

**Mary Taylor, CPA**  
Auditor of State



**CITY OF ORRVILLE**  
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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' 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 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, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 3, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **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, providing an opinion 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2009-001 and 2009-002.

We also noted certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated September 3, 2010.

The City's response to the findings identified in our audit is described in the accompanying Schedule of Findings. We did not audit the City's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of the audit committee, management, City Council, and federal awarding agencies and pass-through entities and others within the City. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

September 3, 2010



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

To the Mayor and City Council Members:

### Compliance

We have audited the compliance of the City of Orrville, Wayne County, Ohio, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended December 31, 2009. The summary of auditor's results section of the accompanying Schedule of Findings identifies the City's major federal programs. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Orrville complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2009.

### Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of opining on compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

101 Central Plaza South / 700 Chase Tower / Canton, OH 44702-1509  
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001

[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We intend this report solely for the information and use of the audit committee, management, City Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

September 3, 2010



**CITY OF ORRVILLE  
WAYNE COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2009**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Receipts	Expenditures
<b>U.S. DEPARTMENT OF TRANSPORTATION</b> <i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction	20.205	\$179,806	\$179,806
<b>U.S. DEPARTMENT OF COMMUNITY PLANNING AND DEVELOPMENT</b> <i>Passed Through Ohio Department of Development</i>			
Community Development Block Grant	14.228	348,636	348,636
<b>U.S. DEPARTMENT OF THE ARMY</b> <i>Direct</i>			
Section 594 Water Main Replacement Project Grant	12.xxx	503,094	503,094
<b>Total</b>		<b><u>503,094</u></b>	<b><u>503,094</u></b>

**CITY OF ORRVILLE  
WAYNE COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED DECEMBER 31, 2009**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) reports the City of Orrville's (the City's) federal award programs' receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - MATCHING REQUIREMENTS**

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

**CITY OF ORRVILLE  
WAYNE COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2009**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Community Development Block Grant CFDA #14.228 Section 594 Program CFDA #12.XXX
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

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

**FINDING NUMBER 2009-001**

**Noncompliance/Finding for Recovery**

On certain occasions from 2007 through 2009, when cash payments from a utility customer and a social service organization voucher for another customer were received in the same day, former utility clerk Rachel Baney would use the voucher payment (or a portion thereof) to credit the voucher customer's account as well as the customer's account that paid cash, while the clerk would keep the actual cash. This would then allow the individual customer's account to be reflected as current and paid; thereby, avoiding any follow-up by the customer who paid cash. The total amount identified by this practice is \$9,021.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a Finding for Recovery for public monies collected but unaccounted for is hereby issued against Rachel Baney, former City of Orrville utility clerk, in the amount of \$9,021 and in favor of City of Orrville's Enterprise Funds.

**FINDING NUMBER 2009-002**

Former utility clerk Rachel Baney received college tuition reimbursements from the City of Orrville, for tuition which was already partially paid for by awards to Ms. Baney from the Federal Pell Grant and the Ohio Rehabilitation Services Commission. The total amount of college tuition reimbursements received by Ms. Baney that she did not incur a personal expense for totaled \$9,229.

Additionally, the signed College Tuition Assistance agreement between Ms. Baney and the City, dated August 17, 2005 states, "[s]hould you fail to remain employed by the City, you will be required to reimburse the City for a portion of the tuition the City paid on your behalf. If you remain employed less than one year, you agree to reimburse the City for seventy five percent (75%) of the tuition and general service fees. Should you fail to remain employed for more than one year but less than two years, you agree to reimburse the City for fifty percent (50%) of the tuition and general service fees." Ms. Baney failed to complete two years of employment upon completing her education program, as she completed her education program in March 2008 and left City employment in September 2009. The total tuition reimbursement to Ms. Baney from the City was \$30,833. This amount includes \$9,229 addressed in the preceding paragraph. Therefore, 50% of the remaining amount of \$21,604, or \$10,802, is considered due to the City under the terms of this agreement.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Rachel Baney, former City of Orrville utility clerk, in the amount of \$9,229 and in favor of City of Orrville's Enterprise Funds. Additionally, in accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a Finding for Recovery for public monies due but not collected is hereby issued against Rachel Baney, former City of Orrville utility clerk, in the amount of \$10,802 and in favor of City of Orrville's Enterprise Funds.

**Officials' Response:** The City of Orrville, Ohio Administration agrees to the State of Ohio Findings and Request for Recovery.

In response to the discovery of employee theft, the Administration immediately implemented procedures to improve cash handling, reconciliation of voucher transactions, and segregation of duties all designed to prevent and detect mishandling or misappropriation of customer payments and improve internal controls. In addition, we have performed a comprehensive review of other cash handling procedures to ensure that any other potential areas of deficiency are identified and addressed. Lastly, our tuition reimbursement policy is in the process of being reviewed and modified to address issues raised in this case.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**None**

**CITY OF ORRVILLE, OHIO**

**COMPREHENSIVE**

**ANNUAL FINANCIAL REPORT**

**For the Year Ended December 31, 2009**

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, 2009*  
*Table of Contents*

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207 North Main Street | Orrville, Ohio 44667-1639 | Phone (330) 684-5000 | FAX (330) 684-5023 | www.orrville.com

September 3, 2010

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, 2009, and the Independent Accountants' 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 Accountants' 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 2000 population was 8,551, according to the U.S. Census. The Safety Service Department estimates the population in 2009 to be 8,975.

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

Daniel R. Lutz  
Law Director  
100 N. Vine St.  
330-683-5010

Philip C. McFarren  
Human Resources 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, 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.

The City has access to major railroad systems and is currently served by the Wheeling and Lake Erie and Norfolk-Southern companies.

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, each within an hour's driving time.

The County has a strong agricultural economy with 1,760 farms covering 246,000 acres. The average farm size in the County is 140 acres. There is also 4,596,000 bushels of commercial grain storage capacity. In 2009 the receipts from agriculture were \$241,498,000. The County ranked first in the State in the production of hay, and second in the production of oats. Wayne County farmers owned 89,600 head of cattle and calves, and 31,400 milk cows. The County maintains seventy acres of fairgrounds situated in the southwest portion of the nearby City of Wooster. The fairgrounds are the home of the annual County Fair and are used year round to stable privately-owned horses, for flea markets and for art and craft shows. Paid attendance to the 2009 County fair was 134,953.

Several private and public golf courses and campgrounds are situated in the County.

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

	<b>Percent of Assessed Valuation</b>
Residential	66.9 %
Commercial	16.5
Industrial	16.3
Agricultural	0.3

Source: County Auditor.

Residents of the City have access to a wide range of educational and cultural facilities. Wayne College, a branch campus of the University of Akron, was founded in 1972 on 160 acres located within the City. Their enrollment in 2009 was 4,995 students. 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.

The County is also the home of the College of Wooster, the Ohio Agricultural Research and Development Center and the Agricultural Technical Institute. The College of Wooster, a private nonprofit college opened its doors in 1870 with a faculty of 5 and a student body of 34. The College is a source of cultural and educational opportunities usually limited to more metropolitan areas. The faculty consists of 162 full time members and 34 part-time members. In all approximately 744 full and part time employees work on the 240 acre campus making the College one of the largest employers in the County. Wooster College had a fall 2009 enrollment of approximately 1,854. Lectures, concerts, plays, recitals, arts shows and public forums draw residents from across the County. The College's Ohio Light Opera Company attracts thousands of residents each year as well as over 20,000 visitors from outside the County.

The Ohio Agricultural Research and Development Center (OARDC), a division of Ohio State University, is also located in the County. OARDC conducts basic and applied research in agriculture, home economics and related fields and helps train graduate students in these fields. At any given time, the OARDC scientists are conducting more than 400 different research projects. In addition to the extensive research facilities, OARDC houses the 85-acre Secrest Arboretum and a formal rose garden, both of which are popular attractions. The OARDC employs 300 research and support staff.

The Ohio State Agricultural Technical Institute (ATI) is located in Wooster, Ohio. It is an associate degree-granting program within the College of Food, Agriculture, and Environmental Sciences at the Ohio State University. It is the largest institution of its kind in the U.S. enrolling approximately 800 students and offering 29 programs of study. Ohio State ATI maintains a 99 percent job placement rate for all graduates within four months of graduation.

Thanks to the Ohio State ATI Dairy Cattle Judging Team, the Ohio State University can boast another national championship. In September 2009, the team won National Championship at the World Dairy Expo. The contest is considered the national championship for junior, community, and technical colleges in the United States.

### ***City Employees***

The City has 151 full-time employees; and 36 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 Of Current Agreement</b>	<b>Number of Employees</b>
United City Workers	December 31, 2012	75
Ohio Patrolmen's Benevolent Association	December 31, 2012	17

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 its three utilities. 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 20 percent to the capital improvement fund and 80 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 2009.

The Service Department, with the help of a grant from the Ohio Department of Transportation, repaved South Main Street. In addition, with the help of grants from Ohio Public Works Commission and the Community Development Block Grant Formula and Downtown Funds, the City repaved North Vine Street, West Water Street and Railroad Alley.

The Safety Service Department continues the process started in 2007 of establishing a truck route in the City. Various draft plans have been completed and public meetings have been held.

The City, in conjunction with Main Street Orrville, spent more than \$347,000 of Community Block Grant money on projects in the downtown area. These projects were primarily percentage grants to business owners for renovation and improvements of their facilities.

The City also completed the second industrial park, officially known as the High Tech Industrial Park, which is located in the northwest section of the City. The park encompasses over 80 acres and is already home to several businesses.

The sewer facility treated 686 million gallons of sewage during 2009. 164 million gallons of our effluent water was beneficially reused at our power plant. 217 dry tons of residual solids were land applied in 2009 to agricultural fields, returning their nutrients to the soil.

The electric utility operated at 60 percent of its capacity this year. The power plant burned 173,900 tons of coal in 2009 at a cost of \$7,433,300.

The water utility treated approximately 548 million gallons of water during 2009. 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 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.

Organizations located within the City have also completed a number of projects in 2009.

The Orrville Public Library has traditionally ranked nationally as a top ten library with a customer base between 10,000 and 25,000 people. In 2009 the total circulation for the library was 530,621.

Bekaert Corporation installed a \$2.2 million cold rolling line for production of steel wheel weights and a new heat treat line for spring wires which are used in the automobile and construction industry.

JLG Industries installed five robot weld cell and cranes at their Orrville facility. In addition, JLG relocated the Skytrak TMH line from the McConnellsburg, Pennsylvania facility and the vertical product assembly from the Bedford, Pennsylvania facility to Orrville. These installations and relocation investments added additional investment in Orrville in the approximate amount of \$1.8 million.

Quality Castings invested over \$1 million in process improvements and maintenance projects.

Other on-going projects in the community include:

The Orrville Elementary School has been completed and 2010-2011 will be the inaugural school year. The \$12 million Elementary School will house kindergarten through fourth grades. This completed Phase 2 of the renovation process. The \$1.3 million multi-purpose facility was completed in the fall of 2009 and provides indoor space for educational programs, extra-curricular activities and athletic needs. The final Phase of renovation is the High School which will begin the bidding process in the fall of 2010.

A Student Life Building was completed in 2009 by the University of Akron on the Orrville Wayne Campus. The 36,000 square foot facility includes a large multipurpose room for instruction, speakers, performers and college/community events. A Student Center with a bookstore, dining facility, student lounge and offices for student organizations are also housed in the new facility.



### *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, 2008. This was the eighth 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.

Special thanks 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 thanks also goes to the Local Government Services Section of Auditor of State Mary Taylor's Office for their assistance in the organization and final review of our 2009 Comprehensive Annual Financial Report.

Respectfully submitted,



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 ..... Rich Corfman  
Council Member ..... Julie Leathers  
Council Member ..... Arthur Shupp  
Council Member ..... Mike Hamsher  
Council Member ..... Ricardo Aspiras  
Council Member ..... Paul Vance

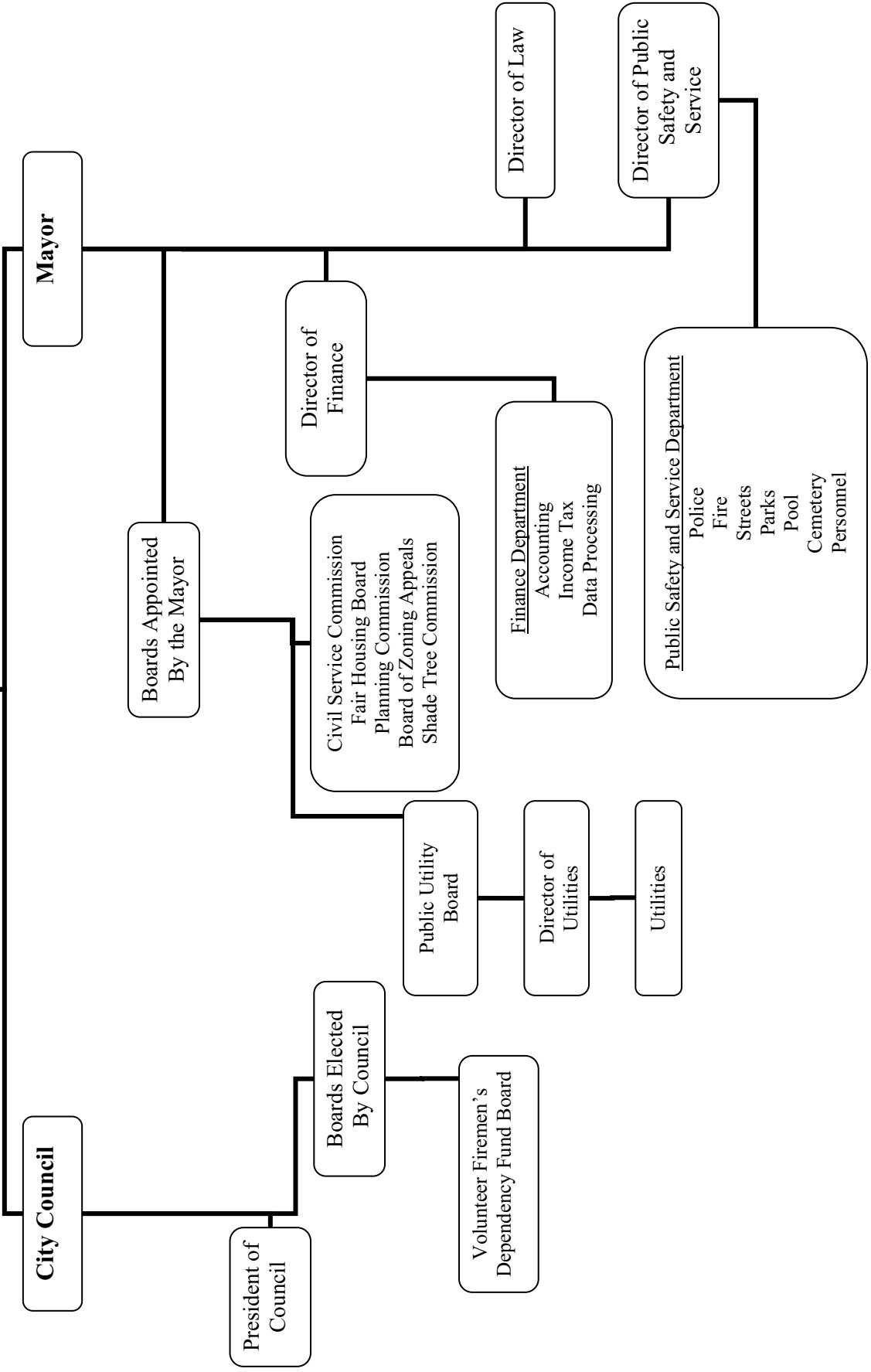
APPOINTED OFFICIALS

Director of Finance ..... Janet L. Strimlan  
Director of Law.....Daniel R. Lutz  
Director of Public Safety and Service.....Steven M. Wheeler  
Director of Utilities.....Jeff Brediger  
Clerk of Council..... Tamra Peppard

UTILITY BOARD MEMBERS

President of Board..... Robert Maglio  
Board Member ..... Gary Gossard  
Board Member ..... John McGuire  
Board Member ..... Brad Strausbaugh  
Board Member ..... Dave Shrader

**Citizens of Orrville  
(Voters)**



# 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, 2008

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



A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

President

A handwritten signature in black ink that reads "Jeffrey R. Emery".

Executive Director

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# **FINANCIAL SECTION**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Mayor and City Council Members:

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, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orrville, Wayne County, Ohio, as of December 31, 2009, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2010, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provides additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is 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 tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

September 3, 2010



**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2009*  
*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, 2009. 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 2009 are as follows:

- Income tax collections were larger than any other single year of collections in the City's history, primarily due to income tax on withholdings and business profits.
- The Directors of every department in the City were replaced during 2009, primarily due to retirements of the previous directors. This provided a cost savings to the City due to lower salaries for the new department directors.
- Revenues decreased in business-type activities due to the national economic slowdown impacting the City's industrial customers. As many local companies decreased production towards the end of the year, the City's utilities had less usage as well.

### **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 Assets and the Statement of Changes in Net Assets provides summarized information showing the effects of the operations for the year 2009 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 Assets and Statement of Activities*

The Statement of Net Assets 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 assets and changes in those assets. The change in net assets is important since it indicates if 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, 2009*  
*Unaudited*

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In the Statement of Net Assets 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 16. Fund financial reports give a detailed report of the activities within the funds. The City currently has twenty-seven 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 Assets and the Statement of Activities) and the government 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, 2009*  
*Unaudited*

**The City of Orrville as a Whole**

The Statement of Net Assets provides an overall view of the City. Table one shows a summary of the City's net assets for 2009 as they compare to 2008.

**Table 1**  
**Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Assets</b>						
Current and Other Assets	\$6,717,565	\$5,625,229	\$31,849,701	\$33,825,579	\$38,567,266	\$39,450,808
Capital Assets, Net	43,727,746	43,702,605	46,396,300	46,790,436	90,124,046	90,493,041
<i>Total Assets</i>	<u>50,445,311</u>	<u>49,327,834</u>	<u>78,246,001</u>	<u>80,616,015</u>	<u>128,691,312</u>	<u>129,943,849</u>
<b>Liabilities</b>						
Current Liabilities	1,201,008	1,029,950	2,463,002	2,014,341	3,664,010	3,044,291
Long-Term Liabilities:						
Due Within One Year	59,575	120,055	3,038,130	3,086,227	3,097,705	3,206,282
Due in More Than One Year	107,334	77,765	9,216,381	12,413,140	9,323,715	12,490,905
<i>Total Liabilities</i>	<u>1,367,917</u>	<u>1,227,770</u>	<u>14,717,513</u>	<u>17,513,708</u>	<u>16,085,430</u>	<u>18,741,478</u>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	43,659,336	43,619,685	34,525,664	31,936,125	78,185,000	75,555,810
Restricted for:						
Capital Projects	300,589	215,741	0	0	300,589	215,741
Debt Service	230,546	243,223	2,715,024	3,016,575	2,945,570	3,259,798
Street Repair and Maintenance	415,535	462,630	0	0	415,535	462,630
Solid Waste Services	38,048	80,955	0	0	38,048	80,955
Law Enforcement and Education	20,975	19,651	0	0	20,975	19,651
Cemetery Maintenance	298,620	285,788	0	0	298,620	285,788
EMS Equipment	240,929	194,363	0	0	240,929	194,363
Performing Arts	3,073	1,070	0	0	3,073	1,070
Replacement and Improvement	0	0	2,300,000	2,300,000	2,300,000	2,300,000
Unrestricted	3,869,743	2,976,958	23,987,800	25,849,607	27,857,543	28,826,565
<i>Total Net Assets</i>	<u>\$49,077,394</u>	<u>\$48,100,064</u>	<u>\$63,528,488</u>	<u>\$63,102,307</u>	<u>\$112,605,882</u>	<u>\$111,202,371</u>

Total assets decreased from 2008. The decrease in current assets is due to lower charges for services revenues in the business-type activities, which decreased cash, partially offset by an increase in cash in governmental activities. This increase is attributed to higher income tax revenues. Capital assets also decreased, as annual depreciation outpaced additions to assets in 2009.

The decrease in liabilities is primarily due to decreases in the long-term liabilities. Both governmental and business-type activities made annual debt payments, and other than the replacement of one-year notes, no new debt was issued.

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2009*  
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Total net assets in governmental activities increased, largely as a result of the increase to cash mentioned above and decreased accounts payable. Total net assets for the business-type activities increased slightly, due to the fact that debt was retired, offset by lower cash balances.

The City also works hard to increase net assets through our investment program. Investment earnings for the City were much lower than in 2008. This decrease reflects the decline in interest rates received on investments due to the overall economy.

Table 2 shows the changes in net assets for the year ended December 31, 2009, for both our Governmental Activities and our Business-Type Activities.

**Table 2**  
**Change in Net Assets**

	Governmental Activities		Business - Type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$894,159	\$703,189	\$25,786,345	\$33,910,108	\$26,680,504	\$34,613,297
Operating Grants and Contributions	549,039	656,705	0	0	549,039	656,705
Capital Grants and Contributions	779,266	1,189,081	631,711	41,402	1,410,977	1,230,483
Total Program Revenues	<u>2,222,464</u>	<u>2,548,975</u>	<u>26,418,056</u>	<u>33,951,510</u>	<u>28,640,520</u>	<u>36,500,485</u>
General Revenues:						
Property Taxes	495,460	505,320	0	0	495,460	505,320
Income Taxes	4,582,543	3,125,948	0	0	4,582,543	3,125,948
Killowatt Per Hour Tax	847,907	881,904	0	0	847,907	881,904
Grants and Entitlements	965,243	816,394	0	0	965,243	816,394
Investment Earnings	77,420	171,859	783,010	838,914	860,430	1,010,773
Miscellaneous	36,796	209,767	583,457	533,030	620,253	742,797
Total General Revenues	<u>7,005,369</u>	<u>5,711,192</u>	<u>1,366,467</u>	<u>1,371,944</u>	<u>8,371,836</u>	<u>7,083,136</u>
Total Revenues	<u>\$9,227,833</u>	<u>\$8,260,167</u>	<u>\$27,784,523</u>	<u>\$35,323,454</u>	<u>\$37,012,356</u>	<u>\$43,583,621</u>
<b>Program Expenses</b>						
General Government	\$1,298,794	\$1,276,806	\$0	\$0	\$1,298,794	\$1,276,806
Security of Persons and Property:						
Police	1,756,470	1,631,577	0	0	1,756,470	1,631,577
Fire	601,035	617,200	0	0	601,035	617,200
Transportation	2,632,557	2,474,540	0	0	2,632,557	2,474,540
Public Health and Welfare	166,552	199,238	0	0	166,552	199,238
Leisure Time Activities	430,143	395,062	0	0	430,143	395,062
Basic Utility Service	444,941	417,347	0	0	444,941	417,347
Interest and Fiscal Charges	72,104	79,296	0	0	72,104	79,296
Enterprise Operations	0	0	28,206,249	29,080,235	28,206,249	29,080,235
Total Program Expenses	<u>7,402,596</u>	<u>7,091,066</u>	<u>28,206,249</u>	<u>29,080,235</u>	<u>35,608,845</u>	<u>36,171,301</u>

(continued)

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2009*  
*Unaudited*

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

	Governmental Activities		Business - Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Increase in Net Assets Before Transfers	1,825,237	1,169,101	(421,726)	6,243,219	1,403,511	7,412,320
Transfers	(847,907)	(881,904)	847,907	881,904	0	0
Increase in Net Assets	977,330	287,197	426,181	7,125,123	1,403,511	7,412,320
Net Assets Beginning of Year	48,100,064	47,812,867	63,102,307	55,977,184	111,202,371	103,790,051
Net Assets End of Year	\$49,077,394	\$48,100,064	\$63,528,488	\$63,102,307	\$112,605,882	\$111,202,371

***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 .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 \$4,582,543 in 2009. These revenues were split between the general fund and the capital improvements fund with an allocation of 80 percent to the general fund and 20 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 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 South Main Street, North Vine Street and West Water Street.

