

Dave Yost • Auditor of State

CITY OF ORRVILLE

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Dave Yost • 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 City of Orrville, Wayne County, Ohio, (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 24, 2011. 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 opinion 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 24, 2011.

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

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

Dave Yost
Auditor of State

June 24, 2011

**CITY OF ORRVILLE
WAYNE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2009-001	Ohio Revised Code Section 117.28, a Finding for Recovery for public monies collected but unaccounted for was issued against a former City of Orrville utility clerk.	No	Partially – repayment being made
2009-002	Ohio Revised Code Section 117.28, a Finding for Recovery for public monies illegally expended was issued against a former City of Orrville utility clerk.	No	Partially – repayment being made

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City of Orrville, Ohio Comprehensive Annual Financial Report

For the Year Ended December 31, 2010



CITY OF ORRVILLE, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2010

Janet L. Strimlan
Finance Director

Prepared by the City Finance Department

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Introductory Section

City of Orrville, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2010
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June 24, 2011

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, 2010, 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 2010 population was 8,380, according to the U.S. Census.

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

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

Steven M. Wheeler
Safety-Service Director

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

David T. Handwerk
Mayor

Timothy VanBickle
Law Director
100 N. Vine Street
330-683-5010

Phillip C. McFarren
Personnel Manager

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

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

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

Local Economy

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

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

Air service is easily accessible to both residents and industry through the Wayne County Airport, the Holmes County Airport and the Wadsworth Municipal Airport (Medina County). All are easily reached and able to handle small aircraft traffic. Commercial passenger and air freight services are available through the Akron-Canton Regional Airport and the Cleveland Hopkins International Airport. Cleveland Hopkins Airport is located 50 miles from Orrville. It is the largest airport in Ohio and the 39th largest in the United States. The airport handles nearly 10 million passengers annually from nearly 200 thousand operations (takeoffs and landings). The airport handles 250 daily nonstop flights to over 74 destinations. It is a hub for Continental Airlines and its regional carriers include ExpressJet, Chataugua, Colan Air, CommutAir, and Gulfstream International Airlines.

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

Orrville offers companies a number of competitive advantages including a skilled workforce with a heritage of a substantial work ethic. This work ethic was perhaps passed down from the pioneering generations who started their farms and small businesses in the area more than 170 years ago and built the City into a prosperous center for commerce. Other advantages include: the excellent Orrville School District, proximity to numerous colleges and universities, the excellent City services and infrastructure, the municipally owned electric utility, affordable housing, and Dunlap Community Hospital.

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

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

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

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

Most of the industries located in Orrville provide products that end up all over the state, the region, the country, basically all over the world. The following is an overview of our most long standing companies and the products they provide.

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

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

Painstaking attention to detail in all aspects of the design, physical layout, tonal composition, construction, installation and tonal finishing ensure that every pipe organ created at the Schantz Organ Company meets their exacting standards. As a musical instrument, a Schantz pipe organ must possess the power and character to thrill and inspire. This can only be accomplished through careful scaling and pipe making followed by

meticulous voicing and tonal finishing to tailor each instrument to its unique environment. When completed, the instrument is capable of serving in its myriad roles of accompanying instruments and voices as well as successfully rendering a broad cross section of the literature written for the “King of Instruments.” One look at a Schantz Organ and you know you’re seeing the best.

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

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

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

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

These companies not only provide significant job opportunities to our community, they provide 95 percent of our income tax revenues and products manufactured in Orrville, Ohio end up everywhere in the world.

Utilities

Electric

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

A concern for our community-owned and operated electric plant is the Boiler MACT Rule established by the Environmental Protection Agency. Jeff Brediger, Orrville Utility Director, recently testified at a Public Hearing on the Industrial Commercial and Institutional Boiler and Process Heater National Emission Standard for Hazardous Air Pollutants (“Boiler MACT”) rule. In that testimony he stated:

“The timing of the two regulations place our generators at a significant disadvantage to the much larger investor-owned utilities. Municipal electric plants are also concerned with the significant projected cost of the Boiler MACT rule. To install all of the control equipment anticipated by the Boiler MACT rule would cost over \$20 million for our facility. We certainly understand how important it is to protect the environment and as city officials, we are committed to providing a safe environment for our residents. Therefore, we have to ask whether this level of expenditure is necessary to protect our citizens and our environment. We think that this rule fails to strike the right balance between job preservation and growth and environmental protection.” The City is currently exploring its options with regard to this Rule and the future of the electric plant is uncertain.

The generating station and distribution system provide electricity to over 6,400 customers covering more than 100 square miles in Eastern Wayne County, including Orrville, Marshallville, Dalton, and Kidron areas. The generation department is supported by 50 professional, technical, skilled maintenance, and operating personnel. In the distribution department, 17 highly trained employees are responsible for maintaining over 260 miles of overhead and underground lines and safely handling voltage systems up to 13,800 volts.

The electric division provides the City’s street lighting, telecommunications and other quality services as well as implementing an energy efficiency program offering a multitude of services to local businesses and citizens. The electric utility operated at 60 percent of its capacity this year. The power plant burned 200,880 tons of coal in 2010 at a cost of \$9,382,000.

Wastewater

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

The wastewater department consists of 9 employees. Eight are State Certified Wastewater Plant Operators and a clerical person. The staff operates the wastewater plant, maintains the collection system and performs a wide variety of laboratory duties. The employees have a combined 170 years in the wastewater field and recently celebrated 100 years of service.

The sewer facility treated 730 million gallons of sewage during 2010. 197 million gallons of our effluent water was beneficially reused at our power plant. 186 dry tons of residual solids were land applied in 2010 to agricultural fields, returning their nutrients to the soil.

Water

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

The \$13 million facility was completed in 1997. The plant is capable of treating 3.7 million gallons per day (MGD), with current usage of 1.9 MGD. The current water system serves approximately 3,150 residential customers as well as 350 commercial and industrial accounts. The department is frequently recognized for its safe and high quality water and programs.

The water utility treated approximately 584 million gallons of water during 2010. 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.

Education

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

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

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

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

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

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

Recreational Facilities

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

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

Orr Park is the gem of a five-site City park system. Citizens have their choice of softball and baseball fields, tennis courts, playground equipment, and a new swimming pool with spacious bathhouse. They can also relax and enjoy the parks' picnic facilities or a concert and other entertainment activities at Rehm Performing Arts Pavilion. Citizens enjoyed nine concerts at Rehm Performing Arts Pavilion and five summer movies in 2010, both events were well attended.

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

Cultural Opportunities

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

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

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

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

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

	Percent of Assessed Valuation
Residential	66.9 %
Commercial	16.5
Industrial	16.3
Agricultural	0.3

Source: County Auditor.

City Employees

The City has 137 full-time employees; and 39 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:

Bargaining Unit	Expiration Date Of Current Agreement	Number of Employees
United City Workers	December 31, 2012	72
Ohio Patrolmen's Benevolent Association	December 31, 2012	16

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. However, the electric utility paid off the majority of its debt in 2010 with the retirement of the Mortgage Revenue Bonds. The remaining debt for the electric utility will be retired in April, 2011. 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 2010.

The Service Department, with the help of grants from the Ohio Public Works Commission and the Community Development Block Grant, resurfaced Apple Blossom Lane, Sunrise Circle, Linden Avenue, Harding Avenue, Washington Boulevard, Lynn Drive, West Chestnut Street, Briarwood Street, South Mill Street, Willard Street, and North Elm Street. Significant concrete road repairs were completed on Crown Hill Road, Hostetler Road, and Church Road.

Major capital purchases in 2010 included a new fire truck that cost close to \$500,000, replacing a 30-year old model, a new backhoe for \$60,000, and a used Police Cruiser for \$10,000. We also continued engineering on the Truck Route Project which started in 2007, and began engineering on a new loop road connecting North Main Street to Apple Drive.

The City also formally completed construction of 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 now being heavily marketed for new businesses.

Despite the bleak economy surrounding us, organizations located within the City have also completed a number of projects in 2010. The amount invested in property and capital improvements by the following organizations totaled in excess of \$9.9 million dollars: Scotts, Ventrac, Quality Castings, Gerber Poultry &

Orrville Chick Hatchery, Will-Burt, PNC Bank, Nagy's Collision, Orrville Redevelopment, Ming Hing, Audrey's Attic, University of Akron, Wayne College, Heartland Point, Orrville Area Boys and Girls Club, Dunlap Hospital and the City of Orrville. Without diminishing the significance of these investments within the City we would be remiss if we did not single out the significant projects undertaken by two individual organizations in 2010.

The J.M. Smucker Company is in the process of a \$150 million dollar investment for the construction of new corporate offices and a new state-of-the-art manufacturing plant. Rod Crider, president of the Wayne Economic Development Council recently presented the Company with a Quality Growth Award and stated that "To our knowledge, this is the single largest investment ever made by a private business in Wayne County and we are appreciative of that," further adding, "The Smucker organization has also demonstrated outstanding leadership as a corporate citizen. Their support of downtown revitalization, involvement with The University of Akron Wayne College and support of the Orrville City Schools Multi-Purpose Facility and High School Auditorium all contribute greatly to the quality of life in Orrville and Wayne County." We are thrilled that they are part of the Orrville community.

The Orrville City School District in February of 2010 opened their privately funded \$1.3 million dollar multi-purpose building west of Orrville High School. Then, in early May, the \$12 million dollar, 88,000 square foot Orrville Elementary School opened. The classrooms are equipped with smartboards and many other state of the art features. Finally, in Mid-November it was announced that the School District would build an 83,000-square-foot, \$18 million dollar High School. This will be the final phase of the three school buildings. The new high school is planned to open for the 2013-14 school year.

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, 2009. This was the ninth 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 Dave Yost's Office for their assistance in the organization and final review of our 2010 Comprehensive Annual Financial Report.

Respectfully submitted,



Janet L. Strimlan
Director of Finance

City of Orrville, Ohio

City Officials

ELECTED OFFICIALS

MayorDavid 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
Council Member Denny Miller

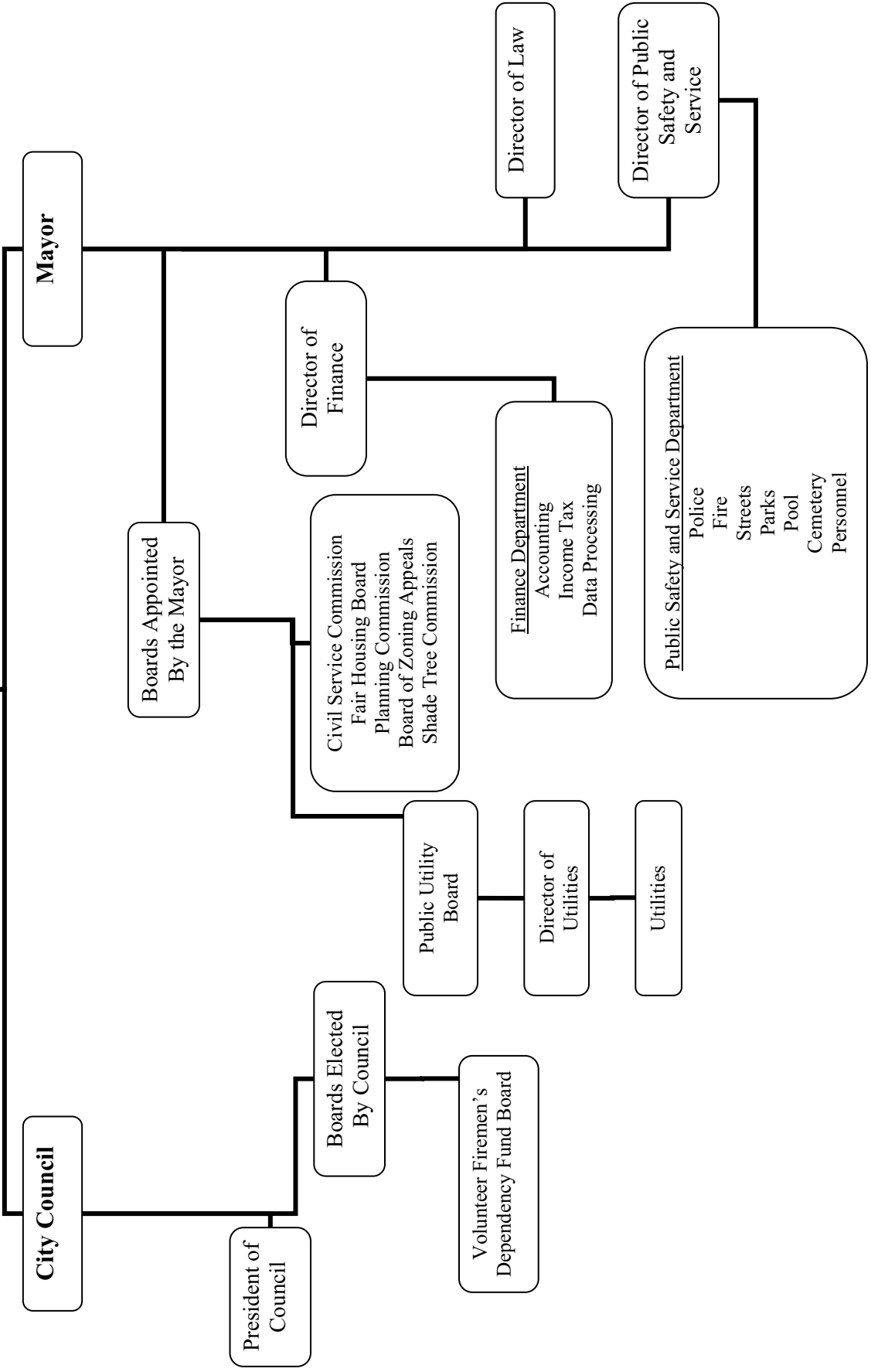
APPOINTED OFFICIALS

Director of Finance Janet L. Strimlan
Director of Law.....Timothy VanBickle
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..... Brad Strausbaugh
Board Member Gary Gossard
Board Member John McGuire
Board Member Robert Maglio
Board Member Russell Miller

**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, 2009

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.



President

Executive Director

A green rectangular border surrounds the page. At each of the four corners, there is a decorative ornament consisting of two overlapping squares, one slightly offset from the other, creating a stepped effect.

Financial Section



Dave Yost • 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, 2010, 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 Orrville, Wayne County, Ohio, as of December 31, 2010, 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 June 24, 2011, 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.

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

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Dave Yost
Auditor of State

June 24, 2011

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2010
Unaudited

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, 2010. 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 2010 are as follows:

- Income tax collections were the second largest single year of collections in the City's history, primarily due to income tax on withholdings and business profits. 2009 was the highest year and 2010 was only \$15,462 lower than the prior year. Overall, local businesses had solid financial performance. Several businesses expanded and new businesses came to the City, bringing new jobs.
- Expansion of established local businesses and the creation of new local businesses also impacted the City's utilities, increasing usage and therefore increasing revenues.
- The electric utility's mortgage revenue bonds were fully repaid in 2010, leaving the utility debt-free, other than a note which is to be retired in early 2011.

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 2010 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, 2010
Unaudited

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, 2010
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 2010 as they compare to 2009.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets						
Current and Other Assets	\$7,326,725	\$6,717,565	\$30,721,408	\$31,849,701	\$38,048,133	\$38,567,266
Capital Assets, Net	43,642,313	43,727,746	45,071,825	46,396,300	88,714,138	90,124,046
<i>Total Assets</i>	50,969,038	50,445,311	75,793,233	78,246,001	126,762,271	128,691,312
Liabilities						
Current Liabilities	1,092,738	1,201,008	3,258,714	2,463,002	4,351,452	3,664,010
Long-Term Liabilities:						
Due Within One Year	68,142	59,575	1,338,801	3,038,130	1,406,943	3,097,705
Due in More Than One Year	107,219	107,334	6,909,343	9,216,381	7,016,562	9,323,715
<i>Total Liabilities</i>	1,268,099	1,367,917	11,506,858	14,717,513	12,774,957	16,085,430
Net Assets						
Invested in Capital Assets, Net of Related Debt	43,589,853	43,659,336	36,065,932	34,525,664	79,655,785	78,185,000
Restricted for:						
Capital Projects	587,129	300,589	0	0	587,129	300,589
Debt Service	210,504	230,546	758,544	2,715,024	969,048	2,945,570
Street Repair and Maintenance	428,875	415,535	0	0	428,875	415,535
Solid Waste Services	46,728	38,048	0	0	46,728	38,048
Law Enforcement and Education	19,377	20,975	0	0	19,377	20,975
Cemetery Maintenance	315,730	298,620	0	0	315,730	298,620
EMS Equipment	143,704	240,929	0	0	143,704	240,929
Performing Arts	3,473	3,073	0	0	3,473	3,073
Replacement and Improvement	0	0	800,000	2,300,000	800,000	2,300,000
Unrestricted	4,355,566	3,869,743	26,661,899	23,987,800	31,017,465	27,857,543
<i>Total Net Assets</i>	\$49,700,939	\$49,077,394	\$64,286,375	\$63,528,488	\$113,987,314	\$112,605,882

Total assets decreased from 2009. Capital assets accounted for the majority of this decrease, as annual depreciation outpaced additions to assets in 2010.

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. The electric utility fully retired the mortgage revenue bond in 2010.

Total net assets increased, largely as a result of the decrease to liabilities mentioned above.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2010
Unaudited

The City also works hard to increase net assets through our investment program. Investment earnings for the City were much lower than in 2009. 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, 2010, for both our Governmental Activities and our Business-Type Activities.

Table 2
Change in Net Assets

	Governmental Activities		Business - Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues:						
Charges for Services	\$840,783	\$894,159	\$29,367,579	\$25,786,345	\$30,208,362	\$26,680,504
Operating Grants and Contributions	499,122	549,039	0	0	499,122	549,039
Capital Grants and Contributions	539,436	779,266	0	631,711	539,436	1,410,977
Total Program Revenues	1,879,341	2,222,464	29,367,579	26,418,056	31,246,920	28,640,520
General Revenues:						
Property Taxes	477,264	495,460	0	0	477,264	495,460
Income Taxes	4,567,081	4,582,543	0	0	4,567,081	4,582,543
Killowatt Per Hour Tax	880,337	847,907	0	0	880,337	847,907
Grants and Entitlements	722,404	965,243	0	0	722,404	965,243
Investment Earnings	49,763	77,420	202,507	783,010	252,270	860,430
Miscellaneous	74,112	36,796	622,492	583,457	696,604	620,253
Total General Revenues	6,770,961	7,005,369	824,999	1,366,467	7,595,960	8,371,836
Total Revenues	\$8,650,302	\$9,227,833	\$30,192,578	\$27,784,523	\$38,842,880	\$37,012,356
Program Expenses						
General Government	\$1,000,403	\$1,298,794	\$0	\$0	\$1,000,403	\$1,298,794
Security of Persons and Property:						
Police	1,761,008	1,756,470	0	0	1,761,008	1,756,470
Fire	513,253	601,035	0	0	513,253	601,035
Transportation	2,657,883	2,632,557	0	0	2,657,883	2,632,557
Public Health and Welfare	358,574	166,552	0	0	358,574	166,552
Leisure Time Activities	382,833	430,143	0	0	382,833	430,143
Basic Utility Service	407,762	444,941	0	0	407,762	444,941
Interest and Fiscal Charges	64,704	72,104	0	0	64,704	72,104
Enterprise Operations	0	0	30,315,028	28,206,249	30,315,028	28,206,249
Total Program Expenses	7,146,420	7,402,596	30,315,028	28,206,249	37,461,448	35,608,845

(continued)

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2010
Unaudited

Table 2
Change in Net Assets (continued)

	Governmental Activities		Business - Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Increase in Net Assets Before Transfers	1,503,882	1,825,237	(122,450)	(421,726)	1,381,432	1,403,511
Transfers	(880,337)	(847,907)	880,337	847,907	0	0
Increase in Net Assets	623,545	977,330	757,887	426,181	1,381,432	1,403,511
Net Assets Beginning of Year	49,077,394	48,100,064	63,528,488	63,102,307	112,605,882	111,202,371
Net Assets End of Year	\$49,700,939	\$49,077,394	\$64,286,375	\$63,528,488	\$113,987,314	\$112,605,882

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 \$4,567,081 in 2010. 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 several small streets and the purchase of a new fire truck.

