

Dave Yost • Auditor of State

CITY OF ORRVILLE
WAYNE COUNTY

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Dave Yost • Auditor of State

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

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

To the Mayor and City Council Members:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orrville, Wayne County, Ohio (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 6, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Dave Yost
Auditor of State
Columbus, Ohio

June 6, 2018

CITY OF ORRVILLE, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2017

Janet L. Strimlan
Finance Director

Prepared by the City Finance Department

INTRODUCTORY SECTION

City of Orrville, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2017
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June 6, 2018

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, 2017, and the Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

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

Profile of the Government

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

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

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

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

Steven M. Wheeler
Safety-Service Director

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

David T. Handwerk
Mayor

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

Philip C. McFarren
Human Resources Manager

Director of Finance have hiring authority for their respective departments. The Mayor may veto any legislation passed by the Council. A veto may be overridden by a two-thirds vote of all members of the Council.

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

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

Local Economy

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

CSX provides rail service to the Orrville area and industrial park. These rail services provide local industries with easy access for transporting supplies and products.

Air service is easily accessible to both residents and industry through the Wayne County Airport, the Holmes County Airport, and the Wadsworth Municipal Airport (Medina County). All are easily reached and able to handle small aircraft traffic. Commercial passenger and air freight services are available through the Akron-Canton Regional Airport and the Cleveland Hopkins International Airport. Cleveland Hopkins Airport is located 50 miles from Orrville. It is the largest airport in Ohio and the 41st largest in the United States. The airport handles nearly 9 million passengers annually from nearly 200 thousand operations (takeoffs and landings). The airport handles 156 daily nonstop flights to over 50 destinations. A total of nine carriers provide service to Cleveland Hopkins, including Air Canada, Allegiant, American Airlines, Delta, Frontier Airlines, Southwest, Spirit, United, and Jet Blue.

The Akron-Canton Airport is located 25 miles from Orrville. This airport offers the lowest average fare of any airport in Ohio. Three network carriers – American Airlines, Delta, Spirit and United Airlines – offer nonstop or one-stop flights to destinations throughout the United States and the globe. Akron-Canton Airport offers 90 arrival and departure flights to 14 nonstop destinations.

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

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

For more than 100 years, Orrville has built a reputation as a flourishing community with a supportive business climate where major corporations, family businesses, and entrepreneurs can start and grow a business in the midst of strategic U.S. market areas. This long-standing focus on successful enterprises include several nationally prominent companies such as The J. M. Smucker Company, Inc. (1897), The Smith Dairy Products 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 including many fine restaurants, dry cleaners, florists, printing companies, barbers, hair stylists, gas stations, auto parts stores, veterinary clinics and spas, insurance services, chiropractic care, funeral planning, ophthalmology, jewelry stores, plumbing and heating services, roof repairs and renovation, hobby shops, tax preparation, appliance stores, dentists, medical facilities, nursing facilities, retail tire services, furniture, floor coverings, wireless telephone, collision centers, financial services, and numerous banking centers.

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

For more than 110 years The J.M. Smucker Company has been committed to offering consumers quality products that help families create memorable mealtime moments all over the world. Today, Smucker's is the leading marketer and manufacturer of fruit spreads, retail packaged coffee, peanut butter, shortening and oils, ice cream toppings, sweetened condensed milk, and health and natural foods and 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 ranging from milk and ice cream, cottage cheese and sour cream, to iced tea and juices, dips and punches all with the highest quality and no compromises. All are delivered in packages designed to keep the products fresh. You no doubt recognize the Smith Dairy label when you shop, but do not 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 are 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 Castings parts and products can be found in construction machinery, compressors and pumps, electric motors, farm machinery, internal combustion engines, water and sewer fittings, axles, brackets, bearings, hubs, crankshafts, and transmissions to name just a few.

The Will-Burt Company 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 those 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 provided services for military applications.

Here is a surprise. Think about colored glass. We are 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 also provide over 70 percent of our income tax revenues, and you have now learned that products manufactured in Orrville, Ohio, end up everywhere in the world.