The level of revenue from the income tax increased in 2009. This was partially the result of an increase in withholding taxes; however, the largest increase was from taxes on net profits from some of our corporate citizens. Although the increase from the prior year was significant, a portion of the taxes from net profits are estimated payments. There is a possibility that some of the estimates may have been too high and a portion of the income tax would have to be refunded.

Charges for services revenues increased in 2009 due to higher EMS receipts, rubbish collection receipts and other fees paid to the City. Capital grants decreased as less Community Development Block Grants were applied for in 2009. The City has completed a significant amount of projects through these grants in the past several years, so there was not as much need for funding in 2009.

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2009*  
*Unaudited*

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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 slightly in 2009.

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. Each patrol car is now equipped with a laptop computer to assist the officers in accessing information while on duty. The expenses for the Department for the year 2009 increased due to a wage increase for employees. This increase was partially offset by the retirement of several employees.

Our Fire Department is a part-time department with a full-time Chief. The City is very committed to maintaining a very efficient department. Regular meetings, drills, and training sessions are held. There is a strong emphasis on equipment with a new heavy rescue truck having been purchased in the last several years. 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.

***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 2009, the electric utility sold 267,372,900 KWH of electricity to generate \$21,304,890 in charges for services revenue. They burned 173,900 tons of coal at a cost of \$7,433,300. Boilers 12 and 13 operated 2009 at record availabilities which is a testament to our operations and maintenance efforts. The overhaul of our Number 9 Turbine as well as an emergency rewind of the number 9 Generator was performed in 2009.

The water utility treated an average of 1.5 million gallons of water per day in 2009. 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 3,200 residential customers and 350 industrial and commercial customers.

The sewer facility treated 686 million gallons of sewage during 2009. 164 million gallons of our effluent water was beneficially reused at our Power Plant. 217 dry tons of residual solids were land applied in 2009 to agricultural fields, returning their nutrients to the soil. The facility is currently operating at approximately 75 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 service. In 2009 this amount accounted for approximately 94 percent of the revenues. The decrease in the revenues in the utility funds during 2009 was primarily due to the decrease in the electric fund created by less wholesale sales than in the previous year. Usage was down, especially toward the end of the year, as several local companies slowed production which caused expenses to decrease slightly over 2008. The revenues and transfers exceeded total expenses for the utilities, increasing net assets over \$420,000 in the business-type activities.

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2009*  
*Unaudited*

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## **The City's Funds**

Information about the City's governmental funds begins on page 16. These funds are accounted for using the modified accrual method of accounting. The general fund revenues of \$6,001,489 are higher than 2008, due to higher income tax revenue and charge for service revenue, partially offset by decreased intergovernmental revenue. Expenditures of \$4,249,896 are higher than 2008, due to increases in employee wages. Although this shows a surplus of \$1,751,593, 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 Revenue Fund by way of a transfer. When these receipts and other transfers are eliminated, the true surplus is \$576,376. The capital improvements fund revenues of \$1,281,315 are smaller than 2008 because of less grants received by the City, partially offset by higher income tax revenues. The expenditures of \$1,376,407 are less than 2008, due to more projects being completed during 2009. Expenditures exceeding revenues creates a deficit of \$95,092.

Information about the business-type funds starts on page 21. These funds are accounted for on an accrual basis. The sewer fund had operating revenues of \$1,872,245 and operating expenses of \$1,993,222, the electric fund had operating revenues of \$21,872,170 and operating expenses of \$22,231,570 and the water fund had operating revenues of \$2,625,387 and operating expenses of \$2,876,410. As a result, all three utility funds reflected an operating loss. However, after non-operating revenues (expenses) and transfers are taken into consideration, only the sewer fund had a decrease in net assets.

## ***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 \$4,571,400. The actual revenues were \$6,306,370. Of this \$1,734,970 difference between final budgeted and actual revenues, most was due to higher than anticipated income tax revenues and intergovernmental revenues. The final expenditures of \$4,586,697 compare favorably with the final budget figure of \$4,977,236. 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, 2009*  
*Unaudited*

**Capital Assets and Debt Administration**

***Capital Assets***

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

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$2,512,207	\$2,512,207	\$1,360,391	\$1,360,391	\$3,872,598	\$3,872,598
Construction In Progress	1,381,604	885,289	608,166	353,905	1,989,770	1,239,194
Buildings and Improvements	3,717,735	3,532,875	11,058,453	11,658,233	14,776,188	15,191,108
Equipment	650,285	713,580	5,018,779	4,257,882	5,669,064	4,971,462
Vehicles	554,925	662,272	457,965	358,043	1,012,890	1,020,315
Electric - Generation/ Transmission/Distribution	0	0	17,052,248	17,907,315	17,052,248	17,907,315
Infrastructure	34,910,990	35,396,382	10,840,298	10,894,667	45,751,288	46,291,049
<b>Totals</b>	<b>\$43,727,746</b>	<b>\$43,702,605</b>	<b>\$46,396,300</b>	<b>\$46,790,436</b>	<b>\$90,124,046</b>	<b>\$90,493,041</b>

Total capital assets decreased in 2009, as annual depreciation was higher than additions of new assets during the year. Several projects were begun during 2008 and 2009 and will continue into 2010. These projects are reflected in the construction in progress amounts above and include two waterline projects and several street projects.

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, 2009:

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Special Assessment Bonds	\$68,410	\$82,920	\$0	\$0	\$68,410	\$82,920
Mortgage Revenue Bonds	0	0	1,777,103	3,498,722	1,777,103	3,498,722
Revenue Bonds	0	0	4,694,486	5,108,318	4,694,486	5,108,318
OWDA Loans	0	0	1,477,014	1,889,701	1,477,014	1,889,701
OPWC Loan	0	0	1,111,482	1,193,592	1,111,482	1,193,592
Notes	0	0	3,170,000	3,570,000	3,170,000	3,570,000
<b>Totals</b>	<b>\$68,410</b>	<b>\$82,920</b>	<b>\$12,230,085</b>	<b>\$15,260,333</b>	<b>\$12,298,495</b>	<b>\$15,343,253</b>



**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2009*  
*Unaudited*

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The Governmental Activities' only debt is \$68,410 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, the largest debt being that of the electric utility. Most of this debt is in Mortgage Revenue Bonds that were originally issued in the 1980's for major upgrades to the power plant. These bonds were refinanced in 1997. The electric utility also has an outstanding bond anticipation general obligation note. One piece of this note is in the amount of \$600,000 and is for the purpose of financing the precipitator improvement project, which was completed in 2002. The precipitator is part of the pollution control system at the power plant. The other portion is in the amount of \$1,580,000 and was issued to call a portion of the Mortgage Revenue Bonds. The note was issued in 2007 and was due in 2008. In 2008, additional notes were issued to refinance the 2007 note and also to improve the water utility system. 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. They are scheduled to be paid off in 2018. 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 has two loans from the Ohio Water Development Authority which were used to defease the original mortgage revenue bonds issued to construct the treatment plant. These loans will be paid off in 2012 and 2013. Total debt service payments for the electric utility in 2009 were \$3,858,621, for the sewer utility \$542,767, and for the water utility \$2,440,576.

The administration and City Council are both very committed to controlling and managing the debt. Over the last nine 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 Notes 10 and 11 to the basic financial statements.

### **Current Financial Issues**

The City's finances during 2009 reflected a positive outcome. While the rest of the county was struggling with very trying times we were fortunate to have companies that were experiencing stability and in some cases growth and expansion. The Office of Industrial Development had an excellent year completing the second high tech industrial park and adding several new businesses and industries to Orrville. Income tax revenues were higher than any other single year of collections in the City's history. The City as a whole operated in a surplus position due to continued controlled spending and an increase in 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 down from the record year recorded in 2008. This was primarily driven by the economy and soft wholesale market. The Utility Department is currently reviewing proposed EPA rules which would dramatically impact future operations of the power plant and would have a significant negative impact on the cost structure. Rate studies are close to completion 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.

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2009*  
*Unaudited*

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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 Safety Service Director, the Mayor, and City Council spend 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.

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 City is a member of Main Street Ohio, and in 2009 spent more than \$347,000 of Community Development Block Grant money on projects in the downtown area including tree grates and the paving of Vine and Railroad Alley.

The Utility Departments continue to grow and improve. The electric utility overhauled Turbine 9, performed an emergency rewind of Generator 9, passed EPA Emission Tests on all units and Boilers 12 and 13 operated at record availabilities. The water utility upgraded the 4" raw water main on Mohican Avenue to an 8" main, installed a SCADA control system at the treatment plant, installed a booster pump station on the raw water main near Burton City, installed a raw water main from the new well in Stark County to our existing raw water main on Burkhart Road as well as putting the new well in Stark County into production, to name a few items.

The Mayor, Directors, and Council work very hard to keep the City's debt low. However, small amounts of debt will have to be incurred in the future. The majority of capital expenditures will continue to come from reserve funds. 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 Assets*

*December 31, 2009*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$5,525,621	\$20,096,783	\$25,622,404
Cash Equivalents Held by Trustee	0	4,187	4,187
Investments Held by Trustee	0	2,743,243	2,743,243
Materials and Supplies Inventory	117,232	4,053,805	4,171,037
Accrued Interest Receivable	23,119	146,263	169,382
Accounts Receivable	85,980	3,096,824	3,182,804
Internal Balances	(1,215,500)	1,215,500	0
Intergovernmental Receivable	353,702	86,906	440,608
Prepaid Items	9,491	46,741	56,232
Deferred Charges	0	359,449	359,449
Income Taxes Receivable	1,221,933	0	1,221,933
Property Taxes Receivable	504,247	0	504,247
Special Assessments Receivable	91,740	0	91,740
Nondepreciable Capital Assets	3,893,811	1,968,557	5,862,368
Depreciable Capital Assets, Net	39,833,935	44,427,743	84,261,678
<i>Total Assets</i>	<u>50,445,311</u>	<u>78,246,001</u>	<u>128,691,312</u>
<b>Liabilities</b>			
Accounts Payable	389,990	1,169,358	1,559,348
Accrued Wages	110,827	299,113	409,940
Intergovernmental Payable	151,593	238,355	389,948
Accrued Interest Payable	26,676	112,614	139,290
Claims Payable	0	79,587	79,587
Deferred Revenue	444,499	0	444,499
Vacation Benefits Payable	77,423	163,975	241,398
Notes Payable	0	400,000	400,000
Long-Term Liabilities:			
Due Within One Year	59,575	3,038,130	3,097,705
Due In More Than One Year	107,334	9,216,381	9,323,715
<i>Total Liabilities</i>	<u>1,367,917</u>	<u>14,717,513</u>	<u>16,085,430</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	43,659,336	34,525,664	78,185,000
Restricted for:			
Capital Projects	300,589	0	300,589
Debt Service	230,546	2,715,024	2,945,570
Electric Replacement and Improvement	0	1,500,000	1,500,000
Water Replacement and Improvement	0	800,000	800,000
Street Repair and Maintenance	415,535	0	415,535
Solid Waste Services	38,048	0	38,048
Law Enforcement and Education	20,975	0	20,975
Cemetery Maintenance	298,620	0	298,620
EMS Equipment	240,929	0	240,929
Performing Arts	3,073	0	3,073
Unrestricted	3,869,743	23,987,800	27,857,543
<i>Total Net Assets</i>	<u>\$49,077,394</u>	<u>\$63,528,488</u>	<u>\$112,605,882</u>

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2009

	Program Revenues			
	Expenses	Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$1,298,794	\$207,225	\$16,996	\$341,100
Security of Persons and Property:				
Police	1,756,470	21,878	1,520	0
Fire	601,035	63,973	0	0
Transportation	2,632,557	634	516,773	438,166
Public Health and Welfare	166,552	101,345	0	0
Leisure Time Activities	430,143	59,572	13,698	0
Basic Utility Service	444,941	439,532	52	0
Interest and Fiscal Charges	72,104	0	0	0
<i>Total Governmental Activities</i>	<u>7,402,596</u>	<u>894,159</u>	<u>549,039</u>	<u>779,266</u>
<b>Business-Type Activities:</b>				
Sewer	2,123,983	1,871,276	0	0
Electric	22,870,541	21,309,884	0	0
Water	3,211,725	2,605,185	0	631,711
<i>Total Business-Type Activities</i>	<u>28,206,249</u>	<u>25,786,345</u>	<u>0</u>	<u>631,711</u>
<i>Total - Primary Government</i>	<u>\$35,608,845</u>	<u>\$26,680,504</u>	<u>\$549,039</u>	<u>\$1,410,977</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  
Investment Earnings  
Other

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

Change in Net Assets

*Net Assets Beginning of Year*

*Net Assets End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$733,473)	\$0	(\$733,473)
(1,733,072)	0	(1,733,072)
(537,062)	0	(537,062)
(1,676,984)	0	(1,676,984)
(65,207)	0	(65,207)
(356,873)	0	(356,873)
(5,357)	0	(5,357)
(72,104)	0	(72,104)
<u>(5,180,132)</u>	<u>0</u>	<u>(5,180,132)</u>
0	(252,707)	(252,707)
0	(1,560,657)	(1,560,657)
0	25,171	25,171
<u>0</u>	<u>(1,788,193)</u>	<u>(1,788,193)</u>
<u>(5,180,132)</u>	<u>(1,788,193)</u>	<u>(6,968,325)</u>
495,460	0	495,460
847,907	0	847,907
3,485,477	0	3,485,477
1,097,066	0	1,097,066
965,243	0	965,243
77,420	783,010	860,430
36,796	583,457	620,253
<u>7,005,369</u>	<u>1,366,467</u>	<u>8,371,836</u>
<u>(847,907)</u>	<u>847,907</u>	<u>0</u>
<u>6,157,462</u>	<u>2,214,374</u>	<u>8,371,836</u>
977,330	426,181	1,403,511
<u>48,100,064</u>	<u>63,102,307</u>	<u>111,202,371</u>
<u>\$49,077,394</u>	<u>\$63,528,488</u>	<u>\$112,605,882</u>

**City of Orrville, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2009*

	<u>General</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$2,901,197	\$1,501,714	\$1,122,710	\$5,525,621
Materials and Supplies Inventory	117,232	0	0	117,232
Accrued Interest Receivable	22,285	0	834	23,119
Accounts Receivable	25,518	0	60,462	85,980
Intergovernmental Receivable	117,442	0	236,260	353,702
Prepaid Items	9,491	0	0	9,491
Income Taxes Receivable	977,547	244,386	0	1,221,933
Property Taxes Receivable	504,247	0	0	504,247
Special Assessments Receivable	0	0	91,740	91,740
<i>Total Assets</i>	<u>\$4,674,959</u>	<u>\$1,746,100</u>	<u>\$1,512,006</u>	<u>\$7,933,065</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$34,542	\$309,626	\$45,822	\$389,990
Accrued Wages	93,987	0	16,840	110,827
Intergovernmental Payable	136,516	15	15,062	151,593
Accrued Interest Payable	0	26,303	0	26,303
Interfund Payable	0	1,255,000	0	1,255,000
Deferred Revenue	973,288	104,441	260,420	1,338,149
<i>Total Liabilities</i>	<u>1,238,333</u>	<u>1,695,385</u>	<u>338,144</u>	<u>3,271,862</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	149,410	125,041	304,157	578,608
Unreserved, Undesignated, Reported in:				
General Fund	3,287,216	0	0	3,287,216
Special Revenue Funds	0	0	857,617	857,617
Debt Service Funds	0	0	139,179	139,179
Capital Projects Funds (Deficit)	0	(74,326)	(127,091)	(201,417)
<i>Total Fund Balances</i>	<u>3,436,626</u>	<u>50,715</u>	<u>1,173,862</u>	<u>4,661,203</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,674,959</u>	<u>\$1,746,100</u>	<u>\$1,512,006</u>	<u>\$7,933,065</u>

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 December 31, 2009*

<b>Total Governmental Fund Balances</b>	<b>\$4,661,203</b>
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	43,727,746
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property Taxes	59,747
Income Taxes	522,207
Grants	216,231
Special Assessments	91,740
Charges for Services	3,725
Total	893,650
The accumulated overpayments to the internal service fund.	39,500
Vacation benefits payable is a contractually required benefit not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(77,423)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(373)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Special Assessment Bonds	(68,410)
Compensated Absences	(98,499)
Total	(166,909)
<i>Net Assets of Governmental Activities</i>	<b>\$49,077,394</b>

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, 2009*

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$491,616	\$0	\$0	\$491,616
Income Taxes	3,185,914	1,022,176	0	4,208,090
Killowatt Per Hour Tax	847,907	0	0	847,907
Special Assessments	0	0	19,048	19,048
Intergovernmental	975,089	173,360	1,067,485	2,215,934
Interest	74,745	0	2,675	77,420
Fines, Licenses and Permits	36,866	0	5,950	42,816
Rentals	36,981	0	0	36,981
Charges for Services	309,705	634	499,848	810,187
Contributions and Donations	6,015	85,000	7,683	98,698
Other	36,651	145	0	36,796
<i>Total Revenues</i>	<u>6,001,489</u>	<u>1,281,315</u>	<u>1,602,689</u>	<u>8,885,493</u>
<b>Expenditures</b>				
Current:				
General Government	1,156,424	0	37,767	1,194,191
Security of Persons and Property:				
Police	1,658,232	0	2,726	1,660,958
Fire	421,343	0	0	421,343
Transportation	561,298	0	896,046	1,457,344
Public Health and Welfare	140,300	0	0	140,300
Leisure Time Activities	312,299	0	5,718	318,017
Basic Utility Service	0	0	444,941	444,941
Capital Outlay	0	1,310,027	417,788	1,727,815
Debt Service:				
Principal Retirement	0	0	14,510	14,510
Interest and Fiscal Charges	0	66,380	5,800	72,180
<i>Total Expenditures</i>	<u>4,249,896</u>	<u>1,376,407</u>	<u>1,825,296</u>	<u>7,451,599</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,751,593</u>	<u>(95,092)</u>	<u>(222,607)</u>	<u>1,433,894</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	327,310	327,310
Transfers Out	(1,175,217)	0	0	(1,175,217)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,175,217)</u>	<u>0</u>	<u>327,310</u>	<u>(847,907)</u>
<i>Net Change in Fund Balances</i>	576,376	(95,092)	104,703	585,987
<i>Fund Balances Beginning of Year</i>	<u>2,860,250</u>	<u>145,807</u>	<u>1,069,159</u>	<u>4,075,216</u>
<i>Fund Balances End of Year</i>	<u>\$3,436,626</u>	<u>\$50,715</u>	<u>\$1,173,862</u>	<u>\$4,661,203</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, 2009*

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**Net Change in Fund Balances - Total Governmental Funds** \$585,987

*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	1,518,346
Current Year Depreciation	<u>(1,493,205)</u>

Total	25,141
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	3,844
Income Taxes	374,453
Grants	(21,084)
Special Assessments	(13,348)
Charges for Services	<u>(1,525)</u>

Total	342,340
-------	---------

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

14,510

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

76

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	16,401
Vacation Benefits Payable	<u>4,068</u>

Total	20,469
-------	--------

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

(11,193)

*Change in Net Assets of Governmental Activities*

\$977,330

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, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$415,000	\$415,000	\$491,616	\$76,616
Income Taxes	2,300,000	2,300,000	3,430,315	1,130,315
Kilowatt Per Hour Tax	900,000	900,000	847,907	(52,093)
Intergovernmental	558,800	558,800	1,032,412	473,612
Interest	141,000	141,000	81,903	(59,097)
Fines, Licenses and Permits	26,500	26,500	36,725	10,225
Rentals	30,000	30,000	36,981	6,981
Charges for Services	196,100	196,100	305,845	109,745
Contributions and Donations	3,000	3,000	6,015	3,015
Other	1,000	1,000	36,651	35,651
<i>Total Revenues</i>	4,571,400	4,571,400	6,306,370	1,734,970
<b>Expenditures</b>				
Current:				
General Government	1,324,646	1,348,296	1,202,185	146,111
Security of Persons and Property:				
Police	1,792,297	1,792,297	1,669,828	122,469
Fire	482,706	482,706	449,694	33,012
Transportation	620,134	620,134	577,683	42,451
Public Health and Welfare	196,743	196,743	160,300	36,443
Leisure Time Activities	343,060	343,060	333,007	10,053
Debt Service:				
Principal	125,000	125,000	125,000	0
Interest and Fiscal Charges	69,000	69,000	69,000	0
<i>Total Expenditures</i>	4,953,586	4,977,236	4,586,697	390,539
<i>Excess of Revenues</i>				
<i>Over (Under) Expenditures</i>	(382,186)	(405,836)	1,719,673	2,125,509
<b>Other Financing Uses</b>				
Transfers Out	(1,352,000)	(1,352,000)	(1,175,217)	176,783
<i>Net Change in Fund Balance</i>	(1,734,186)	(1,757,836)	544,456	2,302,292
<i>Fund Balance Beginning of Year</i>	2,002,056	2,002,056	2,002,056	0
Prior Year Encumbrances Appropriated	170,726	170,726	170,726	0
<i>Fund Balance End of Year</i>	\$438,596	\$414,946	\$2,717,238	\$2,302,292

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Fund Net Assets*  
*Proprietary Funds*  
*December 31, 2009*