The level of revenue from the income tax decreased only slightly in 2010. As in 2009, the majority of businesses in the City had strong financial performance and some even expanded their workforce. Several new companies started doing business in the City, further generating income tax dollars.

Charges for services revenues decreased in 2010 due to lower EMS receipts paid to the City. Capital grants decreased as new Community Development Block Grants were not applied for in 2010. The City did not submit a competitive application for these grants in 2010, as the need for these grants in the City was not as competitive as in prior years.

Transportation represents the largest expense of the governmental activities. These funds are used to maintain the streets and the equipment used for the streets. Transportation expenses increased in 2010 as maintenance projects were completed and work continued on the truck route project.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2010
Unaudited

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 2010 increased due to bringing the department back to near full staffing levels.

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 fire truck being purchased in 2010. It replaced a pumper truck that was over 32 years old. 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 2010, the electric utility sold 292,169,660 KWH of electricity to generate \$24,448,148 in charges for services revenue. They burned 200,880 tons of coal at a cost of \$9,382,000. Boilers 12 and 13 again operated during 2010 at record availabilities which is a testament to operations and maintenance efforts. The overhaul of Number 11 Turbine was performed in 2010. An energy efficiency program was also implemented in 2010.

The water utility treated an average of 1.6 million gallons of water per day in 2010. The water plant is the newest of the utility facilities. It was put into service in 1996. The raw water is supplied from various wells and continued to produce a high quality of water while meeting or exceeding all EPA requirements. The plant currently serves approximately 3,150 residential customers and over 350 industrial and commercial customers.

The sewer facility treated 730 million gallons of sewage during 2010. 197 million gallons of our effluent water was beneficially reused at our Power Plant. 186 dry tons of residual solids were land applied in 2010 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 2010 this amount accounted for approximately 97 percent of the revenues. The increase in the revenues in the utility funds during 2010 was primarily due to the increase in the electric fund created by more wholesale sales than in the previous year and increased usage of all utilities. Usage was up due to several local companies increasing production and new corporate citizens coming into the City. The revenues and transfers in exceeded total expenses for the utilities, increasing net assets over \$757,000 in the business-type activities.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2010
Unaudited

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 \$5,728,681 are lower than 2009, due to lower intergovernmental revenue and interest revenue, partially offset by increased income tax revenue. Expenditures of \$4,284,594 are higher than 2009, due to increases in employee wages. Although this shows a surplus of \$1,444,087, 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 \$230,963. The capital improvements fund revenues of \$1,209,395 are smaller than 2009 because of less grants and contributions received by the City. The expenditures of \$990,584 are less than 2009, due to less street projects being completed during 2010. Revenues exceeding expenditures creates a surplus of \$218,811.

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 \$2,062,424 and operating expenses of \$2,074,789, the electric fund had operating revenues of \$25,059,331 and operating expenses of \$25,128,844 and the water fund had operating revenues of \$2,868,316 and operating expenses of \$2,202,482. As a result, the sewer and electric utility funds reflected an operating loss and the water utility fund had operating income. 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 \$4,431,650. The actual revenues were \$5,679,626. Of this \$1,247,976 difference between final budgeted and actual revenues, most was due to higher than anticipated income tax revenues and property tax revenues. The final expenditures of \$4,533,767 compare favorably with the final budget figure of \$4,947,473. 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, 2010
Unaudited

Capital Assets and Debt Administration

Capital Assets

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

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$2,512,207	\$2,512,207	\$1,360,391	\$1,360,391	\$3,872,598	\$3,872,598
Construction In Progress	1,145,150	1,381,604	0	608,166	1,145,150	1,989,770
Buildings and Improvements	3,530,478	3,717,735	10,635,229	11,058,453	14,165,707	14,776,188
Equipment	613,828	650,285	4,731,275	5,018,779	5,345,103	5,669,064
Vehicles	853,750	554,925	423,207	457,965	1,276,957	1,012,890
Electric - Generation/ Transmission/Distribution	0	0	16,568,701	17,052,248	16,568,701	17,052,248
Infrastructure	34,986,900	34,910,990	11,353,022	10,840,298	46,339,922	45,751,288
Totals	\$43,642,313	\$43,727,746	\$45,071,825	\$46,396,300	\$88,714,138	\$90,124,046

Total capital assets decreased in 2010, as annual depreciation was higher than additions of new assets during the year. Several projects were begun during 2009 and 2010 and some will continue into 2011. These projects are reflected in the construction in progress amounts above and include several street projects. Two waterline projects were completed in 2010.

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, 2010:

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Special Assessment Bonds	\$52,460	\$68,410	\$0	\$0	\$52,460	\$68,410
Mortgage Revenue Bonds	0	0	0	1,777,103	0	1,777,103
Revenue Bonds	0	0	4,260,654	4,694,486	4,260,654	4,694,486
OWDA Loans	0	0	1,046,999	1,477,014	1,046,999	1,477,014
OPWC Loan	0	0	1,029,372	1,111,482	1,029,372	1,111,482
Notes	0	0	2,770,000	3,170,000	2,770,000	3,170,000
Totals	\$52,460	\$68,410	\$9,107,025	\$12,230,085	\$9,159,485	\$12,298,495

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2010
Unaudited

The Governmental Activities' only debt is \$52,460 of special assessment bonds, which were issued after our Downtown Improvement Project (Streetscape) was finished and for residential sidewalk installation. The bonds cover the amount of unpaid property owner assessments. The payments on these bonds come from the assessments collected by the County Auditor on property tax duplicates.

The Utility Department carries the vast majority of the debt, which is in the electric, water and sewer funds. The electric utility's debt includes Mortgage Revenue Bonds that were originally issued in the 1980's for major upgrades to the power plant. These bonds were refinanced in 1997 and were fully repaid in 2010. 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. These notes were refinanced in 2009 and again in 2010. 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 2010 were \$1,599,164, for the sewer utility \$542,767, and for the water utility \$2,401,516.

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 2010 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 Economic Development had an excellent year, welcoming several new businesses and assisting with the expansion of existing industries in Orrville. Income tax revenues were the second highest year of collections in the City's history, with the highest being 2009. The City as a whole operated in a surplus position due to continued controlled spending and strong income tax revenue. The strength of the City was evident, as the services to our citizens remained at a high level. Our street department continued to repair and improve streets and plow snow. Our park system continues to provide a high level of leisure activity for the citizens and visitors of Orrville. Revenues for the utilities are up from 2009 due to increased usage by the City's businesses. The Utility Department continues to review EPA rules which will dramatically impact the future operations of the power plant and will have a significant negative impact on the cost structure. Rate studies are in progress to determine what level of funding will be needed for current and future needs of our utilities. All three utilities continue to provide quality service at a reasonable cost. There were no lay-offs.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2010
Unaudited

The Safety and Services Department operates under a comprehensive plan. This plan is updated every ten years, and provides a structure for development within the City. The plan is to be updated in 2011. 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 2010 spent Community Development Block Grant money on projects in the downtown area.

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

Contacting the City's Finance Department

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

City of Orrville, Ohio

Statement of Net Assets

December 31, 2010

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$5,431,180	\$21,088,056	\$26,519,236
Cash Equivalents Held by Trustee	0	973	973
Investments Held by Trustee	0	758,544	758,544
Materials and Supplies Inventory	99,349	3,942,937	4,042,286
Accrued Interest Receivable	5,492	66,026	71,518
Accounts Receivable	87,642	3,616,117	3,703,759
Internal Balances	(1,106,584)	1,106,584	0
Intergovernmental Receivable	461,505	0	461,505
Prepaid Items	16,803	41,039	57,842
Deferred Charges	0	101,132	101,132
Income Taxes Receivable	1,781,090	0	1,781,090
Property Taxes Receivable	480,273	0	480,273
Special Assessments Receivable	69,975	0	69,975
Nondepreciable Capital Assets	3,657,357	1,360,391	5,017,748
Depreciable Capital Assets, Net	39,984,956	43,711,434	83,696,390
<i>Total Assets</i>	<u>50,969,038</u>	<u>75,793,233</u>	<u>126,762,271</u>
Liabilities			
Accounts Payable	300,340	1,186,853	1,487,193
Accrued Wages	83,562	83,447	167,009
Intergovernmental Payable	163,430	263,626	427,056
Accrued Interest Payable	23,870	64,891	88,761
Claims Payable	0	126,217	126,217
Deferred Revenue	443,901	0	443,901
Vacation Benefits Payable	77,635	163,680	241,315
Notes Payable	0	1,370,000	1,370,000
Long-Term Liabilities:			
Due Within One Year	68,142	1,338,801	1,406,943
Due In More Than One Year	107,219	6,909,343	7,016,562
<i>Total Liabilities</i>	<u>1,268,099</u>	<u>11,506,858</u>	<u>12,774,957</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	43,589,853	36,065,932	79,655,785
Restricted for:			
Capital Projects	587,129	0	587,129
Debt Service	210,504	758,544	969,048
Water Replacement and Improvement	0	800,000	800,000
Street Repair and Maintenance	428,875	0	428,875
Solid Waste Services	46,728	0	46,728
Law Enforcement and Education	19,377	0	19,377
Cemetery Maintenance	315,730	0	315,730
EMS Equipment	143,704	0	143,704
Performing Arts	3,473	0	3,473
Unrestricted	4,355,566	26,661,899	31,017,465
<i>Total Net Assets</i>	<u>\$49,700,939</u>	<u>\$64,286,375</u>	<u>\$113,987,314</u>

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Activities
For the Year Ended December 31, 2010

	Program Revenues			
	Expenses	Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$1,000,403	\$150,200	\$14,670	\$98,755
Security of Persons and Property:				
Police	1,761,008	21,428	320	0
Fire	513,253	68,219	0	0
Transportation	2,657,883	0	471,099	440,681
Public Health and Welfare	358,574	118,637	0	0
Leisure Time Activities	382,833	65,857	13,033	0
Basic Utility Service	407,762	416,442	0	0
Interest and Fiscal Charges	64,704	0	0	0
<i>Total Governmental Activities</i>	<u>7,146,420</u>	<u>840,783</u>	<u>499,122</u>	<u>539,436</u>
Business-Type Activities:				
Sewer	2,190,719	2,057,237	0	0
Electric	25,515,336	24,448,148	0	0
Water	2,608,973	2,862,194	0	0
<i>Total Business-Type Activities</i>	<u>30,315,028</u>	<u>29,367,579</u>	<u>0</u>	<u>0</u>
<i>Total - Primary Government</i>	<u>\$37,461,448</u>	<u>\$30,208,362</u>	<u>\$499,122</u>	<u>\$539,436</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
(\$736,778)	\$0	(\$736,778)
(1,739,260)	0	(1,739,260)
(445,034)	0	(445,034)
(1,746,103)	0	(1,746,103)
(239,937)	0	(239,937)
(303,943)	0	(303,943)
8,680	0	8,680
(64,704)	0	(64,704)
<u>(5,267,079)</u>	<u>0</u>	<u>(5,267,079)</u>
0	(133,482)	(133,482)
0	(1,067,188)	(1,067,188)
0	253,221	253,221
<u>0</u>	<u>(947,449)</u>	<u>(947,449)</u>
<u>(5,267,079)</u>	<u>(947,449)</u>	<u>(6,214,528)</u>
477,264	0	477,264
880,337	0	880,337
3,474,663	0	3,474,663
1,092,418	0	1,092,418
722,404	0	722,404
49,763	202,507	252,270
74,112	622,492	696,604
<u>6,770,961</u>	<u>824,999</u>	<u>7,595,960</u>
<u>(880,337)</u>	<u>880,337</u>	<u>0</u>
<u>5,890,624</u>	<u>1,705,336</u>	<u>7,595,960</u>
623,545	757,887	1,381,432
<u>49,077,394</u>	<u>63,528,488</u>	<u>112,605,882</u>
<u>\$49,700,939</u>	<u>\$64,286,375</u>	<u>\$113,987,314</u>

City of Orrville, Ohio

Balance Sheet

Governmental Funds

December 31, 2010

	<u>General</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$3,074,276	\$1,249,555	\$1,107,349	\$5,431,180
Materials and Supplies Inventory	99,349	0	0	99,349
Accrued Interest Receivable	5,296	0	196	5,492
Accounts Receivable	23,139	0	64,503	87,642
Intergovernmental Receivable	235,023	0	226,482	461,505
Prepaid Items	16,803	0	0	16,803
Income Taxes Receivable	1,424,872	356,218	0	1,781,090
Property Taxes Receivable	480,273	0	0	480,273
Special Assessments Receivable	0	0	69,975	69,975
	<u>0</u>	<u>0</u>	<u>69,975</u>	<u>69,975</u>
<i>Total Assets</i>	<u>\$5,359,031</u>	<u>\$1,605,773</u>	<u>\$1,468,505</u>	<u>\$8,433,309</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$212,120	\$32,468	\$55,752	\$300,340
Accrued Wages	77,464	0	6,098	83,562
Intergovernmental Payable	145,027	0	18,403	163,430
Accrued Interest Payable	0	23,579	0	23,579
Interfund Payable	0	1,125,000	0	1,125,000
Deferred Revenue	1,256,831	155,200	228,109	1,640,140
	<u>1,256,831</u>	<u>155,200</u>	<u>228,109</u>	<u>1,640,140</u>
<i>Total Liabilities</i>	<u>1,691,442</u>	<u>1,336,247</u>	<u>308,362</u>	<u>3,336,051</u>
Fund Balances				
Reserved for Encumbrances	24,441	75,210	128,031	227,682
Unreserved, Undesignated, Reported in:				
General Fund	3,643,148	0	0	3,643,148
Special Revenue Funds	0	0	832,151	832,151
Debt Service Funds	0	0	140,820	140,820
Capital Projects Funds	0	194,316	59,141	253,457
	<u>0</u>	<u>194,316</u>	<u>59,141</u>	<u>253,457</u>
<i>Total Fund Balances</i>	<u>3,667,589</u>	<u>269,526</u>	<u>1,160,143</u>	<u>5,097,258</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,359,031</u>	<u>\$1,605,773</u>	<u>\$1,468,505</u>	<u>\$8,433,309</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, 2010*

Total Governmental Fund Balances	\$5,097,258
<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.	43,642,313
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property Taxes	36,373
Income Taxes	776,002
Grants	310,501
Special Assessments	69,975
Charges for Services	<u>3,388</u>
Total	1,196,239
The accumulated overpayments to the internal service fund.	18,416
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.	(77,635)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(291)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Special Assessment Bonds	(52,460)
Compensated Absences	<u>(122,901)</u>
Total	<u>(175,361)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$49,700,939</u></u>

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$500,638	\$0	\$0	\$500,638
Income Taxes	3,271,627	1,041,659	0	4,313,286
Killowatt Per Hour Tax	880,337	0	0	880,337
Special Assessments	0	0	21,765	21,765
Intergovernmental	639,986	125,992	887,681	1,653,659
Interest	48,378	0	1,385	49,763
Fines, Licenses and Permits	30,764	0	5,358	36,122
Rentals	37,865	0	0	37,865
Charges for Services	279,692	0	487,441	767,133
Contributions and Donations	7,026	0	6,007	13,033
Other	32,368	41,744	0	74,112
<i>Total Revenues</i>	<u>5,728,681</u>	<u>1,209,395</u>	<u>1,409,637</u>	<u>8,347,713</u>
Expenditures				
Current:				
General Government	971,222	0	369	971,591
Security of Persons and Property:				
Police	1,701,178	0	6,406	1,707,584
Fire	492,705	0	0	492,705
Transportation	638,366	0	766,947	1,405,313
Public Health and Welfare	189,040	0	151,275	340,315
Leisure Time Activities	292,083	0	5,634	297,717
Basic Utility Service	0	0	407,762	407,762
Capital Outlay	0	930,558	397,040	1,327,598
Debt Service:				
Principal Retirement	0	0	15,950	15,950
Interest and Fiscal Charges	0	60,026	4,760	64,786
<i>Total Expenditures</i>	<u>4,284,594</u>	<u>990,584</u>	<u>1,756,143</u>	<u>7,031,321</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,444,087</u>	<u>218,811</u>	<u>(346,506)</u>	<u>1,316,392</u>
Other Financing Sources (Uses)				
Transfers In	0	0	332,787	332,787
Transfers Out	(1,213,124)	0	0	(1,213,124)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,213,124)</u>	<u>0</u>	<u>332,787</u>	<u>(880,337)</u>
<i>Net Change in Fund Balances</i>	230,963	218,811	(13,719)	436,055
<i>Fund Balances Beginning of Year</i>	<u>3,436,626</u>	<u>50,715</u>	<u>1,173,862</u>	<u>4,661,203</u>
<i>Fund Balances End of Year</i>	<u>\$3,667,589</u>	<u>\$269,526</u>	<u>\$1,160,143</u>	<u>\$5,097,258</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, 2010*

Net Change in Fund Balances - Total Governmental Funds \$436,055

*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 depreciation exceeded capital outlays in the current period.

Capital Asset Additions	1,331,737
Current Year Depreciation	<u>(1,417,170)</u>

Total (85,433)

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

Property Taxes	(23,374)
Income Taxes	253,795
Grants	94,270
Special Assessments	(21,765)
Charges for Services	<u>(337)</u>

Total 302,589

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

15,950

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

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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	(24,402)
Vacation Benefits Payable	<u>(212)</u>

Total (24,614)

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

(21,084)

Change in Net Assets of Governmental Activities

\$623,545

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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$375,800	\$375,800	\$500,638	\$124,838
Income Taxes	2,340,000	2,340,000	3,220,088	880,088
Kilowatt Per Hour Tax	860,000	860,000	880,337	20,337
Intergovernmental	520,250	520,250	627,384	107,134
Interest	81,000	81,000	61,583	(19,417)
Fines, Licenses and Permits	26,500	26,500	31,219	4,719
Rentals	30,000	30,000	37,865	7,865
Charges for Services	194,100	194,100	281,118	87,018
Contributions and Donations	3,000	3,000	7,026	4,026
Other	1,000	1,000	32,368	31,368
<i>Total Revenues</i>	<u>4,431,650</u>	<u>4,431,650</u>	<u>5,679,626</u>	<u>1,247,976</u>
Expenditures				
Current:				
General Government	1,216,510	1,186,166	995,350	190,816
Security of Persons and Property:				
Police	1,877,387	1,860,468	1,757,962	102,506
Fire	476,084	488,006	469,797	18,209
Transportation	648,514	657,167	606,639	50,528
Public Health and Welfare	199,885	204,199	196,471	7,728
Leisure Time Activities	356,217	357,467	314,798	42,669
Debt Service:				
Principal	125,000	130,000	130,000	0
Interest and Fiscal Charges	69,000	64,000	62,750	1,250
<i>Total Expenditures</i>	<u>4,968,597</u>	<u>4,947,473</u>	<u>4,533,767</u>	<u>413,706</u>
<i>Excess of Revenues</i>				
<i>Over (Under) Expenditures</i>	(536,947)	(515,823)	1,145,859	1,661,682
Other Financing Uses				
Transfers Out	(1,192,000)	(1,213,124)	(1,213,124)	0
<i>Net Change in Fund Balance</i>	(1,728,947)	(1,728,947)	(67,265)	1,661,682
<i>Fund Balance Beginning of Year</i>	2,717,238	2,717,238	2,717,238	0
Prior Year Encumbrances Appropriated	183,952	183,952	183,952	0
<i>Fund Balance End of Year</i>	<u>\$1,172,243</u>	<u>\$1,172,243</u>	<u>\$2,833,925</u>	<u>\$1,661,682</u>