Utilities

Electric

The Electric Department of Orrville Utilities consists of the electric generating plant, transmission lines, and distribution lines. Started in 1917, the utility is one of only a few communities in Ohio that still generates its 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.

As a result of the EPA settlement in 2015, the Electric Utility has completed the significant challenges of converting Boiler 13 to natural gas and beginning the transition of operations from 24/7 generation to something much less.

In 2017, The Power Plant generated (43%) of the energy required for our customers. The Fremont gas plant delivered (21%), the open market (17%), Prairie State (9%), hydro projects (9%) and the Blue Creek wind project (1%). By the end of 2017, nearly 20% of our energy will come from renewables, with the most coming from the hydro projects, 18%. In the future the Power Plant will only generate about 15% of our customer requirements however, the Plant is capable of providing additional energy required during peak times or on an emergency basis. We will continue to explore new generation and/or power purchase agreements to meet base load and peaking requirements for the long term needs. We will also begin work on the addition of a second interconnection to the grid to enhance reliability due to the operational changes at the plant.

The generating station and distribution system provide electricity to over 7,385 customers covering more than 100 square miles in Eastern Wayne County, including Orrville, Marshallville, Dalton, and Kidron areas.

The generation department is supported by 30 professional, technical, skilled maintenance, and operating personnel. In the distribution department, 19 highly trained employees are responsible for maintaining over 300 miles of overhead and underground lines and safely handling voltage systems up to 13,800 volts.

The electric utility operated at 17.6 percent of its capacity this year. The power plant burned 18,000 tons of coal in 2017.

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

The sewer facility treated 803 million gallons of sewage during 2017. 252 dry tons of residual solids were land applied in 2017 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 1.6 MGD. The department is frequently recognized for its safe and high-quality water and programs.

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

Education

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

Through the combined efforts of parents, teachers, students, and 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-time and part-time staffs 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, a summer Olympics, sports camps, and 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 five concerts at Rehm Performing Arts Pavilion and three summer movies in 2016; all events were well attended.

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

Cultural Opportunities

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

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

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

For spectator sports enthusiasts, Northern Ohio is home to the Cleveland Indians, Cavaliers, and Browns as well as a minor league baseball team the Akron Rubber Ducks, and many collegiate athletic programs throughout the region. One 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. Based on assessed valuation information provided by the County Auditor, 60 percent of the total assessed valuation is residential property and 40 percent is commercial and industrial property.

City Employees

The City has 116 full-time employees, 27 volunteer firemen (who are paid on a per-call basis), and 18 part-time positions (including City Council, Utility Board, and Civil Service Commission). 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, 2018	54
Ohio Patrolmen's Benevolent Association	December 31, 2018	12

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. These bonds were retired in 2015. No additional governmental debt has been issued since that time.

The City has debt for the Water Utility. Future borrowings are not anticipated for the sewer utility; however, borrowing may be required for the electric utility to meet future EPA requirements. The water utility will rely on grants and loans for its future capital projects. Rate increases for the water and sewer utility were approved and implemented in 2017. The electric utility will be subject to a rate increase in the future.

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 30 percent to the capital improvement fund and 70 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 emergency medical service 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 completed a number of projects in 2017. The Safety-Service Department, with the help of Community Development Block grants resurfaced Pearl Street. In addition, City capital proceeds and grants monies from Ohio Public Works Commission were utilized to resurface several streets, including Arlington, West Pine, Independence, Water, South Vine, and Oak Street. Capital funds were also utilized to repair concrete on several streets, including Crown Hill, N. Elm, and Dairy Lane.

Despite the bleak economy surrounding us, organizations located within the City have also completed a number of projects in 2017. The total amount invested in property and capital improvements by the following organizations totaled in excess of \$46 million: Aultman Orrville Hospital, Bekaert, City of Orrville, Cobblestone Hotel, Commercial & Savings Bank, The J.M. Smucker Company, Jarrett Logistics, Jarrett Companies Warehouse, J & O Hair Salon, McElroy Packaging, Nagy's, Orrville Lion's Club, Orrvilon, Orrville Utilities, Pickett & Pickett, Red Bucket, Runions Furniture, Venture Products, Zephyrs Fitness.