	Business-Type Activities				Business-Type Activity - Internal Service Fund
	Sewer	Electric	Water	Total	
<b>Assets</b>					
<i>Current Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	\$2,010,900	\$14,099,537	\$1,476,325	\$17,586,762	\$210,021
Restricted Assets:					
Cash Equivalents Held by Trustee	0	2,858	1,329	4,187	0
Investments Held by Trustee	0	1,974,735	492,165	2,466,900	0
Receivables:					
Accounts	238,567	2,536,281	321,976	3,096,824	0
Intergovernmental	0	0	86,906	86,906	0
Accrued Interest	60,349	73,406	11,277	145,032	1,231
Materials and Supplies Inventory	222,370	3,522,751	308,684	4,053,805	0
Prepaid Items	7,011	32,719	7,011	46,741	0
Interfund Receivable	1,255,000	0	0	1,255,000	0
<i>Total Current Assets</i>	<u>3,794,197</u>	<u>22,242,287</u>	<u>2,705,673</u>	<u>28,742,157</u>	<u>211,252</u>
<i>Non-Current Assets:</i>					
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents Held by Trustee:	0	1,500,000	800,000	2,300,000	0
Investments Held by Trustee	0	0	276,343	276,343	0
Deferred Charges	6,961	240,949	111,539	359,449	0
Nondepreciable Assets	112,497	544,178	1,311,882	1,968,557	0
Depreciable Capital Assets, Net	6,980,203	22,590,004	14,857,536	44,427,743	0
<i>Total Non-Current Assets</i>	<u>7,099,661</u>	<u>24,875,131</u>	<u>17,357,300</u>	<u>49,332,092</u>	<u>0</u>
<i>Total Assets</i>	<u>10,893,858</u>	<u>47,117,418</u>	<u>20,062,973</u>	<u>78,074,249</u>	<u>211,252</u>
<b>Liabilities</b>					
<i>Current Liabilities:</i>					
Accounts Payable	6,301	741,728	421,329	1,169,358	0
Accrued Wages	33,859	226,819	38,435	299,113	0
Intergovernmental Payable	26,610	182,106	29,639	238,355	0
Compensated Absences Payable	9,745	131,027	43,417	184,189	0
Accrued Interest Payable	27,816	39,860	44,938	112,614	0
Loans Payable	491,831	0	82,110	573,941	0
Vacation Benefits Payable	21,905	123,285	18,785	163,975	0
Revenue Bonds Payable	0	1,777,103	475,000	2,252,103	0
Notes Payable	0	300,000	100,000	400,000	0
Claims Payable	0	0	0	0	79,587
<i>Total Current Liabilities</i>	<u>618,067</u>	<u>3,521,928</u>	<u>1,253,653</u>	<u>5,393,648</u>	<u>79,587</u>
<i>Long-Term Liabilities:</i>					
Notes Payable (net of current portion)	0	1,270,000	1,500,000	2,770,000	0
Compensated Absences Payable (net of current portion)	5,164	187,994	47,079	240,237	0
Loans Payable (net of current portion)	985,183	0	1,029,372	2,014,555	0
Revenue Bonds Payable (net of current portion)	0	0	4,219,486	4,219,486	0
<i>Total Long-Term Liabilities</i>	<u>990,347</u>	<u>1,457,994</u>	<u>6,795,937</u>	<u>9,244,278</u>	<u>0</u>
<i>Total Liabilities</i>	<u>1,608,414</u>	<u>4,979,922</u>	<u>8,049,590</u>	<u>14,637,926</u>	<u>79,587</u>
<b>Net Assets</b>					
Invested in Capital Assets, Net of Related Debt	5,622,647	20,028,028	8,874,989	34,525,664	0
Restricted for					
Replacement and Improvement	0	1,500,000	800,000	2,300,000	0
Debt Service	0	1,963,681	751,343	2,715,024	0
Unrestricted	3,662,797	18,645,787	1,587,051	23,895,635	131,665
<i>Total Net Assets</i>	<u>\$9,285,444</u>	<u>\$42,137,496</u>	<u>\$12,013,383</u>	<u>63,436,323</u>	<u>\$131,665</u>

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

	92,165
Net assets of business-type activities	\$63,528,488

**City of Orrville, Ohio**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2009*

	Business-Type	
	Sewer	Electric
<b>Operating Revenues</b>		
Charges for Services	\$1,871,276	\$21,304,890
Other	969	567,280
<i>Total Operating Revenues</i>	<u>1,872,245</u>	<u>21,872,170</u>
<b>Operating Expenses</b>		
Personal Services	922,775	6,332,084
Purchased Services	121,383	2,801,620
Materials and Supplies	158,357	10,344,078
Utilities	106,601	854,585
Depreciation	684,106	1,899,203
Claims	0	0
<i>Total Operating Expenses</i>	<u>1,993,222</u>	<u>22,231,570</u>
<i>Operating Loss</i>	<u>(120,977)</u>	<u>(359,400)</u>
<b>Non-Operating Revenues (Expenses)</b>		
Interest and Fiscal Charges	(126,507)	(617,395)
Capital Grants	0	0
Interest	89,588	593,217
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(36,919)</u>	<u>(24,178)</u>
<i>Income (Loss) before Transfers</i>	(157,896)	(383,578)
Transfers In	0	847,907
<i>Change in Net Assets</i>	(157,896)	464,329
<i>Net Assets Beginning of Year</i>	<u>9,443,340</u>	<u>41,673,167</u>
<i>Net Assets End of Year</i>	<u>\$9,285,444</u>	<u>\$42,137,496</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 assets of business-type activities

See accompanying notes to the basic financial statements

Activities		Business-Type Activity - Internal Service Fund
Water	Total	
\$2,605,185	\$25,781,351	\$1,623,336
20,202	588,451	0
<u>2,625,387</u>	<u>26,369,802</u>	<u>1,623,336</u>
1,071,667	8,326,526	0
151,201	3,074,204	37,845
661,940	11,164,375	0
151,112	1,112,298	0
840,490	3,423,799	0
0	0	1,627,073
<u>2,876,410</u>	<u>27,101,202</u>	<u>1,664,918</u>
<u>(251,023)</u>	<u>(731,400)</u>	<u>(41,582)</u>
(330,756)	(1,074,658)	0
631,711	631,711	0
95,935	778,740	4,270
<u>396,890</u>	<u>335,793</u>	<u>4,270</u>
145,867	(395,607)	(37,312)
0	847,907	0
145,867	452,300	(37,312)
<u>11,867,516</u>		<u>168,977</u>
<u>\$12,013,383</u>		<u>\$131,665</u>
	<u>(26,119)</u>	
	<u>\$426,181</u>	

**City of Orrville, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2009

	Business-Type Activities				Business-Type Activities - Internal 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	\$1,945,549	\$21,713,271	\$2,734,271	\$26,393,091	\$0
Cash Received from Transactions with Other Funds	0	0	0	0	1,623,336
Other Cash Receipts	969	567,280	20,202	588,451	0
Cash Payments to Employees for Services	(1,022,311)	(6,373,622)	(1,106,119)	(8,502,052)	0
Cash Payments for Goods and Services	(462,064)	(13,188,876)	(650,247)	(14,301,187)	(37,845)
Cash Payments for Claims	0	0	0	0	(1,642,723)
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>462,143</u>	<u>2,718,053</u>	<u>998,107</u>	<u>4,178,303</u>	<u>(57,232)</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers In	0	847,907	0	847,907	0
<b>Cash Flows from Capital and Related Financing Activities</b>					
Capital Grants	0	0	544,805	544,805	0
Proceeds from Sale of Notes	0	1,570,000	1,600,000	3,170,000	0
Interfund Activity - Manuscript Bonds	125,000	0	0	125,000	0
Principal Paid on Revenue Bonds	0	(1,725,000)	(455,000)	(2,180,000)	0
Interest Paid on Revenue Bonds	0	(170,765)	(135,466)	(306,231)	0
Principal Paid on OWDA Loans	(474,728)	0	0	(474,728)	0
Interest Paid on OWDA Loans	(68,039)	0	0	(68,039)	0
Principal Paid on OPWC Loan	0	0	(82,110)	(82,110)	0
Principal Paid on Notes	0	(1,870,000)	(1,700,000)	(3,570,000)	0
Interest Paid on Notes	0	(92,856)	(68,000)	(160,856)	0
Disposal of Capital Assets	0	4,994	0	4,994	0
Payments for Capital Acquisitions	(121,899)	(1,644,977)	(1,267,781)	(3,034,657)	0
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(539,666)</u>	<u>(3,928,604)</u>	<u>(1,563,552)</u>	<u>(6,031,822)</u>	<u>0</u>
<b>Cash Flows from Investing Activities</b>					
Interest on Investments	100,978	598,908	49,163	749,049	4,970
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	23,455	236,264	(516,282)	(256,563)	(52,262)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,987,445</u>	<u>15,366,131</u>	<u>2,793,936</u>	<u>20,147,512</u>	<u>262,283</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$2,010,900</u>	<u>\$15,602,395</u>	<u>\$2,277,654</u>	<u>\$19,890,949</u>	<u>\$210,021</u>

(continued)

**City of Orrville, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
*For the Year Ended December 31, 2009*

	Business-Type Activities				Business-Type Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>					
Operating Loss	(\$120,977)	(\$359,400)	(\$251,023)	(\$731,400)	(\$41,582)
Adjustments:					
Depreciation	684,106	1,899,203	840,490	3,423,799	0
(Increase) Decrease in Assets:					
Accounts Receivable	74,273	403,387	129,086	606,746	0
Prepaid Items	423	1,971	423	2,817	0
Materials and Supplies Inventory	(31,466)	617,175	33,413	619,122	0
Increase (Decrease) in Liabilities:					
Accounts Payable	(44,680)	197,255	280,170	432,745	0
Accrued Wages	6,210	49,447	7,771	63,428	0
Vacation Benefits Payable	(5,865)	(23,408)	(5,536)	(34,809)	0
Compensated Absences Payable	(100,131)	(75,940)	(38,537)	(214,608)	0
Intergovernmental Payable	250	8,363	1,850	10,463	0
Claims Payable	0	0	0	0	(15,650)
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>\$462,143</u>	<u>\$2,718,053</u>	<u>\$998,107</u>	<u>\$4,178,303</u>	<u>(\$57,232)</u>

Non Cash Transactions:

During 2009, the electric and water enterprise funds had a change in fair value of investments of \$1,590 and \$2,425, respectively.

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Funds*  
*December 31, 2009*

	Private Purpose Trust	
	Cemetery Memorial	Agency
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$4,443	\$60,921
Accrued Interest Receivable	18	0
<i>Total Assets</i>	4,461	\$60,921
<b>Liabilities</b>		
Deposits Held and Due to Others	0	\$60,921
<b>Net Assets</b>		
Held in Trust for Cemetery	434	
Endowments	4,027	
<i>Total Net Assets</i>	\$4,461	

See accompanying notes to the basic financial statements



**City of Orrville, Ohio**  
*Statement of Changes in Fiduciary Net Assets*  
*Fiduciary Fund*  
*For the Year Ended December 31, 2009*

	Private-Purpose Trust
	Cemetery Memorial
<b>Additions</b>	
Interest	\$60
<b>Deductions</b>	
Materials and Supplies	75
<i>Change in Net Assets</i>	(15)
<i>Net Assets Beginning of Year</i>	4,476
<i>Net Assets End of Year</i>	\$4,461

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2009*

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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 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 for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget. The City has no component units.

The City is associated with the Ohio Municipal League City Equity Pooling Workers' Compensation Group Rating Program, an insurance purchasing pool. This organization is presented in Note 16 to the basic financial statements.

**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 City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds unless these pronouncements conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. 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 assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2009*

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**Government-wide Financial Statements** The statement of net assets 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.

The statement of net assets 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 liabilities is reported as fund balance. The following are the City's major governmental funds:

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

**Capital Improvements Fund** The capital improvement fund accounts for 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.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2009*

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

**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 assets and changes in net assets. 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 all liabilities associated with the operation of the City are included on the Statement of Net Assets. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

**Fund Financial Statements** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the 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 assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2009*

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

***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, the recording of deferred revenue 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 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On 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 Revenue*** Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2009, but which were levied to finance year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2009*

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***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 2009, investments were limited to Federal Home Loan Bank Notes, Federal National Mortgage Association Bonds, Federal Farm Credit Bank Bonds, U.S. Treasury Bills and STAROhio, the State Treasurer’s Investment Pool.

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

STAROhio is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio’s share price which is the price the investment could be sold for on December 31, 2009.

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, gasoline tax motor vehicle license, 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 2009 amounted to \$74,745 which includes \$34,065 assigned from other City funds.

The City utilizes a trustee to hold monies set aside for current and future debt service payments under the provisions of the bond indenture. The balances in these accounts are presented on the statement of fund net assets as “restricted assets – investments held by trustee” or “restricted assets – cash equivalents held by trustee.”

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, 2009, 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.

***Restricted Assets***

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the enterprise funds represent amounts set aside to satisfy bond indenture requirements for current and future debt payments and for the replacement and improvement of capital assets originally acquired with bond proceeds.

**City of Orrville, Ohio**  
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***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 assets 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 assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. 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 Activities Estimated Lives	Business-Type Activities 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 loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of net assets, 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

**City of Orrville, Ohio**  
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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 assets 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.

***Bond Issuance Costs***

Bond issuance costs for underwriting fees and bond insurance for the sewer fund's OWDA water pollution control loan, the electric fund's mortgage revenue bonds and the water fund's revenue bonds are being amortized using the straight-line method over the life of the obligations in the City's enterprise funds. The straight-line method of amortization is not materially different from the effective-interest method.

As permitted by State statute, the City paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

***Deferred Loss on Refunding***

The difference between the reacquisition price (funds required to refund the old debt) of refunding loans and bonds and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is being amortized as a component of interest expense. This accounting loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a decrease of the face amount of the OWDA loan payable, mortgage revenue bonds and revenue bonds.

***Bond Discount***

Bond discounts are deferred and amortized over the term of the bonds using the straight-line method. Bond discounts are presented as a decrease of the face amount of the bonds payable. On fund financial statements, bond discounts are expensed in the year the bond is issued.

***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.



**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2009*

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***Fund Balance Reserves***

Reserves represent those portions of fund equity not available for appropriation or legally segregated for a specific future use. Fund balance reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Fund balances are reserved for encumbrances.

***Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

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.

***Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence.

***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.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
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***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 fiscal year 2009, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments," Statement No. 56, "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards", Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans", and Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments are also required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. The implementation of this statement did not result in any change in the City's financial statements.

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GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB authoritative literature. The GAAP hierarchy consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants' and auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The statement's guidance addresses related party transactions, going concern considerations, and subsequent events from the AICPA literature. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this Statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the City's financial statements.

#### **Note 4 - Budgetary Basis of Accounting**

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

1. Revenues 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).

**City of Orrville, Ohio**  
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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	\$576,376
Net Adjustment for Revenue Accruals	304,881
Net Adjustment for Expenditure Accruals	(152,842)
Encumbrances	<u>(183,959)</u>
Budget Basis	<u><u>\$544,456</u></u>

**Note 5 - 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.

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;

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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 (STAROhio); 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.

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 \$22,742,083 and the bank balance was \$19,994,354. Of the bank balance \$750,500 was covered by Federal depository insurance and \$19,243,854 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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.

**City of Orrville, Ohio**  
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**Investments**

As of December 31, 2009, the City had the following investments:

	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-2	Over 2
Federal Home Loan Bank Notes	\$2,501,253	\$0	\$1,498,500	\$1,002,753
STAROhio	3,191,861	3,191,861	0	0
Total Portfolio	<u>\$5,693,114</u>	<u>\$3,191,861</u>	<u>\$1,498,500</u>	<u>\$1,002,753</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 AAA by Standard & Poor's, except for STAROhio which carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAROhio 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 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.

**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, 2009:

Investment Issuer	Percentage of Investments
Federal Home Loan Bank Notes	43.93%

**Note 6 - Receivables**

Receivables at December 31, 2009, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from 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.

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	Accounts Receivable	Allowance for Uncollectibles	Net Accounts Receivable
Governmental	\$88,573	\$2,593	\$85,980
Business-Type	3,103,029	6,205	3,096,824

Special assessments expected to be collected in more than one year amount to \$52,460 in the Special Assessment Bond Retirement Fund. The amount of delinquent special assessments outstanding at year-end is \$23,330.

***Property Taxes***

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2009 for real and public utility property taxes represents collections of the 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility property) is for 2009 taxes.

2009 real property taxes are levied after October 1, 2009 on the assessed value as of January 1, 2009, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010.

Real property taxes are payable annually or semi-annually. If paid annually, the 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. 2009 public utility property taxes became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes.

Tangible personal property tax revenue during 2009 (other than public utility property tax) represents the collection of 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in 2009 were levied after October 1, 2008, on the value as of December 31, 2008. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The full tax rate for all City operations for the year ended December 31, 2009, was \$2.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

Real Property	\$164,380,840
Public Utility Property	791,080
Tangible Personal Property	262,420
Total	\$165,434,340

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Orrville. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivables represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2009 and for which there is an

**City of Orrville, Ohio**  
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enforceable legal claim. In the general fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2009 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified basis the revenue is deferred.

***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 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 2009, 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>	
Gasoline Tax	\$157,195
Auto Regulation	74,859
Local Government	52,117
Estate Tax	37,405
Homestead and Rollback	22,984
Recycling	4,936
Permissive Motor Vehicle Tax	4,206
Total	\$353,702
<b>Business-Type Activities</b>	
Water	\$86,906

**Note 7 - 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, 2009, 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 8 - Capital Assets**

Capital asset activity for the year ended December 31, 2009, was as follows:

	Balance 12/31/08	Additions	Deductions	Balance 12/31/09
<b>Governmental Activities</b>				
Capital Assets, not being depreciated:				
Land	\$2,512,207	\$0	\$0	\$2,512,207
Construction in Progress	885,289	1,004,986	(508,671)	1,381,604
Total Capital Assets, not being Depreciated	<u>3,397,496</u>	<u>1,004,986</u>	<u>(508,671)</u>	<u>3,893,811</u>
Capital Assets, being Depreciated				
Buildings and Improvements	6,973,854	378,728	0	7,352,582
Equipment	2,451,942	117,771	(10,690)	2,559,023
Vehicles	2,484,037	91,085	0	2,575,122
Infrastructure	51,018,099	434,447	0	51,452,546
Total Capital Assets, being Depreciated	<u>62,927,932</u>	<u>1,022,031</u>	<u>(10,690)</u>	<u>63,939,273</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(3,440,979)	(193,868)	0	(3,634,847)
Equipment	(1,738,362)	(181,066)	10,690	(1,908,738)
Vehicles	(1,821,765)	(198,432)	0	(2,020,197)
Infrastructure	(15,621,717)	(919,839)	0	(16,541,556)
Total Accumulated Depreciation	<u>(22,622,823)</u>	<u>(1,493,205) *</u>	<u>10,690</u>	<u>(24,105,338)</u>
Total Capital Assets, being Depreciated, net	<u>40,305,109</u>	<u>(471,174)</u>	<u>0</u>	<u>39,833,935</u>
Governmental Activities Capital Assets, Net	<u>\$43,702,605</u>	<u>\$533,812</u>	<u>(\$508,671)</u>	<u>\$43,727,746</u>
<b>Business-Type Activities</b>				
Capital Assets, not being depreciated:				
Land	\$1,360,391	\$0	\$0	\$1,360,391
Construction In Progress	353,905	1,004,267	(750,006)	608,166
Total Capital Assets, not being depreciated	<u>1,714,296</u>	<u>1,004,267</u>	<u>(750,006)</u>	<u>1,968,557</u>
Capital Assets, being Depreciated				
Buildings and Improvements	21,245,800	83,075	0	21,328,875
Equipment	9,684,011	1,601,617	(64,497)	11,221,131
Vehicles	1,763,819	155,005	(109,046)	1,809,778
Electric - Generation/Transmission/Distribution	62,576,990	316,313	0	62,893,303
Infrastructure	25,542,436	624,386	0	26,166,822
Total Capital Assets, being Depreciated	<u>120,813,056</u>	<u>2,780,396</u>	<u>(173,543)</u>	<u>123,419,909</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(9,587,567)	(682,855)	0	(10,270,422)
Equipment	(5,426,129)	(835,726)	59,503	(6,202,352)
Vehicles	(1,405,776)	(55,083)	109,046	(1,351,813)
Electric - Generation/Transmission/Distribution	(44,669,675)	(1,171,380)	0	(45,841,055)
Infrastructure	(14,647,769)	(678,755)	0	(15,326,524)
Total Accumulated Depreciation	<u>(75,736,916)</u>	<u>(3,423,799)</u>	<u>168,549</u>	<u>(78,992,166)</u>
Total Capital Assets, being Depreciated, net	<u>45,076,140</u>	<u>(643,403)</u>	<u>(4,994)</u>	<u>44,427,743</u>
Business-Type Activities Capital Assets, Net	<u>\$46,790,436</u>	<u>\$360,864</u>	<u>(\$755,000)</u>	<u>\$46,396,300</u>

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2009*

\* Depreciation expense was charged to governmental activities as follows:

General Government	\$110,054
Security of Persons and Property:	
Police	77,313
Fire	175,090
Transportation	1,022,545
Public Health and Welfare	26,725
Leisure Time Activities	81,478
Total Depreciation Expense	<u>\$1,493,205</u>

**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 2009, the City contracted with several companies for various types of insurance as follows:

Company	Type of Coverage	Deductible	Coverage
EMC Insurance	Commercial Property	\$50,000	\$159,589,201
	Auto Liability	250	1,000,000
	Auto Liability	500	1,000,000
	General Liability	0	1,000,000
	Umbrella Liability	0	10,000,000
	Public Officials Liability	3,000	1,000,000
	Boiler and Machinery	200,000	140,878,516
Scottsdale Insurance	Police Professional Liability	5,000	1,000,000
	Public Officials Liability	3,500	2,000,000
Selective Insurance	Commercial Property	500	13,555,662

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 Municipal League City Equity Pooling Workers' Compensation Group Rating Program (OML) for workers' compensation. The intent of the OML is to achieve the benefit of a reduced premium for the participants, foster safer working environments and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the OML. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the OML. Each participant pays its workers' compensation premium to the state based on the rate for the OML rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the OML. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the OML. Participation in the OML is limited to cities that can meet the OML's selection criteria. The firm of Gates McDonald & Company provides administrative, cost control and actuarial services to the OML.

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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 \$1238.00/\$797.00/\$380.00 for medical and \$100.00/\$64.00/\$31.00 for dental, respectively. AultCare charges the City a medical administration fee of \$26.45/\$16.85/\$8.10 per family/employee plus one/single per month and a dental administration fee of \$2.95/\$1.85/\$.90 per family/employee plus one/single per month.

The claims liability of \$79,587 reported in the self-insurance fund at December 31, 2009, 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.