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2010

	Business-Type Activities				Business-Type Activity - Internal Service Fund
	Sewer	Electric	Water	Total	
Assets					
<i>Current Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	\$2,406,720	\$16,571,949	\$1,077,269	\$20,055,938	\$232,118
Restricted Assets:					
Cash Equivalents Held by Trustee	0	0	973	973	0
Investments Held by Trustee	0	0	510,938	510,938	0
Receivables:					
Accounts	251,914	3,011,226	352,977	3,616,117	0
Accrued Interest	48,997	15,193	1,662	65,852	174
Materials and Supplies Inventory	212,261	3,462,607	268,069	3,942,937	0
Prepaid Items	8,208	24,623	8,208	41,039	0
Interfund Receivable	1,125,000	0	0	1,125,000	0
<i>Total Current Assets</i>	<u>4,053,100</u>	<u>23,085,598</u>	<u>2,220,096</u>	<u>29,358,794</u>	<u>232,292</u>
<i>Non-Current Assets:</i>					
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents Held by Trustee:	0	0	800,000	800,000	0
Investments Held by Trustee	0	0	247,606	247,606	0
Deferred Charges	1,986	0	99,146	101,132	0
Nondepreciable Assets	112,497	544,178	703,716	1,360,391	0
Depreciable Capital Assets, Net	6,333,696	21,939,160	15,438,578	43,711,434	0
<i>Total Non-Current Assets</i>	<u>6,448,179</u>	<u>22,483,338</u>	<u>17,289,046</u>	<u>46,220,563</u>	<u>0</u>
<i>Total Assets</i>	<u>10,501,279</u>	<u>45,568,936</u>	<u>19,509,142</u>	<u>75,579,357</u>	<u>232,292</u>
Liabilities					
<i>Current Liabilities:</i>					
Accounts Payable	89,618	939,661	112,886	1,142,165	44,688
Accrued Wages	9,461	63,729	10,257	83,447	0
Intergovernmental Payable	28,930	202,511	32,185	263,626	0
Compensated Absences Payable	9,971	173,332	68,596	251,899	0
Accrued Interest Payable	18,952	13,309	32,630	64,891	0
Loans Payable	509,792	0	82,110	591,902	0
Vacation Benefits Payable	21,548	123,706	18,426	163,680	0
Revenue Bonds Payable	0	0	495,000	495,000	0
Notes Payable	0	1,270,000	100,000	1,370,000	0
Claims Payable	0	0	0	0	126,217
<i>Total Current Liabilities</i>	<u>688,272</u>	<u>2,786,248</u>	<u>952,090</u>	<u>4,426,610</u>	<u>170,905</u>
<i>Long-Term Liabilities:</i>					
Notes Payable (net of current portion)	0	0	1,400,000	1,400,000	0
Compensated Absences Payable (net of current portion)	40,618	170,210	48,392	259,220	0
Loans Payable (net of current portion)	537,207	0	947,262	1,484,469	0
Revenue Bonds Payable (net of current portion)	0	0	3,765,654	3,765,654	0
<i>Total Long-Term Liabilities</i>	<u>577,825</u>	<u>170,210</u>	<u>6,161,308</u>	<u>6,909,343</u>	<u>0</u>
<i>Total Liabilities</i>	<u>1,266,097</u>	<u>2,956,458</u>	<u>7,113,398</u>	<u>11,335,953</u>	<u>170,905</u>
Net Assets					
Invested in Capital Assets, Net of Related Debt Restricted for	5,401,180	21,213,338	9,451,414	36,065,932	0
Replacement and Improvement	0	0	800,000	800,000	0
Debt Service	0	0	758,544	758,544	0
Unrestricted	3,834,002	21,399,140	1,385,786	26,618,928	61,387
<i>Total Net Assets</i>	<u>\$9,235,182</u>	<u>\$42,612,478</u>	<u>\$12,395,744</u>	<u>64,243,404</u>	<u>\$61,387</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.

Net assets of business-type activities	42,971
	\$64,286,375

City of Orrville, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2010*

	Business-Type	
	Sewer	Electric
Operating Revenues		
Charges for Services	\$2,057,237	\$24,448,148
Other	5,187	611,183
<i>Total Operating Revenues</i>	<u>2,062,424</u>	<u>25,059,331</u>
Operating Expenses		
Personal Services	947,660	6,373,243
Purchased Services	191,152	2,078,643
Materials and Supplies	242,344	13,789,097
Utilities	24,818	963,546
Depreciation	668,815	1,924,315
Claims	0	0
<i>Total Operating Expenses</i>	<u>2,074,789</u>	<u>25,128,844</u>
<i>Operating Income (Loss)</i>	<u>(12,365)</u>	<u>(69,513)</u>
Non-Operating Revenues (Expenses)		
Interest and Fiscal Charges	(108,863)	(350,649)
Interest	70,966	14,807
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(37,897)</u>	<u>(335,842)</u>
<i>Income (Loss) before Transfers</i>	(50,262)	(405,355)
Transfers In	0	880,337
<i>Change in Net Assets</i>	(50,262)	474,982
<i>Net Assets Beginning of Year</i>	<u>9,285,444</u>	<u>42,137,496</u>
<i>Net Assets End of Year</i>	<u>\$9,235,182</u>	<u>\$42,612,478</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	
\$2,862,194	\$29,367,579	\$1,570,583
6,122	622,492	0
<u>2,868,316</u>	<u>29,990,071</u>	<u>1,570,583</u>
1,038,717	8,359,620	0
244,834	2,514,629	179,037
50,781	14,082,222	0
12,592	1,000,956	0
855,558	3,448,688	0
0	0	1,463,115
<u>2,202,482</u>	<u>29,406,115</u>	<u>1,642,152</u>
<u>665,834</u>	<u>583,956</u>	<u>(71,569)</u>
(398,916)	(858,428)	0
115,443	201,216	1,291
<u>(283,473)</u>	<u>(657,212)</u>	<u>1,291</u>
382,361	(73,256)	(70,278)
0	880,337	0
382,361	807,081	(70,278)
<u>12,013,383</u>		<u>131,665</u>
<u>\$12,395,744</u>		<u>\$61,387</u>
	(49,194)	
	<u>\$757,887</u>	

City of Orrville, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010

	Business-Type Activities				Business-Type Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities					
Cash Received from Customers	\$2,043,890	\$23,973,203	\$2,831,193	\$28,848,286	\$0
Cash Received from Transactions with Other Funds	0	0	0	0	1,570,583
Other Cash Receipts	5,187	611,183	6,122	622,492	0
Cash Payments to Employees for Services	(934,121)	(6,489,131)	(1,037,914)	(8,461,166)	0
Cash Payments for Goods and Services	(366,379)	(16,566,968)	(577,534)	(17,510,881)	(134,349)
Cash Payments for Claims	0	0	0	0	(1,416,485)
<i>Net Cash Provided by Operating Activities</i>	<u>748,577</u>	<u>1,528,287</u>	<u>1,221,867</u>	<u>3,498,731</u>	<u>19,749</u>
Cash Flows from Noncapital Financing Activities					
Transfers In	0	880,337	0	880,337	0
Cash Flows from Capital and Related Financing Activities					
Capital Grants	0	0	86,906	86,906	0
Proceeds from Sale of Notes	0	1,270,000	1,500,000	2,770,000	0
Interfund Activity - Manuscript Bonds	130,000	0	0	130,000	0
Principal Paid on Revenue Bonds	0	0	(475,000)	(475,000)	0
Interest Paid on Revenue Bonds	0	0	(221,930)	(221,930)	0
Principal Paid on OWDA Loans	(492,056)	0	0	(492,056)	0
Interest Paid on OWDA Loans	(50,711)	0	0	(50,711)	0
Principal Paid on OPWC Loan	0	0	(82,110)	(82,110)	0
Principal Paid on Notes	0	(1,570,000)	(1,600,000)	(3,170,000)	0
Interest Paid on Notes	0	(29,164)	(22,476)	(51,640)	0
Disposal of Capital Assets	0	(9,667)	0	(9,667)	0
Payments for Capital Acquisitions	(22,308)	(1,263,804)	(828,434)	(2,114,546)	0
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(435,075)</u>	<u>(1,602,635)</u>	<u>(1,643,044)</u>	<u>(3,680,754)</u>	<u>0</u>
Cash Flows from Investing Activities					
Interest on Investments	82,318	163,565	21,765	267,648	2,348
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	395,820	969,554	(399,412)	965,962	22,097
<i>Cash and Cash Equivalents Beginning 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>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$2,406,720</u>	<u>\$16,571,949</u>	<u>\$1,878,242</u>	<u>\$20,856,911</u>	<u>\$232,118</u>

(continued)

City of Orrville, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2010

	Business-Type Activities				Business-Type Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating Income (Loss)	(\$12,365)	(\$69,513)	\$665,834	\$583,956	(\$71,569)
Adjustments:					
Depreciation	668,815	1,924,315	855,558	3,448,688	0
(Increase) Decrease in Assets:					
Accounts Receivable	(13,347)	(474,945)	(31,001)	(519,293)	0
Prepaid Items	(1,197)	8,096	(1,197)	5,702	0
Materials and Supplies Inventory	10,109	60,144	40,615	110,868	0
Increase (Decrease) in Liabilities:					
Accounts Payable	83,317	197,933	(308,443)	(27,193)	44,688
Accrued Wages	(24,398)	(163,090)	(28,178)	(215,666)	0
Vacation Benefits Payable	(357)	421	(359)	(295)	0
Compensated Absences Payable	35,680	24,521	26,492	86,693	0
Intergovernmental Payable	2,320	20,405	2,546	25,271	0
Claims Payable	0	0	0	0	46,630
<i>Net Cash Provided by Operating Activities</i>	<u>\$748,577</u>	<u>\$1,528,287</u>	<u>\$1,221,867</u>	<u>\$3,498,731</u>	<u>\$19,749</u>

Non Cash Transactions:

During 2010, the electric and water enterprise funds had a change in fair value of investments of \$2,854 and \$356, respectively.

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2010

	Private Purpose Trust	
	Cemetery Memorial	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$4,404	\$60,996
Accrued Interest Receivable	4	0
<i>Total Assets</i>	4,408	\$60,996
Liabilities		
Deposits Held and Due to Others	0	\$60,996
Net Assets		
Held in Trust for Cemetery	381	
Endowments	4,027	
<i>Total Net Assets</i>	\$4,408	

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, 2010

	Private-Purpose Trust
	Cemetery Memorial
Additions	
Interest	\$27
Deductions	
Materials and Supplies	80
<i>Change in Net Assets</i>	(53)
<i>Net Assets Beginning of Year</i>	4,461
<i>Net Assets End of Year</i>	\$4,408

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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, 2010

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, 2010

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, 2010

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, 2010, but which were levied to finance year 2011 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, 2010

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 2010, investments were limited to Federal Home Loan Bank Notes, 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, 2010.

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 2010 amounted to \$48,378 which includes \$20,195 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, 2010, 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
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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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For the Year Ended December 31, 2010

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, 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, 2010

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.

City of Orrville, Ohio
Notes to the Basic Financial Statements
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Estimates

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

Budgetary Process

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

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

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

Note 3 – Change in Accounting Principles

For 2010, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 51, "Accounting and Reporting for Intangible Assets." GASB Statement No. 51 establishes accounting and financial reporting of such assets to reduce inconsistencies, thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the City's financial statements.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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).

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	\$230,963
Net Adjustment for Revenue Accruals	(45,271)
Ending Fair Value Adjustments for Investments	(3,784)
Net Adjustment for Expenditure Accruals	(12,606)
Encumbrances	<u>(236,567)</u>
Budget Basis	<u><u>(\$67,265)</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.

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

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

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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 \$7,641,658 and the bank balance was \$7,485,984. Of the bank balance \$4,451,723 was covered by Federal depository insurance and \$3,034,261 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.

Investments

As of December 31, 2010, the City had the following investments:

	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-2	Over 2
Federal Home Loan Bank Notes	\$3,997,330	\$0	\$1,997,330	\$2,000,000
Federal Farm Credit Bank Bonds	2,497,628	0	2,497,628	0
STAROhio	13,207,537	13,207,537	0	0
Total Portfolio	<u>\$19,702,495</u>	<u>\$13,207,537</u>	<u>\$4,494,958</u>	<u>\$2,000,000</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.

City of Orrville, Ohio
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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 and Federal Farm Credit Bank Bonds are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty. The City has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee.

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, 2010:

Investment Issuer	Percentage of Investments
Federal Home Loan Bank Notes	20.29%
Federal Farm Credit Bank Bonds	12.68

Note 6 - Receivables

Receivables at December 31, 2010, 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.

	Accounts Receivable	Allowance for Uncollectibles	Net Accounts Receivable
Governmental	\$87,648	\$6	\$87,642
Business-Type	3,616,474	357	3,616,117

Special assessments expected to be collected in more than one year amount to \$35,040 in the Special Assessment Bond Retirement Fund. The amount of delinquent special assessments outstanding at year-end is \$15,321.

City of Orrville, Ohio
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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 2010 for real and public utility property taxes represents collections of the 2009 taxes. Property tax payments received during 2010 for tangible personal property (other than public utility property) is for 2010 taxes.

2010 real property taxes are levied after October 1, 2010 on the assessed value as of January 1, 2010, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2010 real property taxes are collected in and intended to finance 2011.

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. 2010 public utility property taxes became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes.

Tangible personal property tax revenue during 2010 (other than public utility property tax) represents the collection of 2010 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 2010 were levied after October 1, 2009, on the value as of December 31, 2009. 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, 2010, was \$2.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

Real Property	\$164,178,110
Public Utility Property	806,950
Tangible Personal Property	<u>174,946</u>
Total	<u><u>\$165,160,006</u></u>

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, 2010 and for which there is an 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 2010 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.

City of Orrville, Ohio
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For the Year Ended December 31, 2010

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 2010, the proceeds were allocated to the general fund and the capital improvements fund.

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities	
Gasoline Tax	\$148,481
Auto Regulation	69,657
Local Government	200,652
Estate Tax	10,270
Homestead and Rollback	24,101
Recycling	4,117
Permissive Motor Vehicle Tax	<u>4,227</u>
Total	<u><u>\$461,505</u></u>

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, 2010, 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
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Note 8 - Capital Assets

Capital asset activity for the year ended December 31, 2010, was as follows:

	Balance 12/31/09	Additions	Deductions	Balance 12/31/10
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$2,512,207	\$0	\$0	\$2,512,207
Construction in Progress	1,381,604	918,736	(1,155,190)	1,145,150
Total Capital Assets, not being Depreciated	<u>3,893,811</u>	<u>918,736</u>	<u>(1,155,190)</u>	<u>3,657,357</u>
Capital Assets, being Depreciated				
Buildings and Improvements	7,352,582	10,160	0	7,362,742
Equipment	2,559,023	128,891	0	2,687,914
Vehicles	2,575,122	441,662	0	3,016,784
Infrastructure	51,452,546	987,478	0	52,440,024
Total Capital Assets, being Depreciated	<u>63,939,273</u>	<u>1,568,191</u>	<u>0</u>	<u>65,507,464</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(3,634,847)	(197,417)	0	(3,832,264)
Equipment	(1,908,738)	(165,348)	0	(2,074,086)
Vehicles	(2,020,197)	(142,837)	0	(2,163,034)
Infrastructure	(16,541,556)	(911,568)	0	(17,453,124)
Total Accumulated Depreciation	<u>(24,105,338)</u>	<u>(1,417,170) *</u>	<u>0</u>	<u>(25,522,508)</u>
Total Capital Assets, being Depreciated, net	<u>39,833,935</u>	<u>151,021</u>	<u>0</u>	<u>39,984,956</u>
Governmental Activities Capital Assets, Net	<u>\$43,727,746</u>	<u>\$1,069,757</u>	<u>(\$1,155,190)</u>	<u>\$43,642,313</u>
Business-Type Activities				
Capital Assets, not being depreciated:				
Land	\$1,360,391	\$0	\$0	\$1,360,391
Construction In Progress	608,166	409,258	(1,017,424)	0
Total Capital Assets, not being depreciated	<u>1,968,557</u>	<u>409,258</u>	<u>(1,017,424)</u>	<u>1,360,391</u>
Capital Assets, being Depreciated				
Buildings and Improvements	21,328,875	260,388	0	21,589,263
Equipment	11,221,131	600,544	(33,858)	11,787,817
Vehicles	1,809,778	39,340	(11,955)	1,837,163
Electric - Generation/Transmission/Distribution	62,893,303	641,432	0	63,534,735
Infrastructure	26,166,822	1,200,342	0	27,367,164
Total Capital Assets, being Depreciated	<u>123,419,909</u>	<u>2,742,046</u>	<u>(45,813)</u>	<u>126,116,142</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(10,270,422)	(683,612)	0	(10,954,034)
Equipment	(6,202,352)	(878,381)	24,191	(7,056,542)
Vehicles	(1,351,813)	(74,098)	11,955	(1,413,956)
Electric - Generation/Transmission/Distribution	(45,841,055)	(1,124,979)	0	(46,966,034)
Infrastructure	(15,326,524)	(687,618)	0	(16,014,142)
Total Accumulated Depreciation	<u>(78,992,166)</u>	<u>(3,448,688)</u>	<u>36,146</u>	<u>(82,404,708)</u>
Total Capital Assets, being Depreciated, net	<u>44,427,743</u>	<u>(706,642)</u>	<u>(9,667)</u>	<u>43,711,434</u>
Business-Type Activities Capital Assets, Net	<u>\$46,396,300</u>	<u>(\$297,384)</u>	<u>(\$1,027,091)</u>	<u>\$45,071,825</u>

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

General Government	\$93,373
Security of Persons and Property:	
Police	47,408
Fire	151,217
Transportation	1,014,056
Public Health and Welfare	24,535
Leisure Time Activities	86,581
Total Depreciation Expense	\$1,417,170

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 2010, 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	\$158,496,911
	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	148,648,150
Scottsdale Insurance	Police Professional Liability	5,000	1,000,000
	Public Officials Liability	3,500	2,000,000
Selective Insurance	Commercial Property	500	13,953,813

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.

City of Orrville, Ohio
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For the Year Ended December 31, 2010

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 \$30.55/\$19.40/\$9.35 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 \$126,217 reported in the self-insurance fund at December 31, 2010, 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
2009	\$95,237	\$1,627,073	\$1,642,723	\$79,587
2010	79,587	1,463,115	1,416,485	126,217

Note 10 - Long-Term Debt

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
Governmental Activities			
Street Improvement Special Assessment - 1996	5.60%	\$93,242	December 1, 2011
Street Improvement Special Assessment - 2000	6.75	95,170	December 1, 2015
Business-Type Activities			
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 - 2010	2.77	1,400,000	April 21, 2011
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
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

A schedule of changes in bonds and other long-term obligations of the City during 2010 follows:

	Amount Outstanding 12/31/09	Additions	Deletions	Amount Outstanding 12/31/10	Amounts Due in One Year
Governmental Activities					
<u>Special Assessment Bonds</u>					
<u>with Governmental Commitment</u>					
1996 Street Improvement	\$19,000	\$0	\$9,000	\$10,000	\$10,000
2000 Street Improvement	49,410	0	6,950	42,460	7,420
Total Special Assessment Bonds	68,410	0	15,950	52,460	17,420
Compensated Absences	98,499	34,597	10,195	122,901	50,722
Total Governmental Activities	\$166,909	\$34,597	\$26,145	\$175,361	\$68,142
Business-Type Activities					
OPWC Water System					
Improvement Loan - 1999	\$543,982	\$0	\$60,443	\$483,539	\$60,443
Improvement Loan - 2007 A	475,000	0	16,667	458,333	16,667
Improvement Loan - 2007 B	92,500	0	5,000	87,500	5,000
Total OPWC Water System	1,111,482	0	82,110	1,029,372	82,110
OWDA Water Pollution Control Loan	1,503,548	0	483,655	1,019,893	500,929
Unamortized Accounting Loss	(62,041)	0	(62,041)	0	0
Net OWDA Water Pollution Control Loan	1,441,507	0	421,614	1,019,893	500,929
OWDA Sewer Improvement Loan	35,507	0	8,401	27,106	8,863
Total OWDA Loans	1,477,014	0	430,015	1,046,999	509,792
Water Utility Project Note	1,500,000	1,400,000	1,500,000	1,400,000	0
Electric Improvement Note	1,270,000	0	1,270,000	0	0
Total Long-Term Notes	2,770,000	1,400,000	2,770,000	1,400,000	0
<u>Mortgage Revenue Bonds</u>					
Water System Refunding Revenue Bonds	5,065,000	0	475,000	4,590,000	495,000
Unamortized Accounting Loss	(370,514)	0	(41,168)	(329,346)	0
Net Water System Refunding Revenue Bonds	4,694,486	0	433,832	4,260,654	495,000
Electric System Mortgage Revenue Refunding and Improvement Bonds	1,805,000	0	1,805,000	0	0
Unamortized Discount	(27,897)	0	(27,897)	0	0
Unamortized Accounting Loss	0	0	0	0	0
Net Electric System Mortgage Revenue Refunding and Improvement Bonds	1,777,103	0	1,777,103	0	0
Total Mortgage Revenue Bonds	6,471,589	0	2,210,935	4,260,654	495,000
Compensated Absences	424,426	95,566	8,873	511,119	251,899
Total Business-Type Activities	\$12,254,511	\$1,495,566	\$5,501,933	\$8,248,144	\$1,338,801

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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, 2010, the City issued Electric Improvement Notes to retire the 2009 Electric Improvement Notes and Water Utility Project Notes to retire the 2009 Water Utility Project Notes. The notes mature on April 21, 2011. 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 26 percent of total revenues. The total principal and interest remaining to be paid on the loans is \$1,095,440. Principal and interest paid for the current year were \$542,767, total net revenues were \$727,416 and total revenues were \$2,133,390.