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, 2016. This was the fifteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

A sincere thank you also to the Local Government Services Section of Auditor of State Dave Yost's Office for their assistance in the organization and final review of our 2016 Comprehensive Annual Financial Report.

Respectfully submitted,

Janet L. Strimlan

Janet L. Strimlan
Director of Finance

City of Orrville, Ohio

City Officials

ELECTED OFFICIALS

Mayor David T. Handwerk
President of Council Lyle Baker
Council Member Ricardo Aspiras
Council Member Rich Corfman
Council Member Mike Hamsher
Council Member John Lorson
Council Member Authur Shupp
Council Member Paul Vance
Council Member Travis Wilson

APPOINTED OFFICIALS

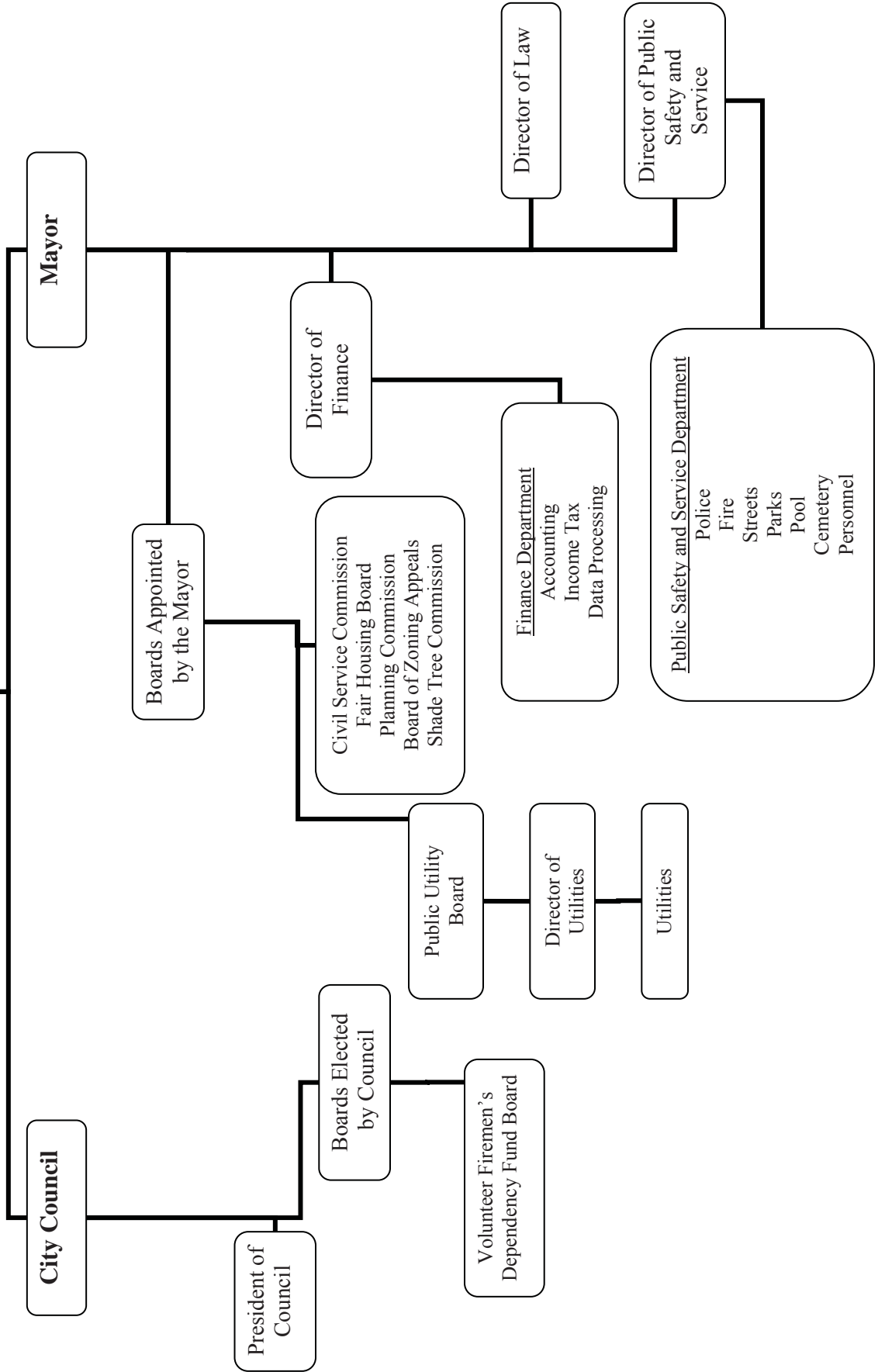
Director of Finance Janet L. Strimlan
Director of Law Cheryl M. Kirkbride
Director of Public Safety and Service Steven M. Wheeler
Director of Utilities Jeff Brediger
Clerk of Council Jeanne Gault