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

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2008	\$72,174	\$1,648,018	\$1,624,955	\$95,237
2009	95,237	1,627,073	1,642,723	79,587

**Note 10 - Long-Term Debt**

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
<b>Governmental Activities</b>			
Street Improvement Special Assessment - 1996	5.60%	\$93,242	December 1, 2011
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	July 1, 2037
OPWC Water System Improvement Loan - 2007 B	0.00	100,000	July 1, 2027
OWDA Water Pollution Control Loan - 1993	3.54	7,185,000	July 1, 2012
OWDA Sewer Improvement Loan - 1972	5.50	157,361	July 1, 2013
Water Utility Project Note - 2009	2.00	1,500,000	April 22, 2010
Electric Improvement Note - 2009	2.00	1,270,000	April 22, 2010
Water System Refunding Revenue Bonds - 2002	1.90-4.75	8,135,000	December 1, 2018
Electric System Mortgage Revenue Refunding and Improvement Bonds - 1997	3.75-5.10	15,230,000	December 1, 2010

**City of Orrville, Ohio**  
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A schedule of changes in bonds and other long-term obligations of the City during 2009 follows:

	Amount Outstanding 12/31/08	Additions	Deletions	Amount Outstanding 12/31/09	Amounts Due in One Year
<b>Governmental Activities</b>					
<u>Special Assessment Bonds</u>					
<u>with Governmental Commitment</u>					
1996 Street Improvement	\$27,000	\$0	\$8,000	\$19,000	\$9,000
2000 Street Improvement	55,920	0	6,510	49,410	6,950
Total Special Assessment Bonds	82,920	0	14,510	68,410	15,950
Compensated Absences	114,900	55,205	71,606	98,499	43,625
Total Governmental Activities	<u>\$197,820</u>	<u>\$55,205</u>	<u>\$86,116</u>	<u>\$166,909</u>	<u>\$59,575</u>
<b>Business-Type Activities</b>					
OPWC Water System					
Improvement Loan - 1999	\$604,425	\$0	\$60,443	\$543,982	\$60,443
Improvement Loan - 2007 A	491,667	0	16,667	475,000	16,667
Improvement Loan - 2007 B	97,500	0	5,000	92,500	5,000
Total OPWC Water System	<u>1,193,592</u>	<u>0</u>	<u>82,110</u>	<u>1,111,482</u>	<u>82,110</u>
OWDA Water Pollution Control Loan	1,970,526	0	466,978	1,503,548	483,655
Unamortized Accounting Loss	(124,082)	0	(62,041)	(62,041)	0
Net OWDA Water Pollution Control Loan	1,846,444	0	404,937	1,441,507	483,655
OWDA Sewer Improvement Loan	43,257	0	7,750	35,507	8,176
Total OWDA Loans	<u>1,889,701</u>	<u>0</u>	<u>412,687</u>	<u>1,477,014</u>	<u>491,831</u>
Water Utility Project Note	1,700,000	1,500,000	1,700,000	1,500,000	0
Electric Improvement Note	1,470,000	1,270,000	1,470,000	1,270,000	0
Total Long-Term Notes	<u>3,170,000</u>	<u>2,770,000</u>	<u>3,170,000</u>	<u>2,770,000</u>	<u>0</u>
<u>Mortgage Revenue Bonds</u>					
Water System Refunding Revenue Bonds	5,520,000	0	455,000	5,065,000	475,000
Unamortized Accounting Loss	(411,682)	0	(41,168)	(370,514)	0
Net Water System Refunding Revenue Bonds	5,108,318	0	413,832	4,694,486	475,000
Electric System Mortgage Revenue Refunding and Improvement Bonds	3,530,000	0	1,725,000	1,805,000	1,805,000
Unamortized Discount	(31,278)	0	(3,381)	(27,897)	0
Unamortized Accounting Loss	0	0	0	0	0
Net Electric System Mortgage Revenue Refunding and Improvement Bonds	3,498,722	0	1,721,619	1,777,103	1,805,000
Total Mortgage Revenue Bonds	<u>8,607,040</u>	<u>0</u>	<u>2,135,451</u>	<u>6,471,589</u>	<u>2,280,000</u>
Compensated Absences	639,034	78,331	292,939	424,426	184,189
Total Business-Type Activities	<u>\$15,499,367</u>	<u>\$2,848,331</u>	<u>\$6,093,187</u>	<u>\$12,254,511</u>	<u>\$3,038,130</u>

**City of Orrville, Ohio**  
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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 loan will be paid from the water fund and the OWDA loans will be paid from the sewer fund.

On April 22, 2009, the City issued Electric Improvement Notes to retire the 2008 Electric Improvement Notes and Water Utility Project Notes to retire the 2008 Water Utility Project Notes. The notes mature on April 22, 2010. The notes are bond anticipation notes and are backed by the full faith and credit of the City.

The City has pledged future revenues to repay the Ohio Water Development Authority Sewer Improvement Loan and Water Pollution Control Loan. The loans are payable solely from net revenues and are payable through 2013. Annual principal and interest payments on the bonds are expected to require less than 25 percent of total revenues. The total principal and interest remaining to be paid on the loans is \$1,638,452. Principal and interest paid for the current year were \$542,767, total net revenues were \$652,717 and total revenues were \$1,961,833.

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 have been completely repaid. The serial bonds were issued with interest rates varying from 1.90 percent to 4.75 percent. The bonds maturing after December 1, 2013 are 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

Restricted assets relating to the water revenue bonds at December 31, 2009, were as follows:

Restricted Assets Held by City	
Replacement and Improvement	\$800,000
Restricted Assets Held by the Trustee	
Mortgage Revenue Bond Debt Service	\$751,343

The City has pledged future revenues to repay the Water System Refunding Revenue Bonds and the Ohio Public Works Commission Water Systems Loans. The bonds and loans are payable solely from net revenues and are payable through 2038. Annual principal and interest payments on the bonds and loans are expected to require less than 25 percent of total revenues. The total principal and interest remaining to be paid on the bonds and loan is \$7,379,728. Principal and interest paid for the current year were \$672,576, total net revenues were \$685,402 and total revenues were \$2,721,322.

**City of Orrville, Ohio**  
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***Mortgage Revenue Bonds***

Mortgage Revenue Bonds are special obligations of the City secured by a mortgage upon all assets of the respective system. These bonds are payable solely from the gross revenues of the electric systems after provisions for reasonable operating and maintenance expenses. The bond indentures have certain restrictive covenants and principally require that bond reserve funds be maintained and charges for services to customers be in sufficient amounts to satisfy the obligations under the indenture agreements. In addition, special provisions exist regarding covenant violations, redemptions of principal, and maintenance of properties.

In 1997, the City issued \$15,230,000 in Electric System Mortgage Revenue Refunding and Improvement Bonds with a discount of \$71,850 to advance refund \$11,805,000 of outstanding electric system mortgage revenue bonds. The remaining portion of the 1989 revenue bonds were completely repaid by the City in 1999. The 1997 Electric System Mortgage Revenue Refunding and Improvement bonds included serial bonds (for refunding) which will mature on December 1, 2010 and term bonds (for improvements) which were to mature on December 1, 2013 and December 1, 2017 in the amounts of \$500,000 and \$1,060,000, respectively. On September 18, 2007, the City issued a bond anticipation note for \$1,580,000 in order to redeem the callable portion of term bonds maturing after December 1, 2010.

Restricted assets relating to the electric mortgage revenue bonds at December 31, 2009, were as follows:

Restricted Assets Held by City	
Replacement and Improvement	\$1,500,000
Restricted Assets Held by the Trustee	
Mortgage Revenue Bond Debt Service	\$1,631,662

The City has pledged future revenues to repay the Electric System Mortgage Revenue Refunding and Improvement Bonds. The bonds are payable solely from net revenues and are payable through 2018. Annual principal and interest payments on the bonds are expected to require less than 74 percent of net revenues and less than 9 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$1,971,940. Principal and interest paid for the current year were \$1,895,765, total net revenues were \$2,980,927 and total revenues were \$23,313,294.

As of December 31, 2009, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$17,370,606 and the unvoted legal debt margin was \$9,098,889. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2009 are as follows:

Year Ending December 31	Governmental Activities	
	Special	
	Assessment Bonds	
	Principal	Interest
2010	\$15,950	\$4,760
2011	17,420	3,616
2012	7,920	2,365
2013	8,460	1,830
2014	9,030	1,260
2015	9,630	650
Total	\$68,410	\$14,481

**City of Orrville, Ohio**  
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Year Ending December 31	Business-Type Activities				
	Ohio Public Works Commission	OWDA Water Pollution Control		OWDA Sewer Improvement Loan	
	Principal	Principal	Interest	Principal	Interest
2010	\$82,110	\$483,655	\$49,003	\$8,176	\$1,953
2011	82,109	500,928	31,710	8,626	1,504
2012	82,109	518,965	13,677	9,100	1,029
2013	82,109	0	0	9,605	521
2014	82,109	0	0	0	0
2015-2019	350,104	0	0	0	0
2020-2024	108,330	0	0	0	0
2025-2029	100,834	0	0	0	0
2030-2034	83,334	0	0	0	0
2035-2038	58,334	0	0	0	0
<b>Total</b>	<b>\$1,111,482</b>	<b>\$1,503,548</b>	<b>\$94,390</b>	<b>\$35,507</b>	<b>\$5,007</b>

Year Ending December 31	Business-Type Activities			
	Water System Refunding Revenue Bonds		Electric System Mortgage Revenue Refunding and Improvement Bonds	
	Principal	Interest	Principal	Interest
2010	\$475,000	\$221,930	\$1,805,000	\$166,940
2011	495,000	202,930	0	0
2012	515,000	182,883	0	0
2013	535,000	161,510	0	0
2014	555,000	138,773	0	0
2015-2018	2,490,000	295,220	0	0
<b>Total</b>	<b>\$5,065,000</b>	<b>\$1,203,246</b>	<b>\$1,805,000</b>	<b>\$166,940</b>

***Industrial Revenue Bonds***

The City authorized the issuance of industrial development revenue bonds for two commercial entities. The aggregate outstanding principal amount was \$7,861,319 at December 31, 2009. 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.

**City of Orrville, Ohio**  
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**Note 11 - Notes Payable**

A summary of the note transactions for the year ended December 31, 2009, follows:

	Outstanding 12/31/08	Issued	Retired	Outstanding 12/31/09
Enterprise Funds:				
4.00% Electric Improvement Note	\$400,000	\$0	(\$400,000)	\$0
1.73% Electric Improvement Note	0	300,000	0	300,000
1.73% Water Utility Project Note	0	100,000	0	100,000
Total	<u>\$400,000</u>	<u>\$400,000</u>	<u>(\$400,000)</u>	<u>\$400,000</u>

On April 22, 2009, the City issued Electric Improvement Notes to retire the 2008 Electric Improvement Notes and Water Utility Project Notes to retire the 2008 Water Utility Project Notes. The notes mature on April 22, 2010.

The notes are bond anticipation notes and are backed by the full faith and credit of the City. The note liability is reflected in the fund which received the proceeds and will repay the debt.

**Note 12 - Compensated Absences**

City employees earn vacation leave at varying rates based upon length of service, from two 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 assets.

City employees earn sick leave at the rate of eight hours per each month worked. Sick leave accrual is continuous, without limit. 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 administer three separate pension plans. The Traditional 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 the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member Directed Plan.



**City of Orrville, Ohio**  
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OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by 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. For the year ended December 31, 2009, members in state and local classifications contributed 10 percent of covered payroll while public safety and law enforcement members contributed 10.1 percent.

The City's 2009 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.63 percent of covered payroll. For the period January 1 through March 31, a portion of the City's contribution equal to 7.0 percent of covered payroll was allocated to fund the post-employment health care plan; for the period April 1 through December 31, 2009 this amount was decreased to 5.5 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14.0 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2009, 2008, and 2007 were \$649,580, \$546,611 and \$585,775 respectively; 83.59 percent has been contributed for 2009 and 100 percent for 2008 and 2007. Contributions to the Member-Directed Plan for 2009 were \$19,040 made by the City and \$13,600 made by the 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 the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The City's contribution was 19.5 percent for police officers and 24 percent for firefighters. The City's contributions to the OP&F for police and firefighters were \$105,219 and \$12,544 for the year ended December 31, 2009, \$102,089 and \$12,507 for the year ended December 31, 2008, and \$90,197 and \$11,050 for the year ended December 31, 2007. 68.50 percent for police and 65.65 percent for firefighters has been contributed for 2009. The full amount has been contributed for 2008 and 2007.

***Social Security***

As of December 31, 2009, 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) maintains a cost sharing multiple employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a 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 ten 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 require, 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 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 administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post-employment 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 employees. In 2009, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 17.63 percent. Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of employer contributions which was allocated to fund post-employment health care was 7.0 percent from January 1 through March 31, 2009, and 5.5 percent from April 1 through December 31, 2009.

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.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008 and 2007 were \$469,696, \$546,611 and \$447,726 respectively; 83.59 percent has been contributed for 2009 and 100 percent for 2008 and 2007.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1, of each year from 2006 to 2008. Rates for law and public safety employees increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

**City of Orrville, Ohio**  
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***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 healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B premium reimbursement and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or 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 the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2009, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police and firefighters were \$55,704 and \$4,908 for the year ended December 31, 2009, \$54,046 and \$4,894 for the year ended December 31, 2008, and \$47,751 and \$4,324 for the year ended December 31, 2007. 68.50 percent has been contributed for police and 65.65 percent has been contributed for firefighters for 2009. The full amount has been contributed for 2008 and 2007.

**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.

\$327,310 was transferred from the general fund to the gas tax motor vehicle license special revenue fund to supplement the funds available for maintaining City streets. \$847,907 was transferred from the general fund, giving the electric enterprise fund the kilowatt per hour taxes.

***Interfund Balances***

The capital improvement major capital projects fund had an interfund payable balance of \$1,255,000 and the sewer major enterprise fund had an interfund receivable balance in the amount of \$1,255,000 due to the issuance of manuscript bonds.

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.

**Note 16 - Insurance Purchasing Pool**

***Ohio Municipal League City Equity Pooling Workers' Compensation Group Rating Program*** The City is a participant in the Ohio Municipal League (OML) City Equity Pooling Workers' Compensation Group Rating Program, an insurance purchasing pool. The OML's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance officers, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as coordinator of the Program. Each year, the participants pay an enrollment fee to the Program to cover the costs of administering the Program.

**Note 17 – 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 \$434 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 18 – Subsequent Event**

On April 22, 2010, the City issued \$2,770,000 in bond anticipation notes, \$1,270,000 to retire the 2009 Electric Improvement Notes and \$1,500,000 for the 2009 Water Utilities Project Notes. The notes mature on April 21, 2011 and have an interest rate of 2.77 percent.

**Combining and Individual  
Fund Statements and Schedules**

## Fund Descriptions – Nonmajor Governmental Funds

### *Nonmajor Special Revenue Funds*

To account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specific purposes.

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

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

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

***Parking Meter Fund*** - To account for parking fees collected from City parking meters.

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

***Law Enforcement Fund*** - To account for 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 fines imposed under Section 4511.99 (A) of the Ohio Revised Code. These monies are used 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 monies received for cemetery services and used for the upkeep and beautification of the cemetery.

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

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

***Performing Arts Fund*** - To account for donations to be used for performing arts activities in the City.

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

(continued)

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

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

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term and special assessment principal, interest, and related costs.

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

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

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

Capital projects funds are established to account for financial resources to be used for the construction or acquisition of major capital facilities other than those financed by proprietary funds.

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

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

***Grants Fund*** - To account for 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 federal grant monies used for various capital projects of the City.

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2009*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$834,095	\$138,548	\$150,067	\$1,122,710
Accrued Interest Receivable	193	631	10	834
Accounts Receivable	60,462	0	0	60,462
Intergovernmental Receivable	236,260	0	0	236,260
Special Assessments Receivable	0	91,740	0	91,740
<i>Total Assets</i>	<u>\$1,131,010</u>	<u>\$230,919</u>	<u>\$150,077</u>	<u>\$1,512,006</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$41,178	\$0	\$4,644	\$45,822
Accrued Wages	16,840	0	0	16,840
Intergovernmental Payable	15,062	0	0	15,062
Deferred Revenue	168,680	91,740	0	260,420
<i>Total Liabilities</i>	<u>241,760</u>	<u>91,740</u>	<u>4,644</u>	<u>338,144</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	31,633	0	272,524	304,157
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	857,617	0	0	857,617
Debt Service Funds	0	139,179	0	139,179
Capital Projects Funds (Deficit)	0	0	(127,091)	(127,091)
<i>Total Fund Balances</i>	<u>889,250</u>	<u>139,179</u>	<u>145,433</u>	<u>1,173,862</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,131,010</u>	<u>\$230,919</u>	<u>\$150,077</u>	<u>\$1,512,006</u>



**City of Orrville, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2009*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Special Assessments	\$0	\$19,048	\$0	\$19,048
Intergovernmental	546,579	0	520,906	1,067,485
Interest	569	2,074	32	2,675
Fines, Licenses and Permits	4,050	0	1,900	5,950
Charges for Services	499,848	0	0	499,848
Contributions and Donations	7,683	0	0	7,683
<i>Total Revenues</i>	<u>1,058,729</u>	<u>21,122</u>	<u>522,838</u>	<u>1,602,689</u>
<b>Expenditures</b>				
Current:				
General Government	37,550	217	0	37,767
Security of Persons and Property:				
Police	2,726	0	0	2,726
Transportation	896,046	0	0	896,046
Leisure Time Activities	5,718	0	0	5,718
Basic Utility Service	444,941	0	0	444,941
Capital Outlay	0	0	417,788	417,788
Debt Service:				
Principal Retirement	0	14,510	0	14,510
Interest and Fiscal Charges	0	5,800	0	5,800
<i>Total Expenditures</i>	<u>1,386,981</u>	<u>20,527</u>	<u>417,788</u>	<u>1,825,296</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(328,252)	595	105,050	(222,607)
<b>Other Financing Sources</b>				
Transfers In	327,310	0	0	327,310
<i>Net Change in Fund Balances</i>	(942)	595	105,050	104,703
<i>Fund Balances Beginning of Year</i>	<u>890,192</u>	<u>138,584</u>	<u>40,383</u>	<u>1,069,159</u>
<i>Fund Balances End of Year</i>	<u><u>\$889,250</u></u>	<u><u>\$139,179</u></u>	<u><u>\$145,433</u></u>	<u><u>\$1,173,862</u></u>

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2009*

	Gas Tax Motor Vehicle License	State Highway	Permissive Motor Vehicle License
<b>Assets</b>			
Equity in Pooled Cash and			
Cash Equivalents	\$49,646	\$52,767	\$50,167
Accrued Interest Receivable	0	178	0
Accounts Receivable	0	0	0
Intergovernmental Receivable	214,681	17,373	0
<i>Total Assets</i>	<u>\$264,327</u>	<u>\$70,318</u>	<u>\$50,167</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$3,585	\$0	\$0
Accrued Wages	16,840	0	0
Intergovernmental Payable	15,062	0	0
Deferred Revenue	156,060	12,620	0
<i>Total Liabilities</i>	<u>191,547</u>	<u>12,620</u>	<u>0</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	21,261	5,411	0
Unreserved, Undesignated	51,519	52,287	50,167
<i>Total Fund Balances</i>	<u>72,780</u>	<u>57,698</u>	<u>50,167</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$264,327</u>	<u>\$70,318</u>	<u>\$50,167</u>

Parking Meter	Solid Waste	Law Enforcement	Enforcement and Education
\$10,912	\$20,870	\$10,088	\$10,724
0	0	0	0
0	54,728	85	121
0	0	0	0
<u>\$10,912</u>	<u>\$75,598</u>	<u>\$10,173</u>	<u>\$10,845</u>
\$0	\$37,550	\$43	\$0
0	0	0	0
0	0	0	0
0	0	0	0
<u>0</u>	<u>37,550</u>	<u>43</u>	<u>0</u>
0	0	791	0
10,912	38,048	9,339	10,845
10,912	38,048	10,130	10,845
<u>\$10,912</u>	<u>\$75,598</u>	<u>\$10,173</u>	<u>\$10,845</u>

(continued)

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2009*

	Cemetery Maintenance	Permissive	Emergency Medical Service Equipment
<b>Assets</b>			
Equity in Pooled Cash and			
Cash Equivalents	\$298,620	\$89,602	\$235,401
Accrued Interest Receivable	0	0	0
Accounts Receivable	0	0	5,528
Intergovernmental Receivable	0	4,206	0
<i>Total Assets</i>	<u>\$298,620</u>	<u>\$93,808</u>	<u>\$240,929</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$0	\$0	\$0
Accrued Wages	0	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	0	4,169	0
Unreserved, Undesignated	298,620	89,639	240,929
<i>Total Fund Balances</i>	<u>298,620</u>	<u>93,808</u>	<u>240,929</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$298,620</u>	<u>\$93,808</u>	<u>\$240,929</u>

Performing Arts	Continuing Professional Training Grant	Total Nonmajor Special Revenue Funds
\$3,058	\$2,240	\$834,095
15	0	193
0	0	60,462
0	0	236,260
<u>\$3,073</u>	<u>\$2,240</u>	<u>\$1,131,010</u>
\$0	\$0	\$41,178
0	0	16,840
0	0	15,062
0	0	168,680
<u>0</u>	<u>0</u>	<u>241,760</u>
1	0	31,633
<u>3,072</u>	<u>2,240</u>	<u>857,617</u>
<u>3,073</u>	<u>2,240</u>	<u>889,250</u>
<u>\$3,073</u>	<u>\$2,240</u>	<u>\$1,131,010</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, 2009*

	Gas Tax Motor Vehicle License	State Highway	Permissive Motor Vehicle License
<b>Revenues</b>			
Intergovernmental	\$397,970	\$32,236	\$54,700
Interest	0	531	0
Fines, Licenses and Permits	0	0	0
Charges for Services	0	0	0
Contributions and Donations	0	0	0
<i>Total Revenues</i>	<u>397,970</u>	<u>32,767</u>	<u>54,700</u>
<b>Expenditures</b>			
Current:			
General Government	0	0	0
Security of Persons and Property:			
Police	0	0	0
Transportation	713,053	59,531	52,940
Leisure Time Activities	0	0	0
Basic Utility Service	0	0	0
<i>Total Expenditures</i>	<u>713,053</u>	<u>59,531</u>	<u>52,940</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(315,083)	(26,764)	1,760
<b>Other Financing Sources</b>			
Transfers In	<u>327,310</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	12,227	(26,764)	1,760
<i>Fund Balances Beginning of Year</i>	<u>60,553</u>	<u>84,462</u>	<u>48,407</u>
<i>Fund Balances End of Year</i>	<u><u>\$72,780</u></u>	<u><u>\$57,698</u></u>	<u><u>\$50,167</u></u>

Parking Meter	Solid Waste	Law Enforcement	Enforcement and Education
\$0	\$52	\$0	\$0
0	0	0	0
0	0	3,120	930
0	439,532	0	0
0	0	0	0
0	439,584	3,120	930
0	37,550	0	0
0	0	2,464	262
2,400	0	0	0
0	0	0	0
0	444,941	0	0
2,400	482,491	2,464	262
(2,400)	(42,907)	656	668
0	0	0	0
(2,400)	(42,907)	656	668
13,312	80,955	9,474	10,177
\$10,912	\$38,048	\$10,130	\$10,845

