u>(169,083)</u>     | <u>0</u>           | <u>39,920,196</u>   |
| Governmental Activities Capital Assets, Net     | <u>\$43,559,333</u> | <u>\$1,055,909</u>   | <u>\$0</u>         | <u>\$44,615,242</u> |
| <b>Business-Type Activities</b>                 |                     |                      |                    |                     |
| Capital Assets, not being Depreciated:          |                     |                      |                    |                     |
| Land  | \$1,318,307         | \$13,390             | (\$204,194)        | \$1,127,503         |
| Construction In Progress                        | 0                   | 117,443              | 0                  | 117,443             |
| Total Capital Assets, not being Depreciated     | <u>1,318,307</u>    | <u>130,833</u>       | <u>(204,194)</u>   | <u>1,244,946</u>    |
| Capital Assets, being Depreciated               |                     |                      |                    |                     |
| Buildings and Improvements                      | 21,857,912          | 35,824               | 0                  | 21,893,736          |
| Equipment                                       | 12,526,998          | 499,338              | (16,071)           | 13,010,265          |
| Vehicles  | 2,041,104           | 45,916               | (13,214)           | 2,073,806           |
| Electric - Generation/Transmission/Distribution | 64,175,262          | 635,602              | 0                  | 64,810,864          |
| Infrastructure                                  | 27,941,549          | 55,745               | 0                  | 27,997,294          |
| Total Capital Assets, being Depreciated         | <u>128,542,825</u>  | <u>1,272,425</u>     | <u>(29,285)</u>    | <u>129,785,965</u>  |
| Less Accumulated Depreciation:                  |                     |                      |                    |                     |
| Buildings and Improvements                      | (12,329,400)        | (686,316)            | 0                  | (13,015,716)        |
| Equipment                                       | (7,955,421)         | (915,693)            | 13,940             | (8,857,174)         |
| Vehicles  | (1,524,727)         | (66,723)             | 13,214             | (1,578,236)         |
| Electric - Generation/Transmission/Distribution | (49,266,429)        | (1,150,392)          | 0                  | (50,416,821)        |
| Infrastructure                                  | (17,413,432)        | (695,659)            | 0                  | (18,109,091)        |
| Total Accumulated Depreciation                  | <u>(88,489,409)</u> | <u>(3,514,783)</u>   | <u>27,154</u>      | <u>(91,977,038)</u> |
| Total Capital Assets, being Depreciated, net    | <u>40,053,416</u>   | <u>(2,242,358)</u>   | <u>(2,131)</u>     | <u>37,808,927</u>   |
| Business-Type Activities Capital Assets, Net    | <u>\$41,371,723</u> | <u>(\$2,111,525)</u> | <u>(\$206,325)</u> | <u>\$39,053,873</u> |



**City of Orrville, Ohio**  
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\* Depreciation expense was charged to governmental activities as follows:

|                                   |             |
|-----------------------------------|-------------|
| General Government                | \$94,211    |
| Security of Persons and Property: |             |
| Police                            | 31,117      |
| Fire                              | 149,072     |
| Transportation                    | 1,069,119   |
| Public Health and Welfare         | 18,471      |
| Leisure Time Activities           | 58,910      |
| Total Depreciation Expense        | \$1,420,900 |

**Note 9 - Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2013, the City contracted with several companies for various types of insurance as follows:

| Company  | Type of Coverage  | Coverage      |
|--|---|---------------|
| EMC Insurance                                      | Commercial Property                                     | \$154,329,831 |
|  | Auto Liability  | 1,000,000     |
|  | General Liability                                       | 1,000,000     |
|  | Umbrella Liability                                      | 10,000,000    |
|  | Public Officials Liability                              | 1,000,000     |
|  | Boiler and Machinery                                    | 146,118,766   |
| Selective Insurance                                | Commercial Property (\$500 deductible)                  | 15,008,068    |
|  | Commercial General Liability:                           |               |
|  | General Aggregate Limit (Other Than Products)           | 2,000,000     |
|  | Products - Completed Operations (Aggregate)             | 2,000,000     |
|  | Personal and Advertising Injury Limit                   | 1,000,000     |
|  | Each Occurrence Limit                                   | 1,000,000     |
|  | Business Automobile Liability                           | 1,000,000     |
|  | Employer's Liability (Stop Gap)                         | 1,000,000     |
|  | Employee Benefits:                                      |               |
|  | Aggregate Limit   | 2,000,000     |
| Per Claim Limit (\$1,000 deductible each employee) | 1,000,000   |               |
|  | Commercial Umbrella Liability Coverage                  | 5,000,000     |
| Scottsdale Insurance                               | Police Professional Liability                           | 1,000,000     |
| Travelers Insurance                                | Computer Fraud - Single Loss (\$25,000 retention)       | 1,000,000     |
|  | Funds Transfer Fraud - Single Loss (\$25,000 retention) | 1,000,000     |
|  | Employee Theft - Single Loss (\$25,000 retention)       | 1,000,000     |

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

The City participates in the Ohio Rural Water Association (ORWA) Ohio Bureau of Workers Compensation Group-Experience Rating Program for workers' compensation. The intent of the ORWA Group Rating Program is to achieve the benefit of a reduced premium for the participants, foster safe working environments and foster cost-effective claims management skills by virtue of its grouping and



**City of Orrville, Ohio**  
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representation with other participants in the ORWA. The workers' compensation experience of the participating agencies is calculated as one experience and a common premium rate is applied to all agencies participating in the ORWA Group. Each participant pays its workers' compensation premium to the State based on the rate for the ORWA rather than its own individual rate. Participation in the ORWA Group is limited to agencies that can meet the ORWA's selection criteria. The firm of Comp Management is the third party administrator of the ORWA Group providing administrative, cost control, and actuarial services to the ORWA Group.

The City manages employee health benefits on a self-insured basis. The employee health benefit plan provides basic health and dental coverage through AultCare, the third party administrator of the program, which reviews and pays the claims. A specific excess loss coverage (stop-loss) insurance policy covers claims in excess of \$50,000 per employee, per year. The family/employee plus one/single premiums were \$1,395.86/\$898.86/\$428.36 for medical and \$100.00/\$64.00/\$31.00 for dental, respectively. AultCare charges the City a medical administration fee of \$30.95/\$19.65/\$9.45 per family/employee plus one/single per month and a dental administration fee of \$3.41/\$2.16/\$1.08 per family/employee plus one/single per month.

The claims liability of \$91,380 reported in the self-insurance fund at December 31, 2013, is estimated by the third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustments expenses and does not include other allocated or unallocated claim adjustment expenses. Management's expectation is the claims liabilities will be paid within one year.

Changes in the internal services funds' claims liability amounts in the last two years follows:

|      | Balance at<br>Beginning<br>of Year | Current<br>Year<br>Claims | Claim<br>Payments | Balance<br>at End<br>of Year |
|------|------------------------------------|---------------------------|-------------------|------------------------------|
| 2012 | \$108,013                          | \$1,876,128               | \$1,754,410       | \$229,731                    |
| 2013 | 229,731                            | 1,652,203                 | 1,790,554         | 91,380                       |

**Note 10 - Contingent Liabilities**

***Litigation***

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

***Federal and State Grants***

The City participates in several Federal and State assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2013, the audits of certain of these programs have not been completed. Such 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, the City believes such disallowance, if any, would be immaterial.

**City of Orrville, Ohio**  
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**Note 11 - Long-Term Debt**

| Debt Issue   | Interest Rate | Original Issue Amount | Date of Maturity |
|--|---------------|-----------------------|------------------|
| <b>Governmental Activities</b>                         |               |                       |                  |
| Street Improvement Special Assessment - 2000           | 6.75%         | \$95,170              | December 1, 2015 |
| <b>Business-Type Activities</b>                        |               |                       |                  |
| OPWC Water System Improvement Loan - 1999              | 0.00          | 1,208,853             | July 1, 2018     |
| OPWC Water System Improvement Loan - 2007 A            | 0.00          | 500,000               | January 1, 2038  |
| OPWC Water System Improvement Loan - 2007 B            | 0.00          | 100,000               | January 1, 2028  |
| OWDA Sewer Improvement Loan - 1972                     | 5.50          | 157,361               | July 1, 2013     |
| Water Utility Project Note - 2012                      | 0.65          | 1,300,000             | April 18, 2013   |
| Water Utility Project Note - 2013                      | 0.55          | 1,300,000             | April 17, 2014   |
| Water System Refunding Revenue Bonds - 2002            | 1.90-4.75     | 8,135,000             | December 1, 2018 |
| Water System Refunding General Obligation Bonds - 2013 | 2.125         | 1,035,000             | December 1, 2022 |

A schedule of changes in bonds and other long-term obligations of the City during 2013 follows:

|  | Amount Outstanding<br>12/31/12 | Additions          | Deletions          | Amount Outstanding<br>12/31/13 | Amounts Due in<br>One Year |
|--|--------------------------------|--------------------|--------------------|--------------------------------|----------------------------|
| <b>Governmental Activities</b>         |                                |                    |                    |                                |                            |
| <u>Special Assessment Bonds</u>        |                                |                    |                    |                                |                            |
| <u>with Governmental Commitment</u>    |                                |                    |                    |                                |                            |
| 2000 Street Improvement                | \$27,120                       | \$0                | \$8,460            | \$18,660                       | \$9,030                    |
| Compensated Absences                   | 206,591                        | 21,910             | 0                  | 228,501                        | 60,309                     |
| <b>Total Governmental Activities</b>   | <b>\$233,711</b>               | <b>\$21,910</b>    | <b>\$8,460</b>     | <b>\$247,161</b>               | <b>\$69,339</b>            |
| <b>Business-Type Activities</b>        |                                |                    |                    |                                |                            |
| <b>OPWC Water System</b>               |                                |                    |                    |                                |                            |
| Improvement Loan - 1999                | \$362,653                      | \$0                | \$60,443           | \$302,210                      | \$60,442                   |
| Improvement Loan - 2007 A              | 424,999                        | 0                  | 16,667             | 408,332                        | 16,667                     |
| Improvement Loan - 2007 B              | 77,500                         | 0                  | 5,000              | 72,500                         | 5,000                      |
| <b>Total OPWC Water System</b>         | <b>865,152</b>                 | <b>0</b>           | <b>82,110</b>      | <b>783,042</b>                 | <b>82,109</b>              |
| OWDA Sewer Improvement Loan            | 9,608                          | 0                  | 9,608              | 0                              | 0                          |
| <b>Total OWDA Loans</b>                | <b>9,608</b>                   | <b>0</b>           | <b>9,608</b>       | <b>0</b>                       | <b>0</b>                   |
| Water Utility Project Note .65% - 2012 | 1,300,000                      | 0                  | 1,300,000          | 0                              | 0                          |
| Water Utility Project Note .55% - 2013 | 0                              | 1,300,000          | 0                  | 1,300,000                      | 0                          |
| <b>Total Long-Term Notes</b>           | <b>1,300,000</b>               | <b>1,300,000</b>   | <b>1,300,000</b>   | <b>1,300,000</b>               | <b>0</b>                   |
| Water System Refunding G.O. Bonds      | 0                              | 1,035,000          | 60,000             | 975,000                        | 100,000                    |
| <u>Mortgage Revenue Bonds</u>          |                                |                    |                    |                                |                            |
| Water System Refunding Revenue Bonds   | 3,580,000                      | 0                  | 3,580,000          | 0                              | 0                          |
| Compensated Absences                   | 387,550                        | 158,613            | 4,282              | 541,881                        | 131,078                    |
| <b>Total Business-Type Activities</b>  | <b>\$6,142,310</b>             | <b>\$2,493,613</b> | <b>\$5,036,000</b> | <b>\$3,599,923</b>             | <b>\$313,187</b>           |

The Special Assessment Bonds will be paid with special assessment revenue. The Special Assessment bond issues are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt. The OPWC loans will be paid from the water fund.

**City of Orrville, Ohio**  
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On April 17, 2013, the City issued Water Utility Project Notes to retire the 2012 Water Utility Project Notes. The notes mature on April 17, 2014. The notes are bond anticipation notes and are backed by the full faith and credit of the City.

The City had pledged future revenues to repay the Ohio Water Development Authority Sewer Improvement Loan. The loan was payable solely from net revenues. Principal and interest paid for the current year were \$10,129, total net revenues were \$539,409 and total revenues were \$2,264,331. The loan was paid off in 2013.

Compensated absences will be paid from the general fund, the gas tax special revenue fund and the sewer, electric and water enterprise funds.

***Revenue Bonds***

In 2002, the City issued \$8,135,000 in Water System Refunding Revenue Bonds. The refunded bonds are considered defeased. The serial bonds were issued with interest rates varying from 1.90 percent to 4.75 percent. The bonds maturing after December 1, 2013 were subject to early redemption, at the sole option of the City, either in whole on any date or in part on any interest payment date, on or after December 1, 2012, in multiples of \$5,000, at the following redemption prices plus accrued interest:

| <u>Redemption Dates</u>                    | <u>Redemption Prices</u> |
|--|--------------------------|
| December 1, 2012 through November 30, 2013 | 101 percent              |
| December 1, 2013 and thereafter            | 100 percent              |

In 2013, the City issued general obligation bonds in the amount of \$1,035,000 to currently refund water system revenue bonds previously issued in 2002. The City also redeemed the remainder of the 2002 Water System Refunding Revenue Bonds. The current refunding was undertaken to lower interest costs. The bonds were issued for a nine-year period with final maturity on December 1, 2022, and have an interest rate of 2.125 percent. The bonds will be retired through the water enterprise fund.

|                          | 2002<br>Water System Refunding Revenue Bonds |
|--------------------------|--|
| Outstanding at           |  |
| December 31, 2012        | \$3,580,000                                  |
| Amount Refunded          | (1,035,000)                                  |
| Refunding Bonds Redeemed | (2,545,000)                                  |
| Outstanding at           |  |
| December 31, 2013        | \$0  |

The proceeds of the refunding bond and cash were deposited in an irrevocable trust with an escrow agent to provide for the optional redemption on April 27, 2013 of \$3,580,000 of the outstanding 2002 water system refunding revenue bonds so as to discharge and satisfy the obligations of the City

The City decreased its aggregated debt service payments by \$789,898 over the next nine years and obtained an economic gain (difference between the present value of the old and new debt service payments) of \$153,491.

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The City has pledged future revenues to repay the Ohio Public Works Commission Water Systems Loans. The loans are payable solely from net revenues and are payable through 2038. Annual principal payments on the loans are expected to require less than 7 percent of net revenues and less than 3 percent of total revenues. The total principal remaining to be paid on the loans is \$783,042. Principal paid for the current year was \$82,110, total net revenues were \$1,247,670 and total revenues were \$3,188,911.

As of December 31, 2013, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$17,145,330 and the unvoted legal debt margin was \$8,516,601. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2013 are as follows:

| Year Ending<br>December 31 | Governmental Activities     |          |         |
|----------------------------|-----------------------------|----------|---------|
|                            | Special<br>Assessment Bonds |          |         |
|                            | Principal                   | Interest |         |
|                            | 2014                        | \$9,030  | \$1,260 |
| 2015                       | 9,630                       | 650      |         |
| Total                      | \$18,660                    | \$1,910  |         |

| Year Ending<br>December 31 | Business-Type Activities        |  |           |
|----------------------------|---------------------------------|--|-----------|
|                            | Ohio Public<br>Works Commission | Water System<br>General Obligation Refunding |           |
|                            | Principal                       | Principal                                    | Interest  |
|                            | 2014                            | \$82,109                                     | \$100,000 |
| 2015                       | 82,109                          | 100,000                                      | 18,594    |
| 2016                       | 82,109                          | 105,000                                      | 16,469    |
| 2017                       | 82,109                          | 105,000                                      | 14,237    |
| 2018                       | 82,109                          | 110,000                                      | 12,007    |
| 2019-2023                  | 108,333                         | 455,000                                      | 24,330    |
| 2024-2028                  | 105,833                         | 0  | 0         |
| 2029-2033                  | 83,333                          | 0  | 0         |
| 2034-2038                  | 74,998                          | 0  | 0         |
| Total                      | \$783,042                       | \$975,000                                    | \$106,356 |

***Industrial Revenue Bonds***

The City authorized the issuance of industrial development revenue bonds for two commercial entities. The aggregate outstanding principal amount was \$5,570,932 at December 31, 2013. The City is not obligated in any way to pay debt charges on the bonds from any of its funds, and therefore they have been excluded entirely from the City's debt presentation. There has not been and is not any condition of default under the bonds or the related financing documents.

***American Municipal Power Generating Station Project***

The City is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The City's share was 6,000 kilowatts of a total 666,679 kilowatts, giving the City a 0.90 percent share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were

**City of Orrville, Ohio**  
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*For the Year Ended December 31, 2013*

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therefore deemed *impaired* and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. As a result of a March 2014 legal ruling, the AMP Board of Trustees approved the collection of the impaired costs and provided the participants with an estimate of their liability. The City's estimated share of the impaired costs is \$1,022,461. The City received a credit of \$1,022,461 related to participation in the AMP Freemont Energy Center (AFEC) Project, and another credit of \$271,349 related to the AMPGS costs deemed to have future benefit for the project participants, leaving a net impaired cost estimate of (\$271,349). However, the credits cannot cause the City's balance to be less than zero. Thus, the City is not reporting a liability related to the AMPGS Project. Any additional costs (including legal fees) or amounts received related to the project could impact the City's balance.

### **Note 12 - Compensated Absences**

City employees earn vacation leave at varying rates based upon length of service, from one to five weeks per year. Vacation is required to be taken within one year of the date it is earned. In the event of a termination of employment, death, or retirement, employees (or their estates) are paid for unused vacation leave. Outstanding unused vacation is reflected as vacation benefits payable on the statement of net position.

City employees earn sick leave at the rate of eight hours per each month worked. Sick leave accrual is limited to 1,440 hours for employees hired prior to January 1, 2007 and is limited to 960 hours for employees hired subsequent to January 1, 2007. In the case of death or retirement, employees (or the employees' estates) are paid a maximum of 960 hours of accumulated, unused sick leave.

From time to time, employees may need, with prior approval from their supervisors, to work overtime. These overtime hours will usually be paid at the appropriate overtime rate; however, with permission of the supervisor, an employee may have the option of taking the overtime in compensatory time at one and one half times the amount of hours worked. In the event of termination of employment, death, or retirement, employees (or their estates) are paid for unused compensatory time.

### **Note 13 – Defined Benefit Pension Plans**

#### ***Ohio Public Employees Retirement System***

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in state and local divisions. For the year ended December 31, 2013, members in state and local divisions contributed 10 percent of covered payroll. Members in the state and local divisions may participate in all three plans. For 2013, member and employer contribution rates were consistent across all three plans.

The City's 2013 contribution rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. For 2013, the portion of employer contributions allocated to health care was 1.0 percent for members in the Traditional Plan and the Combined Plan. Effective January 1, 2014, the portion of employer contributions allocated to health care increased to 2.0 percent. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012, and 2011 were \$1,055,776, \$810,859, and \$793,551, respectively. For 2013, 82.79 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011. Contributions to the Member-Directed Plan for 2013 were \$46,786 made by the City and \$33,419 made by plan members.

***Ohio Police and Fire Pension Fund***

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

Funding Policy – Employer and employee contribution rates are set by the Ohio Revised Code. From January 1, 2013, through July 1, 2013, plan members were required to contribute 10 percent of their annual covered salary. From July 2, 2013, through December 31, 2013, plan members were required to contribute 10.75 percent of their annual covered salary. Throughout 2013, employers were required to contribute 19.5 percent for police officers and 24 percent for firefighters.

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. For January 1, 2013, through May 31, 2013, the portion of employer contributions used to fund pension benefits was 14.81 percent of covered payroll for police officers and 19.31 percent of covered payroll for firefighters. For June 1, 2013, through December 31, 2013, the portion of employer contributions used to fund pension benefits was 16.65 percent of covered payroll for police officers and 21.15 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters pension were \$156,451 and \$18,267 for the year ended December 31, 2013, \$116,448 and \$14,753 for the year ended December 31, 2012, and \$112,028 and \$13,802 for the year ended December 31, 2011, respectively. For 2013, 86.92 percent for police and 80.51 percent for firefighters has been contributed with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.



**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
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***Social Security***

As of December 31, 2013, the City's part-time firefighters are covered by Social Security rather than OP&F. The employees' liability is 6.2 percent of wages paid.

**Note 14 – Postemployment Benefits**

***Ohio Public Employees Retirement System***

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, state and local employers contributed at a rate of 14.0 percent of covered payroll. This is the maximum employer contribution rate permitted by the Ohio Revised Code.

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. For 2013, the portion of employer contributions allocated to health care for members in the Traditional Plan and the Combined Plan was 1.0 percent. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2.0 percent for both plans, as recommended by the OPERS Actuary.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
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The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$81,214, \$324,344, and \$317,420, respectively. For 2013 82.79 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

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

***Police and Firemen's Disability and Pension Fund***

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required by Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements 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 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 January 1, 2013, through May 31, 2013, the employer contribution allocated to the health care plan was 4.69 percent of covered payroll. For June 1, 2013, through December 31, 2013, the employer contribution allocated to the health care plan was 2.85 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 Sections 115 and 401(h).



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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$35,624 and \$3,241 for the year ended December 31, 2013, \$61,649 and \$5,773 for the year ended December 31, 2012, and \$59,309 and \$5,401 for the year ended December 31, 2011. For 2013, 86.92 percent has been contributed for police and 80.51 percent has been contributed for firefighters with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

**Note 15 - Interfund Transfers and Balances**

*Interfund Transfers*

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

\$476,494 and \$13,706 was transferred from the general fund to the gas tax motor vehicle license and solid waste services special revenue funds, respectively, to supplement the funds available for maintaining City streets and for solid waste services. \$915,131 was transferred from the general fund, giving the electric enterprise fund the kilowatt per hour taxes.

*Interfund Balances*

The capital improvements major capital projects fund and the water major enterprise fund had interfund payable balances of \$690,000 and \$1,880,000, respectively, and the sewer and electric major enterprise funds had interfund receivable balances of \$1,630,000 and \$940,000, respectively, due to the issuance of manuscript bonds.

\$690,000 of the manuscript bonds are economic development bonds that were issued on August 1, 2007, at 5.00 percent. These bonds are due on August 1, 2017, and were used for the development of a new industrial park. The manuscript bonds were issued by the City and purchased by the sewer fund as an investment. Principal and interest requirements to retire the economic development manuscript bonds outstanding at December 31, 2013, are as follows:

|       | <u>Economic Development Bonds</u> |                 |
|-------|-----------------------------------|-----------------|
|       | <u>Principal</u>                  | <u>Interest</u> |
| 2014  | \$160,000                         | \$34,500        |
| 2015  | 170,000                           | 26,500          |
| 2016  | 175,000                           | 18,000          |
| 2017  | <u>185,000</u>                    | <u>9,250</u>    |
| Total | <u>\$690,000</u>                  | <u>\$88,250</u> |

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2013

\$1,880,000 in manuscript bonds are utility refunding bonds that were issued on April 17, 2013, at 2.125 percent. These bonds are due on December 1, 2022, and were used to refund a portion of the water system refunding revenue bonds that had been issued in 2002. These manuscript bonds were issued by the water fund and purchased by the sewer and electric funds as investments. Principal and interest requirements to retire the utility refunding manuscript bonds outstanding at December 31, 2013, are as follows:

|           | Utility Refunding Bonds |           |
|-----------|-------------------------|-----------|
|           | Principal               | Interest  |
| 2014      | \$190,000               | \$39,950  |
| 2015      | 195,000                 | 35,913    |
| 2016      | 200,000                 | 31,769    |
| 2017      | 205,000                 | 27,519    |
| 2018      | 210,000                 | 23,163    |
| 2019-2022 | 880,000                 | 47,069    |
| Total     | \$1,880,000             | \$205,383 |

**Note 16 – Donor Restricted Endowments**

The City’s private purpose trust fund includes donor restricted endowments. Endowments, in the amount of \$4,027, represent the principal portion. The amount of interest on donor restricted investments that is available for expenditures by the City is \$129 and is included as held in trust for cemetery. State law permits the City to appropriate, for purposes consistent with the endowment’s intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise. The endowments indicate that the interest should be used for the decoration of specifically named graves.