UTILITY BOARD MEMBERS

President of Board Don McFarlin
Board Member Michele Abel
Board Member Paul Vance
Board Member Russell Miller
Board Member Brad Strausbaugh

December 31, 2017

**Citizens of Orrville
(Voters)**





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Orrville
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Mayor and City Council Members:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orrville, Wayne County, Ohio (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orrville, Wayne County, Ohio, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2018, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

June 6, 2018

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City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2017
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, 2017. 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 2017 are as follows:

- The total assets of the City exceeded its liabilities at the close of 2017 by \$136,007,840. Of this amount, the unrestricted balance is \$47,543,763. The unrestricted net position of the City's business-type activities is \$45,042,998 and may be used to meet the on-going obligations of business-type activities, including sanitary sewer, electricity, and water. The unrestricted net position of the governmental activities is \$2,500,765 and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased \$4,378,889. Net position of the governmental activities increased by \$526,773. Net position of the business-type activities increased by \$3,852,116, which combined with governmental, represented a 3.3 percent increase from 2016. This increase in business-type activities was primarily driven by insurance proceeds to settle a claim.
- The total cost of the City's programs increased \$3,322,234 or 7.3 percent. The cost of governmental activities increased by \$41,576, while the cost of business-type activities increased by \$3,280,658. The increase in governmental expenses was driven by infrastructure repairs and improvements. The business-type activities expenses increase was driven by higher natural gas usage due to Environmental Protection Agency mandates.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$8,357,275. The combined governmental funds balance increased \$57,473 from the prior year's ending fund balance. Approximately 33 percent of this amount (\$2,723,467) is considered unassigned at December 31, 2017 and is available for spending at the City's discretion.
- The general fund reported an unassigned fund balance of \$2,723,467 at the end of 2017. This balance for the general fund was 54.48 percent of total general fund expenditures.

Using this Annual Financial Report

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

The statement of net position and the statement of activities provide summarized information showing the effects of the operations for the year 2017 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.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2017
Unaudited

Reporting the City of Orrville as a Whole

Statement of Net Position and Statement of Activities

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

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

In the statement of net position and the statement of activities, the City is divided into two major activities:

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

Reporting on the Most Significant Funds of the City of Orrville

Fund Financial Statements

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

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

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

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2017
Unaudited

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.