(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, 2009*

	Cemetery Maintenance	Permissive	Emergency Medical Service Equipment
<b>Revenues</b>			
Intergovernmental	\$0	\$60,101	\$0
Interest	0	0	0
Fines, Licenses and Permits	0	0	0
Charges for Services	13,750	0	46,566
Contributions and Donations	0	0	0
<i>Total Revenues</i>	<u>13,750</u>	<u>60,101</u>	<u>46,566</u>
<b>Expenditures</b>			
Current:			
General Government	0	0	0
Security of Persons and Property:			
Police	0	0	0
Transportation	0	68,122	0
Leisure Time Activities	0	0	0
Basic Utility Service	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>68,122</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	13,750	(8,021)	46,566
<b>Other Financing Sources</b>			
Transfers In	0	0	0
<i>Net Change in Fund Balances</i>	13,750	(8,021)	46,566
<i>Fund Balances Beginning of Year</i>	<u>284,870</u>	<u>101,829</u>	<u>194,363</u>
<i>Fund Balances End of Year</i>	<u><u>\$298,620</u></u>	<u><u>\$93,808</u></u>	<u><u>\$240,929</u></u>



Performing Arts	Continuing Professional Training Grant	Total Nonmajor Special Revenue Funds
\$0	\$1,520	\$546,579
38	0	569
0	0	4,050
0	0	499,848
7,683	0	7,683
7,721	1,520	1,058,729
0	0	37,550
0	0	2,726
0	0	896,046
5,718	0	5,718
0	0	444,941
5,718	0	1,386,981
2,003	1,520	(328,252)
0	0	327,310
2,003	1,520	(942)
1,070	720	890,192
\$3,073	\$2,240	\$889,250

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Debt Service Funds*  
*December 31, 2009*

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$4,152	\$134,396	\$138,548
Accrued Interest Receivable	0	631	631
Special Assessments Receivable	0	91,740	91,740
<i>Total Assets</i>	<u>\$4,152</u>	<u>\$226,767</u>	<u>\$230,919</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Deferred Revenue	\$0	\$91,740	\$91,740
<b>Fund Balances</b>			
Unreserved, Undesignated	4,152	135,027	139,179
<i>Total Liabilities and Fund Balances</i>	<u>\$4,152</u>	<u>\$226,767</u>	<u>\$230,919</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, 2009*

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
<b>Revenues</b>			
Special Assessments	\$0	\$19,048	\$19,048
Interest	0	2,074	2,074
<i>Total Revenues</i>	<u>0</u>	<u>21,122</u>	<u>21,122</u>
<b>Expenditures</b>			
Current:			
General Government	0	217	217
Debt Service:			
Principal Retirement	0	14,510	14,510
Interest and Fiscal Charges	0	5,800	5,800
<i>Total Expenditures</i>	<u>0</u>	<u>20,527</u>	<u>20,527</u>
<i>Net Change in Fund Balances</i>	0	595	595
<i>Fund Balances Beginning of Year</i>	<u>4,152</u>	<u>134,432</u>	<u>138,584</u>
<i>Fund Balances End of Year</i>	<u><u>\$4,152</u></u>	<u><u>\$135,027</u></u>	<u><u>\$139,179</u></u>

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2009*

	<u>Park Improvement</u>	<u>Recreation and Park</u>	<u>Grants</u>	<u>Community Development Block Grant</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$2,226	\$26,685	\$4,878	\$116,278	\$150,067
Accrued Interest Receivable	10	0	0	0	10
<i>Total Assets</i>	<u>\$2,236</u>	<u>\$26,685</u>	<u>\$4,878</u>	<u>\$116,278</u>	<u>\$150,077</u>
<b>Liabilities and Fund Balances</b>					
Accounts Payable	\$0	\$0	\$0	\$4,644	\$4,644
<b>Fund Balances</b>					
Reserved for Encumbrances	0	0	212,739	59,785	272,524
Unreserved, Undesignated (Deficit)	2,236	26,685	(207,861)	51,849	(127,091)
<i>Total Fund Balances</i>	<u>2,236</u>	<u>26,685</u>	<u>4,878</u>	<u>111,634</u>	<u>145,433</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,236</u>	<u>\$26,685</u>	<u>\$4,878</u>	<u>\$116,278</u>	<u>\$150,077</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, 2009*

	Park Improvement	Recreation and Park	Grants	Community Development Block Grant	Total Nonmajor Capital Projects Funds
<b>Revenues</b>					
Intergovernmental	\$0	\$0	\$179,806	\$341,100	\$520,906
Interest	32	0	0	0	32
Fines, Licenses and Permits	0	1,900	0	0	1,900
<i>Total Revenues</i>	32	1,900	179,806	341,100	522,838
<b>Expenditures</b>					
Capital Outlay	0	0	179,806	237,982	417,788
<i>Net Change in Fund Balances</i>	32	1,900	0	103,118	105,050
<i>Fund Balances Beginning of Year</i>	2,204	24,785	4,878	8,516	40,383
<i>Fund Balances End of Year</i>	\$2,236	\$26,685	\$4,878	\$111,634	\$145,433

## **Fund Descriptions - Fiduciary Funds**

### ***Fiduciary Funds***

Fiduciary fund reporting focuses on net assets and changes in net assets. 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 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 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, 2009*

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	Beginning Balance <u>12/31/08</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>12/31/09</u>
<b>Deposits in Escrow</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$63,171	\$4,250	\$6,500	\$60,921
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Liabilities</b>				
Deposits Held and Due to Others	\$63,171	\$4,250	\$6,500	\$60,921
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**Individual Fund Schedules of Revenues, Expenditures/Expenses  
and Changes in Fund Balances/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, 2009*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$415,000	\$415,000	\$491,616	\$76,616
Income Taxes	2,300,000	2,300,000	3,430,315	1,130,315
Kilowatt Per Hour Tax	900,000	900,000	847,907	(52,093)
Intergovernmental	558,800	558,800	1,032,412	473,612
Interest	141,000	141,000	81,903	(59,097)
Fines, Licenses and Permits	26,500	26,500	36,725	10,225
Rentals	30,000	30,000	36,981	6,981
Charges for Services	196,100	196,100	305,845	109,745
Contributions and Donations	3,000	3,000	6,015	3,015
Other	1,000	1,000	36,651	35,651
<b>Total Revenues</b>	<b>4,571,400</b>	<b>4,571,400</b>	<b>6,306,370</b>	<b>1,734,970</b>
<b>Expenditures</b>				
Current:				
General Government:				
City Council:				
Personal Services	10,200	33,850	33,310	540
City Hall:				
Personal Services	148,600	148,600	147,607	993
Purchased Services	22,140	22,140	20,989	1,151
Utilities	13,414	13,414	8,883	4,531
Materials and Supplies	10,390	10,390	8,483	1,907
<b>Total City Hall</b>	<b>194,544</b>	<b>194,544</b>	<b>185,962</b>	<b>8,582</b>
Finance Department:				
Personal Services	96,400	96,400	94,465	1,935
Purchased Services	48,313	48,313	42,423	5,890
Materials and Supplies	3,044	3,044	2,517	527
Utilities	0	0	77	(77)
<b>Total Finance Department</b>	<b>147,757</b>	<b>147,757</b>	<b>139,482</b>	<b>8,275</b>
Personnel:				
Personal Services	113,383	113,383	111,964	1,419
Purchased Services	8,103	8,103	4,159	3,944
Utilities	1,477	1,477	1,342	135
Materials and Supplies	6,066	6,066	4,069	1,997
<b>Total Personnel</b>	<b>129,029</b>	<b>129,029</b>	<b>121,534</b>	<b>7,495</b>
Data Processing:				
Personal Services	22,380	22,380	22,069	311
Purchased Services	19,116	19,116	14,081	5,035
Utilities	2,307	2,307	2,219	88
Materials and Supplies	4,429	4,429	4,690	(261)
<b>Total Data Processing</b>	<b>\$48,232</b>	<b>\$48,232</b>	<b>\$43,059</b>	<b>\$5,173</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, 2009*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Income Tax:</b>				
Personal Services	\$60,900	\$60,900	\$60,799	\$101
Purchased Services	550	550	38	512
Utilities	784	784	688	96
Materials and Supplies	8,916	8,916	6,699	2,217
<b>Total Income Tax</b>	<b>71,150</b>	<b>71,150</b>	<b>68,224</b>	<b>2,926</b>
<b>Law Department:</b>				
Personal Services	30,180	30,180	29,770	410
Purchased Services	37,008	37,008	18,759	18,249
<b>Total Law Department</b>	<b>67,188</b>	<b>67,188</b>	<b>48,529</b>	<b>18,659</b>
<b>Mayor's Office:</b>				
Personal Services	21,850	21,850	21,443	407
Purchased Services	566	566	208	358
Materials and Supplies	50	50	0	50
Utilities	350	350	208	142
<b>Total Mayor's Office</b>	<b>22,816</b>	<b>22,816</b>	<b>21,859</b>	<b>957</b>
<b>Administrative:</b>				
Personal Services	266,535	266,533	265,976	557
Purchased Services	339,847	339,847	253,048	86,799
Materials and Supplies	27,348	27,350	21,202	6,148
<b>Total Administrative</b>	<b>633,730</b>	<b>633,730</b>	<b>540,226</b>	<b>93,504</b>
<b>Total General Government</b>	<b>1,324,646</b>	<b>1,348,296</b>	<b>1,202,185</b>	<b>146,111</b>
<b>Security of Persons and Property:</b>				
<b>Police:</b>				
<b>Law Enforcement:</b>				
Personal Services	1,580,150	1,580,150	1,504,924	75,226
Purchased Services	93,586	93,586	68,802	24,784
Utilities	23,755	23,755	19,044	4,711
Materials and Supplies	94,806	94,806	77,058	17,748
<b>Total Police</b>	<b>1,792,297</b>	<b>1,792,297</b>	<b>1,669,828</b>	<b>122,469</b>
<b>Fire:</b>				
<b>Fire Department:</b>				
Personal Services	341,330	341,330	328,478	12,852
Purchased Services	69,235	69,235	57,730	11,505
Utilities	17,334	17,334	13,733	3,601
Materials and Supplies	54,807	54,807	49,753	5,054
<b>Total Fire</b>	<b>482,706</b>	<b>482,706</b>	<b>449,694</b>	<b>33,012</b>
<b>Total Security of Persons and Property</b>	<b>\$2,275,003</b>	<b>\$2,275,003</b>	<b>\$2,119,522</b>	<b>\$155,481</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, 2009*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Transportation:				
Street:				
Personal Services	\$326,850	\$326,850	\$318,826	\$8,024
Purchased Services	103,114	103,114	77,116	25,998
Materials and Supplies	190,170	190,170	181,741	8,429
<b>Total Transportation</b>	<b>620,134</b>	<b>620,134</b>	<b>577,683</b>	<b>42,451</b>
Public Health and Welfare:				
Animal Control:				
Purchased Services	3,800	3,800	400	3,400
Materials and Supplies	16,400	16,400	11,132	5,268
<b>Total Animal Control</b>	<b>20,200</b>	<b>20,200</b>	<b>11,532</b>	<b>8,668</b>
Cemetery:				
Personal Services	124,350	124,350	109,126	15,224
Purchased Services	22,200	22,200	2,733	19,467
Utilities	6,388	6,388	4,660	1,728
Materials and Supplies	23,605	23,605	32,249	(8,644)
<b>Total Cemetery</b>	<b>176,543</b>	<b>176,543</b>	<b>148,768</b>	<b>27,775</b>
<b>Total Public Health and Welfare</b>	<b>196,743</b>	<b>196,743</b>	<b>160,300</b>	<b>36,443</b>
Leisure Time Activities:				
Park:				
Personal Services	156,548	156,548	155,238	1,310
Purchased Services	17,816	17,816	11,921	5,895
Utilities	9,947	5,400	7,421	(2,021)
Materials and Supplies	41,578	41,578	37,459	4,119
<b>Total Park</b>	<b>225,889</b>	<b>221,342</b>	<b>212,039</b>	<b>9,303</b>
Pool:				
Personal Services	77,800	77,800	77,278	522
Purchased Services	8,550	8,550	6,690	1,860
Utilities	10,362	14,909	21,569	(6,660)
Materials and Supplies	17,209	17,209	12,931	4,278
<b>Total Pool</b>	<b>113,921</b>	<b>118,468</b>	<b>118,468</b>	<b>0</b>
Recreation:				
Materials and Supplies	3,250	3,250	2,500	750
<b>Total Leisure Time Activities</b>	<b>343,060</b>	<b>343,060</b>	<b>333,007</b>	<b>10,053</b>
Debt Service:				
Principal	125,000	125,000	125,000	0
Interest and Fiscal Charges	69,000	69,000	69,000	0
<b>Total Debt Service</b>	<b>194,000</b>	<b>194,000</b>	<b>194,000</b>	<b>0</b>
<b>Total Expenditures</b>	<b>\$4,953,586</b>	<b>\$4,977,236</b>	<b>\$4,586,697</b>	<b>\$390,539</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, 2009*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<i>Excess of Revenues Over (Under) Expenditures</i>	(\$382,186)	(\$405,836)	\$1,719,673	\$2,125,509
<b>Other Financing Uses</b>				
Transfers Out	(1,352,000)	(1,352,000)	(1,175,217)	176,783
<i>Net Change in Fund Balance</i>	(1,734,186)	(1,757,836)	544,456	2,302,292
<i>Fund Balance Beginning of Year</i>	2,002,056	2,002,056	2,002,056	0
Prior Year Encumbrances Appropriated	170,726	170,726	170,726	0
<i>Fund Balance End of Year</i>	<u>\$438,596</u>	<u>\$414,946</u>	<u>\$2,717,238</u>	<u>\$2,302,292</u>