**Note 17 – Significant Commitments**

*Contractual Commitments*

At December 31, 2013, the various projects within the City had contractual commitments consisting of the following:

| Project                               | Contract<br>Amount | Amount<br>Paid | Remaining<br>on Contract |
|---------------------------------------|--------------------|----------------|--------------------------|
| Apple Ave. Engineering                | \$196,000          | \$85,800       | \$110,200                |
| Blower Building/General Plant Upgrade | 55,000             | 39,600         | 15,400                   |
| Ella Street Reconstruction            | 781,801            | 713,130        | 68,671                   |
| Lakeview, Primrose & Magnolia         | 531,065            | 240,052        | 291,013                  |
| Raspberry Road Construction           | 862,452            | 819,329        | 43,123                   |
| Raspberry Road Engineering            | 124,000            | 121,436        | 2,564                    |
| Software                              | 25,000             | 8,820          | 16,180                   |
| Truck Route Engineering               | 1,543,414          | 1,306,687      | 236,727                  |
| Total                                 | \$4,118,732        | \$3,334,854    | \$783,878                |

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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***Encumbrances***

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year or soon thereafter were as follows:

|                      |                    |
|----------------------|--------------------|
| General              | \$96,050           |
| Capital Improvements | 349,809            |
| Sewer                | 193,397            |
| Electric             | 1,179,685          |
| Water                | 92,924             |
| Nonmajor funds       | 122,954            |
| Total                | <u>\$2,034,819</u> |

**Note 18 – Subsequent Event**

On April 17, 2014, the City issued \$1,100,000 in bond anticipation notes to retire the 2013 Water Utilities Project Notes. The notes mature on April 17, 2015, and have an interest rate of .55 percent.

## **Combining and Individual Fund Statements and Schedules**

### **Fund Descriptions – Nonmajor Governmental Funds**

#### *Nonmajor Special Revenue Funds*

Special revenue funds are used 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.

***Gas Tax Motor Vehicle License Fund*** - Required by the Ohio Revised Code to account for and report State gasoline tax and motor vehicle registration fees restricted for maintenance of streets within the City.

***State Highway Fund*** - Required by the Ohio Revised Code to account for and report State gasoline tax and motor vehicle registration fees restricted for maintenance of State highways within the City.

***Permissive Motor Vehicle License Fund*** - To account for and report the City's share of the restricted motor vehicle license tax levied by the City.

***Solid Waste Fund*** - To account for and report committed revenues received from citizens for the City's solid waste collection service.

***Law Enforcement Fund*** - To account for and report restricted monies received from the sale or disposition of seized contraband. Expenditures from this fund are made for law enforcement purposes.

***Enforcement and Education Fund*** - To account for and report fines imposed under Section 4511.99 (A) of the Ohio Revised Code. These monies are restricted to pay costs incurred in enforcing Section 4511.19 of the Ohio Revised Code, and to educate the public about the laws against and the dangers of operating a motor vehicle while under the influence of alcohol.

***Cemetery Maintenance Fund*** - To account for and report monies restricted for cemetery services and used for the upkeep and beautification of the cemetery.

***Permissive Fund*** - To account for and report restricted permissive tax revenue collected by the City.

***Emergency Medical Service Equipment Fund*** - To account for and report committed revenue received from EMS transportation services and used for the purchase of EMS materials and supplies.

***Performing Arts Fund*** - To account for and report donations committed for performing arts activities in the City.

***Continuing Professional Training Grant Fund*** - To account for and report State reimbursements restricted for police officer training.

(continued)

## **Fund Descriptions – Nonmajor Governmental Funds (continued)**

***Parking Meter Fund*** - To account for and report assigned parking fees collected from City parking meters. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

### ***Nonmajor Debt Service Funds***

The debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal interest.

***General Obligation Bond Retirement Fund*** - To account for and report tax levies that are restricted for the repayment of general obligation bonds of the City.

***Special Assessment Bond Retirement Fund*** - To account for and report the collection of special assessments levied against benefited properties restricted for the payment of special assessment bonds and related interest.

### ***Nonmajor Capital Projects Funds***

Capital projects funds are used 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.

***Park Improvement Fund*** - To account for and report monies assigned for the purpose of improving existing park and recreation facilities.

***Recreation and Park Fund*** - To account for and report monies assigned for new capital facilities built within the City's parks and recreation facilities.

***Grants Fund*** - To account for and report grant monies received from the Ohio Public Works Commission plus City matching funds. Expenditures are restricted to specific street projects within the City.

***Community Development Block Grant Fund*** - To account for and report federal grant monies restricted for various capital projects of the City.

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2013*

|   | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Debt<br>Service<br>Funds | Nonmajor<br>Capital<br>Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|---|--------------------------------------|--|--|
| <b>Assets</b>   |   |                                      |  |  |
| Equity in Pooled Cash and<br>Cash Equivalents                                 | \$1,091,210                             | \$142,434                            | \$177,455                                | \$1,411,099                                |
| Accrued Interest Receivable   | 47                                      | 68                                   | 0  | 115  |
| Accounts Receivable   | 64,444                                  | 0                                    | 0  | 64,444                                     |
| Intergovernmental Receivable  | 230,394                                 | 0                                    | 900                                      | 231,294                                    |
| Special Assessments Receivable  | 0                                       | 25,603                               | 0  | 25,603                                     |
| <i>Total Assets</i>   | <u>\$1,386,095</u>                      | <u>\$168,105</u>                     | <u>\$178,355</u>                         | <u>\$1,732,555</u>                         |
| <b>Liabilities</b>  |   |                                      |  |  |
| Accounts Payable  | \$46,965                                | \$0                                  | \$3,230                                  | \$50,195                                   |
| Accrued Wages   | 13,597                                  | 0                                    | 0  | 13,597                                     |
| Intergovernmental Payable   | 19,945                                  | 0                                    | 0  | 19,945                                     |
| <i>Total Liabilities</i>  | <u>80,507</u>                           | <u>0</u>                             | <u>3,230</u>                             | <u>83,737</u>                              |
| <b>Deferred Inflows of Resources</b>  |   |                                      |  |  |
| Unavailable Revenue   | 164,766                                 | 25,603                               | 0  | 190,369                                    |
| <b>Fund Balances</b>  |   |                                      |  |  |
| Restricted  | 896,464                                 | 142,502                              | 145,022                                  | 1,183,988                                  |
| Committed   | 244,358                                 | 0                                    | 0  | 244,358                                    |
| Assigned  | 0                                       | 0                                    | 30,103                                   | 30,103                                     |
| <i>Total Fund Balances</i>  | <u>1,140,822</u>                        | <u>142,502</u>                       | <u>175,125</u>                           | <u>1,458,449</u>                           |
| <i>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</i> | <u>\$1,386,095</u>                      | <u>\$168,105</u>                     | <u>\$178,355</u>                         | <u>\$1,732,555</u>                         |

**City of Orrville, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2013*

|   | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Debt<br>Service<br>Funds | Nonmajor<br>Capital<br>Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|---|--------------------------------------|--|--|
| <b>Revenues</b>   |   |                                      |  |  |
| Special Assessments                                     | \$0                                     | \$11,556                             | \$0                                      | \$11,556                                   |
| Intergovernmental                                       | 479,552                                 | 0                                    | 413,899                                  | 893,451                                    |
| Interest  | 148                                     | 213                                  | 1  | 362  |
| Fines, Licenses and Permits                             | 4,705                                   | 0                                    | 200                                      | 4,905                                      |
| Charges for Services                                    | 503,068                                 | 0                                    | 0  | 503,068                                    |
| Contributions and Donations                             | 6,897                                   | 0                                    | 0  | 6,897                                      |
| Other   | 5,366                                   | 0                                    | 0  | 5,366                                      |
| <i>Total Revenues</i>                                   | <u>999,736</u>                          | <u>11,769</u>                        | <u>414,100</u>                           | <u>1,425,605</u>                           |
| <b>Expenditures</b>                                     |   |                                      |  |  |
| Current:  |   |                                      |  |  |
| General Government                                      | 0                                       | 247                                  | 0  | 247  |
| Security of Persons and Property:                       |   |                                      |  |  |
| Police  | 4,136                                   | 0                                    | 0  | 4,136                                      |
| Transportation  | 853,704                                 | 0                                    | 0  | 853,704                                    |
| Leisure Time Activities                                 | 7,129                                   | 0                                    | 0  | 7,129                                      |
| Basic Utility Service                                   | 432,964                                 | 0                                    | 0  | 432,964                                    |
| Capital Outlay  | 0                                       | 0                                    | 416,063                                  | 416,063                                    |
| Debt Service:   |   |                                      |  |  |
| Principal Retirement                                    | 0                                       | 8,460                                | 0  | 8,460                                      |
| Interest and Fiscal Charges                             | 0                                       | 1,831                                | 0  | 1,831                                      |
| <i>Total Expenditures</i>                               | <u>1,297,933</u>                        | <u>10,538</u>                        | <u>416,063</u>                           | <u>1,724,534</u>                           |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | (298,197)                               | 1,231                                | (1,963)                                  | (298,929)                                  |
| <b>Other Financing Sources</b>                          |   |                                      |  |  |
| Transfers In  | 490,200                                 | 0                                    | 0  | 490,200                                    |
| <i>Net Change in Fund Balances</i>                      | 192,003                                 | 1,231                                | (1,963)                                  | 191,271                                    |
| <i>Fund Balances Beginning of Year</i>                  | <u>948,819</u>                          | <u>141,271</u>                       | <u>177,088</u>                           | <u>1,267,178</u>                           |
| <i>Fund Balances End of Year</i>                        | <u><u>\$1,140,822</u></u>               | <u><u>\$142,502</u></u>              | <u><u>\$175,125</u></u>                  | <u><u>\$1,458,449</u></u>                  |

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2013*

|   | <u>Gas Tax</u><br><u>Motor Vehicle License</u> | <u>State</u><br><u>Highway</u> | <u>Permissive</u><br><u>Motor Vehicle License</u> |
|---|--|--------------------------------|---|
| <b>Assets</b>   |  |                                |   |
| Equity in Pooled Cash and   |  |                                |   |
| Cash Equivalents  | \$37,386                                       | \$108,974                      | \$59,753  |
| Accrued Interest Receivable   | 0  | 47                             | 0   |
| Accounts Receivable   | 0  | 0                              | 0   |
| Intergovernmental Receivable  | 208,764  | 16,927                         | 0   |
| <i>Total Assets</i>   | <u>\$246,150</u>                               | <u>\$125,948</u>               | <u>\$59,753</u>                                   |
| <b>Liabilities</b>  |  |                                |   |
| Accounts Payable  | \$12,352                                       | \$0                            | \$0   |
| Accrued Wages   | 13,597   | 0                              | 0   |
| Intergovernmental Payable   | 19,945   | 0                              | 0   |
| <i>Total Liabilities</i>  | <u>45,894</u>                                  | <u>0</u>                       | <u>0</u>  |
| <b>Deferred Inflows of Resources</b>  |  |                                |   |
| Unavailable Revenue   | 152,409  | 12,357                         | 0   |
| <b>Fund Balances</b>  |  |                                |   |
| Restricted  | 47,847   | 113,591                        | 59,753  |
| Committed   | 0  | 0                              | 0   |
| <i>Total Fund Balances</i>  | <u>47,847</u>                                  | <u>113,591</u>                 | <u>59,753</u>                                     |
| <i>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</i> | <u>\$246,150</u>                               | <u>\$125,948</u>               | <u>\$59,753</u>                                   |



| Solid<br>Waste  | Law<br>Enforcement | Enforcement<br>and Education | Cemetery<br>Maintenance |
|-----------------|--------------------|------------------------------|-------------------------|
| \$20,675        | \$8,760            | \$9,513                      | \$374,477               |
| 0               | 0                  | 0                            | 0                       |
| 55,593          | 70                 | 25                           | 0                       |
| 0               | 0                  | 0                            | 0                       |
| <u>\$76,268</u> | <u>\$8,830</u>     | <u>\$9,538</u>               | <u>\$374,477</u>        |
| \$34,613        | \$0                | \$0                          | \$0                     |
| 0               | 0                  | 0                            | 0                       |
| 0               | 0                  | 0                            | 0                       |
| <u>34,613</u>   | <u>0</u>           | <u>0</u>                     | <u>0</u>                |
| 0               | 0                  | 0                            | 0                       |
| 0               | 8,830              | 9,538                        | 374,477                 |
| <u>41,655</u>   | <u>0</u>           | <u>0</u>                     | <u>0</u>                |
| <u>41,655</u>   | <u>8,830</u>       | <u>9,538</u>                 | <u>374,477</u>          |
| <u>\$76,268</u> | <u>\$8,830</u>     | <u>\$9,538</u>               | <u>\$374,477</u>        |

(continued)

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2013*

|   | Permissive       | Emergency<br>Medical Service<br>Equipment | Performing<br>Arts |
|---|------------------|---|--------------------|
| <b>Assets</b>   |                  |   |                    |
| Equity in Pooled Cash and<br>Cash Equivalents                                 | \$276,450        | \$189,041                                 | \$4,906            |
| Accrued Interest Receivable   | 0                | 0   | 0                  |
| Accounts Receivable   | 0                | 8,756                                     | 0                  |
| Intergovernmental Receivable  | 4,703            | 0   | 0                  |
| <i>Total Assets</i>   | <u>\$281,153</u> | <u>\$197,797</u>                          | <u>\$4,906</u>     |
| <b>Liabilities</b>  |                  |   |                    |
| Accounts Payable  | \$0              | \$0                                       | \$0                |
| Accrued Wages   | 0                | 0   | 0                  |
| Intergovernmental Payable   | 0                | 0   | 0                  |
| <i>Total Liabilities</i>  | <u>0</u>         | <u>0</u>                                  | <u>0</u>           |
| <b>Deferred Inflows of Resources</b>  |                  |   |                    |
| Unavailable Revenue   | 0                | 0   | 0                  |
| <b>Fund Balances</b>  |                  |   |                    |
| Restricted  | 281,153          | 0   | 0                  |
| Committed   | 0                | 197,797                                   | 4,906              |
| <i>Total Fund Balances</i>  | <u>281,153</u>   | <u>197,797</u>                            | <u>4,906</u>       |
| <i>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</i> | <u>\$281,153</u> | <u>\$197,797</u>                          | <u>\$4,906</u>     |

| Continuing<br>Professional<br>Training Grant | Total<br>Nonmajor<br>Special Revenue<br>Funds |
|--|---|
| \$1,275                                      | \$1,091,210                                   |
| 0  | 47  |
| 0  | 64,444  |
| 0  | 230,394                                       |
| <u>\$1,275</u>                               | <u>\$1,386,095</u>                            |
| \$0  | \$46,965                                      |
| 0  | 13,597  |
| 0  | 19,945  |
| <u>0</u>                                     | <u>80,507</u>                                 |
| <u>0</u>                                     | <u>164,766</u>                                |
| 1,275  | 896,464                                       |
| 0  | 244,358                                       |
| <u>1,275</u>                                 | <u>1,140,822</u>                              |
| <u>\$1,275</u>                               | <u>\$1,386,095</u>                            |

**City of Orrville, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2013*

|   | Gas Tax<br>Motor Vehicle License | State<br>Highway        | Permissive<br>Motor Vehicle License |
|---|----------------------------------|-------------------------|-------------------------------------|
| <b>Revenues</b>                                     |                                  |                         |                                     |
| Intergovernmental                                   | \$385,657                        | \$31,273                | \$0                                 |
| Interest  | 0                                | 141                     | 0                                   |
| Fines, Licenses and Permits                         | 0                                | 0                       | 0                                   |
| Charges for Services                                | 0                                | 0                       | 0                                   |
| Contributions and Donations                         | 0                                | 0                       | 0                                   |
| Other   | 5,366                            | 0                       | 0                                   |
| <i>Total Revenues</i>                               | <u>391,023</u>                   | <u>31,414</u>           | <u>0</u>                            |
| <b>Expenditures</b>                                 |                                  |                         |                                     |
| Current:  |                                  |                         |                                     |
| Security of Persons and Property:                   |                                  |                         |                                     |
| Police  | 0                                | 0                       | 0                                   |
| Transportation                                      | 846,069                          | 5,000                   | 0                                   |
| Leisure Time Activities                             | 0                                | 0                       | 0                                   |
| Basic Utility Service                               | 0                                | 0                       | 0                                   |
| <i>Total Expenditures</i>                           | <u>846,069</u>                   | <u>5,000</u>            | <u>0</u>                            |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (455,046)                        | 26,414                  | 0                                   |
| <b>Other Financing Sources</b>                      |                                  |                         |                                     |
| Transfers In  | 476,494                          | 0                       | 0                                   |
| <i>Net Change in Fund Balances</i>                  | 21,448                           | 26,414                  | 0                                   |
| <i>Fund Balances Beginning of Year</i>              | <u>26,399</u>                    | <u>87,177</u>           | <u>59,753</u>                       |
| <i>Fund Balances End of Year</i>                    | <u><u>\$47,847</u></u>           | <u><u>\$113,591</u></u> | <u><u>\$59,753</u></u>              |

| Solid Waste | Law Enforcement | Enforcement and Education | Cemetery Maintenance |
|-------------|-----------------|---------------------------|----------------------|
| \$0         | \$0             | \$0                       | \$0                  |
| 0           | 0               | 0                         | 0                    |
| 0           | 4,133           | 572                       | 0                    |
| 416,782     | 0               | 0                         | 21,075               |
| 0           | 0               | 0                         | 0                    |
| 0           | 0               | 0                         | 0                    |
| 416,782     | 4,133           | 572                       | 21,075               |
| 0           | 3,957           | 179                       | 0                    |
| 0           | 0               | 0                         | 0                    |
| 0           | 0               | 0                         | 0                    |
| 432,964     | 0               | 0                         | 0                    |
| 432,964     | 3,957           | 179                       | 0                    |
| (16,182)    | 176             | 393                       | 21,075               |
| 13,706      | 0               | 0                         | 0                    |
| (2,476)     | 176             | 393                       | 21,075               |
| 44,131      | 8,654           | 9,145                     | 353,402              |
| \$41,655    | \$8,830         | \$9,538                   | \$374,477            |

(continued)

**City of Orrville, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Year Ended December 31, 2013*

|   | Permissive              | Emergency<br>Medical Service<br>Equipment | Performing<br>Arts    |
|---|-------------------------|---|-----------------------|
| <b>Revenues</b>                                     |                         |   |                       |
| Intergovernmental                                   | \$62,622                | \$0                                       | \$0                   |
| Interest  | 0                       | 0   | 7                     |
| Fines, Licenses and Permits                         | 0                       | 0   | 0                     |
| Charges for Services                                | 0                       | 65,211                                    | 0                     |
| Contributions and Donations                         | 0                       | 0   | 6,897                 |
| Other   | 0                       | 0   | 0                     |
| <i>Total Revenues</i>                               | <u>62,622</u>           | <u>65,211</u>                             | <u>6,904</u>          |
| <b>Expenditures</b>                                 |                         |   |                       |
| Current:  |                         |   |                       |
| Security of Persons and Property:                   |                         |   |                       |
| Police  | 0                       | 0   | 0                     |
| Transportation                                      | 2,635                   | 0   | 0                     |
| Leisure Time Activities                             | 0                       | 0   | 7,129                 |
| Basic Utility Service                               | 0                       | 0   | 0                     |
| <i>Total Expenditures</i>                           | <u>2,635</u>            | <u>0</u>                                  | <u>7,129</u>          |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 59,987                  | 65,211                                    | (225)                 |
| <b>Other Financing Sources</b>                      |                         |   |                       |
| Transfers In  | 0                       | 0   | 0                     |
| <i>Net Change in Fund Balances</i>                  | 59,987                  | 65,211                                    | (225)                 |
| <i>Fund Balances Beginning of Year</i>              | <u>221,166</u>          | <u>132,586</u>                            | <u>5,131</u>          |
| <i>Fund Balances End of Year</i>                    | <u><u>\$281,153</u></u> | <u><u>\$197,797</u></u>                   | <u><u>\$4,906</u></u> |

| Continuing<br>Professional<br>Training Grant | Total<br>Nonmajor<br>Special Revenue<br>Funds |
|--|---|
| \$0  | \$479,552                                     |
| 0  | 148   |
| 0  | 4,705   |
| 0  | 503,068                                       |
| 0  | 6,897   |
| 0  | 5,366   |
| 0  | 999,736                                       |
| 0  | 4,136   |
| 0  | 853,704                                       |
| 0  | 7,129   |
| 0  | 432,964                                       |
| 0  | 1,297,933                                     |
| 0  | (298,197)                                     |
| 0  | 490,200                                       |
| 0  | 192,003                                       |
| 1,275  | 948,819                                       |
| <u>\$1,275</u>                               | <u>\$1,140,822</u>                            |



**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Debt Service Funds*  
*December 31, 2013*

|   | General<br>Obligation<br>Bond<br>Retirement | Special<br>Assessment<br>Bond<br>Retirement | Total<br>Nonmajor<br>Debt Service<br>Funds |
|---|---|---|--|
| <b>Assets</b>   |   |   |  |
| Equity in Pooled Cash and<br>Cash Equivalents                                 | \$4,152                                     | \$138,282                                   | \$142,434                                  |
| Accrued Interest Receivable   | 0   | 68  | 68   |
| Special Assessments Receivable  | 0   | 25,603                                      | 25,603                                     |
| <i>Total Assets</i>   | <u>\$4,152</u>                              | <u>\$163,953</u>                            | <u>\$168,105</u>                           |
| <b>Liabilities</b>  |   |   |  |
|   | \$0   | \$0   | \$0  |
| <b>Deferred Inflows of Resources</b>  |   |   |  |
| Unavailable Revenue   | 0   | 25,603                                      | 25,603                                     |
| <b>Fund Balances</b>  |   |   |  |
| Restricted  | <u>4,152</u>                                | <u>138,350</u>                              | <u>142,502</u>                             |
| <i>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</i> | <u>\$4,152</u>                              | <u>\$163,953</u>                            | <u>\$168,105</u>                           |

**City of Orrville, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Debt Service Funds*  
*For the Year Ended December 31, 2013*

|  | General<br>Obligation<br>Bond<br>Retirement | Special<br>Assessment<br>Bond<br>Retirement | Total<br>Nonmajor<br>Debt Service<br>Funds |
|--|---|---|--|
| <b>Revenues</b>                        |   |   |  |
| Special Assessments                    | \$0   | \$11,556                                    | \$11,556                                   |
| Interest                               | 0   | 213   | 213  |
| <i>Total Revenues</i>                  | <u>0</u>                                    | <u>11,769</u>                               | <u>11,769</u>                              |
| <b>Expenditures</b>                    |   |   |  |
| Current:                               |   |   |  |
| General Government                     | 0   | 247   | 247  |
| Debt Service:                          |   |   |  |
| Principal Retirement                   | 0   | 8,460                                       | 8,460                                      |
| Interest and Fiscal Charges            | 0   | 1,831                                       | 1,831                                      |
| <i>Total Expenditures</i>              | <u>0</u>                                    | <u>10,538</u>                               | <u>10,538</u>                              |
| <i>Net Change in Fund Balances</i>     | 0   | 1,231                                       | 1,231                                      |
| <i>Fund Balances Beginning of Year</i> | <u>4,152</u>                                | <u>137,119</u>                              | <u>141,271</u>                             |
| <i>Fund Balances End of Year</i>       | <u><u>\$4,152</u></u>                       | <u><u>\$138,350</u></u>                     | <u><u>\$142,502</u></u>                    |

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2013*

|   | Park<br>Improvement | Recreation<br>and Park | Grants          | Community<br>Development<br>Block<br>Grant | Total<br>Nonmajor<br>Capital Projects<br>Funds |
|---|---------------------|------------------------|-----------------|--|--|
| <b>Assets</b>                                 |                     |                        |                 |  |  |
| Equity in Pooled Cash and<br>Cash Equivalents | \$2,268             | \$27,835               | \$33,484        | \$113,868                                  | \$177,455                                      |
| Intergovernmental Receivable                  | 0                   | 0                      | 900             | 0  | 900  |
| <i>Total Assets</i>                           | <u>\$2,268</u>      | <u>\$27,835</u>        | <u>\$34,384</u> | <u>\$113,868</u>                           | <u>\$178,355</u>                               |
| <b>Liabilities</b>                            |                     |                        |                 |  |  |
| Accounts Payable                              | \$0                 | \$0                    | \$3,230         | \$0  | \$3,230  |
| <b>Fund Balances</b>                          |                     |                        |                 |  |  |
| Restricted                                    | 0                   | 0                      | 31,154          | 113,868                                    | 145,022  |
| Assigned                                      | 2,268               | 27,835                 | 0               | 0  | 30,103   |
| <i>Total Fund Balances</i>                    | <u>2,268</u>        | <u>27,835</u>          | <u>31,154</u>   | <u>113,868</u>                             | <u>175,125</u>                                 |
| <i>Total Liabilities and Fund Balances</i>    | <u>\$2,268</u>      | <u>\$27,835</u>        | <u>\$34,384</u> | <u>\$113,868</u>                           | <u>\$178,355</u>                               |

**City of Orrville, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2013*

|  | Park<br>Improvement | Recreation<br>and Park | Grants    | Community<br>Development<br>Block<br>Grant | Total<br>Nonmajor<br>Capital Projects<br>Funds |
|--|---------------------|------------------------|-----------|--|--|
| <b>Revenues</b>                        |                     |                        |           |  |  |
| Intergovernmental                      | \$0                 | \$0                    | \$413,899 | \$0  | \$413,899                                      |
| Interest                               | 1                   | 0                      | 0         | 0  | 1  |
| Fines, Licenses and Permits            | 0                   | 200                    | 0         | 0  | 200  |
| <i>Total Revenues</i>                  | 1                   | 200                    | 413,899   | 0  | 414,100  |
| <b>Expenditures</b>                    |                     |                        |           |  |  |
| Capital Outlay                         | 0                   | 0                      | 416,063   | 0  | 416,063  |
| <i>Net Change in Fund Balances</i>     | 1                   | 200                    | (2,164)   | 0  | (1,963)  |
| <i>Fund Balances Beginning of Year</i> | 2,267               | 27,635                 | 33,318    | 113,868                                    | 177,088  |
| <i>Fund Balances End of Year</i>       | \$2,268             | \$27,835               | \$31,154  | \$113,868                                  | \$175,125                                      |

## **Fund Descriptions - Fiduciary Funds**

### ***Fiduciary Funds***

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

### ***Private-Purpose Trust Fund***

***Cemetery Memorial Fund*** - This fund accounts for and report resources given by individuals with the interest specifically designated to be used for the decoration of individually named graves.