The City of Orrville as a Whole

The statement of net position provides an overall view of the City. Table 1 shows a summary of the City's net position for 2017 as it compares to 2016.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Current and Other Assets	\$10,032,374	\$10,158,100	\$54,823,946	\$48,688,486	\$64,856,320	\$58,846,586
Capital Assets, Net	51,550,941	50,741,228	36,588,545	37,741,481	88,139,486	88,482,709
<i>Total Assets</i>	<u>61,583,315</u>	<u>60,899,328</u>	<u>91,412,491</u>	<u>86,429,967</u>	<u>152,995,806</u>	<u>147,329,295</u>
Deferred Outflows of Resources						
Pension	1,622,100	1,672,115	3,774,393	3,041,103	5,396,493	4,713,218
Liabilities						
Current Liabilities	494,478	796,873	2,867,798	2,355,900	3,362,276	3,152,773
Long-Term Liabilities:						
Due Within One Year	74,123	73,444	321,270	506,876	395,393	580,320
Due in More Than One Year:						
Net Pension Liability	5,942,101	5,607,214	9,872,226	7,903,859	15,814,327	13,511,073
Other Amounts	594,597	592,604	1,206,932	1,619,142	1,801,529	2,211,746
<i>Total Liabilities</i>	<u>7,105,299</u>	<u>7,070,135</u>	<u>14,268,226</u>	<u>12,385,777</u>	<u>21,373,525</u>	<u>19,455,912</u>
Deferred Inflows of Resources						
Property Taxes	482,600	477,400	0	0	482,600	477,400
Pension	221,609	154,774	306,725	325,476	528,334	480,250
<i>Total Deferred Inflows of Resources</i>	<u>704,209</u>	<u>632,174</u>	<u>306,725</u>	<u>325,476</u>	<u>1,010,934</u>	<u>957,650</u>
Net Position						
Net Investment in Capital Assets	51,042,719	50,035,165	35,568,935	36,134,763	86,611,654	86,169,928
Restricted for:						
Capital Projects	246,852	264,380	0	0	246,852	264,380
Debt Service	200,513	210,411	0	0	200,513	210,411
Street Repair and Maintenance	1,018,093	1,026,796	0	0	1,018,093	1,026,796
Law Enforcement and Education	23,167	16,112	0	0	23,167	16,112
Cemetery Maintenance	363,798	420,852	0	0	363,798	420,852
Unrestricted	2,500,765	2,895,418	45,042,998	40,625,054	47,543,763	43,520,472
<i>Total Net Position</i>	<u>\$55,395,907</u>	<u>\$54,869,134</u>	<u>\$80,611,933</u>	<u>\$76,759,817</u>	<u>\$136,007,840</u>	<u>\$131,628,951</u>

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2017 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27." For reasons discussed below, many end users of this financial

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2017
Unaudited

statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's Statewide pension systems and State law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 requires the net pension liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

Total assets increased from 2016 due to a large increase in current assets. The increase in current assets was mainly a result of a significant increase in equity in pooled cash and cash equivalents in business-type activities due to an insurance settlement in the electric fund. Capital assets decreased slightly due to additions being outpaced by deletions and depreciation.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2017
Unaudited

The City also works hard to increase net position through our investment program. Investment earnings for the City were higher than 2016. This increase reflects the fair market valuation of the City's investments at December 31, 2017.