**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, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Income Taxes	\$600,000	\$600,000	\$840,777	\$240,777
Intergovernmental	0	0	718,780	718,780
Charges for Services	0	0	634	634
Contributions and Gifts	0	0	85,000	85,000
Other	0	0	145	145
<i>Total Revenues</i>	600,000	600,000	1,645,336	1,045,336
<b>Expenditures</b>				
Capital Outlay	1,294,680	1,294,680	1,251,072	43,608
<i>Net Change in Fund Balance</i>	(694,680)	(694,680)	394,264	1,088,944
<i>Fund Balance Beginning of Year</i>	414,597	414,597	414,597	0
Prior Year Encumbrances Appropriated	564,480	564,480	564,480	0
<i>Fund Balance End of Year</i>	<u>\$284,397</u>	<u>\$284,397</u>	<u>\$1,373,341</u>	<u>\$1,088,944</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, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$123,700	\$123,700	\$100,978	(\$22,722)
Charges for Services	2,023,000	2,023,000	1,945,549	(77,451)
Other	4,000	4,000	969	(3,031)
<i>Total Revenues</i>	<u>2,150,700</u>	<u>2,150,700</u>	<u>2,047,496</u>	<u>(103,204)</u>
<b>Expenses</b>				
Personal Services	1,233,743	1,233,743	1,022,312	211,431
Purchased Services	341,511	341,511	216,733	124,778
Materials and Supplies	262,277	262,277	262,276	1
Utilities	180,541	180,541	141,857	38,684
Capital Outlay	1,197,847	1,197,847	145,477	1,052,370
Debt Service:				
Principal Retirement	475,000	475,000	474,728	272
Interest and Fiscal Charges	69,000	69,000	68,039	961
<i>Total Expenses</i>	<u>3,759,919</u>	<u>3,759,919</u>	<u>2,331,422</u>	<u>1,428,497</u>
<i>Net Change in Fund Equity</i>	(1,609,219)	(1,609,219)	(283,926)	1,325,293
<i>Fund Equity Beginning of Year</i>	3,122,730	3,122,730	3,122,730	0
Prior Year Encumbrances Appropriated	<u>244,719</u>	<u>244,719</u>	<u>244,719</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$1,758,230</u></u>	<u><u>\$1,758,230</u></u>	<u><u>\$3,083,523</u></u>	<u><u>\$1,325,293</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, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$459,600	\$459,600	\$269,314	(\$190,286)
Charges for Services	28,139,000	28,139,000	21,713,271	(6,425,729)
Notes Issued	1,570,000	1,570,000	1,570,000	0
Other	384,500	384,500	567,280	182,780
<i>Total Revenues</i>	<u>30,553,100</u>	<u>30,553,100</u>	<u>24,119,865</u>	<u>(6,433,235)</u>
<b>Expenses</b>				
Personal Services	6,666,871	6,666,871	6,373,622	293,249
Purchased Services	3,778,863	3,778,863	3,053,804	725,059
Materials and Supplies	15,628,586	15,628,586	12,044,057	3,584,529
Utilities	1,035,995	1,035,995	1,015,131	20,864
Capital Outlay	3,216,292	3,236,292	2,082,414	1,153,878
Debt Service:				
Principal Retirement	3,595,000	3,595,000	3,306,636	288,364
Interest and Fiscal Charges	2,120,442	2,120,442	219,966	1,900,476
<i>Total Expenses</i>	<u>36,042,049</u>	<u>36,062,049</u>	<u>28,095,630</u>	<u>7,966,419</u>
<i>Excess of Revenues Under Expenses Before Transfers</i>	(5,488,949)	(5,508,949)	(3,975,765)	1,533,184
Transfers In	<u>0</u>	<u>0</u>	<u>847,907</u>	<u>847,907</u>
<i>Net Change in Fund Equity</i>	(5,488,949)	(5,508,949)	(3,127,858)	2,381,091
<i>Fund Equity Beginning of Year</i>	13,157,392	13,157,392	13,157,392	0
Prior Year Encumbrances Appropriated	<u>2,203,457</u>	<u>2,203,457</u>	<u>2,203,457</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$9,871,900</u></u>	<u><u>\$9,851,900</u></u>	<u><u>\$12,232,991</u></u>	<u><u>\$2,381,091</u></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, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$76,324	\$76,324	\$50,753	(\$25,571)
Charges for Services	3,172,058	3,172,058	2,734,271	(437,787)
Notes Issued	1,600,000	1,600,000	1,600,000	0
Capital Grants	877,100	877,100	544,805	(332,295)
Other	95,906	95,906	20,204	(75,702)
<i>Total Revenues</i>	<u>5,821,388</u>	<u>5,821,388</u>	<u>4,950,033</u>	<u>(871,355)</u>
<b>Expenses</b>				
Personal Services	1,464,396	1,464,396	1,106,119	358,277
Purchased Services	552,925	552,925	250,624	302,301
Materials and Supplies	694,731	694,731	472,673	222,058
Utilities	215,499	215,499	189,697	25,802
Capital Outlay	2,239,095	2,239,095	1,777,286	461,809
Debt Service:				
Principal Retirement	2,155,000	2,237,110	2,237,110	0
Interest and Fiscal Charges	330,634	248,524	203,466	45,058
<i>Total Expenses</i>	<u>7,652,280</u>	<u>7,652,280</u>	<u>6,236,975</u>	<u>1,415,305</u>
<i>Net Change in Fund Equity</i>	(1,830,892)	(1,830,892)	(1,286,942)	543,950
<i>Fund Equity Beginning of Year</i>	2,101,768	2,101,768	2,101,768	0
Prior Year Encumbrances Appropriated	689,246	689,246	689,246	0
<i>Fund Equity End of Year</i>	<u>\$960,122</u>	<u>\$960,122</u>	<u>\$1,504,072</u>	<u>\$543,950</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, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$400,000	\$400,000	\$401,087	\$1,087
Interest	500	500	0	(500)
<i>Total Revenues</i>	<u>400,500</u>	<u>400,500</u>	<u>401,087</u>	<u>587</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Repair and Maintenance:				
Personal Services	647,400	647,400	609,700	37,700
Contractual Services	11,100	11,100	8,434	2,666
Materials and Supplies	116,408	116,408	100,365	16,043
Utilities	22,877	22,877	17,874	5,003
<i>Total Expenditures</i>	<u>797,785</u>	<u>797,785</u>	<u>736,373</u>	<u>61,412</u>
<i>Excess of Revenues Under Expenditures</i>	(397,285)	(397,285)	(335,286)	61,999
<b>Other Financing Sources</b>				
Transfers In	450,000	450,000	327,310	(122,690)
<i>Net Change in Fund Balance</i>	52,715	52,715	(7,976)	(60,691)
<i>Fund Balance Beginning of Year</i>	13,661	13,661	13,661	0
Prior Year Encumbrances Appropriated	19,115	19,115	19,115	0
<i>Fund Balance End of Year</i>	<u>\$85,491</u>	<u>\$85,491</u>	<u>\$24,800</u>	<u>(\$60,691)</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, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$32,000	\$32,000	\$32,489	\$489
Interest	2,550	2,550	814	(1,736)
<i>Total Revenues</i>	<u>34,550</u>	<u>34,550</u>	<u>33,303</u>	<u>(1,247)</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	52,145	55,204	55,204	0
Materials and Supplies	31,191	28,132	10,229	17,903
<i>Total Expenditures</i>	<u>83,336</u>	<u>83,336</u>	<u>65,433</u>	<u>17,903</u>
<i>Net Change in Fund Balance</i>	(48,786)	(48,786)	(32,130)	16,656
<i>Fund Balance Beginning of Year</i>	66,150	66,150	66,150	0
Prior Year Encumbrances Appropriated	<u>13,336</u>	<u>13,336</u>	<u>13,336</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$30,700</u>	<u>\$30,700</u>	<u>\$47,356</u>	<u>\$16,656</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, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$30,000	\$30,000	\$54,700	\$24,700
<b>Expenditures</b>				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	49,450	49,450	47,390	2,060
Materials and Supplies	5,550	5,550	5,550	0
<i>Total Expenditures</i>	<u>55,000</u>	<u>55,000</u>	<u>52,940</u>	<u>2,060</u>
<i>Net Change in Fund Balance</i>	(25,000)	(25,000)	1,760	26,760
<i>Fund Balance Beginning of Year</i>	<u>48,407</u>	<u>48,407</u>	<u>48,407</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$23,407</u></u>	<u><u>\$23,407</u></u>	<u><u>\$50,167</u></u>	<u><u>\$26,760</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, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (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>2,500</u>	<u>2,500</u>	<u>2,400</u>	<u>100</u>
<i>Net Change in Fund Balance</i>	(2,500)	(2,500)	(2,400)	100
<i>Fund Balance Beginning of Year</i>	<u>13,312</u>	<u>13,312</u>	<u>13,312</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$10,812</u></u>	<u><u>\$10,812</u></u>	<u><u>\$10,912</u></u>	<u><u>\$100</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, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$0	\$0	\$52	\$52
Charges for Services	423,020	446,000	443,740	(2,260)
<i>Total Revenues</i>	423,020	446,000	443,792	(2,208)
<b>Expenditures</b>				
Current:				
Basic Utility Service:				
Solid Waste Services:				
Purchased Services	426,547	447,547	444,952	2,595
<i>Net Change in Fund Balance</i>	(3,527)	(1,547)	(1,160)	387
<i>Fund Balance Beginning of Year</i>	21,472	21,472	21,472	0
Prior Year Encumbrances Appropriated	547	547	547	0
<i>Fund Balance End of Year</i>	<u>\$18,492</u>	<u>\$20,472</u>	<u>\$20,859</u>	<u>\$387</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, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines, Licenses and Permits	\$1,500	\$1,500	\$3,336	\$1,836
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Materials and Supplies	<u>6,000</u>	<u>6,000</u>	<u>3,255</u>	<u>2,745</u>
<i>Net Change in Fund Balance</i>	(4,500)	(4,500)	81	4,581
<i>Fund Balance Beginning of Year</i>	<u>9,173</u>	<u>9,173</u>	<u>9,173</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,673</u></u>	<u><u>\$4,673</u></u>	<u><u>\$9,254</u></u>	<u><u>\$4,581</u></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, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Fines, Licenses and Permits	\$1,000	\$1,000	\$837	(\$163)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	1,065	1,065	0	1,065
Purchased Services	1,000	1,000	0	1,000
Materials and Supplies	2,100	2,100	262	1,838
<i>Total Expenditures</i>	<u>4,165</u>	<u>4,165</u>	<u>262</u>	<u>3,903</u>
<i>Net Change in Fund Balance</i>	(3,165)	(3,165)	575	3,740
<i>Fund Balance Beginning of Year</i>	<u>10,149</u>	<u>10,149</u>	<u>10,149</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$6,984</u></u>	<u><u>\$6,984</u></u>	<u><u>\$10,724</u></u>	<u><u>\$3,740</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, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$15,000	\$15,000	\$13,900	(\$1,100)
<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	13,900	(1,100)
<i>Fund Balance Beginning of Year</i>	<u>284,720</u>	<u>284,720</u>	<u>284,720</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$299,720</u>	<u>\$299,720</u>	<u>\$298,620</u>	<u>(\$1,100)</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, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$65,000	\$65,000	\$60,591	(\$4,409)
<b>Expenditures</b>				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	150,536	150,536	112,039	38,497
Materials and Supplies	27,888	27,888	18,228	9,660
<i>Total Expenditures</i>	178,424	178,424	130,267	48,157
<i>Net Change in Fund Balance</i>	(113,424)	(113,424)	(69,676)	43,748
<i>Fund Balance Beginning of Year</i>	76,685	76,685	76,685	0
Prior Year Encumbrances Appropriated	78,424	78,424	78,424	0
<i>Fund Balance End of Year</i>	<u>\$41,685</u>	<u>\$41,685</u>	<u>\$85,433</u>	<u>\$43,748</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, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for Services	\$25,000	\$25,000	\$46,666	\$21,666
<b>Expenditures</b>				
Current:				
Public Health and Welfare:				
Emergency Medical Service:				
Materials and Supplies	<u>15,341</u>	<u>15,341</u>	<u>0</u>	<u>15,341</u>
<i>Net Change in Fund Balance</i>	9,659	9,659	46,666	37,007
<i>Fund Balance Beginning of Year</i>	188,393	188,393	188,393	0
Prior Year Encumbrances Appropriated	<u>342</u>	<u>342</u>	<u>342</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$198,394</u></u>	<u><u>\$198,394</u></u>	<u><u>\$235,401</u></u>	<u><u>\$37,007</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, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$200	\$200	\$34	(\$166)
Contributions and Donations	10,400	10,400	7,683	(2,717)
<i>Total Revenues</i>	<u>10,600</u>	<u>10,600</u>	<u>7,717</u>	<u>(2,883)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Performing Arts:				
Purchased Services	5,000	4,832	4,429	403
Materials and Supplies	1,121	1,289	1,289	0
<i>Total Expenditures</i>	<u>6,121</u>	<u>6,121</u>	<u>5,718</u>	<u>403</u>
<i>Net Change in Fund Balance</i>	4,479	4,479	1,999	(2,480)
<i>Fund Balance Beginning of Year</i>	938	938	938	0
Prior Year Encumbrances Appropriated	<u>121</u>	<u>121</u>	<u>121</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,538</u></u>	<u><u>\$5,538</u></u>	<u><u>\$3,058</u></u>	<u><u>(\$2,480)</u></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, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	<u>\$2,080</u>	<u>\$2,080</u>	<u>\$1,520</u>	<u>(\$560)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Purchased Services	2,000	2,000	0	2,000
Materials and Supplies	<u>80</u>	<u>80</u>	<u>0</u>	<u>80</u>
<i>Total Expenditures</i>	<u>2,080</u>	<u>2,080</u>	<u>0</u>	<u>2,080</u>
<i>Net Change in Fund Balance</i>	0	0	1,520	1,520
<i>Fund Balance Beginning of Year</i>	625	625	625	0
Prior Year Encumbrances Appropriated	<u>95</u>	<u>95</u>	<u>95</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$720</u></u>	<u><u>\$720</u></u>	<u><u>\$2,240</u></u>	<u><u>\$1,520</u></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, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (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, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Special Assessments	\$23,300	\$23,300	\$19,048	(\$4,252)
Interest	2,050	2,050	2,341	291
<i>Total Revenues</i>	<u>25,350</u>	<u>25,350</u>	<u>21,389</u>	<u>(3,961)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Contractual Services	200	217	217	0
Debt Service:				
Principal Retirement	14,600	14,583	14,510	73
Interest and Fiscal Charges	5,800	5,800	5,800	0
<i>Total Expenditures</i>	<u>20,600</u>	<u>20,600</u>	<u>20,527</u>	<u>73</u>
<i>Net Change in Fund Balance</i>	4,750	4,750	862	(3,888)
<i>Fund Balance Beginning of Year</i>	<u>133,534</u>	<u>133,534</u>	<u>133,534</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$138,284</u></u>	<u><u>\$138,284</u></u>	<u><u>\$134,396</u></u>	<u><u>(\$3,888)</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, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$50	\$50	\$36	(\$14)
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	50	50	36	(14)
<i>Fund Balance Beginning of Year</i>	<u>2,190</u>	<u>2,190</u>	<u>2,190</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,240</u></u>	<u><u>\$2,240</u></u>	<u><u>\$2,226</u></u>	<u><u>(\$14)</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, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Fines, Licenses and Permits	\$1,000	\$1,000	\$1,900	\$900
<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	1,900	1,400
<i>Fund Balance Beginning of Year</i>	<u>24,785</u>	<u>24,785</u>	<u>24,785</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$25,285</u></u>	<u><u>\$25,285</u></u>	<u><u>\$26,685</u></u>	<u><u>\$1,400</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, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$862,000	\$862,000	\$179,806	(\$682,194)
<b>Expenditures</b>				
Contractual Services	<u>866,446</u>	<u>866,446</u>	<u>392,545</u>	<u>473,901</u>
<i>Net Change in Fund Balance</i>	(4,446)	(4,446)	(212,739)	(208,293)
<i>Fund Balance (Deficit) Beginning of Year</i>	(421,568)	(421,568)	(421,568)	0
Prior Year Encumbrances Appropriated	<u>426,446</u>	<u>426,446</u>	<u>426,446</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$432</u></u>	<u><u>\$432</u></u>	<u><u>(\$207,861)</u></u>	<u><u>(\$208,293)</u></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, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$528,500	\$528,500	\$348,636	(\$179,864)
<b>Expenditures</b>				
Capital Outlay	<u>71,262</u>	<u>500,862</u>	<u>297,767</u>	<u>203,095</u>
<i>Net Change in Fund Balance</i>	457,238	27,638	50,869	23,231
<i>Fund Balance (Deficit) Beginning of Year</i>	(70,282)	(70,282)	(70,282)	0
Prior Year Encumbrances Appropriated	<u>71,262</u>	<u>71,262</u>	<u>71,262</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$458,218</u></u>	<u><u>\$28,618</u></u>	<u><u>\$51,849</u></u>	<u><u>\$23,231</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, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$15,200	\$15,200	\$4,970	(\$10,230)
Charges for Services	<u>1,604,800</u>	<u>1,604,800</u>	<u>1,623,336</u>	<u>18,536</u>
<i>Total Revenues</i>	<u>1,620,000</u>	<u>1,620,000</u>	<u>1,628,306</u>	<u>8,306</u>
<b>Expenses</b>				
Contractual Services	102,200	102,200	79,466	22,734
Claims	<u>1,675,000</u>	<u>1,675,000</u>	<u>1,601,102</u>	<u>73,898</u>
<i>Total Expenses</i>	<u>1,777,200</u>	<u>1,777,200</u>	<u>1,680,568</u>	<u>96,632</u>
<i>Net Change in Fund Equity</i>	(157,200)	(157,200)	(52,262)	104,938
<i>Fund Equity Beginning of Year</i>	<u>262,283</u>	<u>262,283</u>	<u>262,283</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$105,083</u></u>	<u><u>\$105,083</u></u>	<u><u>\$210,021</u></u>	<u><u>\$104,938</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, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$100	\$100	\$67	(\$33)
<b>Expenses</b>				
Materials and Supplies	<u>100</u>	<u>100</u>	<u>75</u>	<u>25</u>
<i>Net Change in Fund Equity</i>	0	0	(8)	(8)
<i>Fund Equity Beginning of Year</i>	<u>4,451</u>	<u>4,451</u>	<u>4,451</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$4,451</u></u>	<u><u>\$4,451</u></u>	<u><u>\$4,443</u></u>	<u><u>(\$8)</u></u>

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# **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 – S25</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>S26 – S27</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>S28 – S35</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. The City implemented GASB Statement No. 34 in 2001; schedules presenting government-wide information include information beginning in that year.

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

	2009	2008	2007	2006
<b>Governmental Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$43,659,336	\$43,619,685	\$41,910,539	\$41,706,949
Restricted:				
Capital Projects	300,589	215,741	1,484,362	1,613,790
Debt Service	230,546	243,223	215,007	240,462
Street Repair and Maintenance	415,535	462,630	470,584	424,442
Solid Waste Services	38,048	80,955	54,643	68,355
Law Enforcement and Education	20,975	19,651	20,024	19,951
Cemetery Maintenance	298,620	285,788	263,763	236,639
EMS Equipment	240,929	194,363	162,903	134,874
Performing Arts	3,073	1,070	5,354	5,859
Other Purposes	0	0	0	0
Unrestricted	3,869,743	2,976,958	3,225,688	2,114,835
<i>Total Governmental Activities Net Assets</i>	<u>49,077,394</u>	<u>48,100,064</u>	<u>47,812,867</u>	<u>46,566,156</u>
<b>Business Type - Activities</b>				
Invested in Capital Assets, Net of Related Debt	34,525,664	31,936,125	30,554,543	29,057,655
Restricted:				
Debt Service	2,715,024	3,016,575	3,022,749	2,949,687
Replacement and Improvement	2,300,000	2,300,000	2,300,000	2,300,000
Unrestricted	23,987,800	25,849,607	20,099,892	19,065,639
<i>Total Business-Type Activities Net Assets</i>	<u>63,528,488</u>	<u>63,102,307</u>	<u>55,977,184</u>	<u>53,372,981</u>
<b>Primary Government</b>				
Invested in Capital Assets, Net of Related Debt	78,185,000	75,555,810	72,465,082	70,764,604
Restricted	6,563,339	6,819,996	7,999,389	7,994,059
Unrestricted	27,857,543	28,826,565	23,325,580	21,180,474
<i>Total Primary Government Net Assets</i>	<u>\$112,605,882</u>	<u>\$111,202,371</u>	<u>\$103,790,051</u>	<u>\$99,939,137</u>

Note: 2003 was the first year other purposes was further classified.

2005	2004	2003	2002	2001
\$42,058,605	\$42,024,483	\$41,548,787	\$41,466,826	\$41,777,029
2,050,035	1,913,814	2,626,487	2,253,537	2,446,493
240,691	247,391	254,609	108,155	106,176
370,016	431,651	457,891	0	0
43,100	42,187	38,324	0	0
19,323	23,157	25,870	0	0
220,720	203,195	177,957	0	0
107,040	74,640	151,004	0	0
7,475	7,195	7,035	0	0
0	0	0	815,174	1,047,404
2,060,999	1,658,350	1,828,711	2,325,102	2,665,004
47,178,004	46,626,063	47,116,675	46,968,794	48,042,106
27,780,982	26,780,181	25,498,301	22,993,813	22,736,960
2,891,452	3,347,240	0	0	0
2,300,000	2,300,000	2,300,000	2,300,000	3,000,000
17,395,231	16,059,704	20,711,414	24,116,145	25,383,195
50,367,665	48,487,125	48,509,715	49,409,958	51,120,155
69,839,587	68,804,664	67,047,088	64,460,639	64,513,989
8,249,852	8,590,470	6,039,177	5,476,866	6,600,073
19,456,230	17,718,054	22,540,125	26,441,247	28,048,199
\$97,545,669	\$95,113,188	\$95,626,390	\$96,378,752	\$99,162,261



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

	2009	2008	2007	2006
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$207,225	\$113,285	\$158,784	\$111,390
Security of Persons and Property:				
Police	21,878	18,697	14,367	15,276
Fire	63,973	23,280	52,225	46,025
Transportation	634	264	11,843	11,581
Public Health and Welfare	101,345	92,782	116,240	105,827
Leisure Time Activities	59,572	24,855	65,720	62,139
Basic Utility Service	439,532	430,026	280,368	285,636
Subtotal - Charges for Services	<u>894,159</u>	<u>703,189</u>	<u>699,547</u>	<u>637,874</u>
Operating Grants and Contributions:				
General Government	16,996	76,851	61,468	15,600
Security of Persons and Property:				
Police	1,520	0	0	0
Fire	0	2,500	0	0
Transportation	516,773	526,802	599,351	562,367
Public Health and Welfare	0	0	0	0
Leisure Time Activities	13,698	36,919	12,503	9,823
Basic Utility Service	52	13,633	0	0
Subtotal - Operating Grants and Contributions	<u>549,039</u>	<u>656,705</u>	<u>673,322</u>	<u>587,790</u>
Capital Grants and Contributions:				
General Government	341,100	140,552	406,576	13,017
Transportation	438,166	1,048,529	444,137	280,843
Subtotal - Capital Grants and Contributions	<u>779,266</u>	<u>1,189,081</u>	<u>850,713</u>	<u>293,860</u>
<i>Total Governmental Activities Program Revenues</i>	<u>2,222,464</u>	<u>2,548,975</u>	<u>2,223,582</u>	<u>1,519,524</u>
Business-Type Activities:				
Charges for Services:				
Sewer	1,871,276	2,048,402	1,948,555	2,009,263
Electric	21,309,884	28,780,366	25,460,273	26,606,260
Water	2,605,185	3,081,340	2,908,869	2,933,631
Subtotal - Charges for Services	<u>25,786,345</u>	<u>33,910,108</u>	<u>30,317,697</u>	<u>31,549,154</u>
Capital Grants and Contributions				
Water	631,711	41,402	301,273	0
<i>Total Business-Type Activities Program Revenues</i>	<u>26,418,056</u>	<u>33,951,510</u>	<u>30,618,970</u>	<u>31,549,154</u>
<i>Total Primary Government Program Revenues</i>	<u>28,640,520</u>	<u>36,500,485</u>	<u>32,842,552</u>	<u>33,068,678</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	1,298,794	1,276,806	1,323,894	1,151,757
Security of Persons and Property:				
Police	1,756,470	1,631,577	1,538,833	1,565,658
Fire	601,035	617,200	614,516	601,531
Transportation	2,632,557	2,474,540	2,289,247	2,229,194
Public Health and Welfare	166,552	199,238	187,718	142,615
Leisure Time Activities	430,143	395,062	348,947	318,858
Basic Utility Service	444,941	417,347	307,678	273,951
Interest and Fiscal Charges	72,104	79,296	39,260	8,877
<i>Total Governmental Activities Expenses</i>	<u>\$7,402,596</u>	<u>\$7,091,066</u>	<u>\$6,650,093</u>	<u>\$6,292,441</u>

2005	2004	2003	2002	2001
\$113,000	\$120,248	\$74,858	\$117,682	\$100,453
14,506	26,054	7,712	41,896	7,345
46,024	36,290	30,843	16,955	28,619
30,141	300	8,876	0	0
100,576	128,734	101,730	119,624	84,534
72,621	56,284	62,010	83,495	69,499
269,752	256,665	251,735	241,799	239,240
646,620	624,575	537,764	621,451	529,690
16,205	14,092	13,699	0	8,571
0	0	0	0	805
0	2,125	2,900	0	16,639
540,752	445,050	401,629	445,010	334,427
0	0	2,300	0	0
10,290	9,900	8,062	9,546	7,435
0	0	0	0	0
567,247	471,167	428,590	454,556	367,877
95,944	0	0	0	0
186,662	819,983	678,138	420,132	171,351
282,606	819,983	678,138	420,132	171,351
1,496,473	1,915,725	1,644,492	1,496,139	1,068,918
1,980,067	1,905,641	1,910,975	1,937,219	1,990,473
25,220,891	21,615,342	19,509,574	17,964,859	18,260,911
2,591,906	2,512,014	2,403,171	2,356,946	2,433,011
29,792,864	26,032,997	23,823,720	22,259,024	22,684,395
0	0	0	0	0
29,792,864	26,032,997	23,823,720	22,259,024	22,684,395
31,289,337	27,948,722	25,468,212	23,755,163	23,753,313
1,075,509	970,814	968,370	945,989	849,687
1,360,423	1,425,870	1,421,121	1,224,678	1,264,380
531,847	357,766	541,831	525,596	471,736
1,590,642	2,478,398	2,007,903	2,672,156	1,999,708
118,376	179,941	192,459	170,233	129,335
252,386	308,917	357,372	389,710	356,011
282,403	279,895	274,386	272,076	237,049
9,706	10,726	11,013	11,557	12,175
\$5,221,292	\$6,012,327	\$5,774,455	\$6,211,995	\$5,320,081

(continued)

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

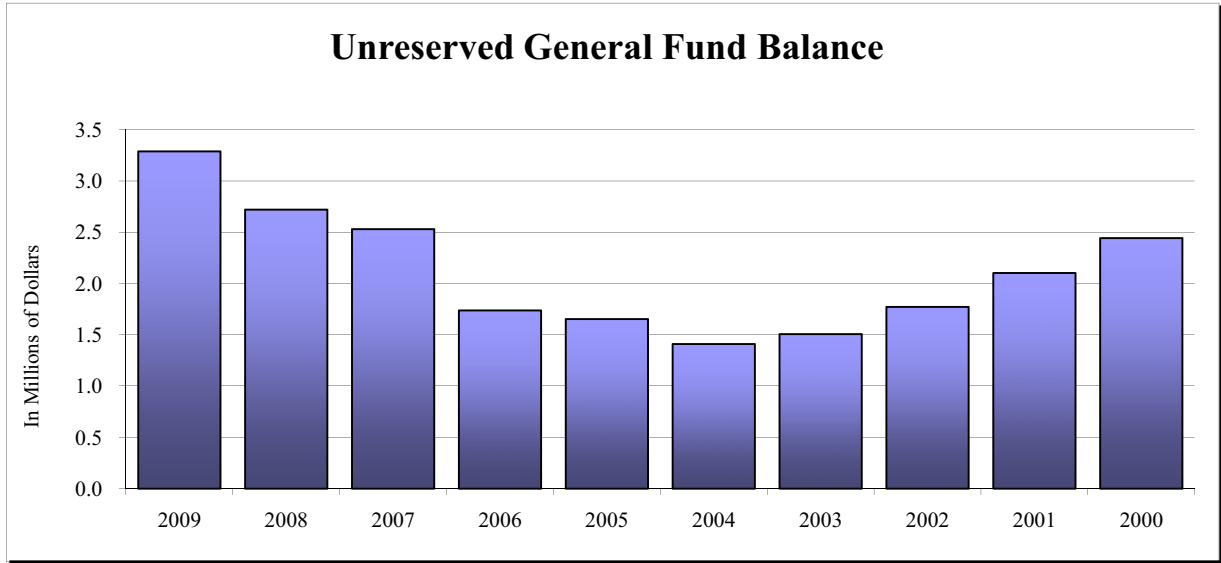
	2009	2008	2007	2006
<b>Business-Type Activities:</b>				
Sewer	\$2,123,983	\$2,165,950	\$2,235,400	\$2,064,871
Electric	22,870,541	24,122,241	25,725,633	25,754,322
Water	3,211,725	2,792,044	2,712,945	2,874,257
<i>Total Business-Type Activities Expenses</i>	<u>28,206,249</u>	<u>29,080,235</u>	<u>30,673,978</u>	<u>30,693,450</u>
<i>Total Primary Government Program Expenses</i>	<u>35,608,845</u>	<u>36,171,301</u>	<u>37,324,071</u>	<u>36,985,891</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(5,180,132)	(4,542,091)	(4,426,511)	(4,772,917)
Business-Type Activities	<u>(1,788,193)</u>	<u>4,871,275</u>	<u>(55,008)</u>	<u>855,704</u>
<i>Total Primary Government Net Expense</i>	<u>(6,968,325)</u>	<u>329,184</u>	<u>(4,481,519)</u>	<u>(3,917,213)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental Activities:				
Taxes:				
Property and Other Local Taxes Levied for:				
General Purposes	495,460	505,320	485,053	469,385
Kilowatt per Hour Taxes Levied for:				
General Purposes	847,907	881,904	897,363	851,218
Municipal Income Taxes Levied for: (1)				
General Purposes	3,485,477	2,319,038	3,490,470	2,299,733
Capital Outlay	1,097,066	806,910	858,389	560,677
Grants and Entitlements not Restricted to				
Specific Programs	965,243	816,394	514,543	579,014
Investment Income	77,420	171,859	236,379	217,144
Gain on Sale of Capital Assets	0	0	0	0
Transfers	(847,907)	(881,904)	(897,363)	(851,218)
Miscellaneous	36,796	209,767	88,388	35,116
<i>Total Governmental Activities</i>	<u>6,157,462</u>	<u>4,829,288</u>	<u>5,673,222</u>	<u>4,161,069</u>
Business-Type Activities:				
Investment Income	783,010	838,914	1,138,233	965,009
Transfers	847,907	881,904	897,363	851,218
Gain on Sale of Capital Assets	0	0	0	0
Miscellaneous	583,457	533,030	623,615	333,385
<i>Total Business-Type Activities</i>	<u>2,214,374</u>	<u>2,253,848</u>	<u>2,659,211</u>	<u>2,149,612</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>8,371,836</u>	<u>7,083,136</u>	<u>8,332,433</u>	<u>6,310,681</u>
<b>Change in Net Assets</b>				
Governmental Activities	977,330	287,197	1,246,711	(611,848)
Business-Type Activities	<u>426,181</u>	<u>7,125,123</u>	<u>2,604,203</u>	<u>3,005,316</u>
<i>Total Primary Government Change in Net Assets</i>	<u>\$1,403,511</u>	<u>\$7,412,320</u>	<u>\$3,850,914</u>	<u>\$2,393,468</u>

(1) Income Tax revenue increased in 2009 due to higher net profits of corporations within the City and higher taxes from withholding.