### ***Agency Fund***

***Deposits in Escrow Fund*** - To account for and report deposits from businesses or individuals for the estimated cost of additional utility line installation. When work is completed, any money not used to cover the cost of the project is returned. This fund also accounts for deposits collected for the use of the City's recreational facilities. If there is no damage to the facilities, the money is returned.

**City of Orrville, Ohio**  
*Statement of Changes in Assets and Liabilities*  
*Agency Fund*  
*For the Fiscal Year Ended December 31, 2013*

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|   | Beginning<br>Balance<br>12/31/12 | <u>Additions</u>  | <u>Reductions</u> | Ending<br>Balance<br>12/31/13 |
|---|----------------------------------|-------------------|-------------------|-------------------------------|
| <b>Deposits in Escrow</b>                     |                                  |                   |                   |                               |
| <b>Assets</b>                                 |                                  |                   |                   |                               |
| Equity in Pooled Cash and<br>Cash Equivalents | \$61,446                         | \$700             | \$750             | \$61,396                      |
|   | <u>          </u>                | <u>          </u> | <u>          </u> | <u>          </u>             |
| <b>Liabilities</b>                            |                                  |                   |                   |                               |
| Deposits Held and Due to Others               | \$61,446                         | \$700             | \$750             | \$61,396                      |
|   | <u>          </u>                | <u>          </u> | <u>          </u> | <u>          </u>             |

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



**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2013*

|                             | Budgeted Amounts |                  | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------|------------------|------------------|------------------|---|
|                             | Original         | Final            |                  |   |
| <b>Revenues</b>             |                  |                  |                  |   |
| Property Taxes              | \$393,000        | \$393,000        | \$431,521        | \$38,521  |
| Income Taxes                | 2,590,000        | 2,894,000        | 4,335,470        | 1,441,470   |
| Kilowatt Per Hour Tax       | 1,175,000        | 1,175,000        | 915,131          | (259,869)   |
| Intergovernmental           | 301,500          | 247,900          | 366,116          | 118,216   |
| Interest                    | 22,500           | 19,100           | 13,419           | (5,681)   |
| Fines, Licenses and Permits | 27,500           | 27,500           | 34,361           | 6,861   |
| Rentals                     | 30,000           | 30,000           | 31,418           | 1,418   |
| Charges for Services        | 239,700          | 239,700          | 310,438          | 70,738  |
| Contributions and Donations | 6,000            | 6,000            | 65,291           | 59,291  |
| Other                       | 1,000            | 1,000            | 75,431           | 74,431  |
| <i>Total Revenues</i>       | <u>4,786,200</u> | <u>5,033,200</u> | <u>6,578,596</u> | <u>1,545,396</u>  |
| <b>Expenditures</b>         |                  |                  |                  |   |
| Current:                    |                  |                  |                  |   |
| General Government:         |                  |                  |                  |   |
| City Council:               |                  |                  |                  |   |
| Personal Services           | 36,300           | 32,800           | 32,037           | 763   |
| City Hall:                  |                  |                  |                  |   |
| Personal Services           | 186,860          | 216,310          | 208,778          | 7,532   |
| Purchased Services          | 17,040           | 17,595           | 17,595           | 0   |
| Materials and Supplies      | 9,650            | 9,150            | 7,339            | 1,811   |
| Utilities                   | 10,590           | 8,535            | 7,866            | 669   |
| Total City Hall             | <u>224,140</u>   | <u>251,590</u>   | <u>241,578</u>   | <u>10,012</u>   |
| Finance Department:         |                  |                  |                  |   |
| Personal Services           | 93,100           | 92,250           | 72,048           | 20,202  |
| Purchased Services          | 42,450           | 42,550           | 35,306           | 7,244   |
| Materials and Supplies      | 2,511            | 3,211            | 1,463            | 1,748   |
| Utilities                   | 300              | 300              | 292              | 8   |
| Total Finance Department    | <u>138,361</u>   | <u>138,311</u>   | <u>109,109</u>   | <u>29,202</u>   |
| Personnel:                  |                  |                  |                  |   |
| Personal Services           | 99,420           | 103,279          | 103,279          | 0   |
| Purchased Services          | 18,027           | 13,868           | 7,558            | 6,310   |
| Materials and Supplies      | 6,215            | 6,100            | 2,628            | 3,472   |
| Utilities                   | 1,300            | 1,300            | 1,018            | 282   |
| Total Personnel             | <u>\$124,962</u> | <u>\$124,547</u> | <u>\$114,483</u> | <u>\$10,064</u>   |

(continued)

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2013*

|                                 | Budgeted Amounts   |                    |                    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------|--------------------|--------------------|--------------------|---|
|                                 | Original           | Final              | Actual             |   |
| Data Processing:                |                    |                    |                    |   |
| Personal Services               | \$26,360           | \$19,166           | \$18,494           | \$672   |
| Purchased Services              | 19,050             | 15,103             | 3,793              | 11,310  |
| Materials and Supplies          | 5,608              | 8,755              | 8,755              | 0   |
| Utilities                       | 2,362              | 2,362              | 1,798              | 564   |
| <b>Total Data Processing</b>    | <b>53,380</b>      | <b>45,386</b>      | <b>32,840</b>      | <b>12,546</b>   |
| Income Tax:                     |                    |                    |                    |   |
| Personal Services               | 65,820             | 75,114             | 75,114             | 0   |
| Purchased Services              | 550                | 550                | 0                  | 550   |
| Materials and Supplies          | 7,639              | 6,389              | 6,389              | 0   |
| Utilities                       | 829                | 829                | 547                | 282   |
| <b>Total Income Tax</b>         | <b>74,838</b>      | <b>82,882</b>      | <b>82,050</b>      | <b>832</b>  |
| Law Department:                 |                    |                    |                    |   |
| Personal Services               | 36,823             | 41,700             | 40,345             | 1,355   |
| Purchased Services              | 18,085             | 16,043             | 9,085              | 6,958   |
| Materials and Supplies          | 0                  | 42                 | 42                 | 0   |
| <b>Total Law Department</b>     | <b>54,908</b>      | <b>57,785</b>      | <b>49,472</b>      | <b>8,313</b>  |
| Mayor's Office:                 |                    |                    |                    |   |
| Personal Services               | 22,550             | 26,000             | 24,330             | 1,670   |
| Purchased Services              | 400                | 400                | 7                  | 393   |
| Materials and Supplies          | 50                 | 50                 | 42                 | 8   |
| Utilities                       | 377                | 377                | 348                | 29  |
| <b>Total Mayor's Office</b>     | <b>23,377</b>      | <b>26,827</b>      | <b>24,727</b>      | <b>2,100</b>  |
| Administrative:                 |                    |                    |                    |   |
| Personal Services               | 232,916            | 274,575            | 256,928            | 17,647  |
| Purchased Services              | 254,679            | 258,169            | 216,051            | 42,118  |
| Materials and Supplies          | 18,100             | 20,100             | 9,497              | 10,603  |
| Utilities                       | 139                | 139                | 0                  | 139   |
| <b>Total Administrative</b>     | <b>505,834</b>     | <b>552,983</b>     | <b>482,476</b>     | <b>70,507</b>   |
| <b>Total General Government</b> | <b>\$1,236,100</b> | <b>\$1,313,111</b> | <b>\$1,168,772</b> | <b>\$144,339</b>  |

(continued)

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2013*

|   | Budgeted Amounts |                  | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|------------------|---|
|   | Original         | Final            |                  |   |
| Security of Persons and Property:         |                  |                  |                  |   |
| Police:                                   |                  |                  |                  |   |
| Law Enforcement:                          |                  |                  |                  |   |
| Personal Services                         | \$1,797,915      | \$1,915,300      | \$1,883,923      | \$31,377  |
| Purchased Services                        | 75,184           | 71,184           | 64,179           | 7,005   |
| Materials and Supplies                    | 92,060           | 102,035          | 100,905          | 1,130   |
| Utilities                                 | 20,213           | 18,213           | 14,847           | 3,366   |
| Total Police                              | <u>1,985,372</u> | <u>2,106,732</u> | <u>2,063,854</u> | <u>42,878</u>   |
| Fire:                                     |                  |                  |                  |   |
| Fire Department:                          |                  |                  |                  |   |
| Personal Services                         | 398,940          | 398,940          | 383,230          | 15,710  |
| Purchased Services                        | 46,190           | 53,965           | 50,784           | 3,181   |
| Materials and Supplies                    | 67,937           | 65,292           | 57,764           | 7,528   |
| Utilities                                 | 14,524           | 12,514           | 9,189            | 3,325   |
| Total Fire                                | <u>527,591</u>   | <u>530,711</u>   | <u>500,967</u>   | <u>29,744</u>   |
| Total Security of Persons<br>and Property | <u>2,512,963</u> | <u>2,637,443</u> | <u>2,564,821</u> | <u>72,622</u>   |
| Transportation:                           |                  |                  |                  |   |
| Street:                                   |                  |                  |                  |   |
| Personal Services                         | 290,638          | 260,000          | 227,205          | 32,795  |
| Purchased Services                        | 98,173           | 103,423          | 44,201           | 59,222  |
| Materials and Supplies                    | 191,669          | 183,269          | 138,631          | 44,638  |
| Total Transportation                      | <u>580,480</u>   | <u>546,692</u>   | <u>410,037</u>   | <u>136,655</u>  |
| Public Health and Welfare:                |                  |                  |                  |   |
| Animal Control:                           |                  |                  |                  |   |
| Purchased Services                        | 800              | 800              | 510              | 290   |
| Materials and Supplies                    | 12,600           | 12,600           | 12,318           | 282   |
| Total Animal Control                      | <u>13,400</u>    | <u>13,400</u>    | <u>12,828</u>    | <u>572</u>  |
| Cemetery:                                 |                  |                  |                  |   |
| Personal Services                         | 133,560          | 143,560          | 140,454          | 3,106   |
| Purchased Services                        | 6,344            | 7,344            | 6,572            | 772   |
| Materials and Supplies                    | 31,850           | 31,850           | 27,424           | 4,426   |
| Utilities                                 | 5,152            | 4,552            | 3,151            | 1,401   |
| Total Cemetery                            | <u>176,906</u>   | <u>187,306</u>   | <u>177,601</u>   | <u>9,705</u>  |
| Total Public Health and Welfare           | <u>\$190,306</u> | <u>\$200,706</u> | <u>\$190,429</u> | <u>\$10,277</u>   |

(continued)

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2013*

|   | Budgeted Amounts |             | Actual      | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|-------------|-------------|---|
|   | Original         | Final       |             |   |
| Leisure Time Activities:                                |                  |             |             |   |
| Park:   |                  |             |             |   |
| Personal Services                                       | \$181,438        | \$181,438   | \$137,498   | \$43,940  |
| Purchased Services                                      | 9,147            | 14,647      | 4,600       | 10,047  |
| Materials and Supplies                                  | 33,365           | 34,399      | 34,399      | 0   |
| Utilities   | 6,794            | 3,760       | 3,555       | 205   |
| Total Park  | 230,744          | 234,244     | 180,052     | 54,192  |
| Pool:   |                  |             |             |   |
| Personal Services                                       | 86,438           | 87,192      | 87,192      | 0   |
| Purchased Services                                      | 7,550            | 7,550       | 5,598       | 1,952   |
| Materials and Supplies                                  | 17,800           | 22,533      | 22,533      | 0   |
| Utilities   | 17,996           | 10,241      | 6,644       | 3,597   |
| Total Pool  | 129,784          | 127,516     | 121,967     | 5,549   |
| Recreation:   |                  |             |             |   |
| Materials and Supplies                                  | 2,500            | 3,000       | 2,993       | 7   |
| Total Leisure Time Activities                           | 363,028          | 364,760     | 305,012     | 59,748  |
| Debt Service:   |                  |             |             |   |
| Principal   | 150,000          | 150,000     | 150,000     | 0   |
| Interest and Fiscal Charges                             | 42,000           | 42,000      | 42,000      | 0   |
| Total Debt Service                                      | 192,000          | 192,000     | 192,000     | 0   |
| <i>Total Expenditures</i>                               | 5,074,877        | 5,254,712   | 4,831,071   | 423,641   |
| <i>Excess of Revenues<br/>Over (Under) Expenditures</i> | (288,677)        | (221,512)   | 1,747,525   | 1,969,037   |
| <b>Other Financing Uses</b>                             |                  |             |             |   |
| Transfers Out   | (1,510,000)      | (1,577,000) | (1,405,331) | 171,669   |
| <i>Net Change in Fund Balance</i>                       | (1,798,677)      | (1,798,512) | 342,194     | 2,140,706   |
| <i>Fund Balance Beginning of Year</i>                   | 3,675,585        | 3,675,585   | 3,675,585   | 0   |
| Prior Year Encumbrances Appropriated                    | 61,508           | 61,508      | 61,508      | 0   |
| <i>Fund Balance End of Year</i>                         | \$1,938,416      | \$1,938,581 | \$4,079,287 | \$2,140,706   |

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Improvements Fund*  
*For the Year Ended December 31, 2013*

|                                       | <u>Budgeted Amounts</u> |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|------------------|------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>    |   |
| <b>Revenues</b>                       |                         |                  |                  |   |
| Income Taxes                          | \$662,500               | \$1,000,000      | \$1,418,965      | \$418,965   |
| Intergovernmental                     | 1,080,000               | 1,080,000        | 52,961           | (1,027,039)   |
| Charges for Services                  | 0                       | 0                | 16               | 16  |
| Other                                 | 0                       | 0                | 50,060           | 50,060  |
| <i>Total Revenues</i>                 | 1,742,500               | 2,080,000        | 1,522,002        | (557,998)   |
| <b>Expenditures</b>                   |                         |                  |                  |   |
| Capital Outlay                        | 1,949,537               | 3,048,137        | 2,354,389        | 693,748   |
| <i>Net Change in Fund Balance</i>     | (207,037)               | (968,137)        | (832,387)        | 135,750   |
| <i>Fund Balance Beginning of Year</i> | 1,137,301               | 1,137,301        | 1,137,301        | 0   |
| Prior Year Encumbrances Appropriated  | 441,537                 | 441,537          | 441,537          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$1,371,801</u>      | <u>\$610,701</u> | <u>\$746,451</u> | <u>\$135,750</u>  |

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Sewer Fund*  
*For the Year Ended December 31, 2013*

|  | <u>Budgeted Amounts</u>   |                           |                           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------------|---------------------------|---------------------------|---|
|  | <u>Original</u>           | <u>Final</u>              | <u>Actual</u>             |   |
| <b>Revenues</b>                        |                           |                           |                           |   |
| Interest                               | \$57,700                  | \$52,300                  | \$59,613                  | \$7,313   |
| Charges for Services                   | 2,000,000                 | 2,017,000                 | 2,206,676                 | 189,676   |
| Fees, Licenses and Permits             | 100                       | 100                       | 97                        | (3)   |
| Other                                  | 700                       | 700                       | 10,622                    | 9,922   |
| <i>Total Revenues</i>                  | <u>2,058,500</u>          | <u>2,070,100</u>          | <u>2,277,008</u>          | <u>206,908</u>  |
| <b>Expenses</b>                        |                           |                           |                           |   |
| Personal Services                      | 1,051,250                 | 1,201,150                 | 1,095,047                 | 106,103   |
| Purchased Services                     | 286,541                   | 319,116                   | 319,116                   | 0   |
| Materials and Supplies                 | 308,723                   | 364,623                   | 321,712                   | 42,911  |
| Utilities                              | 132,932                   | 134,432                   | 21,448                    | 112,984   |
| Capital Outlay                         | 500,092                   | 461,948                   | 177,428                   | 284,520   |
| Debt Service:                          |                           |                           |                           |   |
| Principal Retirement                   | 4,800                     | 9,608                     | 9,608                     | 0   |
| Interest and Fiscal Charges            | 260                       | 521                       | 521                       | 0   |
| <i>Total Expenses</i>                  | <u>2,284,598</u>          | <u>2,491,398</u>          | <u>1,944,880</u>          | <u>546,518</u>  |
| <i>Excess of Revenues Over (Under)</i> |                           |                           |                           |   |
| <i>Expenses before Transfers</i>       | (226,098)                 | (421,298)                 | 332,128                   | 753,426   |
| Transfers In                           | <u>0</u>                  | <u>36,000</u>             | <u>0</u>                  | <u>(36,000)</u>   |
| <i>Net Change in Fund Equity</i>       | (226,098)                 | (385,298)                 | 332,128                   | 717,426   |
| <i>Fund Equity Beginning of Year</i>   | 3,302,868                 | 3,302,868                 | 3,302,868                 | 0   |
| Prior Year Encumbrances Appropriated   | <u>97,088</u>             | <u>97,088</u>             | <u>97,088</u>             | <u>0</u>  |
| <i>Fund Equity End of Year</i>         | <u><u>\$3,173,858</u></u> | <u><u>\$3,014,658</u></u> | <u><u>\$3,732,084</u></u> | <u><u>\$717,426</u></u>                                 |

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Electric Fund*  
*For the Year Ended December 31, 2013*

|  | <u>Budgeted Amounts</u> |                     |                     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|---------------------|---------------------|---|
|  | <u>Original</u>         | <u>Final</u>        | <u>Actual</u>       |   |
| <b>Revenues</b>  |                         |                     |                     |   |
| Interest   | \$57,000                | \$43,700            | \$45,626            | \$1,926   |
| Charges for Services   | 28,409,500              | 32,830,500          | 32,372,085          | (458,415)   |
| Other  | 482,200                 | 472,200             | 565,956             | 93,756  |
| Sale of Capital Assets   | 0                       | 400,000             | 398,475             | (1,525)   |
| <i>Total Revenues</i>  | <u>28,948,700</u>       | <u>33,746,400</u>   | <u>33,382,142</u>   | <u>(364,258)</u>  |
| <b>Expenses</b>  |                         |                     |                     |   |
| Personal Services  | 6,936,650               | 7,448,700           | 6,703,061           | 745,639   |
| Purchased Services   | 3,255,942               | 3,311,392           | 2,821,249           | 490,143   |
| Materials and Supplies   | 19,791,538              | 26,535,002          | 19,589,043          | 6,945,959   |
| Utilities  | 1,012,302               | 910,702             | 886,612             | 24,090  |
| Capital Outlay   | 1,013,241               | 1,832,741           | 1,490,286           | 342,455   |
| <i>Total Expenses</i>  | <u>32,009,673</u>       | <u>40,038,537</u>   | <u>31,490,251</u>   | <u>8,548,286</u>  |
| <i>Excess of Revenues Over (Under)</i><br><i>Expenses before Transfers</i> | (3,060,973)             | (6,292,137)         | 1,891,891           | 8,184,028   |
| Transfers In   | 900,000                 | 920,000             | 915,131             | (4,869)   |
| <i>Net Change in Fund Equity</i>   | (2,160,973)             | (5,372,137)         | 2,807,022           | 8,179,159   |
| <i>Fund Equity Beginning of Year</i>                                       | 15,475,644              | 15,475,644          | 15,475,644          | 0   |
| Prior Year Encumbrances Appropriated                                       | 1,997,423               | 1,997,423           | 1,997,423           | 0   |
| <i>Fund Equity End of Year</i>   | <u>\$15,312,094</u>     | <u>\$12,100,930</u> | <u>\$20,280,089</u> | <u>\$8,179,159</u>                                      |



**City of Orrville, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Water Fund*  
*For the Year Ended December 31, 2013*

|  | <u>Budgeted Amounts</u>   |                           |                           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------------|---------------------------|---------------------------|---|
|  | <u>Original</u>           | <u>Final</u>              | <u>Actual</u>             |   |
| <b>Revenues</b>                        |                           |                           |                           |   |
| Interest                               | \$6,395                   | \$5,980                   | \$3,364                   | (\$2,616)   |
| Charges for Services                   | 2,788,600                 | 2,979,100                 | 3,146,047                 | 166,947   |
| Other                                  | 6,450                     | 5,700                     | 261,588                   | 255,888   |
| Notes Issued                           | <u>1,200,000</u>          | <u>1,300,000</u>          | <u>0</u>                  | <u>(1,300,000)</u>                                      |
| <i>Total Revenues</i>                  | <u>4,001,445</u>          | <u>4,290,780</u>          | <u>3,410,999</u>          | <u>(879,781)</u>  |
| <b>Expenses</b>                        |                           |                           |                           |   |
| Personal Services                      | 1,252,700                 | 1,245,000                 | 1,070,286                 | 174,714   |
| Purchased Services                     | 168,024                   | 351,344                   | 269,233                   | 82,111  |
| Materials and Supplies                 | 412,189                   | 601,410                   | 601,410                   | 0   |
| Utilities                              | 18,555                    | 19,305                    | 11,000                    | 8,305   |
| Capital Outlay                         | 600,851                   | 243,360                   | 148,523                   | 94,837  |
| Debt Service:                          |                           |                           |                           |   |
| Principal Retirement                   | 1,815,000                 | 1,283,350                 | 262,110                   | 1,021,240   |
| Interest and Fiscal Charges            | <u>220,000</u>            | <u>333,750</u>            | <u>171,828</u>            | <u>161,922</u>  |
| <i>Total Expenses</i>                  | <u>4,487,319</u>          | <u>4,077,519</u>          | <u>2,534,390</u>          | <u>1,543,129</u>  |
| <i>Excess of Revenues Over (Under)</i> |                           |                           |                           |   |
| <i>Expenses before Transfers</i>       | <u>(485,874)</u>          | <u>213,261</u>            | <u>876,609</u>            | <u>663,348</u>  |
| Transfers In                           | 431,900                   | 0                         | 0                         | 0   |
| Transfers Out                          | <u>0</u>                  | <u>(8,000)</u>            | <u>0</u>                  | <u>8,000</u>  |
| <i>Total Transfers</i>                 | <u>431,900</u>            | <u>(8,000)</u>            | <u>0</u>                  | <u>8,000</u>  |
| <i>Net Change in Fund Equity</i>       | (53,974)                  | 205,261                   | 876,609                   | 671,348   |
| <i>Fund Equity Beginning of Year</i>   | 1,825,699                 | 1,825,699                 | 1,825,699                 | 0   |
| Prior Year Encumbrances Appropriated   | <u>77,969</u>             | <u>77,969</u>             | <u>77,969</u>             | <u>0</u>  |
| <i>Fund Equity End of Year</i>         | <u><u>\$1,849,694</u></u> | <u><u>\$2,108,929</u></u> | <u><u>\$2,780,277</u></u> | <u><u>\$671,348</u></u>                                 |