Table 2 shows the changes in net position for the years ended December 31, 2017 and 2016, for both our governmental activities and our business-type activities.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues:						
Charges for Services and Operating Assessments	\$1,030,559	\$922,522	\$39,088,945	\$39,770,890	\$40,119,504	\$40,693,412
Operating Grants and Contributions	482,979	508,370	0	0	482,979	508,370
Capital Grants and Contributions	452,870	1,289,750	0	0	452,870	1,289,750
Total Program Revenues	1,966,408	2,720,642	39,088,945	39,770,890	41,055,353	42,491,532
General Revenues:						
Property Taxes	459,213	447,328	0	0	459,213	447,328
Kilowatt Per Hour Tax	916,592	920,114	0	0	916,592	920,114
Income Taxes	6,042,451	5,250,684	0	0	6,042,451	5,250,684
Grants and Entitlements	258,486	212,873	0	0	258,486	212,873
Gain on Sale of Capital Assets	62,503	31,859	104,381	14,715	166,884	46,574
Unrestricted Contributions	600	280	0	0	600	280
Investment Earnings	(26,698)	(45,800)	396,252	227,924	369,554	182,124
Other	28,029	138,313	597,386	558,244	625,415	696,557
Total General Revenues	7,741,176	6,955,651	1,098,019	800,883	8,839,195	7,756,534
Total Revenues	9,707,584	9,676,293	40,186,964	40,571,773	49,894,548	50,248,066
Program Expenses						
General Government	1,455,297	1,415,466	0	0	1,455,297	1,415,466
Security of Persons and Property:						
Police	2,376,973	2,395,000	0	0	2,376,973	2,395,000
Fire	620,786	613,209	0	0	620,786	613,209
Transportation	2,650,728	1,915,963	0	0	2,650,728	1,915,963
Public Health and Welfare	313,670	334,538	0	0	313,670	334,538
Leisure Time Activities	400,247	1,130,301	0	0	400,247	1,130,301
Basic Utility Service	446,518	418,166	0	0	446,518	418,166
Enterprise Operations	0	0	40,314,427	37,033,769	40,314,427	37,033,769
Total Program Expenses	8,264,219	8,222,643	40,314,427	37,033,769	48,578,646	45,256,412
Increase in Net Position Before Extraordinary Item and Transfers	1,443,365	1,453,650	(127,463)	3,538,004	1,315,902	4,991,654
Extraordinary Item - Insurance Settlement Transfers	0 (916,592)	0 (920,114)	3,062,987 916,592	0 920,114	3,062,987 0	0 0
Increase in Net Position	526,773	533,536	3,852,116	4,458,118	4,378,889	4,991,654
Net Position Beginning of Year	54,869,134	54,335,598	76,759,817	72,301,699	131,628,951	126,637,297
Net Position End of Year	\$55,395,907	\$54,869,134	\$80,611,933	\$76,759,817	\$136,007,840	\$131,628,951

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2017
Unaudited

Governmental Activities

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

General revenues increased in 2017 mainly due to an increase (on an accrual basis) in income tax. On a cash basis income tax revenues were actually down from 2016. This fluctuation in revenue is the result of a change in due dates for withholding tax due to the passage of House Bill 5, which came into effect January 1, 2016.

The City's income tax was established by ordinance to be effective January 1, 1961, at a rate of 0.6 percent. The rate was later increased by resolution to 1 percent effective October 1, 1970. The rate has remained at that level since then. This rate is much lower than the State average for municipalities that have an income tax. The income tax accounted for revenues of \$6,042,451 in 2017. These revenues were split between the general fund and the capital improvements fund with an allocation of 70 percent to the general fund and 30 percent to the capital improvements fund. The allocation percentage is set by resolution and historically has changed from time to time depending on the balances in the two aforementioned funds. The allocation has been 80 - 20 percent, 75 - 25 percent, 65 - 35 percent, as well as 60 - 40 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 and concrete reconstruction of multiple streets and the purchase of police and fire vehicles, and trailhead projects.

Program revenues for governmental funds decreased significantly on a GAAP basis in 2017 due to capital grants and contributions related to transportation projects, while charges for services increased slightly and operating assessments and operating grants and contributions decreased slightly from 2016.

General government expenses for 2017 increased over 2016 mainly due to higher depreciation expense.

Our Police Department is funded through the general fund. The Department is a full-time 24-hours a day, 365-days a year Department. These expenses are the second largest of the City. The expenses for the Department for 2017 decreased slightly from the prior year due to decreases in personal services and materials and supplies.

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 significantly in 2017 due to higher maintenance and repair costs and depreciation expense and lower capitalized expenses than in 2016.