2005	2004	2003	2002	2001
\$1,942,249	\$2,035,090	\$1,957,912	\$1,951,178	\$1,880,750
25,247,053	23,143,664	21,681,059	20,841,038	18,886,654
2,425,269	2,682,953	2,554,952	3,077,462	2,775,140
29,614,571	27,861,707	26,193,923	25,869,678	23,542,544
34,835,863	33,874,034	31,968,378	32,081,673	28,862,625
(3,724,819)	(4,096,602)	(4,129,963)	(4,715,856)	(4,251,163)
178,293	(1,828,710)	(2,370,203)	(3,610,654)	(858,149)
(3,546,526)	(5,925,312)	(6,500,166)	(8,326,510)	(5,109,312)
524,516	536,388	476,914	446,237	483,588
837,438	802,505	782,502	767,505	470,708
2,195,463	2,013,058	2,088,233	1,705,027	1,596,438
534,765	365,734	872,403	588,206	992,257
717,533	497,937	631,092	620,248	752,755
139,056	80,061	81,948	107,127	282,992
0	0	0	500	0
(837,438)	(802,505)	(782,502)	(793,326)	(470,708)
165,427	112,812	127,254	201,020	70,965
4,276,760	3,605,990	4,277,844	3,642,544	4,178,995
325,135	292,975	357,932	511,810	1,062,693
837,438	802,505	782,502	793,326	470,708
0	17,131	1,754	4,700	60,203
539,674	693,509	327,772	590,621	359,842
1,702,247	1,806,120	1,469,960	1,900,457	1,953,446
5,979,007	5,412,110	5,747,804	5,543,001	6,132,441
551,941	(490,612)	147,881	(1,073,312)	(72,168)
1,880,540	(22,590)	(900,243)	(1,710,197)	1,095,297
\$2,432,481	(\$513,202)	(\$752,362)	(\$2,783,509)	\$1,023,129

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

	2009	2008	2007	2006	2005
<b>General Fund</b>					
Reserved	\$149,410	\$139,093	\$92,442	\$80,051	\$56,479
Unreserved	3,287,216	2,721,157	2,531,395	1,736,936	1,653,693
<b>Total General Fund</b>	<u>3,436,626</u>	<u>2,860,250</u>	<u>2,623,837</u>	<u>1,816,987</u>	<u>1,710,172</u>
<b>All Other Governmental Funds</b>					
Reserved	429,198	990,796	342,543	273,104	408,775
Unreserved, Undesignated, Reported in:					
Special Revenue funds	857,617	839,287	786,946	732,225	474,957
Debt Service funds	139,179	138,584	131,907	124,544	117,076
Capital Projects funds	<u>(201,417)</u>	<u>(753,701)</u>	25,698	1,305,906	1,562,445
<b>Total All Other Governmental Funds</b>	<u>1,224,577</u>	<u>1,214,966</u>	<u>1,287,094</u>	<u>2,435,779</u>	<u>2,563,253</u>
<b>Total Governmental Funds</b>	<u><u>\$4,661,203</u></u>	<u><u>\$4,075,216</u></u>	<u><u>\$3,910,931</u></u>	<u><u>\$4,252,766</u></u>	<u><u>\$4,273,425</u></u>



2004	2003	2002	2001	2000
\$34,228	\$25,157	\$45,241	\$139,653	\$181,511
1,408,511	1,506,925	1,772,376	2,102,190	2,443,891
1,442,739	1,532,082	1,817,617	2,241,843	2,625,402
258,006	991,349	425,987	470,772	232,592
636,263	734,105	698,477	729,417	596,685
113,349	108,004	106,722	106,065	101,410
1,626,555	1,533,720	1,787,430	1,884,283	2,218,880
2,634,173	3,367,178	3,018,616	3,190,537	3,149,567
\$4,076,912	\$4,899,260	\$4,836,233	\$5,432,380	\$5,774,969

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

	2009	2008	2007	2006
<b>Revenues</b>				
Property Taxes	\$491,616	\$483,819	\$479,755	\$492,470
Income Taxes	4,208,090	3,735,209	3,879,196	2,780,220
Kilowatt Per Hour Tax	847,907	881,904	897,363	851,218
Special Assessments	19,048	25,148	22,759	12,822
Intergovernmental	2,215,934	2,469,813	2,036,256	1,598,760
Interest	77,420	171,859	236,379	217,144
Fines, Licenses and Permits	42,816	31,464	40,170	134,415
Rentals	36,981	39,239	31,200	31,200
Charges for Services	810,187	617,368	609,929	556,639
Contributions and Donations	98,698	158,919	20,503	9,823
Other	36,796	209,767	88,388	35,116
<i>Total Revenues</i>	<u>8,885,493</u>	<u>8,824,509</u>	<u>8,341,898</u>	<u>6,719,827</u>
<b>Expenditures</b>				
Current:				
General Government	1,194,191	1,125,756	1,034,771	954,490
Security of Persons and Property:				
Police	1,660,958	1,602,155	1,476,049	1,525,428
Fire (1)	421,343	400,868	413,333	386,844
Transportation	1,457,344	1,347,487	1,222,942	1,058,560
Public Health and Welfare	140,300	177,486	159,007	116,383
Leisure Time Activities	318,017	291,169	268,548	236,039
Basic Utility Service	444,941	417,347	307,678	273,951
Capital Outlay	1,727,815	2,320,788	2,850,305	1,314,669
Debt Service:				
Principal Retirement	14,510	15,870	14,388	13,941
Interest and Fiscal Charges	72,180	79,394	39,349	8,963
<i>Total Expenditures</i>	<u>7,451,599</u>	<u>7,778,320</u>	<u>7,786,370</u>	<u>5,889,268</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,433,894</u>	<u>1,046,189</u>	<u>555,528</u>	<u>830,559</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0
Transfers In	327,310	272,848	214,970	163,570
Transfers Out	(1,175,217)	(1,154,752)	(1,112,333)	(1,014,788)
<i>Total Other Financing Sources (Uses)</i>	<u>(847,907)</u>	<u>(881,904)</u>	<u>(897,363)</u>	<u>(851,218)</u>
<i>Net Change in Fund Balances</i>	<u>\$585,987</u>	<u>\$164,285</u>	<u>(\$341,835)</u>	<u>(\$20,659)</u>
Debt Service as a Percentage of Noncapital Expenditures	1.46%	1.69%	1.03%	0.48%

(1) Prior to 2001, Police and Fire expenditures were grouped together in Security of Persons and Property.

2005	2004	2003	2002	2001	2000
\$485,085	\$580,710	\$442,911	\$466,911	\$471,047	\$431,700
2,700,645	2,575,080	2,910,735	2,371,048	2,594,930	2,637,057
837,438	802,505	782,502	767,505	470,708	0
12,518	12,129	8,961	16,977	8,860	78,968
1,359,658	1,708,192	1,733,338	1,530,312	1,208,110	1,317,306
139,056	81,999	81,948	107,127	282,992	363,909
130,687	40,277	27,812	53,817	22,623	16,760
31,600	31,500	0	31,700	32,828	0
484,450	553,287	499,551	544,303	479,129	503,888
10,290	9,900	8,062	9,546	13,510	17,810
165,427	112,812	127,254	201,020	70,965	405,497
<u>6,356,854</u>	<u>6,508,391</u>	<u>6,623,074</u>	<u>6,100,266</u>	<u>5,655,702</u>	<u>5,772,895</u>
1,000,293	859,525	877,044	838,937	844,855	1,480,689
1,378,888	1,370,432	1,366,492	1,344,277	1,213,840	1,359,979
374,293	393,870	381,581	386,818	383,512	0
1,226,957	1,167,448	1,139,246	1,220,558	1,129,278	1,109,183
118,486	255,971	205,711	153,395	146,672	124,620
218,033	214,635	273,331	318,917	296,834	248,407
282,403	279,895	274,386	272,076	237,049	247,849
701,247	1,963,528	1,247,979	1,347,873	1,254,462	1,421,262
12,518	12,129	10,400	9,120	8,860	255,000
9,785	10,801	10,956	11,616	12,221	24,538
<u>5,322,903</u>	<u>6,528,234</u>	<u>5,787,126</u>	<u>5,903,587</u>	<u>5,527,583</u>	<u>6,271,527</u>
<u>1,033,951</u>	<u>(19,843)</u>	<u>835,948</u>	<u>196,679</u>	<u>128,119</u>	<u>(498,632)</u>
0	0	1,605	500	0	0
0	0	7,976	0	0	95,170
213,564	307,093	340,974	427,727	709,969	421,292
<u>(1,051,002)</u>	<u>(1,109,598)</u>	<u>(1,123,476)</u>	<u>(1,221,053)</u>	<u>(1,180,677)</u>	<u>(365,290)</u>
<u>(837,438)</u>	<u>(802,505)</u>	<u>(772,921)</u>	<u>(792,826)</u>	<u>(470,708)</u>	<u>151,172</u>
<u>\$196,513</u>	<u>(\$822,348)</u>	<u>\$63,027</u>	<u>(\$596,147)</u>	<u>(\$342,589)</u>	<u>(\$347,460)</u>
0.48%	0.50%	0.47%	0.46%	0.49%	5.76%

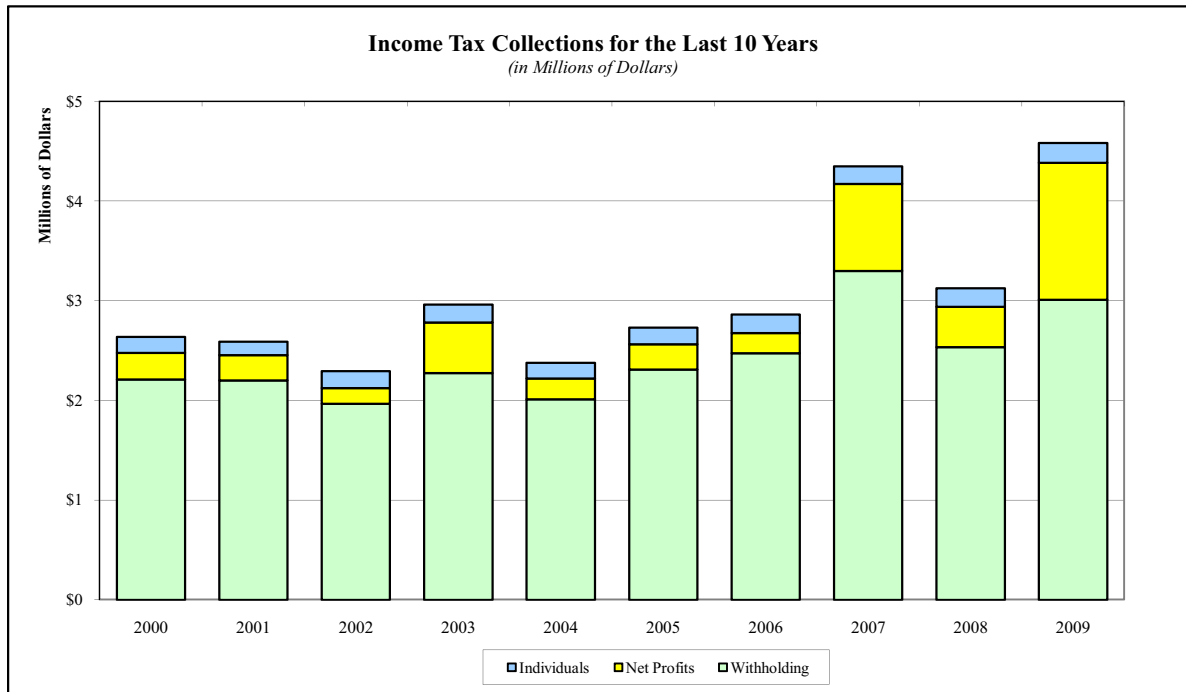


**City of Orrville, Ohio**  
*Income Tax Revenue Base and Collections*  
*Last Ten Years*

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
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	185,641	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	158,665	6.67
2003	1.00	2,960,636	2,273,472	76.79	508,637	17.18	178,526	6.03
2002	1.00	2,293,233	1,965,071	85.69	159,380	6.95	168,782	7.36
2001	1.00	2,588,695	2,200,908	85.02	254,728	9.84	133,059	5.14
2000	1.00	2,637,057	2,210,381	83.82	266,870	10.12	159,806	6.06

(1) 2001 through 2009 are on an Accrual Basis and 2000 is on a Modified 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 2009 and 2000*

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Tax Year 2009

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Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	209	6.52 %	\$81,673,219	47.56 %
75,001-100,000	454	14.17	21,073,758	12.27
50,001-75,000	465	14.51	28,779,019	16.75
25,000-50,000	734	22.90	27,284,599	15.89
Under 25,000	1,343	41.90	12,934,102	7.53
Total	<u>3,205</u>	<u>100%</u>	<u>\$171,744,697</u>	<u>100%</u>

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Tax Year 2000

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Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	75	5.86 %	\$32,403,746	57.34 %
75,001-100,000	39	3.05	3,417,994	6.05
50,001-75,000	102	7.97	6,081,046	10.76
25,000-50,000	237	18.52	8,652,037	15.31
Under 25,000	827	64.61	5,957,897	10.54
Total	<u>1,280</u>	<u>100%</u>	<u>\$56,512,720</u>	<u>100%</u>

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:	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Residential	\$5,818,091	\$6,483,030	\$5,752,018	\$5,309,598	\$5,455,605	\$4,676,994	\$4,457,499	\$4,611,187	\$4,252,857	\$4,071,801
Industrial (1)	9,208,190	14,909,191	13,379,497	16,079,431	14,621,760	12,550,867	10,716,879	9,150,554	9,786,084	9,463,406
Commercial	6,089,237	7,133,605	6,091,331	5,001,317	4,930,071	4,196,891	4,141,717	3,989,364	4,017,402	3,562,884
Government	189,372	254,540	237,427	215,914	213,455	190,590	193,479	213,754	204,568	244,390
<b>Total</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>	<b>\$19,509,574</b>	<b>\$17,964,859</b>	<b>\$18,260,911</b>	<b>\$17,342,481</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*  
 2009 and 2000

<i>2009</i>		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
Quality Castings Company	\$2,713,516	12.74 %
J M Smucker Company	1,647,991	7.74
Ross Sandcastings	1,129,567	5.30
Smith Dairy	1,199,150	5.63
Bekaert - Formerly Contours	818,673	3.84
JLG	391,442	1.84
Marshallville Corporation	521,370	2.45
Will-Burt	334,474	1.57
Dunlap Hospital	304,307	1.43
Buehlers	197,645	0.93
<b>Total</b>	<b>\$9,258,135</b>	<b>43.46 %</b>
<b>Total Electric Charges for Services</b>	<b>\$21,304,890</b>	

<i>2000</i>		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
Quality Castings Company	\$2,194,624	12.66 %
Technocast	1,061,315	6.13
J M Smucker Company	995,375	5.75
Smith Dairy	709,457	4.09
American Commercial Vehicles	602,235	3.47
Contours	521,122	3.00
Marshallville Corporation	341,917	1.97
Gradall	318,866	1.84
WillBurt	234,175	1.35
Orrville Products	172,665	0.98
<b>Total</b>	<b>\$7,151,751</b>	<b>41.24 %</b>
<b>Total Electric Charges for Services</b>	<b>\$17,342,481</b>	

Source: City Records

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

	2009	2008	2007	2006
<b>Residential:</b>				
First 50 KWH	\$6.4300	\$6.4300	\$6.4300	\$6.4300
Next 250 KWH - per KWH	0.0633	0.0633	0.0633	0.0633
Next 750 KWH - per KWH	0.0565	0.0565	0.0565	0.0565
All Over 1050 KWH - per KWH	0.0506	0.0506	0.0506	0.0506
<b>General Service:</b>				
<b>Small:</b>				
Minimum Charge	9.6600	9.6600	9.6600	9.6600
First 100 KWH - per KWH	0.0965	0.0965	0.0965	0.0965
Next 200 KWH - per KWH	0.0753	0.0753	0.0753	0.0753
All Over 300 KWH - per KWH	0.0642	0.0642	0.0642	0.0642
<b>Medium (per KVA):</b>				
Minimum Charge - per KVA	1.7600	1.7600	1.7600	1.7600
First 60 KWH Block - per KWH	0.1053	0.1053	0.1053	0.1053
Second 60 KWH Block - per KWH	0.0812	0.0812	0.0812	0.0812
Third 80 KWH Block - per KWH	0.0565	0.0565	0.0565	0.0565
Fourth 100 KWH Block - per KWH	0.0490	0.0490	0.0490	0.0490
All Over 300 KWH - per KWH	0.0434	0.0434	0.0434	0.0434
<b>Large (per KVA):</b>				
Minimum Charge - per KVA	1.6200	1.6200	1.6200	1.6200
First 50 KWH Block - per KWH	0.1014	0.1014	0.1014	0.1014
Second 50 KWH Block - per KWH	0.0614	0.0614	0.0614	0.0614
Over 100 KWH Block but not Exceeding 100,000 KWH - per KWH	0.0452	0.0452	0.0452	0.0452
All Over Sum of Prior Amounts - per KWH	0.0403	0.0403	0.0403	0.0403
<b>Industrial (per KVA):</b>				
Minimum Charge - per KVA	3.2000	3.2000	3.2000	3.2000
First 30 KWH Block - per KWH	0.1254	0.1254	0.1254	0.1254
Second 170 KWH Block per KVA:				
2,000 KWH - per KWH	0.0805	0.0805	0.0805	0.0805
8,000 KWH - per KWH	0.0684	0.0684	0.0684	0.0684
90,000 KWH - per KWH	0.0565	0.0565	0.0565	0.0565
Over 100,000 KWH - per KWH	0.0441	0.0441	0.0441	0.0441
Third Block Over 200,000 KWH - per KWH	0.0370	0.0370	0.0370	0.0370
All Over Sum of Prior Amounts - per KWH	0.0362	0.0362	0.0362	0.0362

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

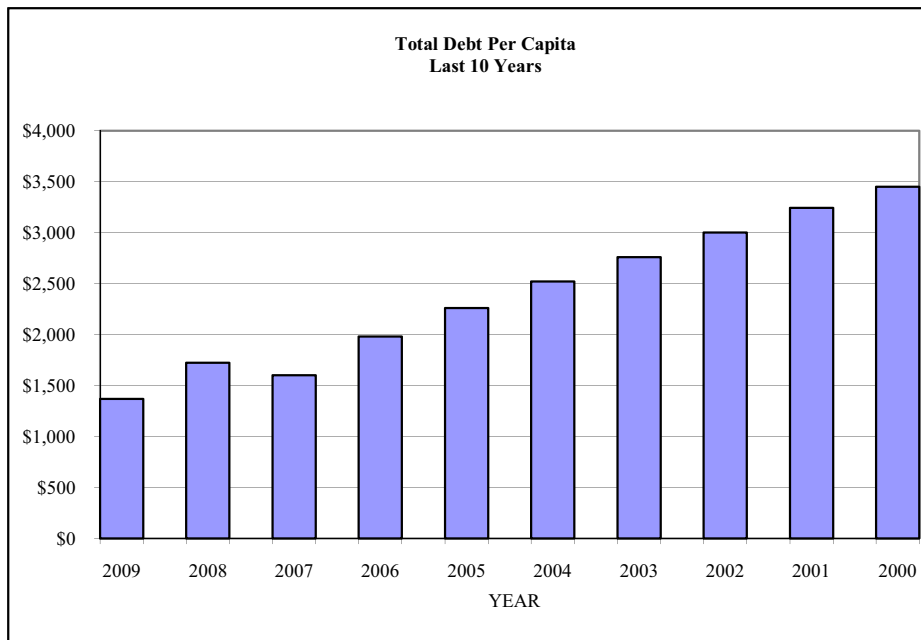
Source: City Records

2005	2004	2003	2002	2001	2000
\$6.3700	\$6.1300	\$6.1300	\$6.1300	\$6.1300	\$6.1300
0.0627	0.0603	0.0603	0.0603	0.0603	0.0603
0.0559	0.0537	0.0537	0.0537	0.0537	0.0537
0.0501	0.0481	0.0481	0.0481	0.0481	0.0481
9.5600	9.1900	9.1900	9.1900	9.1900	9.1900
0.0955	0.0918	0.0918	0.0918	0.0918	0.0918
0.0746	0.0717	0.0717	0.0717	0.0717	0.0717
0.0636	0.0612	0.0612	0.0612	0.0612	0.0612
1.7400	1.6800	1.6800	1.6800	1.6800	1.6800
0.1043	0.1003	0.1003	0.1003	0.1003	0.1003
0.0804	0.0773	0.0773	0.0773	0.0773	0.0773
0.0559	0.0537	0.0537	0.0537	0.0537	0.0537
0.0485	0.0466	0.0466	0.0466	0.0466	0.0466
0.0430	0.0414	0.0414	0.0414	0.0414	0.0414
1.6000	1.5400	1.5400	1.5400	1.5400	1.5400
0.1004	0.0965	0.0965	0.0965	0.0965	0.0965
0.0608	0.0584	0.0584	0.0584	0.0584	0.0584
0.0448	0.0430	0.0430	0.0430	0.0430	0.0430
0.0399	0.0383	0.0383	0.0383	0.0383	0.0383
3.1700	3.0500	3.0500	3.0500	3.0500	3.0500
0.0124	0.1194	0.1194	0.1194	0.1194	0.1194
0.0797	0.0766	0.0766	0.0766	0.0766	0.0766
0.0677	0.0651	0.0651	0.0651	0.0651	0.0651
0.0559	0.0537	0.0537	0.0537	0.0537	0.0537
0.0437	0.0420	0.0420	0.0420	0.0420	0.0420
0.0366	0.0352	0.0352	0.0352	0.0352	0.0352
0.0358	0.0344	0.0344	0.0344	0.0344	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	Revenue Bonds	Mortgage Revenue Bonds
2009	\$68,410	\$3,170,000	\$4,694,486	\$1,777,103
2008	82,920	3,570,000	5,108,318	3,498,722
2007	98,790	0	5,507,150	5,072,004
2006	113,178	0	5,890,982	8,130,290
2005	127,119	0	6,264,814	9,563,576
2004	139,637	0	6,623,646	10,941,862
2003	151,766	0	6,977,478	12,255,148
2002	154,190	0	7,321,310	13,503,434
2001	163,310	0	7,482,200	14,701,720
2000	172,170	0	7,741,400	15,855,006

Note: Population and Personal Income data are presented on page S27.