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, 2010, were as follows:

Restricted Assets Held by City	
Replacement and Improvement	\$800,000
Restricted Assets Held by the Trustee	
Mortgage Revenue Bond Debt Service	\$758,544

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 27 percent of total revenues. The total principal and interest remaining to be paid on the bonds and loan is \$6,600,688. Principal and interest paid for the current year were \$779,040, total net revenues were \$1,636,835 and total revenues were \$2,983,759.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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 matured 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.

As of December 31, 2010, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$17,341,801 and the unvoted legal debt margin was \$9,083,800. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2010 are as follows:

Year Ending December 31	Governmental Activities				
	Special				
	Assessment Bonds				
	Principal	Interest			
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	\$52,460	\$9,721			

Year Ending December 31	Business-Type Activities				
	Ohio Public Works Commission	OWDA Water Pollution Control		OWDA Sewer Improvement Loan	
	Principal	Principal	Interest	Principal	Interest
	2011	\$82,110	\$500,929	\$31,710	\$8,863
2012	82,109	518,964	13,677	9,100	1,029
2013	82,109	0	0	9,143	521
2014	82,109	0	0	0	0
2015	82,109	0	0	0	0
2016-2020	289,664	0	0	0	0
2021-2025	108,335	0	0	0	0
2026-2030	95,835	0	0	0	0
2031-2035	83,335	0	0	0	0
2036-2038	41,657	0	0	0	0
Total	\$1,029,372	\$1,019,893	\$45,387	\$27,106	\$3,054

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

	Business-Type Activities	
	Water System Refunding	
Year Ending	Revenue Bonds	
December 31	Principal	Interest
2011	\$495,000	\$202,930
2012	515,000	182,883
2013	535,000	161,510
2014	555,000	138,773
2015	580,000	114,353
2016-2018	1,910,000	180,868
Total	\$4,590,000	\$981,317

Industrial Revenue Bonds

The City authorized the issuance of industrial development revenue bonds for two commercial entities. The aggregate outstanding principal amount was \$7,291,123 at December 31, 2010. 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.

Note 11 - Notes Payable

A summary of the note transactions for the year ended December 31, 2010, follows:

	Outstanding 12/31/09	Issued	Retired	Outstanding 12/31/10
Enterprise Funds:				
2.77% Electric Improvement Note	\$0	\$1,270,000	\$0	\$1,270,000
2.77% Water Utility Project Note	0	100,000	0	100,000
1.73% Electric Improvement Note	300,000	0	(300,000)	0
1.73% Water Utility Project Note	100,000	0	(100,000)	0
Total	\$400,000	\$1,370,000	(\$400,000)	\$1,370,000

On April 22, 2010, the City issued Electric Improvement Notes to retire the 2009 Electric Improvement Notes and Water Utility Project Notes to retire the 2009 Water Utility Project Notes. The notes mature on April 21, 2011.

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 of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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, but less than, 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.

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 and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units. Member contribution rates, as set in the Ohio Revised Code, are not to exceed 10 percent. For the year ended December 31, 2010, members in state and local classifications contributed 10 percent of covered payroll while public safety and law enforcement members contributed 10.5 percent and 11.1 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2010, member and employer contribution rates were consistent across all three plans.

The City's 2010 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.87 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. Employer contribution rates are actuarially determined.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009, and 2008 were \$728,347, \$649,580 and \$546,611 respectively. For 2010, 84.04 percent has been contributed with the balance reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008. Contributions to the Member-Directed Plan for 2010 were \$27,085 made by the City and \$19,346 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 - The Ohio Revised Code requires plan members to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters.

The City's contributions to the OP&F for police and firefighters were \$108,945 and \$13,515 for the year ended December 31, 2010, \$105,219 and \$12,544 for the year ended December 31, 2009, and \$102,089 and \$12,507 for the year ended December 31, 2008, respectively. For 2010, 70.10 percent for police and 57.47 percent for firefighters has been contributed with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

Social Security

As of December 31, 2010, the City's part-time firefighters are covered by Social Security rather than OP&F. The employees' liability is 6.2 percent of wages paid.

Note 14 – Postemployment Benefits

Ohio Public Employees Retirement System

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

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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 mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by 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). The Ohio Revised Code provides the statutory authority requiring 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 members. In 2010, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 17.87 percent. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010.

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, 2010, 2009 and 2008 were \$415,183, \$469,696 and \$546,611 respectively. For 2010, 84.04 percent has been contributed with the balance reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

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 employers 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
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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 health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to 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 by Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements 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, 2010, 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 \$57,677 and \$5,288 for the year ended December 31, 2010, \$55,704 and \$4,908 for the year ended December 31, 2009, and \$54,046 and \$4,894 for the year ended December 31, 2008. For 2010, 70.10 percent has been contributed for police and 57.47 percent has been contributed for firefighters with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

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.

\$332,787 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. \$880,337 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 \$1,125,000 and the sewer major enterprise fund had an interfund receivable balance in the amount of \$1,125,000 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 \$381 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 20, 2011, the City issued \$1,400,000 in bond anticipation notes to retire the 2010 Water Utilities Project Notes. The notes mature on April 20, 2012 and have an interest rate of 1.30 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, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$804,262	\$140,686	\$162,401	\$1,107,349
Accrued Interest Receivable	60	134	2	196
Accounts Receivable	64,503	0	0	64,503
Intergovernmental Receivable	222,365	0	4,117	226,482
Special Assessments Receivable	0	69,975	0	69,975
<i>Total Assets</i>	<u>\$1,091,190</u>	<u>\$210,795</u>	<u>\$166,520</u>	<u>\$1,468,505</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$51,635	\$0	\$4,117	\$55,752
Accrued Wages	6,098	0	0	6,098
Intergovernmental Payable	18,403	0	0	18,403
Deferred Revenue	158,134	69,975	0	228,109
<i>Total Liabilities</i>	<u>234,270</u>	<u>69,975</u>	<u>4,117</u>	<u>308,362</u>
Fund Balances				
Reserved for Encumbrances	24,769	0	103,262	128,031
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	832,151	0	0	832,151
Debt Service Funds	0	140,820	0	140,820
Capital Projects Funds	0	0	59,141	59,141
<i>Total Fund Balances</i>	<u>856,920</u>	<u>140,820</u>	<u>162,403</u>	<u>1,160,143</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,091,190</u>	<u>\$210,795</u>	<u>\$166,520</u>	<u>\$1,468,505</u>

City of Orrville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Special Assessments	\$0	\$21,765	\$0	\$21,765
Intergovernmental	474,237	0	413,444	887,681
Interest	414	955	16	1,385
Fines, Licenses and Permits	4,808	0	550	5,358
Charges for Services	487,441	0	0	487,441
Contributions and Donations	6,007	0	0	6,007
<i>Total Revenues</i>	<u>972,907</u>	<u>22,720</u>	<u>414,010</u>	<u>1,409,637</u>
Expenditures				
Current:				
General Government	0	369	0	369
Security of Persons and Property:				
Police	6,406	0	0	6,406
Transportation	766,947	0	0	766,947
Public Health and Welfare	151,275	0	0	151,275
Leisure Time Activities	5,634	0	0	5,634
Basic Utility Service	407,762	0	0	407,762
Capital Outlay	0	0	397,040	397,040
Debt Service:				
Principal Retirement	0	15,950	0	15,950
Interest and Fiscal Charges	0	4,760	0	4,760
<i>Total Expenditures</i>	<u>1,338,024</u>	<u>21,079</u>	<u>397,040</u>	<u>1,756,143</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(365,117)	1,641	16,970	(346,506)
Other Financing Sources				
Transfers In	332,787	0	0	332,787
<i>Net Change in Fund Balances</i>	(32,330)	1,641	16,970	(13,719)
<i>Fund Balances Beginning of Year</i>	<u>889,250</u>	<u>139,179</u>	<u>145,433</u>	<u>1,173,862</u>
<i>Fund Balances End of Year</i>	<u><u>\$856,920</u></u>	<u><u>\$140,820</u></u>	<u><u>\$162,403</u></u>	<u><u>\$1,160,143</u></u>

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	<u>Gas Tax</u> <u>Motor Vehicle License</u>	<u>State</u> <u>Highway</u>	<u>Permissive</u> <u>Motor Vehicle License</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$37,222	\$60,429	\$59,754
Accrued Interest Receivable	5	51	0
Accounts Receivable	0	0	0
Intergovernmental Receivable	201,777	16,361	0
<i>Total Assets</i>	<u>\$239,004</u>	<u>\$76,841</u>	<u>\$59,754</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$15,814	\$50	\$0
Accrued Wages	6,098	0	0
Intergovernmental Payable	18,403	0	0
Deferred Revenue	146,125	11,848	0
<i>Total Liabilities</i>	<u>186,440</u>	<u>11,898</u>	<u>0</u>
Fund Balances			
Reserved for Encumbrances	17,995	1,161	0
Unreserved, Undesignated	34,569	63,782	59,754
<i>Total Fund Balances</i>	<u>52,564</u>	<u>64,943</u>	<u>59,754</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$239,004</u>	<u>\$76,841</u>	<u>\$59,754</u>

<u>Parking Meter</u>	<u>Solid Waste</u>	<u>Law Enforcement</u>	<u>Enforcement and Education</u>
\$9,612	\$25,505	\$7,772	\$11,424
0	0	0	0
0	56,923	150	52
0	0	0	0
<u>\$9,612</u>	<u>\$82,428</u>	<u>\$7,922</u>	<u>\$11,476</u>
\$0	\$35,700	\$0	\$21
0	0	0	0
0	0	0	0
0	0	0	0
<u>0</u>	<u>35,700</u>	<u>0</u>	<u>21</u>
1,200	0	0	0
8,412	46,728	7,922	11,455
<u>9,612</u>	<u>46,728</u>	<u>7,922</u>	<u>11,455</u>
<u>\$9,612</u>	<u>\$82,428</u>	<u>\$7,922</u>	<u>\$11,476</u>

(continued)

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2010

	Cemetery Maintenance	Permissive	Emergency Medical Service Equipment
Assets			
Equity in Pooled Cash and Cash Equivalents	\$315,419	\$134,459	\$136,637
Accrued Interest Receivable	0	0	0
Accounts Receivable	311	0	7,067
Intergovernmental Receivable	0	4,227	0
<i>Total Assets</i>	<u>\$315,730</u>	<u>\$138,686</u>	<u>\$143,704</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$50	\$0
Accrued Wages	0	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	161	0	0
<i>Total Liabilities</i>	<u>161</u>	<u>50</u>	<u>0</u>
Fund Balances			
Reserved for Encumbrances	0	4,376	37
Unreserved, Undesignated	315,569	134,260	143,667
<i>Total Fund Balances</i>	<u>315,569</u>	<u>138,636</u>	<u>143,704</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$315,730</u>	<u>\$138,686</u>	<u>\$143,704</u>

Performing Arts	Continuing Professional Training Grant	Total Nonmajor Special Revenue Funds
\$3,469	\$2,560	\$804,262
4	0	60
0	0	64,503
0	0	222,365
<u>\$3,473</u>	<u>\$2,560</u>	<u>\$1,091,190</u>
\$0	\$0	\$51,635
0	0	6,098
0	0	18,403
0	0	158,134
<u>0</u>	<u>0</u>	<u>234,270</u>
0	0	24,769
<u>3,473</u>	<u>2,560</u>	<u>832,151</u>
<u>3,473</u>	<u>2,560</u>	<u>856,920</u>
<u>\$3,473</u>	<u>\$2,560</u>	<u>\$1,091,190</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, 2010

	Gas Tax Motor Vehicle License	State Highway	Permissive Motor Vehicle License
Revenues			
Intergovernmental	\$374,018	\$30,327	\$9,587
Interest	34	353	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>374,052</u>	<u>30,680</u>	<u>9,587</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police	0	0	0
Transportation	727,055	23,435	0
Public Health and Welfare	0	0	0
Leisure Time Activities	0	0	0
Basic Utility Service	0	0	0
<i>Total Expenditures</i>	<u>727,055</u>	<u>23,435</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(353,003)	7,245	9,587
Other Financing Sources			
Transfers In	<u>332,787</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(20,216)	7,245	9,587
<i>Fund Balances Beginning of Year</i>	<u>72,780</u>	<u>57,698</u>	<u>50,167</u>
<i>Fund Balances End of Year</i>	<u><u>\$52,564</u></u>	<u><u>\$64,943</u></u>	<u><u>\$59,754</u></u>

Parking Meter	Solid Waste	Law Enforcement	Enforcement and Education
\$0	\$0	\$0	\$0
0	0	0	0
0	0	3,468	1,340
0	416,442	0	0
0	0	0	0
0	416,442	3,468	1,340
0	0	5,676	730
1,300	0	0	0
0	0	0	0
0	0	0	0
0	407,762	0	0
1,300	407,762	5,676	730
(1,300)	8,680	(2,208)	610
0	0	0	0
(1,300)	8,680	(2,208)	610
10,912	38,048	10,130	10,845
\$9,612	\$46,728	\$7,922	\$11,455

(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, 2010

	Cemetery Maintenance	Permissive	Emergency Medical Service Equipment
Revenues			
Intergovernmental	\$0	\$59,985	\$0
Interest	0	0	0
Fines, Licenses and Permits	0	0	0
Charges for Services	16,949	0	54,050
Contributions and Donations	0	0	0
<i>Total Revenues</i>	<u>16,949</u>	<u>59,985</u>	<u>54,050</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police	0	0	0
Transportation	0	15,157	0
Public Health and Welfare	0	0	151,275
Leisure Time Activities	0	0	0
Basic Utility Service	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>15,157</u>	<u>151,275</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	16,949	44,828	(97,225)
Other Financing Sources			
Transfers In	0	0	0
<i>Net Change in Fund Balances</i>	16,949	44,828	(97,225)
<i>Fund Balances Beginning of Year</i>	<u>298,620</u>	<u>93,808</u>	<u>240,929</u>
<i>Fund Balances End of Year</i>	<u><u>\$315,569</u></u>	<u><u>\$138,636</u></u>	<u><u>\$143,704</u></u>

Performing Arts	Continuing Professional Training Grant	Total Nonmajor Special Revenue Funds
\$0	\$320	\$474,237
27	0	414
0	0	4,808
0	0	487,441
6,007	0	6,007
6,034	320	972,907
0	0	6,406
0	0	766,947
0	0	151,275
5,634	0	5,634
0	0	407,762
5,634	0	1,338,024
400	320	(365,117)
0	0	332,787
400	320	(32,330)
3,073	2,240	889,250
\$3,473	\$2,560	\$856,920

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2010

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$4,152	\$136,534	\$140,686
Accrued Interest Receivable	0	134	134
Special Assessments Receivable	0	69,975	69,975
<i>Total Assets</i>	<u>\$4,152</u>	<u>\$206,643</u>	<u>\$210,795</u>
Liabilities and Fund Balances			
Liabilities			
Deferred Revenue	\$0	\$69,975	\$69,975
Fund Balances			
Unreserved, Undesignated	4,152	136,668	140,820
<i>Total Liabilities and Fund Balances</i>	<u>\$4,152</u>	<u>\$206,643</u>	<u>\$210,795</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, 2010

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Special Assessments	\$0	\$21,765	\$21,765
Interest	0	955	955
<i>Total Revenues</i>	<u>0</u>	<u>22,720</u>	<u>22,720</u>
Expenditures			
Current:			
General Government	0	369	369
Debt Service:			
Principal Retirement	0	15,950	15,950
Interest and Fiscal Charges	0	4,760	4,760
<i>Total Expenditures</i>	<u>0</u>	<u>21,079</u>	<u>21,079</u>
<i>Net Change in Fund Balances</i>	0	1,641	1,641
<i>Fund Balances Beginning of Year</i>	<u>4,152</u>	<u>135,027</u>	<u>139,179</u>
<i>Fund Balances End of Year</i>	<u><u>\$4,152</u></u>	<u><u>\$136,668</u></u>	<u><u>\$140,820</u></u>

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2010

	<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>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$2,250	\$27,235	\$19,048	\$113,868	\$162,401
Accrued Interest Receivable	2	0	0	0	2
Intergovernmental Receivable	0	0	4,117	0	4,117
<i>Total Assets</i>	<u>\$2,252</u>	<u>\$27,235</u>	<u>\$23,165</u>	<u>\$113,868</u>	<u>\$166,520</u>
Liabilities and Fund Balances					
Accounts Payable	\$0	\$0	\$4,117	\$0	\$4,117
Fund Balances					
Reserved for Encumbrances	0	0	66,955	36,307	103,262
Unreserved, Undesignated (Deficit)	2,252	27,235	(47,907)	77,561	59,141
<i>Total Fund Balances</i>	<u>2,252</u>	<u>27,235</u>	<u>19,048</u>	<u>113,868</u>	<u>162,403</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,252</u>	<u>\$27,235</u>	<u>\$23,165</u>	<u>\$113,868</u>	<u>\$166,520</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, 2010

	Park Improvement	Recreation and Park	Grants	Community Development Block Grant	Total Nonmajor Capital Projects Funds
Revenues					
Intergovernmental	\$0	\$0	\$314,689	\$98,755	\$413,444
Interest	16	0	0	0	16
Fines, Licenses and Permits	0	550	0	0	550
<i>Total Revenues</i>	16	550	314,689	98,755	414,010
Expenditures					
Capital Outlay	0	0	300,519	96,521	397,040
<i>Net Change in Fund Balances</i>	16	550	14,170	2,234	16,970
<i>Fund Balances Beginning of Year</i>	2,236	26,685	4,878	111,634	145,433
<i>Fund Balances End of Year</i>	<u>\$2,252</u>	<u>\$27,235</u>	<u>\$19,048</u>	<u>\$113,868</u>	<u>\$162,403</u>

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, 2010

	Beginning Balance <u>12/31/09</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>12/31/10</u>
Deposits in Escrow				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$60,921	\$225	\$150	\$60,996
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Liabilities				
Deposits Held and Due to Others	\$60,921	\$225	\$150	\$60,996
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