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

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2017
Unaudited

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 2017, the electric utility sold 301,439,338 KWH of electricity to generate \$33,871,967 in charges for services revenue. The utility burned 16,365 tons of coal. The plant produced 21 percent of the community's energy requirements, with 11 percent coming from our participation in the Prairie State Project and 28 percent coming from our participation in the Fremont Gas Project. Participation in wind and hydro projects brought 15 percent of the power needs. All projects are through our association with American Municipal Power (AMP) and lastly, 25 percent from market purchases. In 2016, power cost adjustment fees increased as we began to make payments for our participation in the hydro projects through AMP. Future rate increases are expected as additional hydro projects begin. Rates will also be impacted by the additional costs associated with the Environmental Protection Agency (EPA) settlement.

The water utility treated an average of 1.6 million gallons of water per day in 2017. 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 the water plant continued to produce a high quality of water while meeting or exceeding all EPA requirements. The plant currently serves approximately 3,200 residential customers and over 350 industrial and commercial customers.

The sewer facility treated 804 million gallons of sewage during 2017. 252 dry tons of residual solids were land applied in 2017 to agricultural fields, returning their nutrients to the soil. The facility is currently operating at approximately 80 percent of its rated capacity and continues to maintain its operations to assure reliable wastewater collection and treatment for Orrville's residents, businesses, and industries.

The revenues and expenses for all three of these utilities are reported under the business-type activities on Table 2. This table shows that the majority of the City's revenues and expenses flow through the Utility Department. The revenues for the Utility Department come primarily from charges for services. In 2017 this amount accounted for approximately 90 percent of the revenues. The increase in the revenues in the utility funds during 2017 was primarily the result of the receipt of insurance proceeds in the electric fund for an insurance claim that was filed. In addition to this settlement, revenues and transfers in exceeded total expenses for the utilities, increasing net position by \$3,852,116 in the business-type activities.

The City's Funds

Information about the City's governmental funds begins on page 18. These funds are accounted for using the modified accrual method of accounting. The general fund revenues of \$6,289,742 remained stable with 2016 revenues. Expenditures of \$4,999,035 are slightly higher than 2016 expenditures, mainly due to an increase in expenditures for security of persons and property. Although this shows a surplus of \$1,290,707, the true picture is somewhat different. Some of the revenue collected in the general fund is from the collection of the Kilowatt-hour tax that is then passed back through the electric fund by way of a transfer. When these receipts and other transfers are eliminated, and proceeds from the sale of capital assets are added in, the net change in fund balance is an increase of \$99,468. The capital improvements fund revenues of \$1,945,050 are less than 2016, mainly due to intergovernmental revenues received being lower than in 2016. The expenditures of \$2,024,557 are much lower than 2016 expenditures, due to a decrease in the street projects during 2017. The decrease in revenues resulted in a decrease in fund balance of \$79,507.

Information about the business-type funds starts on page 23. These funds are accounted for on an accrual basis. The sewer fund had operating revenues of \$2,098,617 and operating expenses of \$2,644,713; the electric fund had operating revenues of \$34,442,603 and operating expenses of \$34,602,327; and the water

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2017
Unaudited

fund had operating revenues of \$2,939,539 and operating expenses of \$2,950,804. As a result, the sewer, electric and water funds all had operating losses. After non-operating revenues (expenses), extraordinary items and transfers are taken into consideration, sewer and water funds had decreases in net position while the electric fund had an increase in net position.

Budgeting Highlights

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

For the general fund, the original budgeted revenues and the final budgeted revenues were \$5,562,850 and \$5,857,350, respectively. The actual revenues were \$6,371,195. The \$513,845 difference between final budgeted and actual revenues was primarily due to higher than anticipated income tax and charges for services revenues. The actual expenditures of \$5,083,286 compare favorably with the final budget figure of \$5,697,243. 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, 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.