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Activities

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<u>OWDA Loans</u>	<u>OPWC Loans</u>	<u>Total Debt</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$1,477,014	\$1,111,482	\$12,298,495	7.87%	\$1,370
1,889,701	1,193,592	15,343,253	9.63	1,722
2,285,881	1,264,868	14,228,693	10.60	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
3,716,768	906,639	24,007,799	15.85	2,761
4,039,068	967,082	25,985,084	17.23	3,002
4,347,629	1,027,525	27,722,384	18.61	3,242
4,643,319	1,087,966	29,499,861	19.81	3,450



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**City of Orrville, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
 December 31, 2009

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
<b>Direct - City of Orrville</b>			
Special Assessment Bonds	\$68,410	100.00 %	\$68,410
<b>Overlapping</b>			
Orrville City School District			
General Obligation Bonds	17,986,819	80.39	14,459,604
School Facilities Construction and Improvement Note	974,000	80.39	782,999
Capital Lease	13,032,614	80.39	10,476,918
Wayne County			
General Obligation Bonds	8,908,000	8.74	778,559
OPWC Loan	85,000	8.74	7,429
<i>Total Overlapping Debt</i>	<u>40,986,433</u>		<u>26,505,510</u>
<b>Total</b>	<u><u>\$41,054,843</u></u>		<u><u>\$26,573,920</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**

*Legal Debt Margin*

*Last Nine Years (1)*

	2009	2008	2007	2006
Total Assessed Property Value	<u>\$165,434,340</u>	<u>\$172,083,580</u>	<u>\$172,706,200</u>	<u>\$179,868,790</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>17,370,606</u>	<u>18,068,776</u>	<u>18,134,151</u>	<u>18,886,223</u>
Debt Outstanding:				
Revenue Bonds	\$5,065,000	\$5,520,000	\$5,960,000	\$6,385,000
Mortgage Revenue Bonds	1,805,000	3,530,000	5,165,000	8,285,000
Special Assessment Bonds	68,410	82,920	98,790	113,178
Bond Anticipation Notes	3,170,000	3,570,000	2,180,000	700,000
OPWC Loans	1,111,482	1,193,592	1,264,868	725,311
OWDA Loans	<u>1,539,055</u>	<u>2,013,783</u>	<u>2,472,004</u>	<u>2,914,296</u>
Total Gross Indebtedness	12,758,947	15,910,295	17,140,662	19,122,785
Less:				
Revenue Bonds	(5,065,000)	(5,520,000)	(5,960,000)	(6,385,000)
Mortgage Revenue Bonds	(1,805,000)	(3,530,000)	(5,165,000)	(8,285,000)
Special Assessment Bonds	(68,410)	(82,920)	(98,790)	(113,178)
Bond Anticipation Notes	(3,170,000)	(3,570,000)	(2,180,000)	(700,000)
OPWC Loans	(1,111,482)	(1,193,592)	(1,264,868)	(725,311)
OWDA Loans	<u>(1,539,055)</u>	<u>(2,013,783)</u>	<u>(2,472,004)</u>	<u>(2,914,296)</u>
Total Net Debt Applicable to Debt Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$17,370,606</u>	<u>\$18,068,776</u>	<u>\$18,134,151</u>	<u>\$18,886,223</u>
Legal Debt Margin as a Percentage of the Debt Limit	100%	100%	100.00%	100.00%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$9,098,889</u>	<u>\$9,464,597</u>	<u>\$9,498,841</u>	<u>\$9,892,783</u>
Total Gross Indebtedness	12,758,947	15,910,295	17,140,662	19,122,785
Less:				
Revenue Bonds	(5,065,000)	(5,520,000)	(5,960,000)	(6,385,000)
Mortgage Revenue Bonds	(1,805,000)	(3,530,000)	(5,165,000)	(8,285,000)
Special Assessment Bonds	(68,410)	(82,920)	(98,790)	(113,178)
Bond Anticipation Notes	(3,170,000)	(3,570,000)	(2,180,000)	(700,000)
OPWC Loans	(1,111,482)	(1,193,592)	(1,264,868)	(725,311)
OWDA Loans	<u>(1,539,055)</u>	<u>(2,013,783)</u>	<u>(2,472,004)</u>	<u>(2,914,296)</u>
Net Debt Within 5 ½ % Limitations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$9,098,889</u>	<u>\$9,464,597</u>	<u>\$9,498,841</u>	<u>\$9,892,783</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%

Source: City Financial Records

(1) 2001 was the earliest information available.

2005	2004	2003	2002	2001
<u>\$174,782,986</u>	<u>\$175,391,238</u>	<u>\$186,133,520</u>	<u>\$173,436,672</u>	<u>\$169,747,424</u>
18,352,214	18,416,080	19,544,020	18,210,851	17,823,480
\$6,800,000	\$7,200,000	\$7,595,000	\$7,980,000	\$7,482,200
9,780,000	11,220,000	12,595,000	13,905,000	14,701,720
127,119	139,637	151,766	154,190	163,310
800,000	900,000	1,000,000	1,100,000	1,200,000
785,754	846,197	906,639	967,082	1,027,525
3,341,214	3,753,295	4,151,055	4,535,396	4,347,631
21,634,087	24,059,129	26,399,460	28,641,668	28,922,386
(6,800,000)	(7,200,000)	(7,595,000)	(7,980,000)	(7,482,200)
(9,780,000)	(11,220,000)	(12,595,000)	(13,905,000)	(14,701,720)
(127,119)	(139,637)	(151,766)	(154,190)	(163,310)
(800,000)	(900,000)	(1,000,000)	(1,100,000)	(1,200,000)
(785,754)	(846,197)	(906,639)	(967,082)	(1,027,525)
(3,341,214)	(3,753,295)	(4,151,055)	(4,535,396)	(4,347,631)
0	0	0	0	0
<u>\$18,352,214</u>	<u>\$18,416,080</u>	<u>\$19,544,020</u>	<u>\$18,210,851</u>	<u>\$17,823,480</u>
100.00%	100.00%	100.00%	100.00%	100.00%
<u>\$9,613,064</u>	<u>\$9,646,518</u>	<u>\$10,237,344</u>	<u>\$9,539,017</u>	<u>\$9,336,108</u>
21,634,087	24,059,129	26,399,460	28,641,668	28,922,386
(6,800,000)	(7,200,000)	(7,595,000)	(7,980,000)	(7,482,200)
(9,780,000)	(11,220,000)	(12,595,000)	(13,905,000)	(14,701,720)
(127,119)	(139,637)	(151,766)	(154,190)	(163,310)
(800,000)	(900,000)	(1,000,000)	(1,100,000)	(1,200,000)
(785,754)	(846,197)	(906,639)	(967,082)	(1,027,525)
(3,341,214)	(3,753,295)	(4,151,055)	(4,535,396)	(4,347,631)
0	0	0	0	0
<u>\$9,613,064</u>	<u>\$9,646,518</u>	<u>\$10,237,344</u>	<u>\$9,539,017</u>	<u>\$9,336,108</u>
100.00%	100.00%	100.00%	100.00%	100.00%

**City of Orrville, Ohio**  
*Pledged Revenue Coverage*  
*Electric System Mortgage Revenue Bonds*  
*Last Ten Years*

Year	Electric Operating Revenues (1)	Electric Operating Expenses (2)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2009	\$23,313,294	\$20,332,367	\$2,980,927	\$1,725,000	\$170,765	1.57
2008	30,708,593	21,569,146	9,139,447	1,635,000	213,349	4.94
2007	27,683,413	22,730,769	4,952,644	3,120,000	358,983	1.42
2006	28,346,534	22,920,021	5,426,513	1,495,000	399,691	2.86
2005	26,694,430	22,803,540	3,890,890	1,440,000	327,995	2.20
2004	23,254,909	20,148,363	3,106,546	1,375,000	640,384	1.54
2003	20,852,917	19,022,457	1,830,460	1,310,000	544,252	0.99
2002	19,538,733	17,566,833	1,971,900	1,260,000	740,121	0.99
2001	19,705,834	15,781,278	3,924,556	1,215,000	761,289	1.99
2000	17,574,117	14,533,866	3,040,251	1,165,000	808,294	1.54

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

(2) Operating expenses do not include depreciation.

**City of Orrville, Ohio**  
*Pledged Revenue Coverage*  
*Water and Sewer (1)*  
*Last Nine Years (2)*

Water						
Year	Water Operating Revenues (3)	Water Operating Expenses (4)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
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
2003	2,459,971	1,484,096	975,875	445,443	298,947	1.31
2002	2,454,413	1,931,137	523,276	323,737	272,061	0.88
2001	2,674,119	1,536,782	1,137,337	325,443	492,380	1.39
Sewer						
Year	Sewer Operating Revenues (3)	Sewer Operating Expenses (4)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
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
2003	1,967,270	1,185,668	781,602	384,341	158,426	1.44
2002	2,029,871	1,191,048	838,823	370,602	172,165	1.55
2001	2,197,685	999,574	1,198,111	357,729	184,993	2.21

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

(2) 2001 is the earliest information available.

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

(4) Operating expenses do not include depreciation.

**City of Orrville, Ohio**  
*Principal Employers*  
*Current Year and Eight Years Ago*

<b>2009</b>	
Employer	Employees
J.M. Smucker Company	1,300
JLG, Incorporated	495
Quality Castings Company	320
Smith Dairy Products Company	310
Will-Burt Company, Incorporated	296
University of Akron - Wayne College	255
Dunlap Hospital	239
Orrville City Schools	217
Contours Bekaert, Incorporated	200
City of Orrville/Orrville Utilities (1)	151
Total	<u>3,783</u>
Total Employment within the City	<u>n/a</u>

<b>2001</b>	
Employer	Employees
J.M. Smucker Company	832
Will-Burt Company, Incorporated	300
Quality Castings Company	285
Smith Dairy Products Company	220
Contours, Incorporated	200
University of Akron - Wayne College	200
City of Orrville/Orrville Utilities (1)	199
Rosemount Analytical	186
Orrville City Schools	175
Dunlap Hospital	170
Total	<u>2,767</u>
Total Employment within the City	<u>n/a</u>

Source: Wayne County, Ohio: County Auditor

n/a - Information not available

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

Note: 2001 was the earliest information available.

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (4)</u>	<u>Personal Income Per Capita (2)</u>	<u>Median Household Income (2)</u>	<u>Median Age (2)</u>	<u>Wayne County Unemployment Rate (3)</u>
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
2003	8,695	151,458,205	17,419	36,500	35.5	5.1
2002	8,656	150,778,864	17,419	36,500	35.5	4.9
2001	8,551	148,949,869	17,419	36,500	35.5	3.9
2000	8,551	148,949,869	17,419	36,500	35.5	3.3

(1) Sources:

(a) Years 2002 through 2009 - Orrville Safety Service Department Estimates

(b) Year 2000 and 2001 - 2000 Federal Census, U.S. Census Bureau

(2) Source: U.S. Census Bureau

(a) Years 2000 - 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 Eight Years (1)*

Function/Program	2009	2008	2007	2006	2005	2004	2003	2002
<b>General Government</b>								
City Council	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Finance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Tax	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Law	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration	18.00	19.00	19.00	21.00	19.00	19.00	21.00	22.00
Custodial	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Civil Service	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Utility Board	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
<b>Security of Persons and Property</b>								
Police	15.00	16.00	14.00	17.00	17.00	16.00	16.00	18.00
Police - Dispatchers	7.00	7.00	7.00	5.00	5.00	5.00	5.00	6.00
School Crossing Guards	4.00	5.00	5.00	4.00	4.00	5.00	5.00	4.00
Fire	37.00	39.00	38.00	39.00	32.00	33.00	44.00	33.00
<b>Community Development</b>								
Economic Development	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Transportation</b>								
Street, Park & Cemetery	16.00	16.00	17.00	15.00	16.00	16.00	18.00	19.00
<b>Basic Utility Services</b>								
Electric - Meter Readers	3.00	3.00	3.00	3.00	3.00	3.00	2.00	3.00
Electric - Operations	18.00	18.00	18.00	18.00	18.00	19.00	20.00	18.00
Electric - Maintenance	25.00	24.00	26.00	25.00	24.00	24.00	25.00	28.00
Electric - Distribution	21.00	21.00	20.00	19.00	19.00	21.00	20.00	22.00
Electric - Fiber Optics	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Water - Operations	6.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00
Water - Maintenance	3.00	4.00	5.00	3.00	3.00	3.00	3.00	4.00
Sewer - Operations	8.00	9.00	7.00	7.00	7.00	7.00	7.00	7.00
Sewer - Maintenance	1.00	2.00	3.00	3.00	2.00	2.00	2.00	2.00
<b>Totals:</b>	<u>211.00</u>	<u>220.00</u>	<u>219.00</u>	<u>216.00</u>	<u>206.00</u>	<u>210.00</u>	<u>224.00</u>	<u>222.00</u>

Source: City Payroll Department Quarterly Multiple Worksite Report  
Method: Using 1.0 for each employee of the City at December 31.

(1) Information prior to 2002 is not available

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**City of Orrville, Ohio**  
*Operating Indicators by Function/Program*  
*Last Eight Years (1)*

Function/Program	2009	2008	2007	2006
<b>General Government</b>				
<i><b>Council and Clerk</b></i>				
Number of Ordinances Passed	19	20	22	64
Number of Resolutions Passed	49	65	76	16
Number of Planning Commission docket items	41	44	51	67
Zoning Board of Appeals docket items	10	7	6	10
<i><b>Finance Department</b></i>				
Number of checks/ vouchers issued	5,756	5,746	5,810	5,568
Amount of checks written	\$43,032,027	\$52,403,383	\$49,109,112	\$48,792,992
Interest earnings for fiscal year (cash basis)	\$511,210	\$848,247	\$1,162,009	\$976,168
Number of Receipts issued	2,101	1,944	1,815	1,824
Number of Journal Entries issued	683	687	653	616
Number of Budget Adjustments issued	4	2	8	3
<i><b>Income Tax Department</b></i>				
Number of Individual Returns (2)	2,875	3,504	1,065	1,089
Number of Business Returns	560	520	509	494
Number of business withholding accounts	532	408	489	448
Amount of Penalties and Interest Collected	\$61	\$34	\$123	\$125
Annual number of Corporate withholding forms processed	2,694	2,627	2,109	1,973
Annual number of balance due statements forms processed	371	286	49	34
Annual number of estimated payment forms processed	630	634	594	611
Annual number of reconciliations of withholdings processed	567	531	493	486
<i><b>Civil Service</b></i>				
Number of police entry tests administered	0	1	1	0
Number of police promotional tests administered	0	2	0	1
Number of hires of Police Officers from certified lists	0	2	1	0
Number of promotions from police certified lists	0	1	0	2
<i><b>Building Department Indicators</b></i>				
New Construction Permits Issued	99	53	54	96
Estimated Value of Construction	\$31,299,126	\$16,792,395	\$15,170,164	\$30,392,960
Number of permits issued	160	113	166	173
Amount of Revenue generated from permits	\$4,335	\$2,783	\$3,290	\$4,972
<b>Security of Persons and Property</b>				
<i><b>Police</b></i>				
Total Calls for Services	N/A	N/A	N/A	N/A
Number of traffic citations issued	1,282	740	705	1,839
Number of parking citations issued	N/A	N/A	N/A	N/A
Number of criminal arrests	450	359	320	361
Number of accident reports completed	182	226	225	197
Part 1 Offenses (major offenses)	181	229	247	258
DUI Arrests	90	43	42	53
Motor Vehicle Accidents	182	226	225	197
<i><b>Fire</b></i>				
EMS Calls	341	435	353	326
Ambulance Billing Collections (net)	\$75,286	\$73,658	\$101,496	\$63,970
Fire Calls	172	104	219	144
Fires with Loss	18	22	19	37
Fire Losses	\$858,650	\$632,450	\$496,560	\$143,400
Fire Safety Inspections	42	52	68	60
Number of times Mutual Aid given to Fire and EMS	31	32	37	31
Number of times Mutual Aid received for Fire and EMS	9	13	6	7
<b>Public Health and Welfare</b>				
Cemetery burials	65	82	70	64
Cemetery sale of lots	42	66	79	25
Cemetery receipts	\$46,351	\$67,911	\$78,112	\$45,236

2005	2004	2003	2002
54	40	45	57
22	17	26	17
62	55	56	69
10	12	10	19
5,398	5,404	5,297	5,370
\$73,789,581	\$53,607,377	\$81,763,807	\$147,562,726
\$583,131	\$270,030	\$310,961	\$1,474,219
1,837	1,865	1,912	1,920
560	739	801	790
5	5	0	2
1,084	1,148	1,118	1,168
439	434	486	476
467	464	452	447
\$315	\$267	\$212	\$295
1,858	1,856	1,833	1,773
40	28	45	51
643	641	639	646
431	501	517	492
1	0	0	0
1	0	0	0
1	0	0	0
0	0	0	0
65	72	83	93
\$9,503,390	\$11,745,253	\$10,704,259	\$12,990,827
182	163	164	164
\$5,195	\$5,164	\$5,461	\$3,019
N/A	9,928	10,841	10,240
1,903	1,018	1,021	852
N/A	117	175	98
316	445	489	514
231	205	239	249
236	218	211	269
36	54	72	48
231	205	239	249
302	277	231	275
\$63,927	\$56,548	\$42,435	\$46,866
154	178	160	171
50	52	68	51
\$366,000	\$130,000	\$1,354,464	\$214,400
48	47	60	31
39	42	35	54
8	5	4	3
86	79	79	79
27	47	17	41
\$56,711	\$63,104	\$50,633	\$68,482

(continued)

**City of Orrville, Ohio**  
*Operating Indicators by Function/Program (continued)*  
*Last Eight Years (1)*

Function/Program	2009	2008	2007	2006
<b>Leisure Time Activities</b>				
<i>Recreation</i>				
Recreation Swimming pool receipts	\$39,459	\$44,964	\$41,963	\$42,854
<b>Economic Development</b>				
Grant amounts received due to Economic Development Dept.	\$1,217,337	\$1,171,324	\$1,350,126	\$292,053
<b>Basic Utility Services</b>				
Refuse disposal per year (in tons)	2,881	3,106	3,229	2,966
Refuse disposal costs per year	\$443,454	\$423,010	\$306,670	\$299,057
Annual recycling tonnage (excluding leaf, and compost items)	374	329	368	334
Percentage of waste recycled	11.48%	11.86%	11.39%	11.30%
<b>Transportation</b>				
Street Improvements - asphalt overlay (linear feet)	14,604	5,020	15,797	500
Street Repair (Curbs, aprons, berms, asphalt) (hours)	1,916	1,949	2,463	1,210
Paint Striping (hours)	222	351	340	247
Street Sweeper (hours)	306	279	471	340
Cold Patch (hours)	189	22	66	243
Snow & Ice Removal regular hours	784	788	707	109
Snow & Ice Removal overtime hours	504	454	386	48
Sewer Crew (hours)	1,293	1,707	815	1,269
Sewer jet, Vac-all, other services (hours)	444	187	142	307
Landscaping Stump-Chipper service (hours)	1,255	1,608	1,099	183
Leaf collection (hours)	918	756	933	803
Holiday lights setup (hours)	85	64	66	50
Equipment repair/body shop (hours)	1,256	933	808	1,110
Sign department (hours)	318	378	173	157
Number of Trees Planted per year	40	31	27	117
Tons of snow melting salt purchased (Nov-Mar)	600	475	332	305
Cost of salt purchased	\$55,725	\$31,327	\$13,334	\$11,236
Vehicle repair/body shop (hours)	2,249	2,107	1,821	1,765
<b>Water Department</b>				
Water Rates per 1st 100 Cu ft of water used	\$2.71	\$2.71	\$2.71	\$2.63
Avg. number of water accounts billed monthly (Cu. Ft.)	73,120	107,405	103,533	204,347
Total Water Collections Annually (Including P&I)	\$2,734,271	\$3,049,297	\$2,973,543	\$2,902,394
<b>Sewer Department</b>				
Sewer Rates per 1st 100 Cu ft of water used	\$2.64	\$2.64	\$2.64	\$2.64
Total flow of sewer treatment plant (Billions of Gallons)	0.686	0.785	0.795	0.777
Average daily flow (Millions of gallons per day)	1.880	2.150	2.163	2.130
Tons of dry sludge removed	222	369	338	178

Source: City Records

- (1) Information prior to 2002 is not available
- (2) In 2008, the City began mandatory filing of income tax returns.

2005	2004	2003	2002
\$49,730	\$37,947	\$41,751	\$51,722
\$344,679	\$581,799	\$1,183,125	\$365,825
3,108	3,835	3,391	3,126
\$282,402	\$280,861	\$273,066	\$271,458
364	393	345	384
11.70%	10.33%	10.00%	13.00%
610	761	827	691
1,058	692	481	423
347	256	169	558
207	376	382	485
343	290	426	274
216	481	155	90
359	53	248	158
768	1,317	1,312	1,972
88	79	421	469
N/A	N/A	N/A	N/A
684	621	544	684
47	22	46	66
788	1,061	884	921
85	67	393	257
73	93	73	80
1,154	835	350	1,416
\$24,348	\$19,475	\$8,636	\$22,702
1,574	1,374	1,219	\$1,596
\$2.56	\$2.48	\$2.41	\$2.34
224,383	112,465	105,356	101,650
\$2,681,687	\$2,541,640	\$2,433,893	\$2,465,341
\$2.64	\$2.64	\$2.64	\$2.64
0.717	0.790	0.743	0.639
2.040	2.250	2.110	1.750
395	377	133	334

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

Function/Program	2009	2008	2007	2006
<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	9	9	9
<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	46	46	46
Storm Sewers (miles)	151	150	150	150
Service Vehicles	22	22	22	22
<b>Sewer Department</b>				
Sanitary Sewers (miles)	42	42	42	42
Vehicles	6	7	7	7
<b>Water Department</b>				
Water Lines (miles)	61	57	57	57
Vehicles	10	12	12	12
<b>Electric Department</b>				
Electric Lines (miles)	300	300	300	260
Vehicles	24	23	23	23

Source: City Records

2005	2004	2003	2002	2001	2000
71,554	71,554	71,554	71,554	71,554	71,554
4	3	3	3	3	3
1	1	1	1	1	1
1	1	1	1	1	1
11,700	11,700	11,700	11,700	11,700	9,460
9	9	9	9	9	9
2	2	2	2	2	2
10,900	10,900	10,900	10,900	10,900	11,016
12	12	11	11	11	11
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
46	46	46	46	46	46
150	150	150	150	150	150
22	22	22	22	22	22
42	42	42	42	42	42
7	7	7	7	7	7
57	57	57	57	57	57
12	12	12	12	12	12
260	260	260	260	260	260
23	23	23	23	23	23



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**Mary Taylor, CPA**  
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  
SEPTEMBER 28, 2010**