City of Orrville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$375,800	\$375,800	\$500,638	\$124,838
Income Taxes	2,340,000	2,340,000	3,220,088	880,088
Kilowatt Per Hour Tax	860,000	860,000	880,337	20,337
Intergovernmental	520,250	520,250	627,384	107,134
Interest	81,000	81,000	61,583	(19,417)
Fines, Licenses and Permits	26,500	26,500	31,219	4,719
Rentals	30,000	30,000	37,865	7,865
Charges for Services	194,100	194,100	281,118	87,018
Contributions and Donations	3,000	3,000	7,026	4,026
Other	1,000	1,000	32,368	31,368
Total Revenues	4,431,650	4,431,650	5,679,626	1,247,976
Expenditures				
Current:				
General Government:				
City Council:				
Personal Services	34,000	34,719	34,719	0
City Hall:				
Personal Services	155,080	155,080	154,441	639
Purchased Services	17,493	12,875	12,875	0
Utilities	11,421	9,936	9,509	427
Materials and Supplies	9,503	9,503	8,453	1,050
Total City Hall	193,497	187,394	185,278	2,116
Finance Department:				
Personal Services	97,500	96,781	73,637	23,144
Purchased Services	41,529	47,243	47,243	0
Materials and Supplies	3,023	3,022	2,263	759
Utilities	77	467	467	0
Total Finance Department	142,129	147,513	123,610	23,903
Personnel:				
Personal Services	99,800	99,799	99,707	92
Purchased Services	8,501	8,501	3,895	4,606
Utilities	1,530	1,530	1,427	103
Materials and Supplies	6,447	6,447	4,801	1,646
Total Personnel	116,278	116,277	109,830	6,447
Data Processing:				
Personal Services	23,200	23,915	23,915	0
Purchased Services	5,778	23,859	23,859	0
Utilities	2,107	2,192	2,192	0
Materials and Supplies	5,962	6,039	6,039	0
Total Data Processing	\$37,047	\$56,005	\$56,005	\$0

(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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Income Tax:				
Personal Services	\$63,300	\$64,679	\$64,679	\$0
Purchased Services	550	550	0	550
Utilities	889	889	634	255
Materials and Supplies	7,733	7,733	6,203	1,530
Total Income Tax	72,472	73,851	71,516	2,335
Law Department:				
Personal Services	36,200	36,200	36,043	157
Purchased Services	21,839	21,839	15,061	6,778
Total Law Department	58,039	58,039	51,104	6,935
Mayor's Office:				
Personal Services	22,510	22,510	20,845	1,665
Purchased Services	400	89	0	89
Materials and Supplies	50	50	0	50
Utilities	353	664	664	0
Total Mayor's Office	23,313	23,313	21,509	1,804
Administrative:				
Personal Services	205,885	216,856	216,856	0
Purchased Services	306,653	245,002	110,768	134,234
Materials and Supplies	27,197	27,197	14,155	13,042
Total Administrative	539,735	489,055	341,779	147,276
Total General Government	1,216,510	1,186,166	995,350	190,816
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	1,703,679	1,664,475	1,566,278	98,197
Purchased Services	66,240	66,240	61,931	4,309
Utilities	21,456	24,391	24,391	0
Materials and Supplies	86,012	105,362	105,362	0
Total Police	1,877,387	1,860,468	1,757,962	102,506
Fire:				
Fire Department:				
Personal Services	330,350	342,272	342,272	0
Purchased Services	56,914	56,592	49,164	7,428
Utilities	15,200	16,522	15,522	1,000
Materials and Supplies	73,620	72,620	62,839	9,781
Total Fire	476,084	488,006	469,797	18,209
Total Security of Persons and Property	\$2,353,471	\$2,348,474	\$2,227,759	\$120,715

(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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Transportation:				
Street:				
Personal Services	\$330,735	\$339,388	\$339,388	\$0
Purchased Services	103,143	103,143	68,591	34,552
Materials and Supplies	214,636	214,636	198,660	15,976
Total Transportation	648,514	657,167	606,639	50,528
Public Health and Welfare:				
Animal Control:				
Purchased Services	1,205	863	320	543
Materials and Supplies	13,100	13,442	13,442	0
Total Animal Control	14,305	14,305	13,762	543
Cemetery:				
Personal Services	115,300	119,614	119,613	1
Purchased Services	8,180	8,180	3,394	4,786
Utilities	6,131	6,131	5,854	277
Materials and Supplies	55,969	55,969	53,848	2,121
Total Cemetery	185,580	189,894	182,709	7,185
Total Public Health and Welfare	199,885	204,199	196,471	7,728
Leisure Time Activities:				
Park:				
Personal Services	163,862	163,862	143,747	20,115
Purchased Services	13,096	13,096	9,264	3,832
Utilities	9,226	9,226	7,061	2,165
Materials and Supplies	43,761	43,761	37,676	6,085
Total Park	229,945	229,945	197,748	32,197
Pool:				
Personal Services	80,779	82,029	82,029	0
Purchased Services	6,850	6,850	4,500	2,350
Utilities	18,911	18,911	12,021	6,890
Materials and Supplies	17,182	17,182	16,004	1,178
Total Pool	123,722	124,972	114,554	10,418
Recreation:				
Materials and Supplies	2,550	2,550	2,496	54
Total Leisure Time Activities	356,217	357,467	314,798	42,669
Debt Service:				
Principal	125,000	130,000	130,000	0
Interest and Fiscal Charges	69,000	64,000	62,750	1,250
Total Debt Service	194,000	194,000	192,750	1,250
Total Expenditures	\$4,968,597	\$4,947,473	\$4,533,767	\$413,706

(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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<i>Excess of Revenues Over (Under) Expenditures</i>	(\$536,947)	(\$515,823)	\$1,145,859	\$1,661,682
Other Financing Uses				
Transfers Out	<u>(1,192,000)</u>	<u>(1,213,124)</u>	<u>(1,213,124)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,728,947)	(1,728,947)	(67,265)	1,661,682
<i>Fund Balance Beginning of Year</i>	2,717,238	2,717,238	2,717,238	0
Prior Year Encumbrances Appropriated	<u>183,952</u>	<u>183,952</u>	<u>183,952</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,172,243</u></u>	<u><u>\$1,172,243</u></u>	<u><u>\$2,833,925</u></u>	<u><u>\$1,661,682</u></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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Income Taxes	\$610,000	\$610,000	\$787,836	\$177,836
Intergovernmental	471,000	471,000	125,992	(345,008)
Other	921,390	921,390	41,744	(879,646)
<i>Total Revenues</i>	2,002,390	2,002,390	955,572	(1,046,818)
Expenditures				
Capital Outlay	3,186,630	3,186,630	1,315,409	1,871,221
<i>Net Change in Fund Balance</i>	(1,184,240)	(1,184,240)	(359,837)	824,403
<i>Fund Balance Beginning of Year</i>	1,373,341	1,373,341	1,373,341	0
Prior Year Encumbrances Appropriated	128,373	128,373	128,373	0
<i>Fund Balance End of Year</i>	<u>\$317,474</u>	<u>\$317,474</u>	<u>\$1,141,877</u>	<u>\$824,403</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$78,800	\$78,800	\$82,318	\$3,518
Charges for Services	1,907,000	1,907,000	2,043,890	136,890
Other	3,600	3,600	5,187	1,587
<i>Total Revenues</i>	<u>1,989,400</u>	<u>1,989,400</u>	<u>2,131,395</u>	<u>141,995</u>
Expenses				
Personal Services	1,093,483	1,093,483	934,122	159,361
Purchased Services	287,290	287,290	287,290	0
Materials and Supplies	263,873	263,873	235,940	27,933
Utilities	72,356	72,356	47,596	24,760
Capital Outlay	516,878	516,878	54,876	462,002
Debt Service:				
Principal Retirement	492,225	492,225	492,056	169
Interest and Fiscal Charges	52,775	52,775	50,711	2,064
<i>Total Expenses</i>	<u>2,778,880</u>	<u>2,778,880</u>	<u>2,102,591</u>	<u>676,289</u>
<i>Net Change in Fund Equity</i>	(789,480)	(789,480)	28,804	818,284
<i>Fund Equity Beginning of Year</i>	3,083,523	3,083,523	3,083,523	0
Prior Year Encumbrances Appropriated	<u>182,380</u>	<u>182,380</u>	<u>182,380</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$2,476,423</u></u>	<u><u>\$2,476,423</u></u>	<u><u>\$3,294,707</u></u>	<u><u>\$818,284</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$212,100	\$212,100	\$166,419	(\$45,681)
Charges for Services	22,584,300	22,584,300	23,973,203	1,388,903
Notes Issued	1,250,000	1,250,000	1,270,000	20,000
Other	406,200	406,200	611,183	204,983
<i>Total Revenues</i>	<u>24,452,600</u>	<u>24,452,600</u>	<u>26,020,805</u>	<u>1,568,205</u>
Expenses				
Personal Services	6,612,850	6,612,850	6,489,130	123,720
Purchased Services	3,585,790	3,457,543	2,316,751	1,140,792
Materials and Supplies	14,596,774	14,596,773	14,358,090	238,683
Utilities	1,188,546	1,316,794	1,316,794	0
Capital Outlay	1,639,137	1,679,137	1,327,472	351,665
Debt Service:				
Principal Retirement	1,870,000	1,870,000	1,570,000	300,000
Interest and Fiscal Charges	200,000	200,000	29,164	170,836
<i>Total Expenses</i>	<u>29,693,097</u>	<u>29,733,097</u>	<u>27,407,401</u>	<u>2,325,696</u>
<i>Excess of Revenues Under Expenses Before Transfers</i>	(5,240,497)	(5,280,497)	(1,386,596)	3,893,901
Transfers In	860,000	860,000	880,337	20,337
Transfers Out	(305,000)	(305,000)	0	305,000
<i>Net Change in Fund Equity</i>	(4,685,497)	(4,725,497)	(506,259)	4,219,238
<i>Fund Equity Beginning of Year</i>	12,232,991	12,232,991	12,232,991	0
Prior Year Encumbrances Appropriated	3,366,548	3,366,548	3,366,548	0
<i>Fund Equity End of Year</i>	<u>\$10,914,042</u>	<u>\$10,874,042</u>	<u>\$15,093,280</u>	<u>\$4,219,238</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$52,076	\$52,076	\$22,121	(\$29,955)
Charges for Services	2,682,500	2,682,500	2,831,193	148,693
Notes Issued	1,600,000	1,600,000	1,500,000	(100,000)
Capital Grants	80,967	80,967	86,906	5,939
Other	20,600	20,600	6,122	(14,478)
<i>Total Revenues</i>	<u>4,436,143</u>	<u>4,436,143</u>	<u>4,446,342</u>	<u>10,199</u>
Expenses				
Personal Services	1,255,501	1,255,501	1,037,914	217,587
Purchased Services	335,221	335,221	281,491	53,730
Materials and Supplies	488,039	488,039	396,639	91,400
Utilities	56,284	56,284	19,893	36,391
Capital Outlay	1,260,805	1,108,289	940,422	167,867
Debt Service:				
Principal Retirement	2,025,000	2,157,110	2,157,110	0
Interest and Fiscal Charges	224,000	244,406	244,406	0
<i>Total Expenses</i>	<u>5,644,850</u>	<u>5,644,850</u>	<u>5,077,875</u>	<u>566,975</u>
<i>Net Change in Fund Equity</i>	(1,208,707)	(1,208,707)	(631,533)	577,174
<i>Fund Equity Beginning of Year</i>	1,504,072	1,504,072	1,504,072	0
Prior Year Encumbrances Appropriated	<u>772,249</u>	<u>772,249</u>	<u>772,249</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$1,067,614</u>	<u>\$1,067,614</u>	<u>\$1,644,788</u>	<u>\$577,174</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$400,000	\$400,000	\$376,987	(\$23,013)
Interest	100	100	29	(71)
<i>Total Revenues</i>	<u>400,100</u>	<u>400,100</u>	<u>377,016</u>	<u>(23,084)</u>
Expenditures				
Current:				
Transportation:				
Street Repair and Maintenance:				
Personal Services	649,069	649,069	616,330	32,739
Contractual Services	8,600	8,600	4,540	4,060
Materials and Supplies	120,691	120,691	114,845	5,846
Utilities	20,826	20,826	20,321	505
<i>Total Expenditures</i>	<u>799,186</u>	<u>799,186</u>	<u>756,036</u>	<u>43,150</u>
<i>Excess of Revenues Under Expenditures</i>	(399,086)	(399,086)	(379,020)	20,066
Other Financing Sources				
Transfers In	350,000	350,000	332,787	(17,213)
<i>Net Change in Fund Balance</i>	(49,086)	(49,086)	(46,233)	2,853
<i>Fund Balance Beginning of Year</i>	24,800	24,800	24,800	0
Prior Year Encumbrances Appropriated	24,846	24,846	24,846	0
<i>Fund Balance End of Year</i>	<u>\$560</u>	<u>\$560</u>	<u>\$3,413</u>	<u>\$2,853</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$32,000	\$32,000	\$30,567	(\$1,433)
Interest	1,500	1,500	480	(1,020)
<i>Total Revenues</i>	<u>33,500</u>	<u>33,500</u>	<u>31,047</u>	<u>(2,453)</u>
Expenditures				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	30,000	16,426	610	15,816
Materials and Supplies	10,411	23,985	23,985	0
<i>Total Expenditures</i>	<u>40,411</u>	<u>40,411</u>	<u>24,595</u>	<u>15,816</u>
<i>Net Change in Fund Balance</i>	(6,911)	(6,911)	6,452	13,363
<i>Fund Balance Beginning of Year</i>	47,356	47,356	47,356	0
Prior Year Encumbrances Appropriated	5,411	5,411	5,411	0
<i>Fund Balance End of Year</i>	<u>\$45,856</u>	<u>\$45,856</u>	<u>\$59,219</u>	<u>\$13,363</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$15,000	\$15,000	\$9,587	(\$5,413)
Expenditures				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	<u>55,000</u>	<u>55,000</u>	<u>0</u>	<u>55,000</u>
<i>Net Change in Fund Balance</i>	(40,000)	(40,000)	9,587	49,587
<i>Fund Balance Beginning of Year</i>	<u>50,167</u>	<u>50,167</u>	<u>50,167</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$10,167</u></u>	<u><u>\$10,167</u></u>	<u><u>\$59,754</u></u>	<u><u>\$49,587</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(2,500)	(2,500)	(2,500)	0
<i>Fund Balance Beginning of Year</i>	<u>10,912</u>	<u>10,912</u>	<u>10,912</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,412</u></u>	<u><u>\$8,412</u></u>	<u><u>\$8,412</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
Solid Waste Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$425,000	\$425,000	\$414,247	(\$10,753)
Expenditures				
Current:				
Basic Utility Service:				
Solid Waste Services:				
Purchased Services	<u>444,011</u>	<u>444,011</u>	<u>409,626</u>	<u>34,385</u>
<i>Net Change in Fund Balance</i>	(19,011)	(19,011)	4,621	23,632
<i>Fund Balance Beginning of Year</i>	20,859	20,859	20,859	0
Prior Year Encumbrances Appropriated	<u>11</u>	<u>11</u>	<u>11</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,859</u></u>	<u><u>\$1,859</u></u>	<u><u>\$25,491</u></u>	<u><u>\$23,632</u></u>

City of Orrville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines, Licenses and Permits	\$1,500	\$1,500	\$3,403	\$1,903
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Materials and Supplies	<u>6,834</u>	<u>6,834</u>	<u>5,719</u>	<u>1,115</u>
<i>Net Change in Fund Balance</i>	(5,334)	(5,334)	(2,316)	3,018
<i>Fund Balance Beginning of Year</i>	9,254	9,254	9,254	0
Prior Year Encumbrances Appropriated	<u>834</u>	<u>834</u>	<u>834</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,754</u></u>	<u><u>\$4,754</u></u>	<u><u>\$7,772</u></u>	<u><u>\$3,018</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines, Licenses and Permits	\$800	\$800	\$1,409	\$609
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Materials and Supplies	1,000	1,000	709	291
<i>Net Change in Fund Balance</i>	(200)	(200)	700	900
<i>Fund Balance Beginning of Year</i>	10,724	10,724	10,724	0
<i>Fund Balance End of Year</i>	<u>\$10,524</u>	<u>\$10,524</u>	<u>\$11,424</u>	<u>\$900</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$15,000	\$15,000	\$16,799	\$1,799
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	15,000	15,000	16,799	1,799
<i>Fund Balance Beginning of Year</i>	<u>298,620</u>	<u>298,620</u>	<u>298,620</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$313,620</u>	<u>\$313,620</u>	<u>\$315,419</u>	<u>\$1,799</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$64,000	\$64,000	\$59,963	(\$4,037)
Expenditures				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	60,000	60,000	0	60,000
Materials and Supplies	29,169	29,169	19,532	9,637
<i>Total Expenditures</i>	89,169	89,169	19,532	69,637
<i>Net Change in Fund Balance</i>	(25,169)	(25,169)	40,431	65,600
<i>Fund Balance Beginning of Year</i>	85,433	85,433	85,433	0
Prior Year Encumbrances Appropriated	4,169	4,169	4,169	0
<i>Fund Balance End of Year</i>	<u>\$64,433</u>	<u>\$64,433</u>	<u>\$130,033</u>	<u>\$65,600</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$35,000	\$35,000	\$52,511	\$17,511
Expenditures				
Current:				
Public Health and Welfare:				
Emergency Medical Service:				
Materials and Supplies	<u>165,000</u>	<u>165,000</u>	<u>151,312</u>	<u>13,688</u>
<i>Net Change in Fund Balance</i>	(130,000)	(130,000)	(98,801)	31,199
<i>Fund Balance Beginning of Year</i>	<u>235,401</u>	<u>235,401</u>	<u>235,401</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$105,401</u></u>	<u><u>\$105,401</u></u>	<u><u>\$136,600</u></u>	<u><u>\$31,199</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$0	\$0	\$38	\$38
Contributions and Donations	<u>5,000</u>	<u>5,000</u>	<u>6,007</u>	<u>1,007</u>
<i>Total Revenues</i>	<u>5,000</u>	<u>5,000</u>	<u>6,045</u>	<u>1,045</u>
Expenditures				
Current:				
Leisure Time Activities:				
Performing Arts:				
Purchased Services	6,850	6,850	5,558	1,292
Materials and Supplies	<u>1,201</u>	<u>1,201</u>	<u>76</u>	<u>1,125</u>
<i>Total Expenditures</i>	<u>8,051</u>	<u>8,051</u>	<u>5,634</u>	<u>2,417</u>
<i>Net Change in Fund Balance</i>	(3,051)	(3,051)	411	3,462
<i>Fund Balance Beginning of Year</i>	<u>3,058</u>	<u>3,058</u>	<u>3,058</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7</u></u>	<u><u>\$7</u></u>	<u><u>\$3,469</u></u>	<u><u>\$3,462</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$2,100	\$2,100	\$320	(\$1,780)
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Purchased Services	<u>2,000</u>	<u>2,000</u>	<u>0</u>	<u>2,000</u>
<i>Net Change in Fund Balance</i>	100	100	320	220
<i>Fund Balance Beginning of Year</i>	<u>2,240</u>	<u>2,240</u>	<u>2,240</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,340</u></u>	<u><u>\$2,340</u></u>	<u><u>\$2,560</u></u>	<u><u>\$220</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures	<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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	\$23,000	\$23,000	\$15,950	(\$7,050)
Interest	1,000	1,110	7,267	6,157
<i>Total Revenues</i>	<u>24,000</u>	<u>24,110</u>	<u>23,217</u>	<u>(893)</u>
Expenditures				
Current:				
General Government:				
Contractual Services	200	0	369	(369)
Debt Service:				
Principal Retirement	14,600	15,950	15,950	0
Interest and Fiscal Charges	5,800	4,760	4,760	0
<i>Total Expenditures</i>	<u>20,600</u>	<u>20,710</u>	<u>21,079</u>	<u>(369)</u>
<i>Net Change in Fund Balance</i>	3,400	3,400	2,138	(1,262)
<i>Fund Balance Beginning of Year</i>	<u>134,396</u>	<u>134,396</u>	<u>134,396</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$137,796</u></u>	<u><u>\$137,796</u></u>	<u><u>\$136,534</u></u>	<u><u>(\$1,262)</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$50	\$50	\$24	(\$26)
Expenditures				
Capital Outlay	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
<i>Net Change in Fund Balance</i>	(950)	(950)	24	974
<i>Fund Balance Beginning of Year</i>	<u>2,226</u>	<u>2,226</u>	<u>2,226</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,276</u></u>	<u><u>\$1,276</u></u>	<u><u>\$2,250</u></u>	<u><u>\$974</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines, Licenses and Permits	\$1,000	\$1,000	\$550	(\$450)
Expenditures				
Materials and Supplies	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
<i>Net Change in Fund Balance</i>	500	500	550	50
<i>Fund Balance Beginning of Year</i>	<u>26,685</u>	<u>26,685</u>	<u>26,685</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$27,185</u></u>	<u><u>\$27,185</u></u>	<u><u>\$27,235</u></u>	<u><u>\$50</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$826,488	\$826,488	\$310,572	(\$515,916)
Expenditures				
Contractual Services	<u>816,479</u>	<u>816,479</u>	<u>367,474</u>	<u>449,005</u>
<i>Net Change in Fund Balance</i>	10,009	10,009	(56,902)	(66,911)
<i>Fund Balance (Deficit) Beginning of Year</i>	(207,861)	(207,861)	(207,861)	0
Prior Year Encumbrances Appropriated	<u>212,739</u>	<u>212,739</u>	<u>212,739</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$14,887</u></u>	<u><u>\$14,887</u></u>	<u><u>(\$52,024)</u></u>	<u><u>(\$66,911)</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$150,000	\$150,000	\$98,755	(\$51,245)
Expenditures				
Capital Outlay	<u>64,429</u>	<u>264,429</u>	<u>137,472</u>	<u>126,957</u>
<i>Net Change in Fund Balance</i>	85,571	(114,429)	(38,717)	75,712
<i>Fund Balance Beginning of Year</i>	51,849	51,849	51,849	0
Prior Year Encumbrances Appropriated	<u>64,429</u>	<u>64,429</u>	<u>64,429</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$201,849</u></u>	<u><u>\$1,849</u></u>	<u><u>\$77,561</u></u>	<u><u>\$75,712</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$7,500	\$7,500	\$2,348	(\$5,152)
Charges for Services	1,593,800	1,593,800	1,570,583	(23,217)
<i>Total Revenues</i>	<u>1,601,300</u>	<u>1,601,300</u>	<u>1,572,931</u>	<u>(28,369)</u>
Expenses				
Contractual Services	355,715	355,715	134,349	221,366
Claims	1,416,485	1,416,485	1,416,485	0
<i>Total Expenses</i>	<u>1,772,200</u>	<u>1,772,200</u>	<u>1,550,834</u>	<u>221,366</u>
<i>Net Change in Fund Equity</i>	(170,900)	(170,900)	22,097	192,997
<i>Fund Equity Beginning of Year</i>	<u>210,021</u>	<u>210,021</u>	<u>210,021</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$39,121</u></u>	<u><u>\$39,121</u></u>	<u><u>\$232,118</u></u>	<u><u>\$192,997</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$0	\$0	\$41	\$41
Expenses				
Materials and Supplies	<u>100</u>	<u>100</u>	<u>80</u>	<u>20</u>
<i>Net Change in Fund Equity</i>	(100)	(100)	(39)	61
<i>Fund Equity Beginning of Year</i>	<u>4,443</u>	<u>4,443</u>	<u>4,443</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$4,343</u></u>	<u><u>\$4,343</u></u>	<u><u>\$4,404</u></u>	<u><u>\$61</u></u>