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Gas Tax Motor Vehicle License Fund*  
*For the Year Ended December 31, 2013*

|  | <u>Budgeted Amounts</u> |                |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|----------------|-----------------|---|
|  | <u>Original</u>         | <u>Final</u>   | <u>Actual</u>   |   |
| <b>Revenues</b>                              |                         |                |                 |   |
| Intergovernmental                            | \$395,000               | \$395,000      | \$382,183       | (\$12,817)  |
| Interest                                     | 50                      | 50             | 0               | (50)  |
| Other  | 0                       | 0              | 5,366           | 5,366   |
| <i>Total Revenues</i>                        | <u>395,050</u>          | <u>395,050</u> | <u>387,549</u>  | <u>(7,501)</u>  |
| <b>Expenditures</b>                          |                         |                |                 |   |
| Current:                                     |                         |                |                 |   |
| Transportation:                              |                         |                |                 |   |
| Street Repair and Maintenance:               |                         |                |                 |   |
| Personal Services                            | 700,628                 | 762,525        | 738,230         | 24,295  |
| Purchased Services                           | 8,600                   | 11,600         | 6,845           | 4,755   |
| Materials and Supplies                       | 111,747                 | 115,047        | 83,065          | 31,982  |
| Utilities                                    | 20,627                  | 22,577         | 18,392          | 4,185   |
| <i>Total Expenditures</i>                    | <u>841,602</u>          | <u>911,749</u> | <u>846,532</u>  | <u>65,217</u>   |
| <i>Excess of Revenues Under Expenditures</i> | (446,552)               | (516,699)      | (458,983)       | 57,716  |
| <b>Other Financing Sources</b>               |                         |                |                 |   |
| Transfers In                                 | 410,000                 | 510,000        | 476,494         | (33,506)  |
| <i>Net Change in Fund Balance</i>            | (36,552)                | (6,699)        | 17,511          | 24,210  |
| <i>Fund Balance Beginning of Year</i>        | 4,557                   | 4,557          | 4,557           | 0   |
| Prior Year Encumbrances Appropriated         | 7,254                   | 7,254          | 7,254           | 0   |
| <i>Fund Balance (Deficit) End of Year</i>    | <u>(\$24,741)</u>       | <u>\$5,112</u> | <u>\$29,322</u> | <u>\$24,210</u>   |

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*State Highway Fund*  
*For the Year Ended December 31, 2013*

|                                       | <u>Budgeted Amounts</u> |                 | <u>Actual</u>    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-----------------|------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>    |                  |   |
| <b>Revenues</b>                       |                         |                 |                  |   |
| Intergovernmental                     | \$32,000                | \$32,000        | \$30,991         | (\$1,009)   |
| Interest                              | 500                     | 500             | 145              | (355)   |
| <i>Total Revenues</i>                 | <u>32,500</u>           | <u>32,500</u>   | <u>31,136</u>    | <u>(1,364)</u>  |
| <b>Expenditures</b>                   |                         |                 |                  |   |
| Current:                              |                         |                 |                  |   |
| Transportation:                       |                         |                 |                  |   |
| Street Repair and Maintenance:        |                         |                 |                  |   |
| Purchased Services                    | 20,000                  | 20,000          | 0                | 20,000  |
| Materials and Supplies                | 5,000                   | 5,000           | 5,000            | 0   |
| <i>Total Expenditures</i>             | <u>25,000</u>           | <u>25,000</u>   | <u>5,000</u>     | <u>20,000</u>   |
| <i>Net Change in Fund Balance</i>     | 7,500                   | 7,500           | 26,136           | 18,636  |
| <i>Fund Balance Beginning of Year</i> | <u>82,839</u>           | <u>82,839</u>   | <u>82,839</u>    | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u>\$90,339</u>         | <u>\$90,339</u> | <u>\$108,975</u> | <u>\$18,636</u>   |

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Permissive Motor Vehicle License Fund*  
*For the Year Ended December 31, 2013*

|                                       | <u>Budgeted Amounts</u> |                        |                        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|------------------------|------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>           | <u>Actual</u>          |   |
| <b>Revenues</b>                       |                         |                        |                        |   |
| Intergovernmental                     | \$25,000                | \$25,000               | \$0                    | (\$25,000)  |
| <b>Expenditures</b>                   |                         |                        |                        |   |
| Current:                              |                         |                        |                        |   |
| Transportation:                       |                         |                        |                        |   |
| Street Repair and Maintenance:        |                         |                        |                        |   |
| Purchased Services                    | 35,000                  | 35,000                 | 5,000                  | 30,000  |
| Materials and Supplies                | 5,000                   | 5,000                  | 0                      | 5,000   |
| <i>Total Expenditures</i>             | <u>40,000</u>           | <u>40,000</u>          | <u>5,000</u>           | <u>35,000</u>   |
| <i>Net Change in Fund Balance</i>     | (15,000)                | (15,000)               | (5,000)                | 10,000  |
| <i>Fund Balance Beginning of Year</i> | 54,753                  | 54,753                 | 54,753                 | 0   |
| Prior Year Encumbrances Appropriated  | <u>5,000</u>            | <u>5,000</u>           | <u>5,000</u>           | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$44,753</u></u>  | <u><u>\$44,753</u></u> | <u><u>\$54,753</u></u> | <u><u>\$10,000</u></u>                                  |

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Solid Waste Fund*  
*For the Year Ended December 31, 2013*

|   | <u>Budgeted Amounts</u> |                        |                        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|------------------------|------------------------|---|
|   | <u>Original</u>         | <u>Final</u>           | <u>Actual</u>          |   |
| <b>Revenues</b>                                     |                         |                        |                        |   |
| Charges for Services                                | \$445,000               | \$445,000              | \$418,021              | (\$26,979)  |
| <b>Expenditures</b>                                 |                         |                        |                        |   |
| Current:  |                         |                        |                        |   |
| Basic Utility Service:                              |                         |                        |                        |   |
| Solid Waste Services:                               |                         |                        |                        |   |
| Purchased Services                                  | <u>444,065</u>          | <u>444,065</u>         | <u>434,645</u>         | <u>9,420</u>  |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 935                     | 935                    | (16,624)               | (17,559)  |
| <b>Other Financing Sources</b>                      |                         |                        |                        |   |
| Transfers In  | <u>14,000</u>           | <u>14,000</u>          | <u>13,706</u>          | <u>(294)</u>  |
| <i>Net Change in Fund Balance</i>                   | 14,935                  | 14,935                 | (2,918)                | (17,853)  |
| <i>Fund Balance Beginning of Year</i>               | 23,476                  | 23,476                 | 23,476                 | 0   |
| Prior Year Encumbrances Appropriated                | <u>65</u>               | <u>65</u>              | <u>65</u>              | <u>0</u>  |
| <i>Fund Balance End of Year</i>                     | <u><u>\$38,476</u></u>  | <u><u>\$38,476</u></u> | <u><u>\$20,623</u></u> | <u><u>(\$17,853)</u></u>                                |

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Law Enforcement Fund*  
*For the Year Ended December 31, 2013*

|                                       | <u>Budgeted Amounts</u> |                | <u>Actual</u>  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|----------------|----------------|---|
|                                       | <u>Original</u>         | <u>Final</u>   |                |   |
| <b>Revenues</b>                       |                         |                |                |   |
| Fines, Licenses and Permits           | \$2,500                 | \$2,500        | \$4,129        | \$1,629   |
| <b>Expenditures</b>                   |                         |                |                |   |
| Current:                              |                         |                |                |   |
| Security of Persons and Property:     |                         |                |                |   |
| Police:                               |                         |                |                |   |
| Law Enforcement:                      |                         |                |                |   |
| Materials and Supplies                | 4,000                   | 5,000          | 3,957          | 1,043   |
| <i>Net Change in Fund Balance</i>     | (1,500)                 | (2,500)        | 172            | 2,672   |
| <i>Fund Balance Beginning of Year</i> | 8,588                   | 8,588          | 8,588          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$7,088</u>          | <u>\$6,088</u> | <u>\$8,760</u> | <u>\$2,672</u>  |

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Enforcement and Education Fund*  
*For the Year Ended December 31, 2013*

|                                       | <u>Budgeted Amounts</u> |                       | <u>Actual</u>         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-----------------------|-----------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>          |                       |   |
| <b>Revenues</b>                       |                         |                       |                       |   |
| Fines, Licenses and Permits           | \$800                   | \$800                 | \$647                 | (\$153)   |
| <b>Expenditures</b>                   |                         |                       |                       |   |
| Current:                              |                         |                       |                       |   |
| Security of Persons and Property:     |                         |                       |                       |   |
| Police:                               |                         |                       |                       |   |
| Law Enforcement:                      |                         |                       |                       |   |
| Materials and Supplies                | <u>5,521</u>            | <u>3,021</u>          | <u>179</u>            | <u>2,842</u>  |
| <i>Net Change in Fund Balance</i>     | (4,721)                 | (2,221)               | 468                   | 2,689   |
| <i>Fund Balance Beginning of Year</i> | 9,024                   | 9,024                 | 9,024                 | 0   |
| Prior Year Encumbrances Appropriated  | <u>21</u>               | <u>21</u>             | <u>21</u>             | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$4,324</u></u>   | <u><u>\$6,824</u></u> | <u><u>\$9,513</u></u> | <u><u>\$2,689</u></u>                                   |



**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Cemetery Maintenance Fund*  
*For the Year Ended December 31, 2013*

|                                       | <u>Budgeted Amounts</u> |                         | <u>Actual</u>           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-------------------------|-------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>            |                         |   |
| <b>Revenues</b>                       |                         |                         |                         |   |
| Charges for Services                  | \$15,000                | \$15,000                | \$21,075                | \$6,075   |
| <b>Expenditures</b>                   | <u>0</u>                | <u>0</u>                | <u>0</u>                | <u>0</u>  |
| <i>Net Change in Fund Balance</i>     | 15,000                  | 15,000                  | 21,075                  | 6,075   |
| <i>Fund Balance Beginning of Year</i> | <u>353,402</u>          | <u>353,402</u>          | <u>353,402</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$368,402</u></u> | <u><u>\$368,402</u></u> | <u><u>\$374,477</u></u> | <u><u>\$6,075</u></u>                                   |

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Permissive Fund*  
*For the Year Ended December 31, 2013*

|                                       | <u>Budgeted Amounts</u> |                         | <u>Actual</u>           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-------------------------|-------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>            |                         |   |
| <b>Revenues</b>                       |                         |                         |                         |   |
| Intergovernmental                     | \$64,000                | \$64,000                | \$62,815                | (\$1,185)   |
| <b>Expenditures</b>                   |                         |                         |                         |   |
| Current:                              |                         |                         |                         |   |
| Transportation:                       |                         |                         |                         |   |
| Street Repair and Maintenance:        |                         |                         |                         |   |
| Purchased Services                    | 25,000                  | 25,000                  | 0                       | 25,000  |
| Materials and Supplies                | 25,000                  | 25,000                  | 9,499                   | 15,501  |
| <i>Total Expenditures</i>             | <u>50,000</u>           | <u>50,000</u>           | <u>9,499</u>            | <u>40,501</u>   |
| <i>Net Change in Fund Balance</i>     | 14,000                  | 14,000                  | 53,316                  | 39,316  |
| <i>Fund Balance Beginning of Year</i> | <u>216,270</u>          | <u>216,270</u>          | <u>216,270</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$230,270</u></u> | <u><u>\$230,270</u></u> | <u><u>\$269,586</u></u> | <u><u>\$39,316</u></u>                                  |

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Emergency Medical Service Equipment Fund*  
*For the Year Ended December 31, 2013*

|                                       | <u>Budgeted Amounts</u> |                         |                         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-------------------------|-------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>            | <u>Actual</u>           |   |
| <b>Revenues</b>                       |                         |                         |                         |   |
| Charges for Services                  | \$45,000                | \$45,000                | \$69,051                | \$24,051  |
| <b>Expenditures</b>                   |                         |                         |                         |   |
| Current:                              |                         |                         |                         |   |
| Public Health and Welfare:            |                         |                         |                         |   |
| Emergency Medical Service:            |                         |                         |                         |   |
| Materials and Supplies                | <u>0</u>                | <u>10,000</u>           | <u>0</u>                | <u>10,000</u>   |
| <i>Net Change in Fund Balance</i>     | 45,000                  | 35,000                  | 69,051                  | 34,051  |
| <i>Fund Balance Beginning of Year</i> | <u>119,990</u>          | <u>119,990</u>          | <u>119,990</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$164,990</u></u> | <u><u>\$154,990</u></u> | <u><u>\$189,041</u></u> | <u><u>\$34,051</u></u>                                  |

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Performing Arts Fund*  
*For the Year Ended December 31, 2013*

|                                       | <u>Budgeted Amounts</u> |                |                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|----------------|----------------|---|
|                                       | <u>Original</u>         | <u>Final</u>   | <u>Actual</u>  |   |
| <b>Revenues</b>                       |                         |                |                |   |
| Interest                              | \$0                     | \$0            | \$10           | \$10  |
| Contributions and Donations           | 7,500                   | 7,500          | 6,897          | (603)   |
| <i>Total Revenues</i>                 | <u>7,500</u>            | <u>7,500</u>   | <u>6,907</u>   | <u>(593)</u>  |
| <b>Expenditures</b>                   |                         |                |                |   |
| Current:                              |                         |                |                |   |
| Leisure Time Activities:              |                         |                |                |   |
| Performing Arts:                      |                         |                |                |   |
| Purchased Services                    | 7,000                   | 7,500          | 7,009          | 491   |
| Materials and Supplies                | 750                     | 750            | 120            | 630   |
| <i>Total Expenditures</i>             | <u>7,750</u>            | <u>8,250</u>   | <u>7,129</u>   | <u>1,121</u>  |
| <i>Net Change in Fund Balance</i>     | (250)                   | (750)          | (222)          | 528   |
| <i>Fund Balance Beginning of Year</i> | <u>5,128</u>            | <u>5,128</u>   | <u>5,128</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u>\$4,878</u>          | <u>\$4,378</u> | <u>\$4,906</u> | <u>\$528</u>  |

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Continuing Professional Training Grant Fund*  
*For the Year Ended December 31, 2013*

|                                       | <u>Budgeted Amounts</u> |                       |                       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-----------------------|-----------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>          | <u>Actual</u>         |   |
| <b>Revenues</b>                       |                         |                       |                       |   |
| Intergovernmental                     | \$2,100                 | \$2,100               | \$0                   | (\$2,100)   |
| <b>Expenditures</b>                   |                         |                       |                       |   |
| Current:                              |                         |                       |                       |   |
| Security of Persons and Property:     |                         |                       |                       |   |
| Police:                               |                         |                       |                       |   |
| Materials and Supplies                | <u>2,000</u>            | <u>0</u>              | <u>0</u>              | <u>0</u>  |
| <i>Net Change in Fund Balance</i>     | 100                     | 2,100                 | 0                     | (2,100)   |
| <i>Fund Balance Beginning of Year</i> | <u>1,275</u>            | <u>1,275</u>          | <u>1,275</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$1,375</u></u>   | <u><u>\$3,375</u></u> | <u><u>\$1,275</u></u> | <u><u>(\$2,100)</u></u>                                 |

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Parking Meter Fund*  
*For the Year Ended December 31, 2013*

|                                       | <u>Budgeted Amounts</u> |                | <u>Actual</u>  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|----------------|----------------|---|
|                                       | <u>Original</u>         | <u>Final</u>   |                |   |
| <b>Revenues</b>                       | \$0                     | \$0            | \$0            | \$0   |
| <b>Expenditures</b>                   |                         |                |                |   |
| Current:                              |                         |                |                |   |
| Transportation:                       |                         |                |                |   |
| Street Repair and Maintenance:        |                         |                |                |   |
| Purchased Services                    | <u>3,960</u>            | <u>3,960</u>   | <u>2,500</u>   | <u>1,460</u>  |
| <i>Net Change in Fund Balance</i>     | (3,960)                 | (3,960)        | (2,500)        | 1,460   |
| <i>Fund Balance Beginning of Year</i> | 6,472                   | 6,472          | 6,472          | 0   |
| Prior Year Encumbrances Appropriated  | <u>1,460</u>            | <u>1,460</u>   | <u>1,460</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u>\$3,972</u>          | <u>\$3,972</u> | <u>\$5,432</u> | <u>\$1,460</u>  |

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Obligation Bond Retirement Fund*  
*For the Year Ended December 31, 2013*

|                                       | <u>Budgeted Amounts</u> |                       |                       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-----------------------|-----------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>          | <u>Actual</u>         |   |
| <b>Revenues</b>                       | \$0                     | \$0                   | \$0                   | \$0   |
| <b>Expenditures</b>                   | <u>0</u>                | <u>0</u>              | <u>0</u>              | <u>0</u>  |
| <i>Net Change in Fund Balance</i>     | 0                       | 0                     | 0                     | 0   |
| <i>Fund Balance Beginning of Year</i> | <u>4,152</u>            | <u>4,152</u>          | <u>4,152</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$4,152</u></u>   | <u><u>\$4,152</u></u> | <u><u>\$4,152</u></u> | <u><u>\$0</u></u>                                       |

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Special Assessment Bond Retirement Fund*  
*For the Year Ended December 31, 2013*

|                                       | <u>Budgeted Amounts</u> |                         |                         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-------------------------|-------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>            | <u>Actual</u>           |   |
| <b>Revenues</b>                       |                         |                         |                         |   |
| Special Assessments                   | \$12,000                | \$12,000                | \$8,460                 | (\$3,540)   |
| Interest                              | 1,000                   | 1,000                   | 3,336                   | 2,336   |
| <i>Total Revenues</i>                 | <u>13,000</u>           | <u>13,000</u>           | <u>11,796</u>           | <u>(1,204)</u>  |
| <b>Expenditures</b>                   |                         |                         |                         |   |
| Current:                              |                         |                         |                         |   |
| General Government:                   |                         |                         |                         |   |
| Contractual Services                  | 1,000                   | 1,000                   | 247                     | 753   |
| Debt Service:                         |                         |                         |                         |   |
| Principal Retirement                  | 10,000                  | 10,000                  | 8,460                   | 1,540   |
| Interest and Fiscal Charges           | 3,000                   | 3,000                   | 1,831                   | 1,169   |
| <i>Total Expenditures</i>             | <u>14,000</u>           | <u>14,000</u>           | <u>10,538</u>           | <u>3,462</u>  |
| <i>Net Change in Fund Balance</i>     | (1,000)                 | (1,000)                 | 1,258                   | 2,258   |
| <i>Fund Balance Beginning of Year</i> | <u>137,025</u>          | <u>137,025</u>          | <u>137,025</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$136,025</u></u> | <u><u>\$136,025</u></u> | <u><u>\$138,283</u></u> | <u><u>\$2,258</u></u>                                   |



**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Park Improvement Fund*  
*For the Year Ended December 31, 2013*

|                                       | <u>Budgeted Amounts</u> |                       |                       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-----------------------|-----------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>          | <u>Actual</u>         |   |
| <b>Revenues</b>                       |                         |                       |                       |   |
| Interest                              | \$25                    | \$25                  | \$3                   | (\$22)  |
| <b>Expenditures</b>                   |                         |                       |                       |   |
| Capital Outlay                        | <u>1,000</u>            | <u>1,000</u>          | <u>0</u>              | <u>1,000</u>  |
| <i>Net Change in Fund Balance</i>     | (975)                   | (975)                 | 3                     | 978   |
| <i>Fund Balance Beginning of Year</i> | <u>2,265</u>            | <u>2,265</u>          | <u>2,265</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$1,290</u></u>   | <u><u>\$1,290</u></u> | <u><u>\$2,268</u></u> | <u><u>\$978</u></u>                                     |

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recreation and Park Fund*  
*For the Year Ended December 31, 2013*

|                                       | <u>Budgeted Amounts</u> |                        |                        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|------------------------|------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>           | <u>Actual</u>          |   |
| <b>Revenues</b>                       |                         |                        |                        |   |
| Fines, Licenses and Permits           | \$0                     | \$0                    | \$200                  | \$200   |
| <b>Expenditures</b>                   |                         |                        |                        |   |
| Materials and Supplies                | <u>500</u>              | <u>500</u>             | <u>0</u>               | <u>500</u>  |
| <i>Net Change in Fund Balance</i>     | (500)                   | (500)                  | 200                    | 700   |
| <i>Fund Balance Beginning of Year</i> | <u>27,635</u>           | <u>27,635</u>          | <u>27,635</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$27,135</u></u>  | <u><u>\$27,135</u></u> | <u><u>\$27,835</u></u> | <u><u>\$700</u></u>                                     |

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Grants Fund*  
*For the Year Ended December 31, 2013*

|   | <u>Budgeted Amounts</u> |                    | <u>Actual</u>     | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|--------------------|-------------------|---|
|   | <u>Original</u>         | <u>Final</u>       |                   |   |
| <b>Revenues</b>                           |                         |                    |                   |   |
| Intergovernmental                         | \$547,000               | \$3,013,921        | \$460,788         | (\$2,553,133)   |
| <b>Expenditures</b>                       |                         |                    |                   |   |
| Contractual Services                      | <u>594,955</u>          | <u>647,155</u>     | <u>562,899</u>    | <u>84,256</u>   |
| <i>Net Change in Fund Balance</i>         | (47,955)                | 2,366,766          | (102,111)         | (2,468,877)   |
| <i>Fund Deficit Beginning of Year</i>     | (14,471)                | (14,471)           | (14,471)          | 0   |
| Prior Year Encumbrances Appropriated      | <u>47,955</u>           | <u>47,955</u>      | <u>47,955</u>     | <u>0</u>  |
| <i>Fund Balance (Deficit) End of Year</i> | <u>(\$14,471)</u>       | <u>\$2,400,250</u> | <u>(\$68,627)</u> | <u>(\$2,468,877)</u>  |

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Community Development Block Grant Fund*  
*For the Year Ended December 31, 2013*

|                                       | <u>Budgeted Amounts</u> |                         |                         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-------------------------|-------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>            | <u>Actual</u>           |   |
| <b>Revenues</b>                       |                         |                         |                         |   |
| Intergovernmental                     | \$15,000                | \$15,000                | \$0                     | (\$15,000)  |
| <b>Expenditures</b>                   | <u>0</u>                | <u>0</u>                | <u>0</u>                | <u>0</u>  |
| <i>Net Change in Fund Balance</i>     | 15,000                  | 15,000                  | 0                       | (15,000)  |
| <i>Fund Balance Beginning of Year</i> | <u>113,868</u>          | <u>113,868</u>          | <u>113,868</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$128,868</u></u> | <u><u>\$128,868</u></u> | <u><u>\$113,868</u></u> | <u><u>(\$15,000)</u></u>                                |

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Employee Health Insurance Fund*  
*For the Year Ended December 31, 2013*

|                                      | <u>Budgeted Amounts</u> |                         | <u>Actual</u>           | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--------------------------------------|-------------------------|-------------------------|-------------------------|---|
|                                      | <u>Original</u>         | <u>Final</u>            |                         |   |
| <b>Revenues</b>                      |                         |                         |                         |   |
| Interest                             | \$1,500                 | \$1,500                 | \$313                   | (\$1,187)   |
| Charges for Services                 | 1,871,500               | 2,195,000               | 2,164,599               | (30,401)  |
| <i>Total Revenues</i>                | <u>1,873,000</u>        | <u>2,196,500</u>        | <u>2,164,912</u>        | <u>(31,588)</u>   |
| <b>Expenses</b>                      |                         |                         |                         |   |
| Purchased Services                   | 82,446                  | 374,946                 | 232,450                 | 142,496   |
| Claims                               | 1,790,554               | 1,790,554               | 1,790,554               | 0   |
| <i>Total Expenses</i>                | <u>1,873,000</u>        | <u>2,165,500</u>        | <u>2,023,004</u>        | <u>142,496</u>  |
| <i>Net Change in Fund Equity</i>     | 0                       | 31,000                  | 141,908                 | 110,908   |
| <i>Fund Equity Beginning of Year</i> | <u>152,097</u>          | <u>152,097</u>          | <u>152,097</u>          | <u>0</u>  |
| <i>Fund Equity End of Year</i>       | <u><u>\$152,097</u></u> | <u><u>\$183,097</u></u> | <u><u>\$294,005</u></u> | <u><u>\$110,908</u></u>   |

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Cemetery Memorial Fund*  
*For the Year Ended December 31, 2013*

|                                      | <u>Budgeted Amounts</u> |                |                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|-------------------------|----------------|----------------|---|
|                                      | <u>Original</u>         | <u>Final</u>   | <u>Actual</u>  |   |
| <b>Revenues</b>                      |                         |                |                |   |
| Interest                             | \$0                     | \$0            | \$7            | \$7   |
| <b>Expenses</b>                      |                         |                |                |   |
| Materials and Supplies               | 100                     | 100            | 100            | 0   |
| <i>Net Change in Fund Equity</i>     | (100)                   | (100)          | (93)           | 7   |
| <i>Fund Equity Beginning of Year</i> | 4,249                   | 4,249          | 4,249          | 0   |
| <i>Fund Equity End of Year</i>       | <u>\$4,149</u>          | <u>\$4,149</u> | <u>\$4,156</u> | <u>\$7</u>  |

# Statistical Section

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## Statistical Section

This part of the City of Orrville, Ohio'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.

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| <b>Contents</b>  | <b>Pages(s)</b>         |
|--|-------------------------|
| <b><i>Financial Trends</i></b> .....   | <b><i>S2 – S11</i></b>  |
| These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.  |                         |
| <b><i>Revenue Capacity</i></b> .....   | <b><i>S12 – S17</i></b> |
| These schedules contain information to help the reader assess the City's most significant local revenue, the municipal income tax and electric charges for services.   |                         |
| <b><i>Debt Capacity</i></b> .....  | <b><i>S18 – S23</i></b> |
| 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.                    |                         |
| <b><i>Economic and Demographic Information</i></b> .....   | <b><i>S24 – S25</i></b> |
| These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.   |                         |
| <b><i>Operating Information</i></b> .....  | <b><i>S26 – S33</i></b> |
| These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. |                         |

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

**City of Orrville, Ohio**  
*Net Position By Component*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

|  | 2013                 | 2012                 | 2011                 | 2010                 |
|--|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental Activities</b>                     |                      |                      |                      |                      |
| Net Investment in Capital Assets                   | \$44,596,582         | \$43,532,213         | \$43,370,414         | \$43,589,853         |
| Restricted:  |                      |                      |                      |                      |
| Capital Projects                                   | 145,022              | 147,186              | 148,516              | 587,129              |
| Debt Service                                       | 167,998              | 178,275              | 188,601              | 210,504              |
| Street Repair and Maintenance                      | 606,354              | 491,854              | 449,189              | 428,875              |
| Solid Waste Services                               | 0                    | 0                    | 0                    | 0                    |
| Law Enforcement and Education                      | 18,368               | 17,799               | 21,075               | 19,377               |
| Cemetery Maintenance                               | 374,477              | 353,402              | 334,225              | 315,730              |
| EMS Equipment                                      | 0                    | 0                    | 0                    | 0                    |
| Performing Arts                                    | 0                    | 0                    | 0                    | 0                    |
| Unrestricted                                       | 7,934,606            | 6,866,788            | 5,332,158            | 4,549,471            |
| <i>Total Governmental Activities Net Position</i>  | <u>53,843,407</u>    | <u>51,587,517</u>    | <u>49,844,178</u>    | <u>49,700,939</u>    |
| <b>Business Type - Activities</b>                  |                      |                      |                      |                      |
| Net Investment in Capital Assets                   | 35,995,830           | 35,863,973           | 36,501,762           | 36,065,932           |
| Restricted:  |                      |                      |                      |                      |
| Debt Service                                       | 0                    | 760,679              | 757,162              | 758,544              |
| Replacement and Improvement                        | 0                    | 800,000              | 800,000              | 800,000              |
| Unrestricted                                       | 32,108,900           | 28,627,694           | 26,940,593           | 26,661,899           |
| <i>Total Business-Type Activities Net Position</i> | <u>68,104,730</u>    | <u>66,052,346</u>    | <u>64,999,517</u>    | <u>64,286,375</u>    |
| <b>Primary Government</b>                          |                      |                      |                      |                      |
| Net Investment in Capital Assets                   | 80,592,412           | 79,396,186           | 79,872,176           | 79,655,785           |
| Restricted   | 1,312,219            | 2,749,195            | 2,698,768            | 3,120,159            |
| Unrestricted                                       | 40,043,506           | 35,494,482           | 32,272,751           | 31,211,370           |
| <i>Total Primary Government Net Position</i>       | <u>\$121,948,137</u> | <u>\$117,639,863</u> | <u>\$114,843,695</u> | <u>\$113,987,314</u> |

| 2009                 | 2008                 | 2007                 | 2006                | 2005                | 2004                |
|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|
| \$43,659,336         | \$43,619,685         | \$41,910,539         | \$41,706,949        | \$42,058,605        | \$42,024,483        |
| 300,589              | 215,741              | 1,484,362            | 1,613,790           | 2,050,035           | 1,913,814           |
| 230,546              | 243,223              | 215,007              | 240,462             | 240,691             | 247,391             |
| 415,535              | 462,630              | 470,584              | 424,442             | 370,016             | 431,651             |
| 38,048               | 80,955               | 54,643               | 68,355              | 43,100              | 42,187              |
| 20,975               | 19,651               | 20,024               | 19,951              | 19,323              | 23,157              |
| 298,620              | 285,788              | 263,763              | 236,639             | 220,720             | 203,195             |
| 240,929              | 194,363              | 162,903              | 134,874             | 107,040             | 74,640              |
| 3,073                | 1,070                | 5,354                | 5,859               | 7,475               | 7,195               |
| <u>3,869,743</u>     | <u>2,976,958</u>     | <u>3,225,688</u>     | <u>2,114,835</u>    | <u>2,060,999</u>    | <u>1,658,350</u>    |
| <u>49,077,394</u>    | <u>48,100,064</u>    | <u>47,812,867</u>    | <u>46,566,156</u>   | <u>47,178,004</u>   | <u>46,626,063</u>   |
| 34,525,664           | 31,936,125           | 30,554,543           | 29,057,655          | 27,780,982          | 26,780,181          |
| 2,715,024            | 3,016,575            | 3,022,749            | 2,949,687           | 2,891,452           | 3,347,240           |
| 2,300,000            | 2,300,000            | 2,300,000            | 2,300,000           | 2,300,000           | 2,300,000           |
| <u>23,987,800</u>    | <u>25,849,607</u>    | <u>20,099,892</u>    | <u>19,065,639</u>   | <u>17,395,231</u>   | <u>16,059,704</u>   |
| <u>63,528,488</u>    | <u>63,102,307</u>    | <u>55,977,184</u>    | <u>53,372,981</u>   | <u>50,367,665</u>   | <u>48,487,125</u>   |
| 78,185,000           | 75,555,810           | 72,465,082           | 70,764,604          | 69,839,587          | 68,804,664          |
| 6,563,339            | 6,819,996            | 7,999,389            | 7,994,059           | 8,249,852           | 8,590,470           |
| <u>27,857,543</u>    | <u>28,826,565</u>    | <u>23,325,580</u>    | <u>21,180,474</u>   | <u>19,456,230</u>   | <u>17,718,054</u>   |
| <u>\$112,605,882</u> | <u>\$111,202,371</u> | <u>\$103,790,051</u> | <u>\$99,939,137</u> | <u>\$97,545,669</u> | <u>\$95,113,188</u> |

**City of Orrville, Ohio**  
*Changes in Net Position*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

|  | 2013               | 2012               | 2011               | 2010               |
|--|--------------------|--------------------|--------------------|--------------------|
| <b>Program Revenues</b>                                |                    |                    |                    |                    |
| Governmental Activities:                               |                    |                    |                    |                    |
| Charges for Services:                                  |                    |                    |                    |                    |
| General Government                                     | \$145,721          | \$223,260          | \$113,485          | \$150,200          |
| Security of Persons and Property:                      |                    |                    |                    |                    |
| Police   | 17,514             | 27,483             | 20,247             | 21,428             |
| Fire   | 77,582             | 87,585             | 69,197             | 68,219             |
| Transportation   | 527,474            | 0                  | 0                  | 0                  |
| Public Health and Welfare                              | 141,024            | 135,591            | 118,407            | 118,637            |
| Leisure Time Activities                                | 74,946             | 69,579             | 68,057             | 65,857             |
| Basic Utility Service                                  | 416,782            | 418,811            | 404,260            | 416,442            |
| Subtotal - Charges for Services                        | <u>1,401,043</u>   | <u>962,309</u>     | <u>793,653</u>     | <u>840,783</u>     |
| Operating Grants and Contributions:                    |                    |                    |                    |                    |
| General Government                                     | 22,141             | 18,150             | 26,440             | 14,670             |
| Security of Persons and Property:                      |                    |                    |                    |                    |
| Police   | 0                  | 0                  | 300                | 320                |
| Fire   | 15,000             | 0                  | 0                  | 0                  |
| Transportation   | 561,634            | 464,131            | 494,700            | 471,099            |
| Leisure Time Activities                                | 6,897              | 29,993             | 38,542             | 13,033             |
| Basic Utility Service                                  | 0                  | 0                  | 0                  | 0                  |
| Subtotal - Operating Grants and Contributions          | <u>605,672</u>     | <u>512,274</u>     | <u>559,982</u>     | <u>499,122</u>     |
| Capital Grants and Contributions:                      |                    |                    |                    |                    |
| General Government                                     | 0                  | 0                  | 0                  | 98,755             |
| Transportation   | 911,860            | 432,284            | 184,461            | 440,681            |
| Subtotal - Capital Grants and Contributions            | <u>911,860</u>     | <u>432,284</u>     | <u>184,461</u>     | <u>539,436</u>     |
| <i>Total Governmental Activities Program Revenues</i>  | <u>2,918,575</u>   | <u>1,906,867</u>   | <u>1,538,096</u>   | <u>1,879,341</u>   |
| Business-Type Activities:                              |                    |                    |                    |                    |
| Charges for Services:                                  |                    |                    |                    |                    |
| Sewer  | 2,197,638          | 1,984,559          | 1,983,158          | 2,057,237          |
| Electric   | 32,232,307         | 32,256,760         | 26,613,199         | 24,448,148         |
| Water  | 3,153,951          | 2,865,074          | 2,776,324          | 2,862,194          |
| Subtotal - Charges for Services                        | <u>37,583,896</u>  | <u>37,106,393</u>  | <u>31,372,681</u>  | <u>29,367,579</u>  |
| Capital Grants and Contributions                       |                    |                    |                    |                    |
| Water  | 0                  | 18,596             | 249,780            | 0                  |
| <i>Total Business-Type Activities Program Revenues</i> | <u>37,583,896</u>  | <u>37,124,989</u>  | <u>31,622,461</u>  | <u>29,367,579</u>  |
| <i>Total Primary Government Program Revenues</i>       | <u>40,502,471</u>  | <u>39,031,856</u>  | <u>33,160,557</u>  | <u>31,246,920</u>  |
| <b>Expenses</b>  |                    |                    |                    |                    |
| Governmental Activities:                               |                    |                    |                    |                    |
| General Government                                     | 1,256,080          | 1,524,270          | 1,113,080          | 1,000,403          |
| Security of Persons and Property:                      |                    |                    |                    |                    |
| Police   | 2,057,208          | 2,035,706          | 1,741,290          | 1,761,008          |
| Fire   | 601,627            | 583,869            | 727,641            | 513,253            |
| Transportation   | 2,359,161          | 2,178,927          | 2,120,596          | 2,657,883          |
| Public Health and Welfare                              | 201,826            | 355,785            | 193,614            | 358,574            |
| Leisure Time Activities                                | 357,702            | 388,379            | 395,350            | 382,833            |
| Basic Utility Service                                  | 432,964            | 434,596            | 418,618            | 407,762            |
| Interest and Fiscal Charges                            | 40,640             | 48,529             | 56,842             | 64,704             |
| <i>Total Governmental Activities Expenses</i>          | <u>\$7,307,208</u> | <u>\$7,550,061</u> | <u>\$6,767,031</u> | <u>\$7,146,420</u> |

| 2009        | 2008        | 2007        | 2006        | 2005        | 2004        |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$207,225   | \$113,285   | \$158,784   | \$111,390   | \$113,000   | \$120,248   |
| 21,878      | 18,697      | 14,367      | 15,276      | 14,506      | 26,054      |
| 63,973      | 23,280      | 52,225      | 46,025      | 46,024      | 36,290      |
| 634         | 264         | 11,843      | 11,581      | 30,141      | 300         |
| 101,345     | 92,782      | 116,240     | 105,827     | 100,576     | 128,734     |
| 59,572      | 24,855      | 65,720      | 62,139      | 72,621      | 56,284      |
| 439,532     | 430,026     | 280,368     | 285,636     | 269,752     | 256,665     |
| 894,159     | 703,189     | 699,547     | 637,874     | 646,620     | 624,575     |
| 16,996      | 76,851      | 61,468      | 15,600      | 16,205      | 14,092      |
| 1,520       | 0           | 0           | 0           | 0           | 0           |
| 0           | 2,500       | 0           | 0           | 0           | 2,125       |
| 516,773     | 526,802     | 599,351     | 562,367     | 540,752     | 445,050     |
| 13,698      | 36,919      | 12,503      | 9,823       | 10,290      | 9,900       |
| 52          | 13,633      | 0           | 0           | 0           | 0           |
| 549,039     | 656,705     | 673,322     | 587,790     | 567,247     | 471,167     |
| 341,100     | 140,552     | 406,576     | 13,017      | 95,944      | 0           |
| 438,166     | 1,048,529   | 444,137     | 280,843     | 186,662     | 819,983     |
| 779,266     | 1,189,081   | 850,713     | 293,860     | 282,606     | 819,983     |
| 2,222,464   | 2,548,975   | 2,223,582   | 1,519,524   | 1,496,473   | 1,915,725   |
| 1,871,276   | 2,048,402   | 1,948,555   | 2,009,263   | 1,980,067   | 1,905,641   |
| 21,309,884  | 28,780,366  | 25,460,273  | 26,606,260  | 25,220,891  | 21,615,342  |
| 2,605,185   | 3,081,340   | 2,908,869   | 2,933,631   | 2,591,906   | 2,512,014   |
| 25,786,345  | 33,910,108  | 30,317,697  | 31,549,154  | 29,792,864  | 26,032,997  |
| 631,711     | 41,402      | 301,273     | 0           | 0           | 0           |
| 26,418,056  | 33,951,510  | 30,618,970  | 31,549,154  | 29,792,864  | 26,032,997  |
| 28,640,520  | 36,500,485  | 32,842,552  | 33,068,678  | 31,289,337  | 27,948,722  |
| 1,298,794   | 1,276,806   | 1,323,894   | 1,151,757   | 1,075,509   | 970,814     |
| 1,756,470   | 1,631,577   | 1,538,833   | 1,565,658   | 1,360,423   | 1,425,870   |
| 601,035     | 617,200     | 614,516     | 601,531     | 531,847     | 357,766     |
| 2,632,557   | 2,474,540   | 2,289,247   | 2,229,194   | 1,590,642   | 2,478,398   |
| 166,552     | 199,238     | 187,718     | 142,615     | 118,376     | 179,941     |
| 430,143     | 395,062     | 348,947     | 318,858     | 252,386     | 308,917     |
| 444,941     | 417,347     | 307,678     | 273,951     | 282,403     | 279,895     |
| 72,104      | 79,296      | 39,260      | 8,877       | 9,706       | 10,726      |
| \$7,402,596 | \$7,091,066 | \$6,650,093 | \$6,292,441 | \$5,221,292 | \$6,012,327 |

(continued)

**City of Orrville, Ohio**  
*Changes in Net Position (continued)*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

|  | 2013               | 2012               | 2011               | 2010               |
|--|--------------------|--------------------|--------------------|--------------------|
| <b>Business-Type Activities:</b>   |                    |                    |                    |                    |
| Sewer  | \$2,301,197        | \$2,087,164        | \$2,126,667        | \$2,190,719        |
| Electric   | 31,893,556         | 32,778,792         | 27,678,178         | 25,515,336         |
| Water  | 3,161,055          | 3,169,501          | 2,816,039          | 2,608,973          |
| <i>Total Business-Type Activities Expenses</i>                                     | <u>37,355,808</u>  | <u>38,035,457</u>  | <u>32,620,884</u>  | <u>30,315,028</u>  |
| <i>Total Primary Government Program Expenses</i>                                   | <u>44,663,016</u>  | <u>45,585,518</u>  | <u>39,387,915</u>  | <u>37,461,448</u>  |
| <b>Net (Expense)/Revenue</b>   |                    |                    |                    |                    |
| Governmental Activities  | (4,388,633)        | (5,643,194)        | (5,228,935)        | (5,267,079)        |
| Business-Type Activities   | 228,088            | (910,468)          | (998,423)          | (947,449)          |
| <i>Total Primary Government Net Expense</i>  | <u>(4,160,545)</u> | <u>(6,553,662)</u> | <u>(6,227,358)</u> | <u>(6,214,528)</u> |
| <b>General Revenues and Other Changes in Net Position</b>                          |                    |                    |                    |                    |
| Governmental Activities:   |                    |                    |                    |                    |
| Taxes:   |                    |                    |                    |                    |
| Property and Other Local Taxes Levied for:   |                    |                    |                    |                    |
| General Purposes   | 397,725            | 407,917            | 445,836            | 477,264            |
| Kilowatt per Hour Taxes Levied for:  |                    |                    |                    |                    |
| General Purposes   | 915,131            | 916,240            | 884,285            | 880,337            |
| Municipal Income Taxes Levied for:   |                    |                    |                    |                    |
| General Purposes   | 4,214,928          | 4,344,025          | 3,271,841          | 3,474,663          |
| Capital Outlay   | 1,634,785          | 1,788,870          | 1,043,939          | 1,092,418          |
| Grants and Entitlements not Restricted to Specific Programs                        | 261,887            | 437,914            | 540,040            | 722,404            |
| Investment Income  | 4,341              | 24,179             | 27,685             | 49,763             |
| Transfers  | (915,131)          | (916,239)          | (884,285)          | (880,337)          |
| Other  | 130,857            | 383,627            | 42,833             | 74,112             |
| <i>Total Governmental Activities</i>   | <u>6,644,523</u>   | <u>7,386,533</u>   | <u>5,372,174</u>   | <u>5,890,624</u>   |
| Business-Type Activities:  |                    |                    |                    |                    |
| Investment Income  | 106,958            | 148,673            | 166,028            | 202,507            |
| Transfers  | 915,131            | 916,239            | 884,285            | 880,337            |
| Gain on Sale of Capital Assets   | 194,281            | 0                  | 0                  | 0                  |
| Other  | 607,926            | 898,385            | 661,252            | 622,492            |
| <i>Total Business-Type Activities</i>  | <u>1,824,296</u>   | <u>1,963,297</u>   | <u>1,711,565</u>   | <u>1,705,336</u>   |
| <i>Total Primary Government General Revenues and Other Changes in Net Position</i> | <u>8,468,819</u>   | <u>9,349,830</u>   | <u>7,083,739</u>   | <u>7,595,960</u>   |
| <b>Change in Net Position</b>  |                    |                    |                    |                    |
| Governmental Activities  | 2,255,890          | 1,743,339          | 143,239            | 623,545            |
| Business-Type Activities   | 2,052,384          | 1,052,829          | 713,142            | 757,887            |
| <i>Total Primary Government Change in Net Position</i>                             | <u>\$4,308,274</u> | <u>\$2,796,168</u> | <u>\$856,381</u>   | <u>\$1,381,432</u> |

| 2009        | 2008        | 2007        | 2006        | 2005        | 2004        |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$2,123,983 | \$2,165,950 | \$2,235,400 | \$2,064,871 | \$1,942,249 | \$2,035,090 |
| 22,870,541  | 24,122,241  | 25,725,633  | 25,754,322  | 25,247,053  | 23,143,664  |
| 3,211,725   | 2,792,044   | 2,712,945   | 2,874,257   | 2,425,269   | 2,682,953   |
| 28,206,249  | 29,080,235  | 30,673,978  | 30,693,450  | 29,614,571  | 27,861,707  |
| 35,608,845  | 36,171,301  | 37,324,071  | 36,985,891  | 34,835,863  | 33,874,034  |
| (5,180,132) | (4,542,091) | (4,426,511) | (4,772,917) | (3,724,819) | (4,096,602) |
| (1,788,193) | 4,871,275   | (55,008)    | 855,704     | 178,293     | (1,828,710) |
| (6,968,325) | 329,184     | (4,481,519) | (3,917,213) | (3,546,526) | (5,925,312) |
| 495,460     | 505,320     | 485,053     | 469,385     | 524,516     | 536,388     |
| 847,907     | 881,904     | 897,363     | 851,218     | 837,438     | 802,505     |
| 3,485,477   | 2,319,038   | 3,490,470   | 2,299,733   | 2,195,463   | 2,013,058   |
| 1,097,066   | 806,910     | 858,389     | 560,677     | 534,765     | 365,734     |
| 965,243     | 816,394     | 514,543     | 579,014     | 717,533     | 497,937     |
| 77,420      | 171,859     | 236,379     | 217,144     | 139,056     | 80,061      |
| (847,907)   | (881,904)   | (897,363)   | (851,218)   | (837,438)   | (802,505)   |
| 36,796      | 209,767     | 88,388      | 35,116      | 165,427     | 112,812     |
| 6,157,462   | 4,829,288   | 5,673,222   | 4,161,069   | 4,276,760   | 3,605,990   |
| 783,010     | 838,914     | 1,138,233   | 965,009     | 325,135     | 292,975     |
| 847,907     | 881,904     | 897,363     | 851,218     | 837,438     | 802,505     |
| 0           | 0           | 0           | 0           | 0           | 17,131      |
| 583,457     | 533,030     | 623,615     | 333,385     | 539,674     | 693,509     |
| 2,214,374   | 2,253,848   | 2,659,211   | 2,149,612   | 1,702,247   | 1,806,120   |
| 8,371,836   | 7,083,136   | 8,332,433   | 6,310,681   | 5,979,007   | 5,412,110   |
| 977,330     | 287,197     | 1,246,711   | (611,848)   | 551,941     | (490,612)   |
| 426,181     | 7,125,123   | 2,604,203   | 3,005,316   | 1,880,540   | (22,590)    |
| \$1,403,511 | \$7,412,320 | \$3,850,914 | \$2,393,468 | \$2,432,481 | (\$513,202) |

**City of Orrville, Ohio**  
*Fund Balances, Governmental Funds*  
*Last Ten Years*  
*(Modified Accrual Basis of Accounting)*

|   | 2013               | 2012               | 2011               | 2010               |
|---|--------------------|--------------------|--------------------|--------------------|
| <b>General Fund</b>                       |                    |                    |                    |                    |
| Nonspendable                              | \$96,812           | \$93,934           | \$105,065          | \$99,349           |
| Assigned                                  | 1,860,961          | 1,776,606          | 130,210            | 9,612              |
| Unassigned                                | 3,188,229          | 2,704,525          | 3,739,250          | 3,568,240          |
| Reserved                                  | N/A                | N/A                | N/A                | N/A                |
| Unreserved                                | N/A                | N/A                | N/A                | N/A                |
| <b>Total General Fund</b>                 | <b>5,146,002</b>   | <b>4,575,065</b>   | <b>3,974,525</b>   | <b>3,677,201</b>   |
| <b>All Other Governmental Funds</b>       |                    |                    |                    |                    |
| Nonspendable                              | \$0                | \$0                | \$0                | \$0                |
| Restricted                                | 1,183,988          | 1,055,428          | 991,795            | 927,139            |
| Committed                                 | 1,830,120          | 1,214,063          | 882,927            | 463,431            |
| Assigned                                  | 30,103             | 29,902             | 29,597             | 29,487             |
| Unassigned                                | 0                  | 0                  | 0                  | 0                  |
| Reserved                                  | N/A                | N/A                | N/A                | N/A                |
| Unreserved, Undesignated, Reported in:    |                    |                    |                    |                    |
| Special Revenue funds                     | N/A                | N/A                | N/A                | N/A                |
| Debt Service funds                        | N/A                | N/A                | N/A                | N/A                |
| Capital Projects funds (Deficit)          | N/A                | N/A                | N/A                | N/A                |
| <b>Total All Other Governmental Funds</b> | <b>3,044,211</b>   | <b>2,299,393</b>   | <b>1,904,319</b>   | <b>1,420,057</b>   |
| <b>Total Governmental Funds</b>           | <b>\$8,190,213</b> | <b>\$6,874,458</b> | <b>\$5,878,844</b> | <b>\$5,097,258</b> |

Note: Due to the implementation of GASB Statement No. 54 in 2010, the parking meter fund is now included with general fund on a GAAP basis. In 2009 and prior years, the parking meter fund balance was included in all other governmental funds.



| 2009        | 2008        | 2007        | 2006        | 2005        | 2004        |
|-------------|-------------|-------------|-------------|-------------|-------------|
| N/A         | N/A         | N/A         | N/A         | N/A         | N/A         |
| N/A         | N/A         | N/A         | N/A         | N/A         | N/A         |
| N/A         | N/A         | N/A         | N/A         | N/A         | N/A         |
| \$149,410   | \$139,093   | \$92,442    | \$80,051    | \$56,479    | \$34,228    |
| 3,287,216   | 2,721,157   | 2,531,395   | 1,736,936   | 1,653,693   | 1,408,511   |
| 3,436,626   | 2,860,250   | 2,623,837   | 1,816,987   | 1,710,172   | 1,442,739   |
| N/A         | N/A         | N/A         | N/A         | N/A         | N/A         |
| N/A         | N/A         | N/A         | N/A         | N/A         | N/A         |
| N/A         | N/A         | N/A         | N/A         | N/A         | N/A         |
| N/A         | N/A         | N/A         | N/A         | N/A         | N/A         |
| N/A         | N/A         | N/A         | N/A         | N/A         | N/A         |
| 429,198     | 990,796     | 342,543     | 273,104     | 408,775     | 258,006     |
| 857,617     | 839,287     | 786,946     | 732,225     | 474,957     | 636,263     |
| 139,179     | 138,584     | 131,907     | 124,544     | 117,076     | 113,349     |
| (201,417)   | (753,701)   | 25,698      | 1,305,906   | 1,562,445   | 1,626,555   |
| 1,224,577   | 1,214,966   | 1,287,094   | 2,435,779   | 2,563,253   | 2,634,173   |
| \$4,661,203 | \$4,075,216 | \$3,910,931 | \$4,252,766 | \$4,273,425 | \$4,076,912 |