A green rectangular border surrounds the page. At each of the four corners, there is a decorative ornament consisting of two overlapping squares, one slightly offset from the other, creating a stepped effect.

Statistical Section

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.

Contents	Pages(s)
<i>Financial Trends</i>	<i>S2 – S11</i>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	<i>S12 – S17</i>
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.	
<i>Debt Capacity</i>	<i>S18 – S25</i>
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.	
<i>Economic and Demographic Information</i>	<i>S26 – S27</i>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<i>Operating Information</i>	<i>S28 – S35</i>
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

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

	2010	2009	2008	2007
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$43,589,853	\$43,659,336	\$43,619,685	\$41,910,539
Restricted:				
Capital Projects	587,129	300,589	215,741	1,484,362
Debt Service	210,504	230,546	243,223	215,007
Street Repair and Maintenance	428,875	415,535	462,630	470,584
Solid Waste Services	46,728	38,048	80,955	54,643
Law Enforcement and Education	19,377	20,975	19,651	20,024
Cemetery Maintenance	315,730	298,620	285,788	263,763
EMS Equipment	143,704	240,929	194,363	162,903
Performing Arts	3,473	3,073	1,070	5,354
Other Purposes	0	0	0	0
Unrestricted	4,355,566	3,869,743	2,976,958	3,225,688
<i>Total Governmental Activities Net Assets</i>	<u>49,700,939</u>	<u>49,077,394</u>	<u>48,100,064</u>	<u>47,812,867</u>
Business Type - Activities				
Invested in Capital Assets, Net of Related Debt	36,065,932	34,525,664	31,936,125	30,554,543
Restricted:				
Debt Service	758,544	2,715,024	3,016,575	3,022,749
Replacement and Improvement	800,000	2,300,000	2,300,000	2,300,000
Unrestricted	26,661,899	23,987,800	25,849,607	20,099,892
<i>Total Business-Type Activities Net Assets</i>	<u>64,286,375</u>	<u>63,528,488</u>	<u>63,102,307</u>	<u>55,977,184</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	79,655,785	78,185,000	75,555,810	72,465,082
Restricted	3,314,064	6,563,339	6,819,996	7,999,389
Unrestricted	31,017,465	27,857,543	28,826,565	23,325,580
<i>Total Primary Government Net Assets</i>	<u>\$113,987,314</u>	<u>\$112,605,882</u>	<u>\$111,202,371</u>	<u>\$103,790,051</u>

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

2006	2005	2004	2003	2002	2001
\$41,706,949	\$42,058,605	\$42,024,483	\$41,548,787	\$41,466,826	\$41,777,029
1,613,790	2,050,035	1,913,814	2,626,487	2,253,537	2,446,493
240,462	240,691	247,391	254,609	108,155	106,176
424,442	370,016	431,651	457,891	0	0
68,355	43,100	42,187	38,324	0	0
19,951	19,323	23,157	25,870	0	0
236,639	220,720	203,195	177,957	0	0
134,874	107,040	74,640	151,004	0	0
5,859	7,475	7,195	7,035	0	0
0	0	0	0	815,174	1,047,404
2,114,835	2,060,999	1,658,350	1,828,711	2,325,102	2,665,004
46,566,156	47,178,004	46,626,063	47,116,675	46,968,794	48,042,106
29,057,655	27,780,982	26,780,181	25,498,301	22,993,813	22,736,960
2,949,687	2,891,452	3,347,240	0	0	0
2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	3,000,000
19,065,639	17,395,231	16,059,704	20,711,414	24,116,145	25,383,195
53,372,981	50,367,665	48,487,125	48,509,715	49,409,958	51,120,155
70,764,604	69,839,587	68,804,664	67,047,088	64,460,639	64,513,989
7,994,059	8,249,852	8,590,470	6,039,177	5,476,866	6,600,073
21,180,474	19,456,230	17,718,054	22,540,125	26,441,247	28,048,199
\$99,939,137	\$97,545,669	\$95,113,188	\$95,626,390	\$96,378,752	\$99,162,261

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

	2010	2009	2008	2007
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$150,200	\$207,225	\$113,285	\$158,784
Security of Persons and Property:				
Police	21,428	21,878	18,697	14,367
Fire	68,219	63,973	23,280	52,225
Transportation	0	634	264	11,843
Public Health and Welfare	118,637	101,345	92,782	116,240
Leisure Time Activities	65,857	59,572	24,855	65,720
Basic Utility Service	416,442	439,532	430,026	280,368
Subtotal - Charges for Services	<u>840,783</u>	<u>894,159</u>	<u>703,189</u>	<u>699,547</u>
Operating Grants and Contributions:				
General Government	14,670	16,996	76,851	61,468
Security of Persons and Property:				
Police	320	1,520	0	0
Fire	0	0	2,500	0
Transportation	471,099	516,773	526,802	599,351
Public Health and Welfare	0	0	0	0
Leisure Time Activities	13,033	13,698	36,919	12,503
Basic Utility Service	0	52	13,633	0
Subtotal - Operating Grants and Contributions	<u>499,122</u>	<u>549,039</u>	<u>656,705</u>	<u>673,322</u>
Capital Grants and Contributions:				
General Government	98,755	341,100	140,552	406,576
Transportation	440,681	438,166	1,048,529	444,137
Subtotal - Capital Grants and Contributions	<u>539,436</u>	<u>779,266</u>	<u>1,189,081</u>	<u>850,713</u>
<i>Total Governmental Activities Program Revenues</i>	<u>1,879,341</u>	<u>2,222,464</u>	<u>2,548,975</u>	<u>2,223,582</u>
Business-Type Activities:				
Charges for Services:				
Sewer	2,057,237	1,871,276	2,048,402	1,948,555
Electric	24,448,148	21,309,884	28,780,366	25,460,273
Water	2,862,194	2,605,185	3,081,340	2,908,869
Subtotal - Charges for Services	<u>29,367,579</u>	<u>25,786,345</u>	<u>33,910,108</u>	<u>30,317,697</u>
Capital Grants and Contributions				
Water	0	631,711	41,402	301,273
<i>Total Business-Type Activities Program Revenues</i>	<u>29,367,579</u>	<u>26,418,056</u>	<u>33,951,510</u>	<u>30,618,970</u>
<i>Total Primary Government Program Revenues</i>	<u>31,246,920</u>	<u>28,640,520</u>	<u>36,500,485</u>	<u>32,842,552</u>
Expenses				
Governmental Activities:				
General Government	1,000,403	1,298,794	1,276,806	1,323,894
Security of Persons and Property:				
Police	1,761,008	1,756,470	1,631,577	1,538,833
Fire	513,253	601,035	617,200	614,516
Transportation	2,657,883	2,632,557	2,474,540	2,289,247
Public Health and Welfare	358,574	166,552	199,238	187,718
Leisure Time Activities	382,833	430,143	395,062	348,947
Basic Utility Service	407,762	444,941	417,347	307,678
Interest and Fiscal Charges	64,704	72,104	79,296	39,260
<i>Total Governmental Activities Expenses</i>	<u>\$7,146,420</u>	<u>\$7,402,596</u>	<u>\$7,091,066</u>	<u>\$6,650,093</u>

2006	2005	2004	2003	2002	2001
\$111,390	\$113,000	\$120,248	\$74,858	\$117,682	\$100,453
15,276	14,506	26,054	7,712	41,896	7,345
46,025	46,024	36,290	30,843	16,955	28,619
11,581	30,141	300	8,876	0	0
105,827	100,576	128,734	101,730	119,624	84,534
62,139	72,621	56,284	62,010	83,495	69,499
285,636	269,752	256,665	251,735	241,799	239,240
637,874	646,620	624,575	537,764	621,451	529,690
15,600	16,205	14,092	13,699	0	8,571
0	0	0	0	0	805
0	0	2,125	2,900	0	16,639
562,367	540,752	445,050	401,629	445,010	334,427
0	0	0	2,300	0	0
9,823	10,290	9,900	8,062	9,546	7,435
0	0	0	0	0	0
587,790	567,247	471,167	428,590	454,556	367,877
13,017	95,944	0	0	0	0
280,843	186,662	819,983	678,138	420,132	171,351
293,860	282,606	819,983	678,138	420,132	171,351
1,519,524	1,496,473	1,915,725	1,644,492	1,496,139	1,068,918
2,009,263	1,980,067	1,905,641	1,910,975	1,937,219	1,990,473
26,606,260	25,220,891	21,615,342	19,509,574	17,964,859	18,260,911
2,933,631	2,591,906	2,512,014	2,403,171	2,356,946	2,433,011
31,549,154	29,792,864	26,032,997	23,823,720	22,259,024	22,684,395
0	0	0	0	0	0
31,549,154	29,792,864	26,032,997	23,823,720	22,259,024	22,684,395
33,068,678	31,289,337	27,948,722	25,468,212	23,755,163	23,753,313
1,151,757	1,075,509	970,814	968,370	945,989	849,687
1,565,658	1,360,423	1,425,870	1,421,121	1,224,678	1,264,380
601,531	531,847	357,766	541,831	525,596	471,736
2,229,194	1,590,642	2,478,398	2,007,903	2,672,156	1,999,708
142,615	118,376	179,941	192,459	170,233	129,335
318,858	252,386	308,917	357,372	389,710	356,011
273,951	282,403	279,895	274,386	272,076	237,049
8,877	9,706	10,726	11,013	11,557	12,175
\$6,292,441	\$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 Ten Years
(Accrual Basis of Accounting)

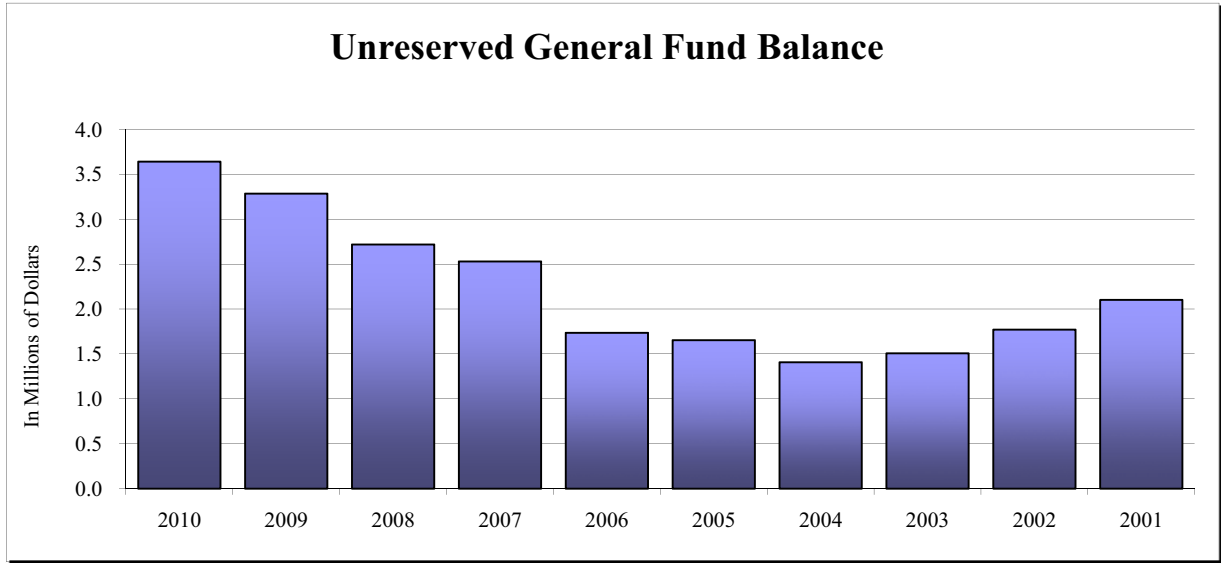
	2010	2009	2008	2007
Business-Type Activities:				
Sewer	\$2,190,719	\$2,123,983	\$2,165,950	\$2,235,400
Electric	25,515,336	22,870,541	24,122,241	25,725,633
Water	2,608,973	3,211,725	2,792,044	2,712,945
<i>Total Business-Type Activities Expenses</i>	<u>30,315,028</u>	<u>28,206,249</u>	<u>29,080,235</u>	<u>30,673,978</u>
<i>Total Primary Government Program Expenses</i>	<u>37,461,448</u>	<u>35,608,845</u>	<u>36,171,301</u>	<u>37,324,071</u>
Net (Expense)/Revenue				
Governmental Activities	(5,267,079)	(5,180,132)	(4,542,091)	(4,426,511)
Business-Type Activities	(947,449)	(1,788,193)	4,871,275	(55,008)
<i>Total Primary Government Net Expense</i>	<u>(6,214,528)</u>	<u>(6,968,325)</u>	<u>329,184</u>	<u>(4,481,519)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes:				
Property and Other Local Taxes Levied for:				
General Purposes	477,264	495,460	505,320	485,053
Kilowatt per Hour Taxes Levied for:				
General Purposes	880,337	847,907	881,904	897,363
Municipal Income Taxes Levied for: (1)				
General Purposes	3,474,663	3,485,477	2,319,038	3,490,470
Capital Outlay	1,092,418	1,097,066	806,910	858,389
Grants and Entitlements not Restricted to				
Specific Programs	722,404	965,243	816,394	514,543
Investment Income	49,763	77,420	171,859	236,379
Gain on Sale of Capital Assets	0	0	0	0
Transfers	(880,337)	(847,907)	(881,904)	(897,363)
Other	74,112	36,796	209,767	88,388
<i>Total Governmental Activities</i>	<u>5,890,624</u>	<u>6,157,462</u>	<u>4,829,288</u>	<u>5,673,222</u>
Business-Type Activities:				
Investment Income	202,507	783,010	838,914	1,138,233
Transfers	880,337	847,907	881,904	897,363
Gain on Sale of Capital Assets	0	0	0	0
Other	622,492	583,457	533,030	623,615
<i>Total Business-Type Activities</i>	<u>1,705,336</u>	<u>2,214,374</u>	<u>2,253,848</u>	<u>2,659,211</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>7,595,960</u>	<u>8,371,836</u>	<u>7,083,136</u>	<u>8,332,433</u>
Change in Net Assets				
Governmental Activities	623,545	977,330	287,197	1,246,711
Business-Type Activities	757,887	426,181	7,125,123	2,604,203
<i>Total Primary Government Change in Net Assets</i>	<u>\$1,381,432</u>	<u>\$1,403,511</u>	<u>\$7,412,320</u>	<u>\$3,850,914</u>

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

2006	2005	2004	2003	2002	2001
\$2,064,871	\$1,942,249	\$2,035,090	\$1,957,912	\$1,951,178	\$1,880,750
25,754,322	25,247,053	23,143,664	21,681,059	20,841,038	18,886,654
2,874,257	2,425,269	2,682,953	2,554,952	3,077,462	2,775,140
30,693,450	29,614,571	27,861,707	26,193,923	25,869,678	23,542,544
36,985,891	34,835,863	33,874,034	31,968,378	32,081,673	28,862,625
(4,772,917)	(3,724,819)	(4,096,602)	(4,129,963)	(4,715,856)	(4,251,163)
855,704	178,293	(1,828,710)	(2,370,203)	(3,610,654)	(858,149)
(3,917,213)	(3,546,526)	(5,925,312)	(6,500,166)	(8,326,510)	(5,109,312)
469,385	524,516	536,388	476,914	446,237	483,588
851,218	837,438	802,505	782,502	767,505	470,708
2,299,733	2,195,463	2,013,058	2,088,233	1,705,027	1,596,438
560,677	534,765	365,734	872,403	588,206	992,257
579,014	717,533	497,937	631,092	620,248	752,755
217,144	139,056	80,061	81,948	107,127	282,992
0	0	0	0	500	0
(851,218)	(837,438)	(802,505)	(782,502)	(793,326)	(470,708)
35,116	165,427	112,812	127,254	201,020	70,965
4,161,069	4,276,760	3,605,990	4,277,844	3,642,544	4,178,995
965,009	325,135	292,975	357,932	511,810	1,062,693
851,218	837,438	802,505	782,502	793,326	470,708
0	0	17,131	1,754	4,700	60,203
333,385	539,674	693,509	327,772	590,621	359,842
2,149,612	1,702,247	1,806,120	1,469,960	1,900,457	1,953,446
6,310,681	5,979,007	5,412,110	5,747,804	5,543,001	6,132,441
(611,848)	551,941	(490,612)	147,881	(1,073,312)	(72,168)
3,005,316	1,880,540	(22,590)	(900,243)	(1,710,197)	1,095,297
\$2,393,468	\$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)

	2010	2009	2008	2007	2006
General Fund					
Reserved	\$24,441	\$149,410	\$139,093	\$92,442	\$80,051
Unreserved	3,643,148	3,287,216	2,721,157	2,531,395	1,736,936
Total General Fund	<u>3,667,589</u>	<u>3,436,626</u>	<u>2,860,250</u>	<u>2,623,837</u>	<u>1,816,987</u>
All Other Governmental Funds					
Reserved	203,241	429,198	990,796	342,543	273,104
Unreserved, Undesignated, Reported in:					
Special Revenue funds	832,151	857,617	839,287	786,946	732,225
Debt Service funds	140,820	139,179	138,584	131,907	124,544
Capital Projects funds	253,457	(201,417)	(753,701)	25,698	1,305,906
Total All Other Governmental Funds	<u>1,429,669</u>	<u>1,224,577</u>	<u>1,214,966</u>	<u>1,287,094</u>	<u>2,435,779</u>
Total Governmental Funds	<u>\$5,097,258</u>	<u>\$4,661,203</u>	<u>\$4,075,216</u>	<u>\$3,910,931</u>	<u>\$4,252,766</u>