**City of Orrville, Ohio**  
*Changes in Fund Balances, Governmental Funds*  
*Last Ten Years*  
*(Modified Accrual Basis of Accounting)*

|   | 2013               | 2012             | 2011             | 2010             |
|---|--------------------|------------------|------------------|------------------|
| <b>Revenues</b>   |                    |                  |                  |                  |
| Property Taxes  | \$431,521          | \$408,163        | \$422,801        | \$500,638        |
| Income Taxes  | 5,944,657          | 5,437,544        | 4,677,933        | 4,313,286        |
| Kilowatt Per Hour Tax                                   | 915,131            | 916,240          | 884,285          | 880,337          |
| Special Assessments                                     | 11,556             | 11,314           | 21,502           | 21,765           |
| Intergovernmental                                       | 1,748,085          | 1,384,685        | 1,224,738        | 1,653,659        |
| Interest  | 4,341              | 24,179           | 27,685           | 49,763           |
| Fines, Licenses and Permits                             | 39,316             | 41,678           | 37,724           | 36,122           |
| Rentals   | 31,418             | 34,809           | 31,424           | 37,865           |
| Charges for Services                                    | 1,332,827          | 886,410          | 724,087          | 767,133          |
| Contributions and Donations                             | 72,188             | 29,993           | 38,542           | 13,033           |
| Other   | 130,857            | 383,627          | 42,833           | 74,112           |
| <i>Total Revenues</i>                                   | <u>10,661,897</u>  | <u>9,558,642</u> | <u>8,133,554</u> | <u>8,347,713</u> |
| <b>Expenditures</b>                                     |                    |                  |                  |                  |
| Current:  |                    |                  |                  |                  |
| General Government                                      | 1,157,442          | 1,178,901        | 1,063,944        | 971,591          |
| Security of Persons and Property:                       |                    |                  |                  |                  |
| Police  | 2,033,291          | 1,967,615        | 1,724,404        | 1,707,584        |
| Fire  | 467,667            | 450,488          | 544,662          | 492,705          |
| Transportation  | 1,251,556          | 1,310,272        | 1,257,749        | 1,405,313        |
| Public Health and Welfare                               | 182,521            | 335,701          | 179,071          | 340,315          |
| Leisure Time Activities                                 | 298,747            | 332,224          | 333,811          | 297,717          |
| Basic Utility Service                                   | 432,964            | 434,596          | 418,618          | 407,762          |
| Capital Outlay  | 2,557,675          | 1,580,497        | 871,072          | 1,327,598        |
| Debt Service:   |                    |                  |                  |                  |
| Principal Retirement                                    | 8,460              | 7,920            | 17,420           | 15,950           |
| Interest and Fiscal Charges                             | 40,688             | 48,575           | 56,932           | 64,786           |
| <i>Total Expenditures</i>                               | <u>8,431,011</u>   | <u>7,646,789</u> | <u>6,467,683</u> | <u>7,031,321</u> |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | <u>2,230,886</u>   | <u>1,911,853</u> | <u>1,665,871</u> | <u>1,316,392</u> |
| <b>Other Financing Sources (Uses)</b>                   |                    |                  |                  |                  |
| Transfers In  | 490,200            | 420,024          | 338,014          | 332,787          |
| Transfers Out   | (1,405,331)        | (1,336,263)      | (1,222,299)      | (1,213,124)      |
| <i>Total Other Financing Sources (Uses)</i>             | <u>(915,131)</u>   | <u>(916,239)</u> | <u>(884,285)</u> | <u>(880,337)</u> |
| <i>Net Change in Fund Balances</i>                      | <u>\$1,315,755</u> | <u>\$995,614</u> | <u>\$781,586</u> | <u>\$436,055</u> |
| Debt Service as a Percentage of Noncapital Expenditures | 0.83%              | 0.97%            | 1.42%            | 1.42%            |

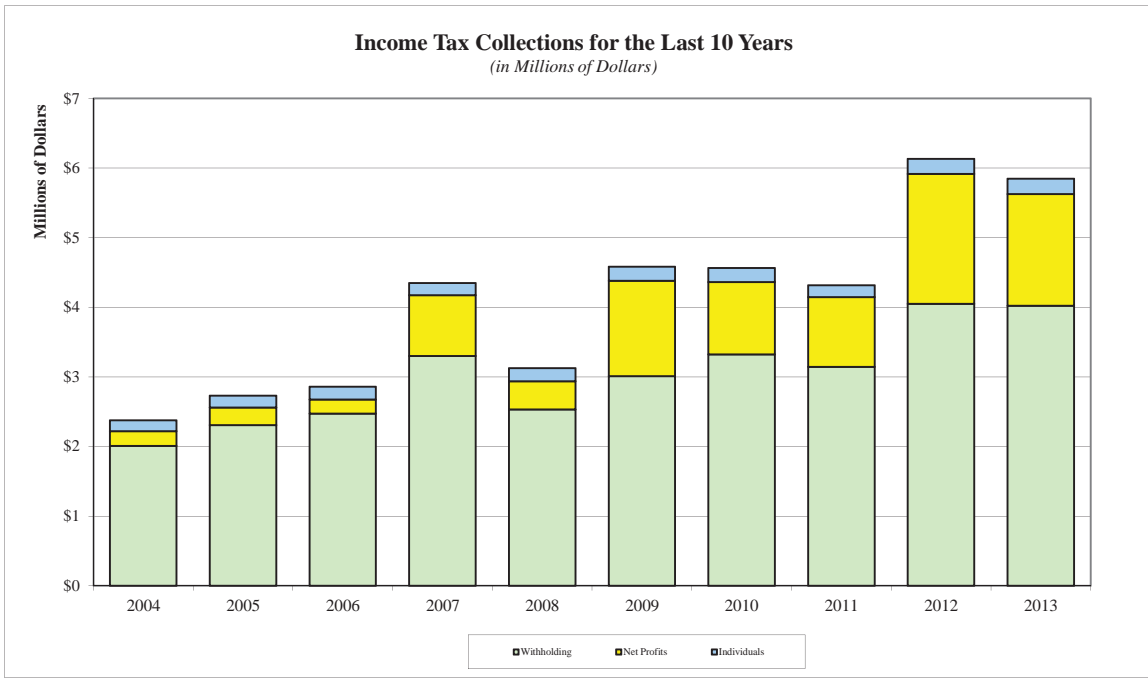
| 2009        | 2008        | 2007        | 2006        | 2005        | 2004        |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$491,616   | \$483,819   | \$479,755   | \$492,470   | \$485,085   | \$580,710   |
| 4,208,090   | 3,735,209   | 3,879,196   | 2,780,220   | 2,700,645   | 2,575,080   |
| 847,907     | 881,904     | 897,363     | 851,218     | 837,438     | 802,505     |
| 19,048      | 25,148      | 22,759      | 12,822      | 12,518      | 12,129      |
| 2,215,934   | 2,469,813   | 2,036,256   | 1,598,760   | 1,359,658   | 1,708,192   |
| 77,420      | 171,859     | 236,379     | 217,144     | 139,056     | 81,999      |
| 42,816      | 31,464      | 40,170      | 134,415     | 130,687     | 40,277      |
| 36,981      | 39,239      | 31,200      | 31,200      | 31,600      | 31,500      |
| 810,187     | 617,368     | 609,929     | 556,639     | 484,450     | 553,287     |
| 98,698      | 158,919     | 20,503      | 9,823       | 10,290      | 9,900       |
| 36,796      | 209,767     | 88,388      | 35,116      | 165,427     | 112,812     |
| 8,885,493   | 8,824,509   | 8,341,898   | 6,719,827   | 6,356,854   | 6,508,391   |
| 1,194,191   | 1,125,756   | 1,034,771   | 954,490     | 1,000,293   | 859,525     |
| 1,660,958   | 1,602,155   | 1,476,049   | 1,525,428   | 1,378,888   | 1,370,432   |
| 421,343     | 400,868     | 413,333     | 386,844     | 374,293     | 393,870     |
| 1,457,344   | 1,347,487   | 1,222,942   | 1,058,560   | 1,226,957   | 1,167,448   |
| 140,300     | 177,486     | 159,007     | 116,383     | 118,486     | 255,971     |
| 318,017     | 291,169     | 268,548     | 236,039     | 218,033     | 214,635     |
| 444,941     | 417,347     | 307,678     | 273,951     | 282,403     | 279,895     |
| 1,727,815   | 2,320,788   | 2,850,305   | 1,314,669   | 701,247     | 1,963,528   |
| 14,510      | 15,870      | 14,388      | 13,941      | 12,518      | 12,129      |
| 72,180      | 79,394      | 39,349      | 8,963       | 9,785       | 10,801      |
| 7,451,599   | 7,778,320   | 7,786,370   | 5,889,268   | 5,322,903   | 6,528,234   |
| 1,433,894   | 1,046,189   | 555,528     | 830,559     | 1,033,951   | (19,843)    |
| 327,310     | 272,848     | 214,970     | 163,570     | 213,564     | 307,093     |
| (1,175,217) | (1,154,752) | (1,112,333) | (1,014,788) | (1,051,002) | (1,109,598) |
| (847,907)   | (881,904)   | (897,363)   | (851,218)   | (837,438)   | (802,505)   |
| \$585,987   | \$164,285   | (\$341,835) | (\$20,659)  | \$196,513   | (\$822,348) |
| 1.46%       | 1.69%       | 1.03%       | 0.48%       | 0.48%       | 0.50%       |

**City of Orrville, Ohio**  
*Income Tax Revenue Base and Collections*  
*Last Ten Years*

| Tax Year | Tax Rate | Total Tax Collected (1) | Taxes from Withholding | Percentage of Taxes from Withholding | Taxes From Net Profits | Percentage of Taxes from Net Profits | Taxes From Individuals | Percentage of Taxes from Individuals |
|----------|----------|-------------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|
| 2013     | 1.00%    | \$5,849,713             | \$4,024,603            | 68.80%                               | \$1,600,481            | 27.36%                               | \$224,629              | 3.84%                                |
| 2012     | 1.00     | 6,132,895               | 4,051,390              | 66.06                                | 1,863,787              | 30.39                                | 217,718                | 3.55                                 |
| 2011     | 1.00     | 4,315,780               | 3,142,751              | 72.82                                | 1,004,282              | 23.27                                | 168,747                | 3.91                                 |
| 2010     | 1.00     | 4,567,081               | 3,324,378              | 72.79                                | 1,038,098              | 22.73                                | 204,605                | 4.48                                 |
| 2009     | 1.00     | 4,582,543               | 3,010,960              | 65.70                                | 1,371,928              | 29.94                                | 199,655                | 4.36                                 |
| 2008     | 1.00     | 3,125,948               | 2,534,831              | 81.09                                | 404,498                | 12.94                                | 186,619                | 5.97                                 |
| 2007     | 1.00     | 4,348,859               | 3,299,393              | 75.87                                | 873,005                | 20.07                                | 176,461                | 4.06                                 |
| 2006     | 1.00     | 2,860,410               | 2,474,541              | 86.51                                | 200,229                | 7.00                                 | 185,640                | 6.49                                 |
| 2005     | 1.00     | 2,730,228               | 2,308,681              | 84.56                                | 254,184                | 9.31                                 | 167,363                | 6.13                                 |
| 2004     | 1.00     | 2,378,792               | 2,010,079              | 84.50                                | 210,047                | 8.83                                 | 158,666                | 6.67                                 |

(1) Accrual Basis

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



**City of Orrville, Ohio**  
*Income Tax Filers by Income Level*  
*Tax Years 2013 and 2004*

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Tax Year 2013

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| Income Range   | Number of Filers | Percent of Filers | Taxable Income       | Percent of Taxable Income |
|----------------|------------------|-------------------|----------------------|---------------------------|
| Over \$100,000 | 273              | 6.92 %            | \$177,155,334        | 67.17 %                   |
| 75,001-100,000 | 248              | 6.29              | 21,308,773           | 8.08                      |
| 50,001-75,000  | 451              | 11.44             | 27,707,537           | 10.51                     |
| 25,000-50,000  | 674              | 17.09             | 24,576,363           | 9.32                      |
| Under 25,000   | 1,353            | 34.30             | 12,979,653           | 4.92                      |
| Zero File      | 945              | 23.96             | -                    | 0.00                      |
| <b>Total</b>   | <b>3,944</b>     | <b>100%</b>       | <b>\$263,727,660</b> | <b>100%</b>               |

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Tax Year 2004

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| Income Range   | Number of Filers | Percent of Filers | Taxable Income      | Percent of Taxable Income |
|----------------|------------------|-------------------|---------------------|---------------------------|
| Over \$100,000 | 66               | 4.34 %            | \$22,555,180        | 47.82 %                   |
| 75,001-100,000 | 44               | 2.90              | 3,787,914           | 8.03                      |
| 50,001-75,000  | 121              | 7.97              | 7,244,834           | 15.36                     |
| 25,000-50,000  | 247              | 16.26             | 8,846,334           | 18.76                     |
| Under 25,000   | 672              | 44.24             | 4,732,027           | 10.03                     |
| Zero File      | 369              | 24.29             | -                   | 0.00                      |
| <b>Total</b>   | <b>1,519</b>     | <b>100%</b>       | <b>\$47,166,289</b> | <b>100%</b>               |

Source: City Income Tax Department

Note: In 2008, the City began mandatory filing of income tax returns.

**City of Orrville, Ohio**  
*Electric Sold by Type of Customer*  
*Last Ten Years*

| Type of Customer: | 2013                | 2012                | 2011                | 2010                | 2009                | 2008                | 2007                | 2006                | 2005                | 2004                |
|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Residential       | \$8,652,645         | \$7,574,562         | \$6,651,550         | \$6,399,821         | \$5,818,091         | \$6,483,030         | \$5,752,018         | \$5,309,598         | \$5,455,605         | \$4,676,994         |
| Industrial (1)    | 13,497,815          | 16,269,834          | 12,768,572          | 11,256,053          | 9,208,190           | 14,909,191          | 13,379,497          | 16,079,431          | 14,621,760          | 12,550,867          |
| Commercial        | 9,695,799           | 8,105,393           | 6,919,880           | 6,569,498           | 6,089,237           | 7,133,605           | 6,091,331           | 5,001,317           | 4,930,071           | 4,196,891           |
| Government        | 386,048             | 306,971             | 273,197             | 222,776             | 189,372             | 254,540             | 237,427             | 215,914             | 213,455             | 190,590             |
| <b>Total</b>      | <b>\$32,232,307</b> | <b>\$32,256,760</b> | <b>\$26,613,199</b> | <b>\$24,448,148</b> | <b>\$21,304,890</b> | <b>\$28,780,366</b> | <b>\$25,460,273</b> | <b>\$26,606,260</b> | <b>\$25,220,891</b> | <b>\$21,615,342</b> |

(1) Industrial sales were higher in 2006 due to a larger amount of wholesale electric sold to other utilities.

Source: City Records

**City of Orrville, Ohio**  
*Principal Electric Customers*  
 2013 and 2004

| <i>2013</i>                                 |                                  |   |
|---|----------------------------------|---|
| Customer                                    | Electric<br>Charges for Services | Percentage of Total<br>Charges for Services |
| Quality Castings Company                    | \$4,776,133                      | 14.82 %                                     |
| J M Smucker Company                         | 3,563,100                        | 11.05                                       |
| Smith Dairy                                 | 1,706,819                        | 5.29  |
| Bekaert - Formerly Contours                 | 1,221,146                        | 3.79  |
| JLG   | 714,631                          | 2.22  |
| Marshallville Corporation                   | 665,884                          | 2.07  |
| Orrvilon                                    | 492,501                          | 1.53  |
| Will-Burt                                   | 485,795                          | 1.51  |
| Aultman Orrville Hospital - Formerly Dunlap | 409,381                          | 1.27  |
| Buehlers                                    | 259,040                          | 0.80  |
| Total                                       | <u>\$14,294,430</u>              | <u>44.35 %</u>                              |
| Total Electric Charges for Services         | <u>\$32,232,307</u>              |   |

| <i>2004</i>                         |                                  |   |
|-------------------------------------|----------------------------------|---|
| Customer                            | Electric<br>Charges for Services | Percentage of Total<br>Charges for Services |
| Quality Castings Company            | \$2,274,381                      | 10.52 %                                     |
| J M Smucker Company                 | 1,118,889                        | 5.18  |
| Technocast                          | 1,142,504                        | 5.28  |
| Smith Dairy                         | 781,172                          | 3.61  |
| Contours                            | 688,223                          | 3.18  |
| Marshallville Corporation           | 385,985                          | 1.79  |
| WillBurt                            | 289,997                          | 1.34  |
| Caraustar                           | 176,480                          | 0.82  |
| Dunlap Hospital                     | 179,613                          | 0.83  |
| American Weather Seal               | 159,526                          | 0.74  |
| Total                               | <u>\$7,196,770</u>               | <u>33.29 %</u>                              |
| Total Electric Charges for Services | <u>\$21,615,342</u>              |   |

Source: City Records

**City of Orrville, Ohio**  
*Electric Rates Per Month*  
*Last Ten Years*

|   | 2013     | 2012     | 2011     |
|---|----------|----------|----------|
| <b>Residential:</b>   |          |          |          |
| First 50 KWH  | \$8.2400 | \$8.2400 | \$6.4300 |
| Next 250 KWH - per KWH  | 0.1004   | 0.1004   | 0.0633   |
| Next 750 KWH - per KWH  | 0.0936   | 0.0936   | 0.0565   |
| All Over 1050 KWH - per KWH                                   | 0.0877   | 0.0877   | 0.0506   |
| <b>General Service:</b>                                       |          |          |          |
| <b>Small:</b>   |          |          |          |
| Minimum Charge  | 13.3700  | 13.3700  | 9.6600   |
| First 100 KWH - per KWH                                       | 0.1334   | 0.1334   | 0.0965   |
| Next 200 KWH - per KWH  | 0.1123   | 0.1123   | 0.0753   |
| All Over 300 KWH - per KWH                                    | 0.1013   | 0.1013   | 0.0642   |
| <b>Medium (per KVA):</b>                                      |          |          |          |
| Minimum Charge - per KVA                                      | 1.7600   | 1.7600   | 1.7600   |
| First 60 KWH Block - per KWH                                  | 0.1422   | 0.1422   | 0.1053   |
| Second 60 KWH Block - per KWH                                 | 0.1182   | 0.1182   | 0.0812   |
| Third 80 KWH Block - per KWH                                  | 0.0936   | 0.0936   | 0.0565   |
| Fourth 100 KWH Block - per KWH                                | 0.0861   | 0.0861   | 0.0490   |
| All Over 300 KWH - per KWH                                    | 0.0805   | 0.0805   | 0.0434   |
| <b>Large (per KVA):</b>                                       |          |          |          |
| Minimum Charge - per KVA                                      | 1.6200   | 1.6200   | 1.6200   |
| First 50 KWH Block - per KWH                                  | 0.1383   | 0.1383   | 0.1014   |
| Second 50 KWH Block - per KWH                                 | 0.0984   | 0.0984   | 0.0614   |
| Over 100 KWH Block but not<br>Exceeding 100,000 KWH - per KWH | 0.0822   | 0.0822   | 0.0452   |
| All Over Sum of Prior Amounts - per KWH                       | 0.0774   | 0.0774   | 0.0403   |
| <b>Industrial (per KVA):</b>                                  |          |          |          |
| Minimum Charge - per KVA                                      | 3.2000   | 3.2000   | 3.2000   |
| First 30 KWH Block - per KWH                                  | 0.1622   | 0.1622   | 0.1254   |
| Second 170 KWH Block per KVA:                                 |          |          |          |
| 2,000 KWH - per KWH   | 0.1148   | 0.1148   | 0.0805   |
| 8,000 KWH - per KWH   | 0.1054   | 0.1054   | 0.0684   |
| 90,000 KWH - per KWH  | 0.0936   | 0.0936   | 0.0565   |
| Over 100,000 KWH - per KWH                                    | 0.0811   | 0.0811   | 0.0441   |
| Third Block Over 200,000 KWH - per KWH                        | 0.0741   | 0.0741   | 0.0370   |
| All Over Sum of Prior Amounts - per KWH                       | 0.0733   | 0.0733   | 0.0362   |

Note: Rates can be changed by the Public Utilities Board with approval and passage by City Council

Source: City Records

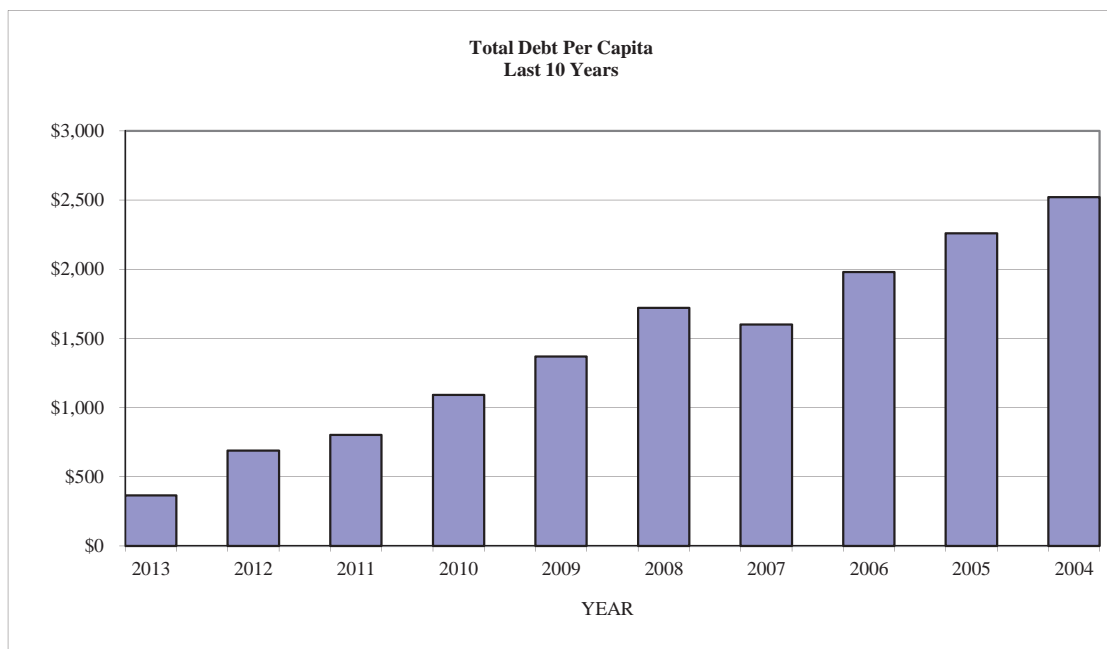


| 2010     | 2009     | 2008     | 2007     | 2006     | 2005     | 2004     |
|----------|----------|----------|----------|----------|----------|----------|
| \$6.4300 | \$6.4300 | \$6.4300 | \$6.4300 | \$6.4300 | \$6.3700 | \$6.1300 |
| 0.0633   | 0.0633   | 0.0633   | 0.0633   | 0.0633   | 0.0627   | 0.0603   |
| 0.0565   | 0.0565   | 0.0565   | 0.0565   | 0.0565   | 0.0559   | 0.0537   |
| 0.0506   | 0.0506   | 0.0506   | 0.0506   | 0.0506   | 0.0501   | 0.0481   |
| 9.6600   | 9.6600   | 9.6600   | 9.6600   | 9.6600   | 9.5600   | 9.1900   |
| 0.0965   | 0.0965   | 0.0965   | 0.0965   | 0.0965   | 0.0955   | 0.0918   |
| 0.0753   | 0.0753   | 0.0753   | 0.0753   | 0.0753   | 0.0746   | 0.0717   |
| 0.0642   | 0.0642   | 0.0642   | 0.0642   | 0.0642   | 0.0636   | 0.0612   |
| 1.7600   | 1.7600   | 1.7600   | 1.7600   | 1.7600   | 1.7400   | 1.6800   |
| 0.1053   | 0.1053   | 0.1053   | 0.1053   | 0.1053   | 0.1043   | 0.1003   |
| 0.0812   | 0.0812   | 0.0812   | 0.0812   | 0.0812   | 0.0804   | 0.0773   |
| 0.0565   | 0.0565   | 0.0565   | 0.0565   | 0.0565   | 0.0559   | 0.0537   |
| 0.0490   | 0.0490   | 0.0490   | 0.0490   | 0.0490   | 0.0485   | 0.0466   |
| 0.0434   | 0.0434   | 0.0434   | 0.0434   | 0.0434   | 0.0430   | 0.0414   |
| 1.6200   | 1.6200   | 1.6200   | 1.6200   | 1.6200   | 1.6000   | 1.5400   |
| 0.1014   | 0.1014   | 0.1014   | 0.1014   | 0.1014   | 0.1004   | 0.0965   |
| 0.0614   | 0.0614   | 0.0614   | 0.0614   | 0.0614   | 0.0608   | 0.0584   |
| 0.0452   | 0.0452   | 0.0452   | 0.0452   | 0.0452   | 0.0448   | 0.0430   |
| 0.0403   | 0.0403   | 0.0403   | 0.0403   | 0.0403   | 0.0399   | 0.0383   |
| 3.2000   | 3.2000   | 3.2000   | 3.2000   | 3.2000   | 3.1700   | 3.0500   |
| 0.1254   | 0.1254   | 0.1254   | 0.1254   | 0.1254   | 0.0124   | 0.1194   |
| 0.0805   | 0.0805   | 0.0805   | 0.0805   | 0.0805   | 0.0797   | 0.0766   |
| 0.0684   | 0.0684   | 0.0684   | 0.0684   | 0.0684   | 0.0677   | 0.0651   |
| 0.0565   | 0.0565   | 0.0565   | 0.0565   | 0.0565   | 0.0559   | 0.0537   |
| 0.0441   | 0.0441   | 0.0441   | 0.0441   | 0.0441   | 0.0437   | 0.0420   |
| 0.0370   | 0.0370   | 0.0370   | 0.0370   | 0.0370   | 0.0366   | 0.0352   |
| 0.0362   | 0.0362   | 0.0362   | 0.0362   | 0.0362   | 0.0358   | 0.0344   |

**City of Orrville, Ohio**  
*Ratio of Outstanding Debt to  
 Total Personal Income and Debt Per Capita  
 Last Ten Years*

| Year | Governmental Activities  |             | Business-Type            |               |                        |
|------|--------------------------|-------------|--------------------------|---------------|------------------------|
|      | Special Assessment Bonds | Notes       | General Obligation Bonds | Revenue Bonds | Mortgage Revenue Bonds |
| 2013 | \$18,660                 | \$1,300,000 | \$975,000                | \$0           | \$0                    |
| 2012 | 27,120                   | 1,300,000   | 0                        | 3,580,000     | 0                      |
| 2011 | 35,040                   | 1,400,000   | 0                        | 3,806,822     | 0                      |
| 2010 | 52,460                   | 2,770,000   | 0                        | 4,260,654     | 0                      |
| 2009 | 68,410                   | 3,170,000   | 0                        | 4,694,486     | 1,777,103              |
| 2008 | 82,920                   | 3,570,000   | 0                        | 5,108,318     | 3,498,722              |
| 2007 | 98,790                   | 0           | 0                        | 5,507,150     | 5,072,004              |
| 2006 | 113,178                  | 0           | 0                        | 5,890,982     | 8,130,290              |
| 2005 | 127,119                  | 0           | 0                        | 6,264,814     | 9,563,576              |
| 2004 | 139,637                  | 0           | 0                        | 6,623,646     | 10,941,862             |

Note: Population and Personal Income data are presented on page S25.