2005	2004	2003	2002	2001
\$56,479	\$34,228	\$25,157	\$45,241	\$139,653
1,653,693	1,408,511	1,506,925	1,772,376	2,102,190
1,710,172	1,442,739	1,532,082	1,817,617	2,241,843
408,775	258,006	991,349	425,987	470,772
474,957	636,263	734,105	698,477	729,417
117,076	113,349	108,004	106,722	106,065
1,562,445	1,626,555	1,533,720	1,787,430	1,884,283
2,563,253	2,634,173	3,367,178	3,018,616	3,190,537
\$4,273,425	\$4,076,912	\$4,899,260	\$4,836,233	\$5,432,380

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

	2010	2009	2008	2007
Revenues				
Property Taxes	\$500,638	\$491,616	\$483,819	\$479,755
Income Taxes	4,313,286	4,208,090	3,735,209	3,879,196
Kilowatt Per Hour Tax	880,337	847,907	881,904	897,363
Special Assessments	21,765	19,048	25,148	22,759
Intergovernmental	1,653,659	2,215,934	2,469,813	2,036,256
Interest	49,763	77,420	171,859	236,379
Fines, Licenses and Permits	36,122	42,816	31,464	40,170
Rentals	37,865	36,981	39,239	31,200
Charges for Services	767,133	810,187	617,368	609,929
Contributions and Donations	13,033	98,698	158,919	20,503
Other	74,112	36,796	209,767	88,388
<i>Total Revenues</i>	<u>8,347,713</u>	<u>8,885,493</u>	<u>8,824,509</u>	<u>8,341,898</u>
Expenditures				
Current:				
General Government	971,591	1,194,191	1,125,756	1,034,771
Security of Persons and Property:				
Police	1,707,584	1,660,958	1,602,155	1,476,049
Fire	492,705	421,343	400,868	413,333
Transportation	1,405,313	1,457,344	1,347,487	1,222,942
Public Health and Welfare	340,315	140,300	177,486	159,007
Leisure Time Activities	297,717	318,017	291,169	268,548
Basic Utility Service	407,762	444,941	417,347	307,678
Capital Outlay	1,327,598	1,727,815	2,320,788	2,850,305
Debt Service:				
Principal Retirement	15,950	14,510	15,870	14,388
Interest and Fiscal Charges	64,786	72,180	79,394	39,349
<i>Total Expenditures</i>	<u>7,031,321</u>	<u>7,451,599</u>	<u>7,778,320</u>	<u>7,786,370</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,316,392</u>	<u>1,433,894</u>	<u>1,046,189</u>	<u>555,528</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0
Transfers In	332,787	327,310	272,848	214,970
Transfers Out	(1,213,124)	(1,175,217)	(1,154,752)	(1,112,333)
<i>Total Other Financing Sources (Uses)</i>	<u>(880,337)</u>	<u>(847,907)</u>	<u>(881,904)</u>	<u>(897,363)</u>
<i>Net Change in Fund Balances</i>	<u>\$436,055</u>	<u>\$585,987</u>	<u>\$164,285</u>	<u>(\$341,835)</u>
Debt Service as a Percentage of Noncapital Expenditures	1.42%	1.46%	1.69%	1.03%

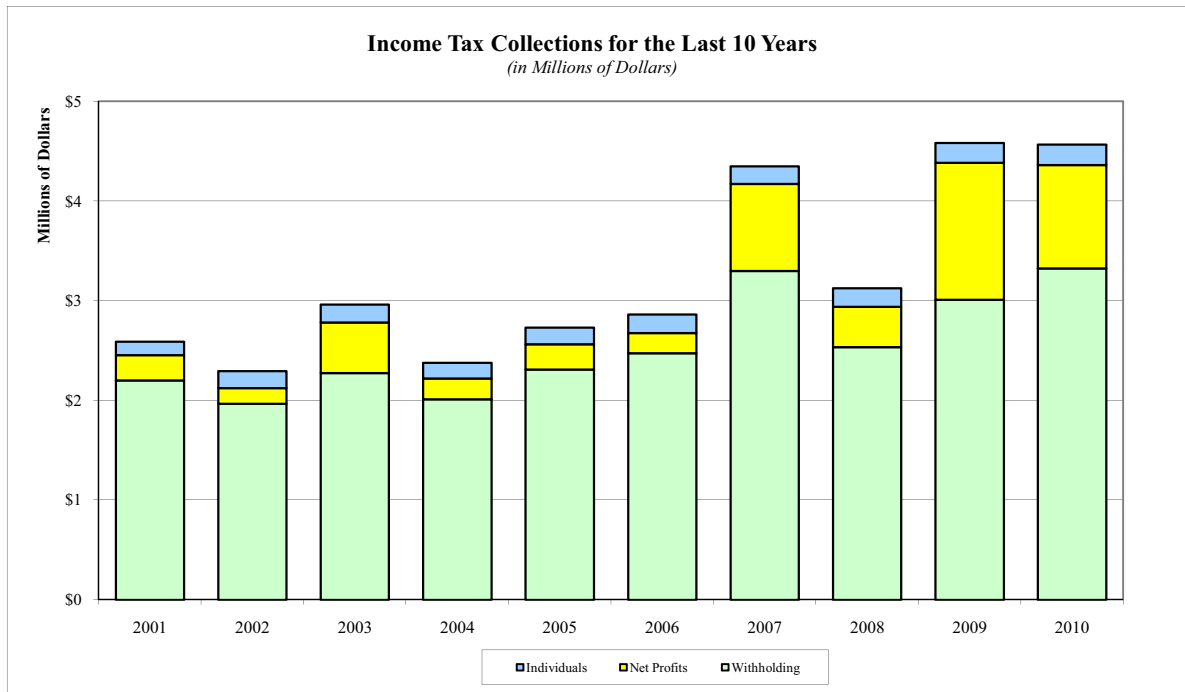
2006	2005	2004	2003	2002	2001
\$492,470	\$485,085	\$580,710	\$442,911	\$466,911	\$471,047
2,780,220	2,700,645	2,575,080	2,910,735	2,371,048	2,594,930
851,218	837,438	802,505	782,502	767,505	470,708
12,822	12,518	12,129	8,961	16,977	8,860
1,598,760	1,359,658	1,708,192	1,733,338	1,530,312	1,208,110
217,144	139,056	81,999	81,948	107,127	282,992
134,415	130,687	40,277	27,812	53,817	22,623
31,200	31,600	31,500	0	31,700	32,828
556,639	484,450	553,287	499,551	544,303	479,129
9,823	10,290	9,900	8,062	9,546	13,510
35,116	165,427	112,812	127,254	201,020	70,965
<u>6,719,827</u>	<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>
954,490	1,000,293	859,525	877,044	838,937	844,855
1,525,428	1,378,888	1,370,432	1,366,492	1,344,277	1,213,840
386,844	374,293	393,870	381,581	386,818	383,512
1,058,560	1,226,957	1,167,448	1,139,246	1,220,558	1,129,278
116,383	118,486	255,971	205,711	153,395	146,672
236,039	218,033	214,635	273,331	318,917	296,834
273,951	282,403	279,895	274,386	272,076	237,049
1,314,669	701,247	1,963,528	1,247,979	1,347,873	1,254,462
13,941	12,518	12,129	10,400	9,120	8,860
8,963	9,785	10,801	10,956	11,616	12,221
<u>5,889,268</u>	<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>830,559</u>	<u>1,033,951</u>	<u>(19,843)</u>	<u>835,948</u>	<u>196,679</u>	<u>128,119</u>
0	0	0	1,605	500	0
0	0	0	7,976	0	0
163,570	213,564	307,093	340,974	427,727	709,969
<u>(1,014,788)</u>	<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>(851,218)</u>	<u>(837,438)</u>	<u>(802,505)</u>	<u>(772,921)</u>	<u>(792,826)</u>	<u>(470,708)</u>
<u>(\$20,659)</u>	<u>\$196,513</u>	<u>(\$822,348)</u>	<u>\$63,027</u>	<u>(\$596,147)</u>	<u>(\$342,589)</u>
0.48%	0.48%	0.50%	0.47%	0.46%	0.49%

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
2010	1.00%	\$4,567,081	\$3,324,378	72.79%	\$1,038,098	22.73%	\$204,605	4.48%
2009	1.00	4,582,543	3,010,960	65.70	1,371,928	29.94	199,655	4.36
2008	1.00	3,125,948	2,534,831	81.09	404,498	12.94	186,619	5.97
2007	1.00	4,348,859	3,299,393	75.87	873,005	20.07	176,461	4.06
2006	1.00	2,860,410	2,474,541	86.51	200,229	7.00	185,641	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

(1) Accrual Basis

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



City of Orrville, Ohio
Income Tax Filers by Income Level
Tax Years 2010 and 2001

Tax Year 2010

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	212	7.10 %	\$66,057,568	43.51 %
75,001-100,000	227	7.60	19,352,192	12.75
50,001-75,000	433	14.50	26,615,306	17.53
25,000-50,000	713	23.88	26,145,156	17.22
Under 25,000	1,401	46.92	13,654,004	8.99
Total	<u>2,986</u>	<u>100%</u>	<u>\$151,824,226</u>	<u>100%</u>

Tax Year 2001

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	64	5.68 %	\$25,297,800	52.62 %
75,001-100,000	38	3.37	3,265,133	6.79
50,001-75,000	112	9.95	6,707,879	13.95
25,000-50,000	219	19.45	7,778,410	16.18
Under 25,000	693	61.55	5,027,526	10.46
Total	<u>1,126</u>	<u>100%</u>	<u>\$48,076,748</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:	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Residential	\$6,399,821	\$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
Industrial (1)	11,256,053	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
Commercial	6,569,498	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
Government	222,776	189,372	254,540	237,427	215,914	213,455	190,590	193,479	213,754	204,568
Total	\$24,448,148	\$21,304,890	\$28,780,366	\$25,460,273	\$26,606,260	\$25,220,891	\$21,615,342	\$19,509,574	\$17,964,859	\$18,260,911

(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
 2010 and 2001

<i>2010</i>		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
Quality Castings Company	\$3,487,189	14.26 %
J M Smucker Company	1,755,687	7.18
Smith Dairy	1,290,167	5.28
Ross Sandcastings	1,225,343	5.01
Bekaert - Formerly Contours	1,082,718	4.43
Marshallville Corporation	539,446	2.21
JLG	395,103	1.62
Will-Burt	392,307	1.60
Dunlap Hospital	329,067	1.35
Buehlers	208,863	0.85
Total	\$10,705,890	43.79 %
Total Electric Charges for Services	\$24,448,148	

<i>2001</i>		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
Quality Castings Company	\$2,098,828	11.49 %
Technocast	1,031,644	5.65
J M Smucker Company	1,008,897	5.53
Smith Dairy	770,642	4.22
Contours	579,653	3.17
Gradall	367,022	2.01
Marshallville Corporation	358,062	1.96
WillBurt	280,793	1.54
Caraustar	145,469	0.80
Buehlers	135,058	0.74
Total	\$6,776,068	37.11 %
Total Electric Charges for Services	\$18,260,911	

Source: City Records

City of Orrville, Ohio

Electric Rates Per Month

Last Ten Years

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Residential:			
First 50 KWH	\$6.4300	\$6.4300	\$6.4300
Next 250 KWH - per KWH	0.0633	0.0633	0.0633
Next 750 KWH - per KWH	0.0565	0.0565	0.0565
All Over 1050 KWH - per KWH	0.0506	0.0506	0.0506
General Service:			
Small:			
Minimum Charge	9.6600	9.6600	9.6600
First 100 KWH - per KWH	0.0965	0.0965	0.0965
Next 200 KWH - per KWH	0.0753	0.0753	0.0753
All Over 300 KWH - per KWH	0.0642	0.0642	0.0642
Medium (per KVA):			
Minimum Charge - per KVA	1.7600	1.7600	1.7600
First 60 KWH Block - per KWH	0.1053	0.1053	0.1053
Second 60 KWH Block - per KWH	0.0812	0.0812	0.0812
Third 80 KWH Block - per KWH	0.0565	0.0565	0.0565
Fourth 100 KWH Block - per KWH	0.0490	0.0490	0.0490
All Over 300 KWH - per KWH	0.0434	0.0434	0.0434
Large (per KVA):			
Minimum Charge - per KVA	1.6200	1.6200	1.6200
First 50 KWH Block - per KWH	0.1014	0.1014	0.1014
Second 50 KWH Block - per KWH	0.0614	0.0614	0.0614
Over 100 KWH Block but not Exceeding 100,000 KWH - per KWH	0.0452	0.0452	0.0452
All Over Sum of Prior Amounts - per KWH	0.0403	0.0403	0.0403
Industrial (per KVA):			
Minimum Charge - per KVA	3.2000	3.2000	3.2000
First 30 KWH Block - per KWH	0.1254	0.1254	0.1254
Second 170 KWH Block per KVA:			
2,000 KWH - per KWH	0.0805	0.0805	0.0805
8,000 KWH - per KWH	0.0684	0.0684	0.0684
90,000 KWH - per KWH	0.0565	0.0565	0.0565
Over 100,000 KWH - per KWH	0.0441	0.0441	0.0441
Third Block Over 200,000 KWH - per KWH	0.0370	0.0370	0.0370
All Over Sum of Prior Amounts - per KWH	0.0362	0.0362	0.0362

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

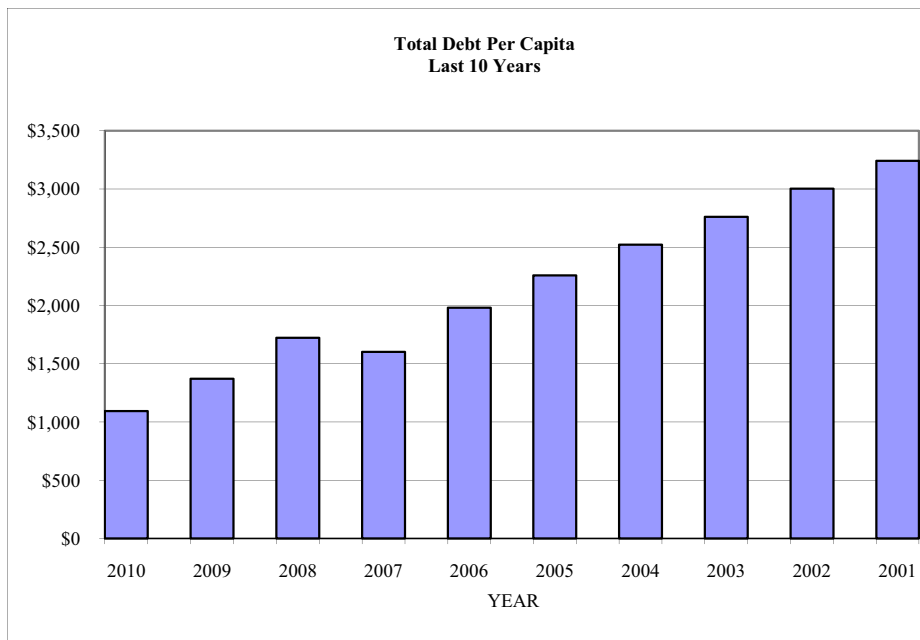
Source: City Records

2007	2006	2005	2004	2003	2002	2001
\$6.4300	\$6.4300	\$6.3700	\$6.1300	\$6.1300	\$6.1300	\$6.1300
0.0633	0.0633	0.0627	0.0603	0.0603	0.0603	0.0603
0.0565	0.0565	0.0559	0.0537	0.0537	0.0537	0.0537
0.0506	0.0506	0.0501	0.0481	0.0481	0.0481	0.0481
9.6600	9.6600	9.5600	9.1900	9.1900	9.1900	9.1900
0.0965	0.0965	0.0955	0.0918	0.0918	0.0918	0.0918
0.0753	0.0753	0.0746	0.0717	0.0717	0.0717	0.0717
0.0642	0.0642	0.0636	0.0612	0.0612	0.0612	0.0612
1.7600	1.7600	1.7400	1.6800	1.6800	1.6800	1.6800
0.1053	0.1053	0.1043	0.1003	0.1003	0.1003	0.1003
0.0812	0.0812	0.0804	0.0773	0.0773	0.0773	0.0773
0.0565	0.0565	0.0559	0.0537	0.0537	0.0537	0.0537
0.0490	0.0490	0.0485	0.0466	0.0466	0.0466	0.0466
0.0434	0.0434	0.0430	0.0414	0.0414	0.0414	0.0414
1.6200	1.6200	1.6000	1.5400	1.5400	1.5400	1.5400
0.1014	0.1014	0.1004	0.0965	0.0965	0.0965	0.0965
0.0614	0.0614	0.0608	0.0584	0.0584	0.0584	0.0584
0.0452	0.0452	0.0448	0.0430	0.0430	0.0430	0.0430
0.0403	0.0403	0.0399	0.0383	0.0383	0.0383	0.0383
3.2000	3.2000	3.1700	3.0500	3.0500	3.0500	3.0500
0.1254	0.1254	0.0124	0.1194	0.1194	0.1194	0.1194
0.0805	0.0805	0.0797	0.0766	0.0766	0.0766	0.0766
0.0684	0.0684	0.0677	0.0651	0.0651	0.0651	0.0651
0.0565	0.0565	0.0559	0.0537	0.0537	0.0537	0.0537
0.0441	0.0441	0.0437	0.0420	0.0420	0.0420	0.0420
0.0370	0.0370	0.0366	0.0352	0.0352	0.0352	0.0352
0.0362	0.0362	0.0358	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
2010	\$52,460	\$2,770,000	\$4,260,654	\$0
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

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



Activities

<u>OWDA Loans</u>	<u>OPWC Loans</u>	<u>Total Debt</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$1,046,999	\$1,029,372	\$9,159,485	6.27%	\$1,093
1,477,014	1,111,482	12,298,495	7.87	1,370
1,889,701	1,193,592	15,343,253	9.63	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

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City of Orrville, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
 December 31, 2010

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Orrville			
Special Assessment Bonds	\$52,460	100.00 %	\$52,460
Overlapping			
Orrville City School District			
General Obligation Bonds	17,683,227	80.39	14,215,546
School Facilities Construction and Improvement Note	956,000	80.39	768,528
Capital Lease	13,016,770	80.39	10,464,181
Wayne County			
General Obligation Bonds	8,297,000	8.74	725,158
OPWC Loan	80,000	8.74	6,992
<i>Total Overlapping Debt</i>	<u>40,032,997</u>		<u>26,180,405</u>
Total	<u><u>\$40,085,457</u></u>		<u><u>\$26,232,865</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 Ten Years