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Activities

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| <u>OWDA<br/>Loans</u> | <u>OPWC<br/>Loans</u> | <u>Total<br/>Debt</u> | <u>Percentage<br/>of Personal<br/>Income</u> | <u>Per<br/>Capita</u> |
|-----------------------|-----------------------|-----------------------|--|-----------------------|
| \$0                   | \$783,042             | \$3,076,702           | 1.80%  | \$367                 |
| 9,608                 | 865,152               | 5,781,880             | 3.38   | 690                   |
| 537,207               | 947,262               | 6,726,331             | 3.93   | 803                   |
| 1,046,999             | 1,029,372             | 9,159,485             | 5.36   | 1,093                 |
| 1,477,014             | 1,111,482             | 12,298,495            | 7.87   | 1,370                 |
| 1,889,701             | 1,193,592             | 15,343,253            | 9.89   | 1,722                 |
| 2,285,881             | 1,264,868             | 14,228,693            | 9.19   | 1,601                 |
| 2,666,132             | 725,311               | 17,525,893            | 11.37  | 1,981                 |
| 3,031,009             | 785,754               | 19,772,272            | 12.97  | 2,259                 |
| 3,381,049             | 846,197               | 21,932,391            | 14.48  | 2,522                 |

**City of Orrville, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
 December 31, 2013

| Jurisdiction  | Governmental<br>Activities Debt<br>Outstanding | Percentage<br>Applicable<br>to City (1) | Amount<br>Applicable<br>to City |
|---|--|---|---------------------------------|
| <b>Direct - City of Orrville</b>                    |  |   |                                 |
| Special Assessment Bonds                            | \$18,660                                       | 100.00 %                                | \$18,660                        |
| <b>Overlapping</b>                                  |  |   |                                 |
| Orrville City School District                       |  |   |                                 |
| General Obligation Bonds                            | 15,992,180                                     | 80.39                                   | 12,856,114                      |
| School Facilities Construction and Improvement Note | 896,000  | 80.39                                   | 720,294                         |
| Capital Lease                                       | 11,632,000                                     | 80.39                                   | 9,350,965                       |
| Wayne County  |  |   |                                 |
| General Obligation Bonds                            | 6,688,987                                      | 8.74                                    | 584,617                         |
| OPWC Loan   | 157,583  | 8.74                                    | 13,773                          |
| <i>Total Overlapping Debt</i>                       | <u>35,366,750</u>                              |   | <u>23,525,763</u>               |
| <b>Total</b>  | <u><u>\$35,385,410</u></u>                     |   | <u><u>\$23,544,423</u></u>      |

Source: County Auditor

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

**City of Orrville, Ohio**  
*Pledged Revenue Coverage*  
*Water and Sewer (1)*  
*Last Ten Years*

| Water |                              |                              |                        |              |          |          |
|-------|------------------------------|------------------------------|------------------------|--------------|----------|----------|
| Year  | Water Operating Revenues (2) | Water Operating Expenses (3) | Net Available Revenues | Debt Service |          | Coverage |
|       |                              |                              |                        | Principal    | Interest |          |
| 2013  | \$3,188,911                  | \$1,941,241                  | \$1,247,670            | \$82,110     | \$0      | 15.20    |
| 2012  | 2,951,639                    | 1,966,480                    | 985,159                | 597,110      | 144,197  | 1.33     |
| 2011  | 2,841,526                    | 1,617,014                    | 1,224,512              | 577,110      | 202,930  | 1.57     |
| 2010  | 2,983,759                    | 1,346,924                    | 1,636,835              | 557,110      | 221,930  | 2.10     |
| 2009  | 2,721,322                    | 2,035,920                    | 685,402                | 537,110      | 135,466  | 1.02     |
| 2008  | 3,241,088                    | 1,622,561                    | 1,618,527              | 511,276      | 200,191  | 2.27     |
| 2007  | 3,363,974                    | 1,670,713                    | 1,693,261              | 485,443      | 221,712  | 2.39     |
| 2006  | 3,090,791                    | 1,741,923                    | 1,348,868              | 475,443      | 242,379  | 1.88     |
| 2005  | 2,694,596                    | 1,390,760                    | 1,303,836              | 460,443      | 259,292  | 1.81     |
| 2004  | 2,590,025                    | 1,619,417                    | 970,608                | 455,442      | 304,307  | 1.28     |
| Sewer |                              |                              |                        |              |          |          |
| Year  | Sewer Operating Revenues (2) | Sewer Operating Expenses (3) | Net Available Revenues | Debt Service |          | Coverage |
|       |                              |                              |                        | Principal    | Interest |          |
| 2013  | \$2,264,331                  | \$1,724,922                  | \$539,409              | \$9,608      | \$521    | 53.25    |
| 2012  | 2,074,359                    | 1,459,271                    | 615,088                | 527,599      | 15,169   | 1.13     |
| 2011  | 2,044,338                    | 1,477,147                    | 567,191                | 509,792      | 32,975   | 1.04     |
| 2010  | 2,133,390                    | 1,405,974                    | 727,416                | 492,056      | 50,711   | 1.34     |
| 2009  | 1,961,833                    | 1,309,116                    | 652,717                | 474,728      | 68,039   | 1.20     |
| 2008  | 2,202,452                    | 1,369,875                    | 832,577                | 458,221      | 84,545   | 1.53     |
| 2007  | 2,169,523                    | 1,483,668                    | 685,855                | 442,292      | 100,476  | 1.26     |
| 2006  | 2,219,958                    | 1,284,094                    | 935,864                | 426,918      | 115,849  | 1.72     |
| 2005  | 2,114,431                    | 1,175,672                    | 938,759                | 412,081      | 130,685  | 1.73     |
| 2004  | 1,965,223                    | 1,266,850                    | 698,373                | 397,760      | 145,008  | 1.29     |

(1) Includes water revenue bonds and OPWC and OWDA loans.

(2) Operating revenues include transfers in and interest revenue, in accordance with the bond indenture agreements.

(3) Operating expenses do not include depreciation.

**City of Orrville, Ohio**

*Legal Debt Margin*

*Last Ten Years*

|   | 2013                 | 2012                 | 2011                 | 2010                 |
|---|----------------------|----------------------|----------------------|----------------------|
| Total Assessed Property Value   | <u>\$172,574,570</u> | <u>\$166,122,650</u> | <u>\$166,803,490</u> | <u>\$165,160,006</u> |
| Overall Legal Debt Limit<br>(10 ½ % of Assessed Valuation)                  | <u>18,120,330</u>    | <u>17,442,878</u>    | <u>17,514,366</u>    | <u>17,341,801</u>    |
| Debt Outstanding:   |                      |                      |                      |                      |
| Refunding General Obligation Bonds  | \$975,000            | \$0                  | \$0                  | \$0                  |
| Revenue Bonds   | 0                    | 3,580,000            | 4,095,000            | 4,590,000            |
| Mortgage Revenue Bonds  | 0                    | 0                    | 0                    | 0                    |
| Special Assessment Bonds  | 18,660               | 27,120               | 35,040               | 52,460               |
| Bond Anticipation Notes   | 1,300,000            | 1,300,000            | 1,400,000            | 2,770,000            |
| OPWC Loans  | 783,042              | 865,152              | 947,262              | 1,029,372            |
| OWDA Loans  | <u>0</u>             | <u>9,608</u>         | <u>537,207</u>       | <u>1,046,999</u>     |
| Total Gross Indebtedness  | 3,076,702            | 5,781,880            | 7,014,509            | 9,488,831            |
| Less:   |                      |                      |                      |                      |
| Revenue Bonds   | 0                    | (3,580,000)          | (4,095,000)          | (4,590,000)          |
| Mortgage Revenue Bonds  | 0                    | 0                    | 0                    | 0                    |
| Special Assessment Bonds  | (18,660)             | (27,120)             | (35,040)             | (52,460)             |
| Bond Anticipation Notes   | (1,300,000)          | (1,300,000)          | (1,400,000)          | (2,770,000)          |
| OPWC Loans  | (783,042)            | (865,152)            | (947,262)            | (1,029,372)          |
| OWDA Loans  | <u>0</u>             | <u>(9,608)</u>       | <u>(537,207)</u>     | <u>(1,046,999)</u>   |
| Total Net Debt Applicable to Debt Limit                                     | <u>975,000</u>       | <u>0</u>             | <u>0</u>             | <u>0</u>             |
| Legal Debt Margin Within 10 ½ % Limitations                                 | <u>\$17,145,330</u>  | <u>\$17,442,878</u>  | <u>\$17,514,366</u>  | <u>\$17,341,801</u>  |
| Legal Debt Margin as a Percentage of the Debt Limit                         | 95%                  | 100%                 | 100%                 | 100%                 |
| Unvoted Debt Limitation<br>(5 ½ % of Assessed Valuation)                    | <u>\$9,491,601</u>   | <u>\$9,136,746</u>   | <u>\$9,174,192</u>   | <u>\$9,083,800</u>   |
| Total Gross Indebtedness  | 3,076,702            | 5,781,880            | 7,014,509            | 9,488,831            |
| Less:   |                      |                      |                      |                      |
| Revenue Bonds   | 0                    | (3,580,000)          | (4,095,000)          | (4,590,000)          |
| Mortgage Revenue Bonds  | 0                    | 0                    | 0                    | 0                    |
| Special Assessment Bonds  | (18,660)             | (27,120)             | (35,040)             | (52,460)             |
| Bond Anticipation Notes   | (1,300,000)          | (1,300,000)          | (1,400,000)          | (2,770,000)          |
| OPWC Loans  | (783,042)            | (865,152)            | (947,262)            | (1,029,372)          |
| OWDA Loans  | <u>0</u>             | <u>(9,608)</u>       | <u>(537,207)</u>     | <u>(1,046,999)</u>   |
| Net Debt Within 5 ½ % Limitations   | <u>975,000</u>       | <u>0</u>             | <u>0</u>             | <u>0</u>             |
| Unvoted Legal Debt Margin Within 5 ½ % Limitations                          | <u>\$8,516,601</u>   | <u>\$9,136,746</u>   | <u>\$9,174,192</u>   | <u>\$9,083,800</u>   |
| Unvoted legal Debt Margin as a Percentage of the<br>Unvoted Debt Limitation | 89.73%               | 100.00%              | 100.00%              | 100.00%              |

Source: City Financial Records

| 2009                 | 2008                 | 2007                 | 2006                 | 2005                 | 2004                 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>\$165,434,340</u> | <u>\$172,083,580</u> | <u>\$172,706,200</u> | <u>\$179,868,790</u> | <u>\$174,782,986</u> | <u>\$175,391,238</u> |
| <u>17,370,606</u>    | <u>18,068,776</u>    | <u>18,134,151</u>    | <u>18,886,223</u>    | <u>18,352,214</u>    | <u>18,416,080</u>    |
| \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| 5,065,000            | 5,520,000            | 5,960,000            | 6,385,000            | 6,800,000            | 7,200,000            |
| 1,805,000            | 3,530,000            | 5,165,000            | 8,285,000            | 9,780,000            | 11,220,000           |
| 68,410               | 82,920               | 98,790               | 113,178              | 127,119              | 139,637              |
| 3,170,000            | 3,570,000            | 2,180,000            | 700,000              | 800,000              | 900,000              |
| 1,111,482            | 1,193,592            | 1,264,868            | 725,311              | 785,754              | 846,197              |
| 1,539,055            | 2,013,783            | 2,472,004            | 2,914,296            | 3,341,214            | 3,753,295            |
| <u>12,758,947</u>    | <u>15,910,295</u>    | <u>17,140,662</u>    | <u>19,122,785</u>    | <u>21,634,087</u>    | <u>24,059,129</u>    |
| (5,065,000)          | (5,520,000)          | (5,960,000)          | (6,385,000)          | (6,800,000)          | (7,200,000)          |
| (1,805,000)          | (3,530,000)          | (5,165,000)          | (8,285,000)          | (9,780,000)          | (11,220,000)         |
| (68,410)             | (82,920)             | (98,790)             | (113,178)            | (127,119)            | (139,637)            |
| (3,170,000)          | (3,570,000)          | (2,180,000)          | (700,000)            | (800,000)            | (900,000)            |
| (1,111,482)          | (1,193,592)          | (1,264,868)          | (725,311)            | (785,754)            | (846,197)            |
| (1,539,055)          | (2,013,783)          | (2,472,004)          | (2,914,296)          | (3,341,214)          | (3,753,295)          |
| <u>0</u>             | <u>0</u>             | <u>0</u>             | <u>0</u>             | <u>0</u>             | <u>0</u>             |
| <u>\$17,370,606</u>  | <u>\$18,068,776</u>  | <u>\$18,134,151</u>  | <u>\$18,886,223</u>  | <u>\$18,352,214</u>  | <u>\$18,416,080</u>  |
| 100%                 | 100%                 | 100.00%              | 100.00%              | 100.00%              | 100.00%              |
| <u>\$9,098,889</u>   | <u>\$9,464,597</u>   | <u>\$9,498,841</u>   | <u>\$9,892,783</u>   | <u>\$9,613,064</u>   | <u>\$9,646,518</u>   |
| 12,758,947           | 15,910,295           | 17,140,662           | 19,122,785           | 21,634,087           | 24,059,129           |
| (5,065,000)          | (5,520,000)          | (5,960,000)          | (6,385,000)          | (6,800,000)          | (7,200,000)          |
| (1,805,000)          | (3,530,000)          | (5,165,000)          | (8,285,000)          | (9,780,000)          | (11,220,000)         |
| (68,410)             | (82,920)             | (98,790)             | (113,178)            | (127,119)            | (139,637)            |
| (3,170,000)          | (3,570,000)          | (2,180,000)          | (700,000)            | (800,000)            | (900,000)            |
| (1,111,482)          | (1,193,592)          | (1,264,868)          | (725,311)            | (785,754)            | (846,197)            |
| (1,539,055)          | (2,013,783)          | (2,472,004)          | (2,914,296)          | (3,341,214)          | (3,753,295)          |
| <u>0</u>             | <u>0</u>             | <u>0</u>             | <u>0</u>             | <u>0</u>             | <u>0</u>             |
| <u>\$9,098,889</u>   | <u>\$9,464,597</u>   | <u>\$9,498,841</u>   | <u>\$9,892,783</u>   | <u>\$9,613,064</u>   | <u>\$9,646,518</u>   |
| 100.00%              | 100.00%              | 100.00%              | 100.00%              | 100.00%              | 100.00%              |

**City of Orrville, Ohio**

*Principal Employers*

*2013 and 2004*

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**2013**

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| Employer                                | Employees |
|---|-----------|
| J.M. Smucker Company                    | 1,600     |
| JLG, Incorporated                       | 518       |
| Will-Burt Company, Incorporated         | 351       |
| Quality Castings Company                | 345       |
| Smith Dairy Products Company            | 271       |
| Contours Bekaert, Incorporated          | 219       |
| Aultman Orrville Hospital               | 217       |
| City of Orrville/Orrville Utilities (1) | 198       |
| Orrville City Schools                   | 186       |
| Scott Industries                        | 115       |
| Total                                   | 4,020     |
| Total Employment within the City        | n/a       |

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**2004**

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| Employer                                | Employees |
|---|-----------|
| J.M. Smucker Company                    | 1,000     |
| Will-Burt Company, Incorporated         | 275       |
| Quality Castings Company                | 250       |
| Smith Dairy Products Company            | 220       |
| Buehlers                                | 220       |
| University of Akron - Wayne College     | 200       |
| Contours, Incorporated                  | 180       |
| Dunlap Hospital                         | 175       |
| Orrville City Schools                   | 170       |
| City of Orrville/Orrville Utilities (1) | 133       |
| Total                                   | 2,823     |
| Total Employment within the City        | n/a       |

Source: Wayne County, Ohio: County Auditor

n/a - Information not available

(1) This number does not include the City's part-time employees.



**City of Orrville, Ohio**  
*Demographic and Economic Statistics*  
*Last Ten Years*

| <u>Year</u> | <u>Population (1)</u> | <u>Total Personal<br/>Income (4)</u> | <u>Personal<br/>Income<br/>Per Capita (2)</u> | <u>Median<br/>Household<br/>Income (2)</u> | <u>Median<br/>Age (2)</u> | <u>Wayne<br/>County<br/>Unemployment<br/>Rate (3)</u> |
|-------------|-----------------------|--------------------------------------|---|--|---------------------------|---|
| 2013        | 8,380                 | \$170,952,000                        | \$20,400                                      | \$39,565                                   | 40.1                      | 6.3%  |
| 2012        | 8,380                 | 170,952,000                          | 20,400  | 39,565                                     | 40.1                      | 6.1   |
| 2011        | 8,380                 | 170,952,000                          | 20,400  | 39,565                                     | 40.1                      | 6.6   |
| 2010        | 8,380                 | 170,952,000                          | 20,400  | 39,565                                     | 40.1                      | 9.4   |
| 2009        | 8,975                 | 156,335,525                          | 17,419  | 36,500                                     | 35.5                      | 10.5  |
| 2008        | 8,908                 | 155,168,452                          | 17,419  | 36,500                                     | 35.5                      | 5.6   |
| 2007        | 8,886                 | 154,785,234                          | 17,419  | 36,500                                     | 35.5                      | 5.0   |
| 2006        | 8,847                 | 154,105,893                          | 17,419  | 36,500                                     | 35.5                      | 4.5   |
| 2005        | 8,751                 | 152,433,669                          | 17,419  | 36,500                                     | 35.5                      | 5.0   |
| 2004        | 8,695                 | 151,458,205                          | 17,419  | 36,500                                     | 35.5                      | 5.3   |

(1) Sources:

(a) Years 2010 through 2013 - 2010 Federal Census

(b) Years 2004 through 2009 - Orrville Safety Service Department Estimates

(2) Source: U.S. Census Bureau

(a) Years 2010 through 2013 - 2010 Federal Census

(b) Years 2004 through 2009 - 2000 Federal Census

(3) U.S. Bureau of Labor Statistics

(4) Computation of per capita personal income multiplied by population

**City of Orrville, Ohio**  
*City Government Employees by Function/Program*  
*Last Ten Years*

| Function/Program                        | 2013          | 2012          | 2011          | 2010          |
|---|---------------|---------------|---------------|---------------|
| <b>General Government</b>               |               |               |               |               |
| City Council                            | 9.00          | 9.00          | 9.00          | 9.00          |
| Finance                                 | 3.00          | 3.00          | 4.00          | 4.00          |
| Tax                                     | 1.00          | 1.00          | 1.00          | 1.00          |
| Law                                     | 1.00          | 1.00          | 1.00          | 1.00          |
| Administration                          | 18.00         | 18.00         | 19.00         | 19.00         |
| Custodial                               | 2.00          | 2.00          | 2.00          | 2.00          |
| Civil Service                           | 3.00          | 3.00          | 3.00          | 3.00          |
| Utility Board                           | 5.00          | 5.00          | 5.00          | 5.00          |
| <b>Security of Persons and Property</b> |               |               |               |               |
| Police                                  | 15.00         | 16.00         | 15.00         | 15.00         |
| Police - Dispatchers                    | 6.00          | 6.00          | 6.00          | 6.00          |
| School Crossing Guards                  | 4.00          | 4.00          | 4.00          | 4.00          |
| Fire                                    | 34.00         | 44.00         | 41.00         | 39.00         |
| <b>Community Development</b>            |               |               |               |               |
| Economic Development                    | 1.00          | 1.00          | 1.00          | 1.00          |
| <b>Transportation</b>                   |               |               |               |               |
| Street, Park & Cemetery                 | 14.00         | 14.00         | 15.00         | 15.00         |
| <b>Basic Utility Services</b>           |               |               |               |               |
| Electric - Meter Readers                | 1.00          | 1.00          | 1.00          | 1.00          |
| Electric - Operations                   | 19.00         | 19.00         | 19.00         | 18.00         |
| Electric - Maintenance                  | 24.00         | 25.00         | 26.00         | 25.00         |
| Electric - Distribution                 | 20.00         | 20.00         | 20.00         | 21.00         |
| Electric - Fiber Optics                 | 3.00          | 3.00          | 3.00          | 3.00          |
| Water - Operations                      | 5.00          | 5.00          | 6.00          | 6.00          |
| Water - Maintenance                     | 3.00          | 3.00          | 3.00          | 3.00          |
| Sewer - Operations                      | 6.00          | 7.00          | 7.00          | 7.00          |
| Sewer - Maintenance                     | 1.00          | 1.00          | 1.00          | 1.00          |
| <b>Totals:</b>                          | <u>198.00</u> | <u>211.00</u> | <u>212.00</u> | <u>209.00</u> |

Source: City Payroll Department Quarterly Multiple Worksite Report

Method: Using 1.0 for each employee of the City at December 31.

| 2009          | 2008          | 2007          | 2006          | 2005          | 2004          |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 9.00          | 9.00          | 9.00          | 9.00          | 9.00          | 9.00          |
| 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          |
| 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          |
| 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          |
| 18.00         | 19.00         | 19.00         | 21.00         | 19.00         | 19.00         |
| 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          |
| 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          |
| 5.00          | 5.00          | 5.00          | 5.00          | 5.00          | 5.00          |
| 15.00         | 16.00         | 14.00         | 17.00         | 17.00         | 16.00         |
| 7.00          | 7.00          | 7.00          | 5.00          | 5.00          | 5.00          |
| 4.00          | 5.00          | 5.00          | 4.00          | 4.00          | 5.00          |
| 37.00         | 39.00         | 38.00         | 39.00         | 32.00         | 33.00         |
| 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          |
| 16.00         | 16.00         | 17.00         | 15.00         | 16.00         | 16.00         |
| 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          |
| 18.00         | 18.00         | 18.00         | 18.00         | 18.00         | 19.00         |
| 25.00         | 24.00         | 26.00         | 25.00         | 24.00         | 24.00         |
| 21.00         | 21.00         | 20.00         | 19.00         | 19.00         | 21.00         |
| 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          |
| 6.00          | 8.00          | 8.00          | 8.00          | 8.00          | 8.00          |
| 3.00          | 4.00          | 5.00          | 3.00          | 3.00          | 3.00          |
| 8.00          | 9.00          | 7.00          | 7.00          | 7.00          | 7.00          |
| 1.00          | 2.00          | 3.00          | 3.00          | 2.00          | 2.00          |
| <u>211.00</u> | <u>220.00</u> | <u>219.00</u> | <u>216.00</u> | <u>206.00</u> | <u>210.00</u> |

**City of Orrville, Ohio**  
*Operating Indicators by Function/Program*  
*Last Ten Years*

| Function/Program   | 2013         | 2012         | 2011         |
|--|--------------|--------------|--------------|
| <b>General Government</b>                                  |              |              |              |
| <i>Council and Clerk</i>                                   |              |              |              |
| Number of Ordinances Passed                                | 19           | 24           | 10           |
| Number of Resolutions Passed                               | 55           | 44           | 50           |
| Number of Planning Commission docket items                 | 34           | 48           | 38           |
| Zoning Board of Appeals docket items                       | 4            | 3            | 8            |
| <i>Finance Department</i>                                  |              |              |              |
| Number of checks/ vouchers issued                          | 4,677        | 5,204        | 5,154        |
| Amount of checks written                                   | \$42,905,964 | \$49,804,831 | \$35,806,210 |
| Interest earnings for fiscal year (cash basis)             | \$125,836    | \$140,238    | \$150,653    |
| Number of Receipts issued                                  | 2,124        | 2,028        | 2,025        |
| Number of Journal Entries issued                           | 483          | 553          | 608          |
| Number of Budget Adjustments issued                        | 2            | 0            | 4            |
| <i>Income Tax Department</i>                               |              |              |              |
| Number of Individual Returns (1)                           | 3,397        | 3,370        | 3,418        |
| Number of Business Returns                                 | 559          | 567          | 576          |
| Number of business withholding accounts                    | 576          | 552          | 544          |
| Amount of Penalties and Interest Collected                 | \$593        | \$1,324      | \$831        |
| Annual number of Corporate withholding forms processed     | 2,852        | 2,681        | 2,705        |
| Annual number of balance due statements forms processed    | 389          | 403          | 454          |
| Annual number of estimated payment forms processed         | 641          | 486          | 558          |
| Annual number of reconciliations of withholdings processed | 599          | 571          | 579          |
| <i>Civil Service</i>                                       |              |              |              |
| Number of police entry tests administered                  | 0            | 1            | 0            |
| Number of police promotional tests administered            | 1            | 0            | 0            |
| Number of hires of Police Officers from certified lists    | 2            | 0            | 1            |
| Number of promotions from police certified lists           | 1            | 0            | 0            |
| <i>Building Department Indicators</i>                      |              |              |              |
| New Construction Permits Issued                            | 48           | 51           | 45           |
| Estimated Value of Construction                            | \$13,280,308 | \$11,460,110 | \$19,536,492 |
| Number of permits issued                                   | 102          | 126          | 129          |
| Amount of Revenue generated from permits                   | \$2,445      | \$2,869      | \$3,905      |
| <b>Security of Persons and Property</b>                    |              |              |              |
| <i>Police</i>  |              |              |              |
| Total Calls for Services                                   | N/A          | N/A          | N/A          |
| Number of traffic citations issued                         | 844          | 1,116        | 1,335        |
| Number of parking citations issued                         | N/A          | N/A          | N/A          |
| Number of criminal arrests                                 | 238          | 267          | 319          |
| Number of accident reports completed                       | 142          | 188          | 177          |
| Part I Offenses (major offenses)                           | 141          | 169          | 197          |
| Police Dept. Auxiliary hours worked                        | 0            | 0            | 0            |
| DUI Arrests  | 20           | 29           | 42           |
| Motor Vehicle Accidents                                    | 142          | 188          | 177          |
| Fatalities from Motor Vehicle Accidents                    | 0            | 0            | 0            |
| Gasoline costs of fleet                                    | N/A          | N/A          | N/A          |
| <i>Fire</i>  |              |              |              |
| EMS Calls  | 526          | 513          | 418          |
| Ambulance Billing Collections (net)                        | \$121,698    | \$130,470    | \$108,209    |
| Fire Calls   | 164          | 155          | 235          |
| Fires with Loss  | 5            | 19           | 16           |
| Fire Losses  | \$172,065    | \$305,900    | \$1,775,425  |
| Fire Safety Inspections                                    | 74           | 63           | 80           |
| Number of times Mutual Aid given to Fire and EMS           | 46           | 42           | 41           |
| Number of times Mutual Aid received for Fire and EMS       | 8            | 11           | 11           |

| 2010         | 2009         | 2008         | 2007         | 2006         | 2005         | 2004         |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 14           | 19           | 20           | 22           | 64           | 54           | 40           |
| 39           | 49           | 65           | 76           | 16           | 22           | 17           |
| 39           | 41           | 44           | 51           | 67           | 62           | 55           |
| 8            | 10           | 7            | 6            | 10           | 10           | 12           |
| 5,206        | 5,756        | 5,746        | 5,810        | 5,568        | 5,398        | 5,404        |
| \$34,575,112 | \$43,032,027 | \$52,403,383 | \$49,109,112 | \$48,792,992 | \$73,789,581 | \$53,607,377 |
| \$241,517    | \$511,210    | \$848,247    | \$1,162,009  | \$976,168    | \$583,131    | \$270,030    |
| 2,028        | 2,101        | 1,944        | 1,815        | 1,824        | 1,837        | 1,865        |
| 638          | 683          | 687          | 653          | 616          | 560          | 739          |
| 1            | 4            | 2            | 8            | 3            | 5            | 5            |
| 3,375        | 2,875        | 3,504        | 1,065        | 1,089        | 1,084        | 1,148        |
| 560          | 560          | 520          | 509          | 494          | 439          | 434          |
| 528          | 532          | 408          | 489          | 448          | 467          | 464          |
| \$745        | \$61         | \$34         | \$123        | \$125        | \$315        | \$267        |
| 2,748        | 2,694        | 2,627        | 2,109        | 1,973        | 1,858        | 1,856        |
| 232          | 371          | 286          | 49           | 34           | 40           | 28           |
| 586          | 630          | 634          | 594          | 611          | 643          | 641          |
| 549          | 567          | 531          | 493          | 486          | 431          | 501          |
| 1            | 0            | 1            | 1            | 0            | 1            | 0            |
| 0            | 0            | 2            | 0            | 1            | 1            | 0            |
| 0            | 0            | 2            | 1            | 0            | 1            | 0            |
| 0            | 0            | 1            | 0            | 2            | 0            | 0            |
| 43           | 99           | 53           | 54           | 96           | 65           | 72           |
| \$60,218,940 | \$31,299,126 | \$16,792,395 | \$15,170,164 | \$30,392,960 | \$9,503,390  | \$11,745,253 |
| 111          | 160          | 113          | 166          | 173          | 182          | 163          |
| \$2,805      | \$4,335      | \$2,783      | \$3,290      | \$4,972      | \$5,195      | \$5,164      |
| N/A          | N/A          | N/A          | N/A          | N/A          | N/A          | 9,928        |
| 1,043        | 1,282        | 740          | 705          | 1,839        | 1,903        | 1,018        |
| N/A          | N/A          | N/A          | N/A          | N/A          | N/A          | 117          |
| 378          | 450          | 359          | 320          | 361          | 316          | 445          |
| 227          | 182          | 226          | 225          | 197          | 231          | 205          |
| 188          | 181          | 229          | 247          | 258          | 236          | 218          |
| 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| 50           | 90           | 43           | 42           | 53           | 36           | 54           |
| 227          | 182          | 226          | 225          | 197          | 231          | 205          |
| 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| N/A          | N/A          | N/A          | N/A          | N/A          | N/A          | N/A          |
| 395          | 341          | 435          | 353          | 326          | 302          | 277          |
| \$97,951     | \$75,286     | \$73,658     | \$101,496    | \$63,970     | \$63,927     | \$56,548     |
| 116          | 172          | 104          | 219          | 144          | 154          | 178          |
| 26           | 18           | 22           | 19           | 37           | 50           | 52           |
| \$106,570    | \$858,650    | \$632,450    | \$496,560    | \$143,400    | \$366,000    | \$130,000    |
| 42           | 42           | 52           | 68           | 60           | 48           | 47           |
| 42           | 31           | 32           | 37           | 31           | 39           | 42           |
| 8            | 9            | 13           | 6            | 7            | 8            | 5            |

**City of Orrville, Ohio**  
*Operating Indicators by Function/Program (continued)*  
*Last Ten Years*

| Function/Program   | 2013        | 2012        | 2011        |
|--|-------------|-------------|-------------|
| <b>Public Health and Welfare</b>                             |             |             |             |
| Cemetery burials   | 81          | 63          | 67          |
| Cemetery sale of lots  | 68          | 57          | 56          |
| Cemetery receipts  | \$59,807    | \$47,557    | \$46,217    |
| <b>Leisure Time Activities</b>                               |             |             |             |
| <i>Recreation</i>  |             |             |             |
| Recreation Swimming pool receipts                            | \$46,247    | \$54,056    | \$49,136    |
| <b>Economic Development</b>                                  |             |             |             |
| Grant amounts received due to Economic Development Dept.     | \$1,018,070 | \$484,230   | \$261,941   |
| <b>Basic Utility Services</b>                                |             |             |             |
| Refuse disposal per year (in tons)                           | 2,819       | 2,659       | 2,845       |
| Refuse disposal costs per year                               | \$431,650   | \$422,615   | \$413,744   |
| Annual recycling tonnage (excluding leaf, and compost items) | 407         | 403         | 452         |
| Percentage of waste recycled                                 | 14.45%      | 13.17%      | 13.70%      |
| <b>Transportation</b>  |             |             |             |
| Street Improvements - asphalt overlay (linear feet)          | 7,770       | 4,350       | 11,045      |
| Street Repair (Curbs, aprons, berms, asphalt) (hours)        | 1,596       | 2,245       | 1,176       |
| Paint Striping (hours)                                       | 455         | 0           | 3           |
| Street Sweeper (hours)                                       | 369         | 342         | 354         |
| Cold Patch (hours)   | 46          | 4           | 213         |
| Snow & Ice Removal regular hours                             | 588         | 453         | 613         |
| Snow & Ice Removal overtime hours                            | 302         | 301         | 436         |
| Sewer Crew (hours)   | 793         | 330         | 710         |
| Sewer jet, Vac-all, other services (hours)                   | 337         | 301         | 333         |
| Landscaping Stump-Chipper service (hours)                    | 2,410       | 1,473       | 1,369       |
| Leaf collection (hours)                                      | 1,161       | 1,205       | 1,286       |
| Holiday lights setup (hours)                                 | 93          | 111         | 94          |
| Equipment repair/body shop (hours)                           | 1,943       | 2,014       | 1,137       |
| Sign department (hours)                                      | 521         | 439         | 382         |
| Number of Trees Planted per year                             | 63          | 2           | 2           |
| Tons of snow melting salt purchased (Nov-Mar)                | 942         | 884         | 1,089       |
| Cost of salt purchased                                       | \$35,994    | \$44,417    | \$56,601    |
| Vehicle repair/body shop (hours)                             | 3,189       | 3,029       | 1,975       |
| <b>Water Department</b>                                      |             |             |             |
| Water Rates per 1st 100 Cu ft of water used                  | \$3.04      | \$2.87      | \$2.71      |
| Avg. number of water accounts billed monthly (Cu. Ft.)       | 84,702      | 85,820      | 109,594     |
| Total Water Collections Annually (Including P&I)             | \$3,180,759 | \$2,803,423 | \$2,819,716 |
| <b>Sewer Department</b>                                      |             |             |             |
| Sewer Rates per 1st 100 Cu ft of water used                  | \$2.64      | \$2.64      | \$2.64      |
| Total flow of sewer treatment plant (Billions of Gallons)    | 0.807       | 0.697       | 0.850       |
| Average daily flow (Millions of gallons per day)             | 2.210       | 1.910       | 2.330       |
| Tons of dry sludge removed                                   | 652         | 192         | 181         |

Source: City Records

(1) In 2008, the City began mandatory filing of income tax returns.

| 2010        | 2009        | 2008        | 2007        | 2006        | 2005        | 2004        |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 67          | 65          | 82          | 70          | 64          | 86          | 79          |
| 33          | 42          | 66          | 79          | 25          | 27          | 47          |
| \$51,425    | \$46,351    | \$67,911    | \$78,112    | \$45,236    | \$56,711    | \$63,104    |
| \$46,041    | \$39,459    | \$44,964    | \$41,963    | \$42,854    | \$49,730    | \$37,947    |
| \$547,956   | \$1,217,337 | \$1,171,324 | \$1,350,126 | \$292,053   | \$344,679   | \$581,799   |
| 2,963       | 2,881       | 3,106       | 3,229       | 2,966       | 3,108       | 3,835       |
| \$404,635   | \$443,454   | \$423,010   | \$306,670   | \$299,057   | \$282,402   | \$280,861   |
| 462         | 374         | 329         | 368         | 334         | 364         | 393         |
| 13.60%      | 11.48%      | 11.86%      | 11.39%      | 11.30%      | 11.70%      | 10.33%      |
| 15,475      | 14,604      | 5,020       | 15,797      | 500         | 610         | 761         |
| 2,589       | 1,916       | 1,949       | 2,463       | 1,210       | 1,058       | 692         |
| 132         | 222         | 351         | 340         | 247         | 347         | 256         |
| 278         | 306         | 279         | 471         | 340         | 207         | 376         |
| 177         | 189         | 22          | 66          | 243         | 343         | 290         |
| 853         | 784         | 788         | 707         | 109         | 216         | 481         |
| 385         | 504         | 454         | 386         | 48          | 359         | 53          |
| 1,239       | 1,293       | 1,707       | 815         | 1,269       | 768         | 1,317       |
| 331         | 444         | 187         | 142         | 307         | 88          | 79          |
| 1,032       | 1,255       | 1,608       | 1,099       | 183         | N/A         | N/A         |
| 937         | 918         | 756         | 933         | 803         | 684         | 621         |
| 90          | 85          | 64          | 66          | 50          | 47          | 22          |
| 1,359       | 1,256       | 933         | 808         | 1,110       | 788         | 1,061       |
| 162         | 318         | 378         | 173         | 157         | 85          | 67          |
| 40          | 40          | 31          | 27          | 117         | 73          | 93          |
| 1,290       | 600         | 475         | 332         | 305         | 1,154       | 835         |
| \$66,656    | \$55,725    | \$31,327    | \$13,334    | \$11,236    | \$24,348    | \$19,475    |
| 1,986       | 2,249       | 2,107       | 1,821       | 1,765       | 1,574       | 1,374       |
| \$2.71      | \$2.71      | \$2.71      | \$2.71      | \$2.63      | \$2.56      | \$2.48      |
| 100,193     | 73,120      | 107,405     | 103,533     | 204,347     | 224,383     | 112,465     |
| \$2,831,193 | \$2,734,271 | \$3,049,297 | \$2,973,543 | \$2,902,394 | \$2,681,687 | \$2,541,640 |
| \$2.64      | \$2.64      | \$2.64      | \$2.64      | \$2.64      | \$2.64      | \$2.64      |
| 0.730       | 0.686       | 0.785       | 0.795       | 0.777       | 0.717       | 0.790       |
| 2.000       | 1.880       | 2.150       | 2.163       | 2.130       | 2.040       | 2.250       |
| 186         | 222         | 369         | 338         | 178         | 395         | 377         |

**City of Orrville, Ohio**  
*Capital Assets Statistics by Function/Program*  
*Last Ten Years*

| Function/Program            | 2013   | 2012   | 2011   | 2010   |
|-----------------------------|--------|--------|--------|--------|
| <b>General Government</b>   |        |        |        |        |
| Square Footage Occupied     | 71,554 | 71,554 | 71,554 | 71,554 |
| Administrative Vehicles     | 4      | 4      | 4      | 4      |
| Inspection Vehicles         | 1      | 1      | 1      | 1      |
| <b>Police</b>               |        |        |        |        |
| Stations                    | 1      | 1      | 1      | 1      |
| Square Footage of Building  | 11,700 | 11,700 | 11,700 | 11,700 |
| Vehicles                    | 10     | 10     | 10     | 10     |
| <b>Fire</b>                 |        |        |        |        |
| Stations                    | 2      | 2      | 2      | 2      |
| Square Footage of Building  | 10,900 | 10,900 | 10,900 | 10,900 |
| Vehicles                    | 12     | 12     | 12     | 12     |
| <b>Recreation</b>           |        |        |        |        |
| Number of Parks             | 6      | 6      | 6      | 6      |
| Number of Pools             | 1      | 1      | 1      | 1      |
| Number of Tennis Courts     | 6      | 6      | 6      | 6      |
| Number of Baseball Diamonds | 7      | 7      | 7      | 7      |
| Vehicles                    | 1      | 1      | 1      | 1      |
| <b>Transportation</b>       |        |        |        |        |
| Streets (miles)             | 47     | 47     | 47     | 47     |
| Storm Sewers (miles)        | 151    | 151    | 151    | 151    |
| Service Vehicles            | 23     | 23     | 23     | 22     |
| <b>Sewer Department</b>     |        |        |        |        |
| Sanitary Sewers (miles)     | 42     | 42     | 42     | 42     |
| Vehicles                    | 6      | 6      | 6      | 6      |
| <b>Water Department</b>     |        |        |        |        |
| Water Lines (miles)         | 61     | 61     | 61     | 61     |
| Vehicles                    | 10     | 10     | 10     | 10     |
| <b>Electric Department</b>  |        |        |        |        |
| Electric Lines (miles)      | 300    | 300    | 300    | 300    |
| Vehicles                    | 24     | 24     | 24     | 24     |

Source: City Records



| 2009   | 2008   | 2007   | 2006   | 2005   | 2004   |
|--------|--------|--------|--------|--------|--------|
| 71,554 | 71,554 | 71,554 | 71,554 | 71,554 | 71,554 |
| 4      | 4      | 4      | 4      | 4      | 3      |
| 1      | 1      | 1      | 1      | 1      | 1      |
| 1      | 1      | 1      | 1      | 1      | 1      |
| 11,700 | 11,700 | 11,700 | 11,700 | 11,700 | 11,700 |
| 10     | 9      | 9      | 9      | 9      | 9      |
| 2      | 2      | 2      | 2      | 2      | 2      |
| 10,900 | 10,900 | 10,900 | 10,900 | 10,900 | 10,900 |
| 12     | 12     | 12     | 12     | 12     | 12     |
| 6      | 6      | 6      | 6      | 6      | 6      |
| 1      | 1      | 1      | 1      | 1      | 1      |
| 6      | 6      | 6      | 6      | 6      | 6      |
| 7      | 7      | 7      | 7      | 7      | 7      |
| 1      | 1      | 1      | 1      | 1      | 1      |
| 47     | 46     | 46     | 46     | 46     | 46     |
| 151    | 150    | 150    | 150    | 150    | 150    |
| 22     | 22     | 22     | 22     | 22     | 22     |
| 42     | 42     | 42     | 42     | 42     | 42     |
| 6      | 7      | 7      | 7      | 7      | 7      |
| 61     | 57     | 57     | 57     | 57     | 57     |
| 10     | 12     | 12     | 12     | 12     | 12     |
| 300    | 300    | 300    | 260    | 260    | 260    |
| 24     | 23     | 23     | 23     | 23     | 23     |

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# **City of Orrville**

**Mayor**

**David T. Handwerk**

**City Council President**

**Lyle Baker**

**City Council Members**

**Ricardo Aspiras**

**Rich Corfman**

**Mike Hamsher**

**Julia Leathers**

**Dennis Miller**

**Arthur Shupp**

**Paul Vance**

**Public Utility Board President**

**Jon McGuire**

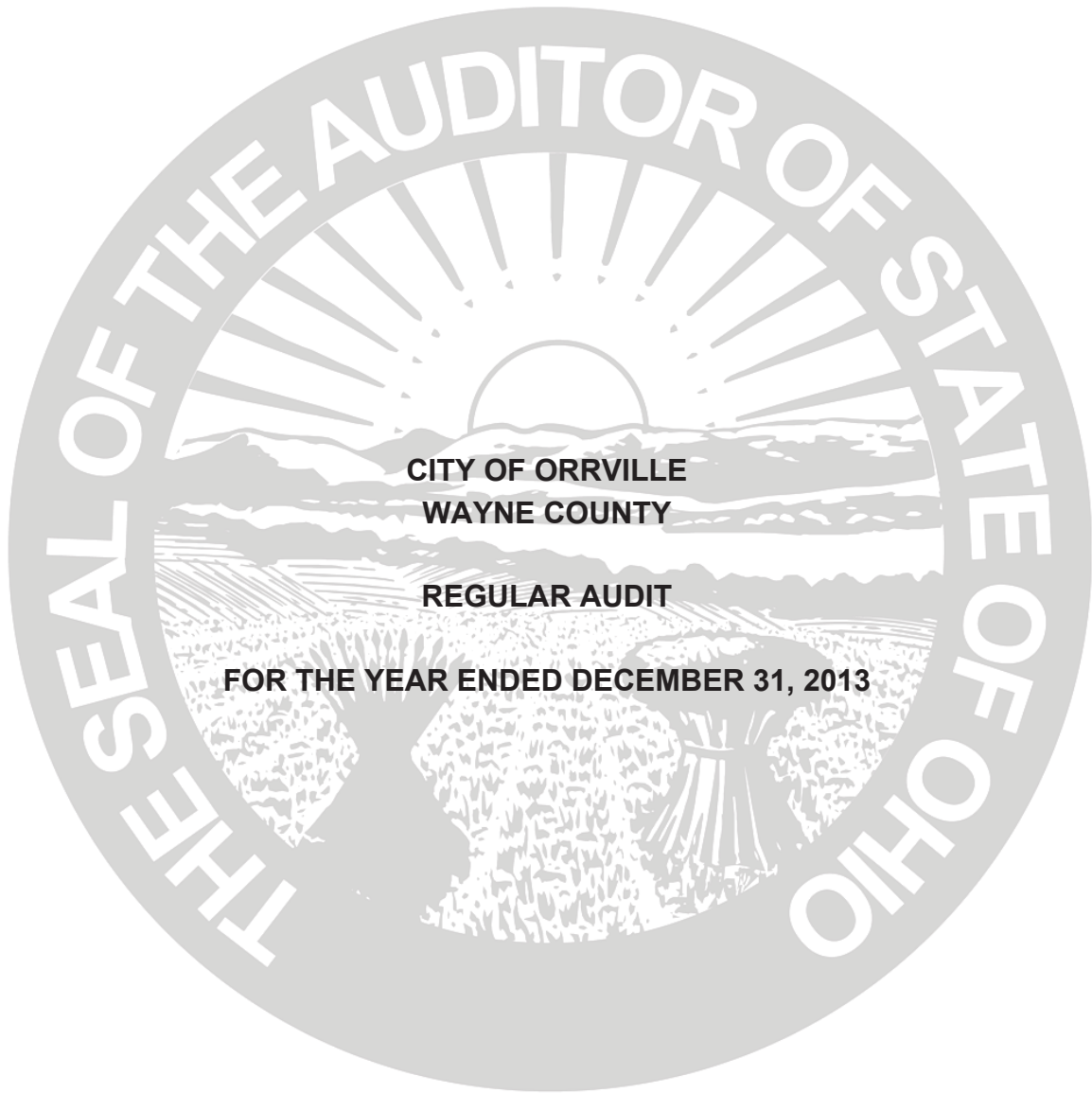
**Public Utility Board Members**

**Gary Gossard**

**Don McFarlin**

**Russell Miller**

**Brad Strausbaugh**



Dave Yost • Auditor of State



CITY OF ORRVILLE  
WAYNE COUNTY

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

City of Orrville  
Wayne County  
207 North Main Street  
Orrville, Ohio 44667

To the Mayor and City Council Members:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orrville, Wayne County, Ohio, (the City) as of and for the year ended December 31, 2013, 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 16, 2014.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

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

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 16, 2014



# Dave Yost • Auditor of State

**CITY OF ORRVILLE**

**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  
JULY 22, 2014**