	2010	2009	2008	2007
Total Assessed Property Value	<u>\$165,160,006</u>	<u>\$165,434,340</u>	<u>\$172,083,580</u>	<u>\$172,706,200</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>17,341,801</u>	<u>17,370,606</u>	<u>18,068,776</u>	<u>18,134,151</u>
Debt Outstanding:				
Revenue Bonds	\$4,590,000	\$5,065,000	\$5,520,000	\$5,960,000
Mortgage Revenue Bonds	0	1,805,000	3,530,000	5,165,000
Special Assessment Bonds	52,460	68,410	82,920	98,790
Bond Anticipation Notes	2,770,000	3,170,000	3,570,000	2,180,000
OPWC Loans	1,029,372	1,111,482	1,193,592	1,264,868
OWDA Loans	<u>1,046,999</u>	<u>1,539,055</u>	<u>2,013,783</u>	<u>2,472,004</u>
Total Gross Indebtedness	9,488,831	12,758,947	15,910,295	17,140,662
Less:				
Revenue Bonds	(4,590,000)	(5,065,000)	(5,520,000)	(5,960,000)
Mortgage Revenue Bonds	0	(1,805,000)	(3,530,000)	(5,165,000)
Special Assessment Bonds	(52,460)	(68,410)	(82,920)	(98,790)
Bond Anticipation Notes	(2,770,000)	(3,170,000)	(3,570,000)	(2,180,000)
OPWC Loans	(1,029,372)	(1,111,482)	(1,193,592)	(1,264,868)
OWDA Loans	<u>(1,046,999)</u>	<u>(1,539,055)</u>	<u>(2,013,783)</u>	<u>(2,472,004)</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>\$17,341,801</u>	<u>\$17,370,606</u>	<u>\$18,068,776</u>	<u>\$18,134,151</u>
Legal Debt Margin as a Percentage of the Debt Limit	100%	100%	100%	100.00%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$9,083,800</u>	<u>\$9,098,889</u>	<u>\$9,464,597</u>	<u>\$9,498,841</u>
Total Gross Indebtedness	9,488,831	12,758,947	15,910,295	17,140,662
Less:				
Revenue Bonds	(4,590,000)	(5,065,000)	(5,520,000)	(5,960,000)
Mortgage Revenue Bonds	0	(1,805,000)	(3,530,000)	(5,165,000)
Special Assessment Bonds	(52,460)	(68,410)	(82,920)	(98,790)
Bond Anticipation Notes	(2,770,000)	(3,170,000)	(3,570,000)	(2,180,000)
OPWC Loans	(1,029,372)	(1,111,482)	(1,193,592)	(1,264,868)
OWDA Loans	<u>(1,046,999)</u>	<u>(1,539,055)</u>	<u>(2,013,783)</u>	<u>(2,472,004)</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>\$9,083,800</u>	<u>\$9,098,889</u>	<u>\$9,464,597</u>	<u>\$9,498,841</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

2006	2005	2004	2003	2002	2001
<u>\$179,868,790</u>	<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>
<u>18,886,223</u>	<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>
\$6,385,000	\$6,800,000	\$7,200,000	\$7,595,000	\$7,980,000	\$7,482,200
8,285,000	9,780,000	11,220,000	12,595,000	13,905,000	14,701,720
113,178	127,119	139,637	151,766	154,190	163,310
700,000	800,000	900,000	1,000,000	1,100,000	1,200,000
725,311	785,754	846,197	906,639	967,082	1,027,525
<u>2,914,296</u>	<u>3,341,214</u>	<u>3,753,295</u>	<u>4,151,055</u>	<u>4,535,396</u>	<u>4,347,631</u>
19,122,785	21,634,087	24,059,129	26,399,460	28,641,668	28,922,386
(6,385,000)	(6,800,000)	(7,200,000)	(7,595,000)	(7,980,000)	(7,482,200)
(8,285,000)	(9,780,000)	(11,220,000)	(12,595,000)	(13,905,000)	(14,701,720)
(113,178)	(127,119)	(139,637)	(151,766)	(154,190)	(163,310)
(700,000)	(800,000)	(900,000)	(1,000,000)	(1,100,000)	(1,200,000)
(725,311)	(785,754)	(846,197)	(906,639)	(967,082)	(1,027,525)
<u>(2,914,296)</u>	<u>(3,341,214)</u>	<u>(3,753,295)</u>	<u>(4,151,055)</u>	<u>(4,535,396)</u>	<u>(4,347,631)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$18,886,223</u>	<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%	100.00%
<u>\$9,892,783</u>	<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>
19,122,785	21,634,087	24,059,129	26,399,460	28,641,668	28,922,386
(6,385,000)	(6,800,000)	(7,200,000)	(7,595,000)	(7,980,000)	(7,482,200)
(8,285,000)	(9,780,000)	(11,220,000)	(12,595,000)	(13,905,000)	(14,701,720)
(113,178)	(127,119)	(139,637)	(151,766)	(154,190)	(163,310)
(700,000)	(800,000)	(900,000)	(1,000,000)	(1,100,000)	(1,200,000)
(725,311)	(785,754)	(846,197)	(906,639)	(967,082)	(1,027,525)
<u>(2,914,296)</u>	<u>(3,341,214)</u>	<u>(3,753,295)</u>	<u>(4,151,055)</u>	<u>(4,535,396)</u>	<u>(4,347,631)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$9,892,783</u>	<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%	100.00%

City of Orrville, Ohio
Pledged Revenue Coverage
Electric System Mortgage Revenue Bonds
Last Nine Years (1)

Year	Electric Operating Revenues (2)	Electric Operating Expenses (3)	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

- (1) The electric system mortgage revenue bonds were paid in full in 2010.
- (2) Operating revenues include transfers in and interest revenue, in accordance with the bond indenture agreements.
- (3) Operating expenses do not include depreciation.

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

Water						
Year	Water Operating Revenues (2)	Water Operating Expenses (3)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2010	\$2,983,759	\$1,346,924	\$1,636,835	\$557,110	\$221,930	2.10
2009	2,721,322	2,035,920	685,402	537,110	135,466	1.02
2008	3,241,088	1,622,561	1,618,527	511,276	200,191	2.27
2007	3,363,974	1,670,713	1,693,261	485,443	221,712	2.39
2006	3,090,791	1,741,923	1,348,868	475,443	242,379	1.88
2005	2,694,596	1,390,760	1,303,836	460,443	259,292	1.81
2004	2,590,025	1,619,417	970,608	455,442	304,307	1.28
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 (2)	Sewer Operating Expenses (3)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2010	\$2,133,390	\$1,405,974	\$727,416	\$492,056	\$50,711	1.34
2009	1,961,833	1,309,116	652,717	474,728	68,039	1.20
2008	2,202,452	1,369,875	832,577	458,221	84,545	1.53
2007	2,169,523	1,483,668	685,855	442,292	100,476	1.26
2006	2,219,958	1,284,094	935,864	426,918	115,849	1.72
2005	2,114,431	1,175,672	938,759	412,081	130,685	1.73
2004	1,965,223	1,266,850	698,373	397,760	145,008	1.29
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) Operating Revenues include transfers in and interest revenue, in accordance with the bond indenture agreements.

(3) Operating expenses do not include depreciation.

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

2010	
Employer	Employees
J.M. Smucker Company	1,394
JLG, Incorporated	327
Quality Castings Company	305
Smith Dairy Products Company	310
Will-Burt Company, Incorporated	272
University of Akron - Wayne College	226
Dunlap Hospital	220
Orrville City Schools	210
Contours Bekaert, Incorporated	190
City of Orrville/Orrville Utilities (1)	137
Total	3,591
Total Employment within the City	n/a

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

Source: Wayne County, Ohio: County Auditor

n/a - Information not available

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal 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>
2010	8,380	\$145,971,220	\$17,419	\$36,500	35.5	9.4%
2009	8,975	156,335,525	17,419	36,500	35.5	10.5
2008	8,908	155,168,452	17,419	36,500	35.5	5.6
2007	8,886	154,785,234	17,419	36,500	35.5	5.0
2006	8,847	154,105,893	17,419	36,500	35.5	4.5
2005	8,751	152,433,669	17,419	36,500	35.5	5.0
2004	8,695	151,458,205	17,419	36,500	35.5	5.3
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

(1) Sources:

(a) Years 2002 through 2010 - Orrville Safety Service Department Estimates

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

(2) Source: U.S. Census Bureau

(a) Years 2001 - 2010 - 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 Nine Years (1)

Function/Program	2010	2009	2008	2007
General Government				
City Council	9.00	9.00	9.00	9.00
Finance	4.00	4.00	4.00	4.00
Tax	1.00	1.00	1.00	1.00
Law	1.00	1.00	1.00	1.00
Administration	19.00	18.00	19.00	19.00
Custodial	2.00	2.00	2.00	2.00
Civil Service	3.00	3.00	3.00	3.00
Utility Board	5.00	5.00	5.00	5.00
Security of Persons and Property				
Police	15.00	15.00	16.00	14.00
Police - Dispatchers	6.00	7.00	7.00	7.00
School Crossing Guards	4.00	4.00	5.00	5.00
Fire	39.00	37.00	39.00	38.00
Community Development				
Economic Development	1.00	1.00	1.00	1.00
Transportation				
Street, Park & Cemetery	15.00	16.00	16.00	17.00
Basic Utility Services				
Electric - Meter Readers	1.00	3.00	3.00	3.00
Electric - Operations	18.00	18.00	18.00	18.00
Electric - Maintenance	25.00	25.00	24.00	26.00
Electric - Distribution	21.00	21.00	21.00	20.00
Electric - Fiber Optics	3.00	3.00	3.00	3.00
Water - Operations	6.00	6.00	8.00	8.00
Water - Maintenance	3.00	3.00	4.00	5.00
Sewer - Operations	7.00	8.00	9.00	7.00
Sewer - Maintenance	1.00	1.00	2.00	3.00
Totals:	<u>209.00</u>	<u>211.00</u>	<u>220.00</u>	<u>219.00</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

2006	2005	2004	2003	2002
9.00	9.00	9.00	9.00	9.00
4.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
21.00	19.00	19.00	21.00	22.00
2.00	2.00	2.00	2.00	2.00
3.00	3.00	3.00	3.00	3.00
5.00	5.00	5.00	5.00	5.00
17.00	17.00	16.00	16.00	18.00
5.00	5.00	5.00	5.00	6.00
4.00	4.00	5.00	5.00	4.00
39.00	32.00	33.00	44.00	33.00
1.00	1.00	1.00	1.00	1.00
15.00	16.00	16.00	18.00	19.00
3.00	3.00	3.00	2.00	3.00
18.00	18.00	19.00	20.00	18.00
25.00	24.00	24.00	25.00	28.00
19.00	19.00	21.00	20.00	22.00
3.00	3.00	3.00	3.00	3.00
8.00	8.00	8.00	7.00	7.00
3.00	3.00	3.00	3.00	4.00
7.00	7.00	7.00	7.00	7.00
3.00	2.00	2.00	2.00	2.00
<u>216.00</u>	<u>206.00</u>	<u>210.00</u>	<u>224.00</u>	<u>222.00</u>

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

Function/Program	2010	2009	2008	2007
General Government				
<i>Council and Clerk</i>				
Number of Ordinances Passed	14	19	20	22
Number of Resolutions Passed	39	49	65	76
Number of Planning Commission docket items	39	41	44	51
Zoning Board of Appeals docket items	8	10	7	6
<i>Finance Department</i>				
Number of checks/ vouchers issued	5,206	5,756	5,746	5,810
Amount of checks written	\$34,575,112	\$43,032,027	\$52,403,383	\$49,109,112
Interest earnings for fiscal year (cash basis)	\$241,517	\$511,210	\$848,247	\$1,162,009
Number of Receipts issued	2,028	2,101	1,944	1,815
Number of Journal Entries issued	638	683	687	653
Number of Budget Adjustments issued	1	4	2	8
<i>Income Tax Department</i>				
Number of Individual Returns (2)	3,375	2,875	3,504	1,065
Number of Business Returns	560	560	520	509
Number of business withholding accounts	528	532	408	489
Amount of Penalties and Interest Collected	\$745	\$61	\$34	\$123
Annual number of Corporate withholding forms processed	2,748	2,694	2,627	2,109
Annual number of balance due statements forms processed	232	371	286	49
Annual number of estimated payment forms processed	586	630	634	594
Annual number of reconciliations of withholdings processed	549	567	531	493
<i>Civil Service</i>				
Number of police entry tests administered	1	0	1	1
Number of police promotional tests administered	0	0	2	0
Number of hires of Police Officers from certified lists	0	0	2	1
Number of promotions from police certified lists	0	0	1	0
<i>Building Department Indicators</i>				
New Construction Permits Issued	43	99	53	54
Estimated Value of Construction	\$60,218,940	\$31,299,126	\$16,792,395	\$15,170,164
Number of permits issued	111	160	113	166
Amount of Revenue generated from permits	\$2,805	\$4,335	\$2,783	\$3,290
Security of Persons and Property				
<i>Police</i>				
Total Calls for Services	N/A	N/A	N/A	N/A
Number of traffic citations issued	1,043	1,282	740	705
Number of parking citations issued	N/A	N/A	N/A	N/A
Number of criminal arrests	378	450	359	320
Number of accident reports completed	227	182	226	225
Part 1 Offenses (major offenses)	188	181	229	247
DUI Arrests	50	90	43	42
Motor Vehicle Accidents	227	182	226	225
<i>Fire</i>				
EMS Calls	395	341	435	353
Ambulance Billing Collections (net)	\$97,951	\$75,286	\$73,658	\$101,496
Fire Calls	116	172	104	219
Fires with Loss	26	18	22	19
Fire Losses	\$106,570	\$858,650	\$632,450	\$496,560
Fire Safety Inspections	42	42	52	68
Number of times Mutual Aid given to Fire and EMS	42	31	32	37
Number of times Mutual Aid received for Fire and EMS	8	9	13	6
Public Health and Welfare				
Cemetery burials	67	65	82	70
Cemetery sale of lots	33	42	66	79
Cemetery receipts	\$51,425	\$46,351	\$67,911	\$78,112

2006	2005	2004	2003	2002
64	54	40	45	57
16	22	17	26	17
67	62	55	56	69
10	10	12	10	19
5,568	5,398	5,404	5,297	5,370
\$48,792,992	\$73,789,581	\$53,607,377	\$81,763,807	\$147,562,726
\$976,168	\$583,131	\$270,030	\$310,961	\$1,474,219
1,824	1,837	1,865	1,912	1,920
616	560	739	801	790
3	5	5	0	2
1,089	1,084	1,148	1,118	1,168
494	439	434	486	476
448	467	464	452	447
\$125	\$315	\$267	\$212	\$295
1,973	1,858	1,856	1,833	1,773
34	40	28	45	51
611	643	641	639	646
486	431	501	517	492
0	1	0	0	0
1	1	0	0	0
0	1	0	0	0
2	0	0	0	0
96	65	72	83	93
\$30,392,960	\$9,503,390	\$11,745,253	\$10,704,259	\$12,990,827
173	182	163	164	164
\$4,972	\$5,195	\$5,164	\$5,461	\$3,019
N/A	N/A	9,928	10,841	10,240
1,839	1,903	1,018	1,021	852
N/A	N/A	117	175	98
361	316	445	489	514
197	231	205	239	249
258	236	218	211	269
53	36	54	72	48
197	231	205	239	249
326	302	277	231	275
\$63,970	\$63,927	\$56,548	\$42,435	\$46,866
144	154	178	160	171
37	50	52	68	51
\$143,400	\$366,000	\$130,000	\$1,354,464	\$214,400
60	48	47	60	31
31	39	42	35	54
7	8	5	4	3
64	86	79	79	79
25	27	47	17	41
\$45,236	\$56,711	\$63,104	\$50,633	\$68,482

(continued)

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

Function/Program	2010	2009	2008	2007
Leisure Time Activities				
<i>Recreation</i>				
Recreation Swimming pool receipts	\$46,041	\$39,459	\$44,964	\$41,963
Economic Development				
Grant amounts received due to Economic Development Dept.	\$547,956	\$1,217,337	\$1,171,324	\$1,350,126
Basic Utility Services				
Refuse disposal per year (in tons)	2,963	2,881	3,106	3,229
Refuse disposal costs per year	\$404,635	\$443,454	\$423,010	\$306,670
Annual recycling tonnage (excluding leaf, and compost items)	462	374	329	368
Percentage of waste recycled	13.60%	11.48%	11.86%	11.39%
Transportation				
Street Improvements - asphalt overlay (linear feet)	15,475	14,604	5,020	15,797
Street Repair (Curbs, aprons, berms, asphalt) (hours)	2,589	1,916	1,949	2,463
Paint Striping (hours)	132	222	351	340
Street Sweeper (hours)	278	306	279	471
Cold Patch (hours)	177	189	22	66
Snow & Ice Removal regular hours	853	784	788	707
Snow & Ice Removal overtime hours	385	504	454	386
Sewer Crew (hours)	1,239	1,293	1,707	815
Sewer jet, Vac-all, other services (hours)	331	444	187	142
Landscaping Stump-Chipper service (hours)	1,032	1,255	1,608	1,099
Leaf collection (hours)	937	918	756	933
Holiday lights setup (hours)	90	85	64	66
Equipment repair/body shop (hours)	1,359	1,256	933	808
Sign department (hours)	162	318	378	173
Number of Trees Planted per year	40	40	31	27
Tons of snow melting salt purchased (Nov-Mar)	1,290	600	475	332
Cost of salt purchased	\$66,656	\$55,725	\$31,327	\$13,334
Vehicle repair/body shop (hours)	1,986	2,249	2,107	1,821
Water Department				
Water Rates per 1st 100 Cu ft of water used	\$2.71	\$2.71	\$2.71	\$2.71
Avg. number of water accounts billed monthly (Cu. Ft.)	100,193	73,120	107,405	103,533
Total Water Collections Annually (Including P&I)	\$2,831,193	\$2,734,271	\$3,049,297	\$2,973,543
Sewer Department				
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)	0.730	0.686	0.785	0.795
Average daily flow (Millions of gallons per day)	2.000	1.880	2.150	2.163
Tons of dry sludge removed	186	222	369	338

Source: City Records

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

2006	2005	2004	2003	2002
\$42,854	\$49,730	\$37,947	\$41,751	\$51,722
\$292,053	\$344,679	\$581,799	\$1,183,125	\$365,825
2,966	3,108	3,835	3,391	3,126
\$299,057	\$282,402	\$280,861	\$273,066	\$271,458
334	364	393	345	384
11.30%	11.70%	10.33%	10.00%	13.00%
500	610	761	827	691
1,210	1,058	692	481	423
247	347	256	169	558
340	207	376	382	485
243	343	290	426	274
109	216	481	155	90
48	359	53	248	158
1,269	768	1,317	1,312	1,972
307	88	79	421	469
183	N/A	N/A	N/A	N/A
803	684	621	544	684
50	47	22	46	66
1,110	788	1,061	884	921
157	85	67	393	257
117	73	93	73	80
305	1,154	835	350	1,416
\$11,236	\$24,348	\$19,475	\$8,636	\$22,702
1,765	1,574	1,374	1,219	1,596
\$2.63	\$2.56	\$2.48	\$2.41	\$2.34
204,347	224,383	112,465	105,356	101,650
\$2,902,394	\$2,681,687	\$2,541,640	\$2,433,893	\$2,465,341
\$2.64	\$2.64	\$2.64	\$2.64	\$2.64
0.777	0.717	0.790	0.743	0.639
2.130	2.040	2.250	2.110	1.750
178	395	377	133	334

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

Function/Program	2010	2009	2008	2007
General Government				
Square Footage Occupied	71,554	71,554	71,554	71,554
Administrative Vehicles	4	4	4	4
Inspection Vehicles	1	1	1	1
Police				
Stations	1	1	1	1
Square Footage of Building	11,700	11,700	11,700	11,700
Vehicles	10	10	9	9
Fire				
Stations	2	2	2	2
Square Footage of Building	10,900	10,900	10,900	10,900
Vehicles	12	12	12	12
Recreation				
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
Transportation				
Streets (miles)	47	47	46	46
Storm Sewers (miles)	151	151	150	150
Service Vehicles	22	22	22	22
Sewer Department				
Sanitary Sewers (miles)	42	42	42	42
Vehicles	6	6	7	7
Water Department				
Water Lines (miles)	61	61	57	57
Vehicles	10	10	12	12
Electric Department				
Electric Lines (miles)	300	300	300	300
Vehicles	24	24	23	23

Source: City Records

2006	2005	2004	2003	2002	2001
71,554	71,554	71,554	71,554	71,554	71,554
4	4	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	11,700
9	9	9	9	9	9
2	2	2	2	2	2
10,900	10,900	10,900	10,900	10,900	10,900
12	12	12	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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City of Orrville, Ohio

Mayor
David T. Handwerk

City Council President
Lyle Baker

City Council Members
Ricardo Aspiras
Rich Corfman
Mike Hamsher
Julia Leathers
Denny Miller
Tom Purdy
Arthur Shupp
Paul Vance

Public Utility Board President
Robert Maglio

Public Utility Board Members
Gary Gossard
Jon McGuire
Dave Shrader
Brad Strausbaugh



Dave Yost • Auditor of State

CITY OF ORRVILLE

WAYNE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 28, 2011