Capital Assets and Debt Administration

Capital Assets

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

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$2,126,217	\$2,101,420	\$1,139,783	\$1,139,783	\$3,266,000	\$3,241,203
Construction In Progress	1,817,663	1,730,094	214,976	96,590	2,032,639	1,826,684
Buildings and Improvements	3,339,030	3,277,800	8,858,902	9,493,875	12,197,932	12,771,675
Equipment	1,195,523	1,164,761	4,959,640	5,366,854	6,155,163	6,531,615
Vehicles	668,272	725,713	905,305	542,721	1,573,577	1,268,434
Electric - Generation/ Transmission/Distribution	0	0	12,677,262	12,902,943	12,677,262	12,902,943
Infrastructure	42,404,236	41,741,440	7,832,677	8,198,715	50,236,913	49,940,155
Total	\$51,550,941	\$50,741,228	\$36,588,545	\$37,741,481	\$88,139,486	\$88,482,709

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2017
Unaudited

Total capital assets decreased slightly in 2017, as additions of new assets were lower than annual depreciation and disposals of assets during the year. Several projects were begun during 2011 through 2016 and continued into 2017. These projects are reflected in the construction in progress amounts above and include several street projects, as well as projects in the two utilities.

The City has a formal capital asset policy, which outlines the procedures for purchasing, receiving, and disposing of capital assets. The policy contains forms and includes a tagging process, which was instituted in 2005. For additional information see Note 11 to the basic financial statements.

Debt Administration

The following is the outstanding debt for the City of Orrville as of December 31, 2017:

Table 4
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Refunding General Obligation Bonds	\$0	\$0	\$565,000	\$670,000	\$565,000	\$670,000
Notes	0	0	0	400,000	0	400,000
OPWC Loans	456,422	480,445	454,610	536,718	911,032	1,017,163
Totals	<u>\$456,422</u>	<u>\$480,445</u>	<u>\$1,019,610</u>	<u>\$1,606,718</u>	<u>\$1,476,032</u>	<u>\$2,087,163</u>

The Governmental Activities' only debt outstanding at December 31, 2017, is an Ohio Public Works Commission (OPWC) Loan, which was incurred to help finance the concrete streets improvement project begun in 2015.

The Utility Department carries the vast majority of the debt, which is in the water fund. The water utility had an outstanding bond anticipation general obligation note. This was issued originally in 2007 to call a portion of the Mortgage Revenue Bonds and was due in 2008. In 2008, additional notes were issued to refinance the 2007 note and also to improve the water utility system. These notes were refinanced in 2009 through 2016 and in 2017 it was refinanced as manuscript debt. The water utility also carries two other kinds of debt. Water System Improvement Revenue Bonds were issued in 1994 for the construction of a new treatment plant and then refunded in 2002. These bonds were refunded again in 2013 and are now general obligation bonds. The water utility also has three interest free loans from the OPWC; the oldest is scheduled to be paid off in 2018. The two newest loans, which were both issued in 2007, are scheduled to be paid off in 2027 and 2037. Debt service payments for the water utility totaled \$587,108 in 2017.

The administration and City Council are both very committed to controlling and managing the debt. In 2015, the economic development bonds, held as manuscript debt, associated with the Industrial Park were retired early. Over the last ten years, we have been able to manage the cash balances of the City to a point that debt issuance is not necessary for capital improvement except in extreme cases or instances where it is fiscally better to issue debt rather than spend reserves. For additional information see Note 12 to the basic financial statements.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2017
Unaudited

Current Financial Issues

The City's finances during 2017 reflected a positive outcome. The City is fortunate in that the majority of local businesses and industries remain stable. Although future collections are not certain, income tax revenues remain consistent. Due to an accrual adjustment in 2016, the change in net position table was shows an increase in income tax revenue; however, on a cash basis income tax revenue decreased due to a due date change for withholding tax mandated by House Bill 5. The City, as a whole, operated in a surplus position due to continued controlled spending and stable 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 and the police and fire assist our residents in an exemplary fashion, as needed.

Revenues for the utilities are up from 2016 primarily due to an insurance settlement for a generator claim in the electric fund. Our focus in 2018 will be to completely transition to a peaking plan and begin the process for a secure secondary delivery point. These initiatives will have a negative impact on the cost structure, the extent of which is unknown at this time. Rate studies are in progress to determine what level of funding will be needed for current and future needs of our utilities. All three utilities continue to provide quality service at a reasonable cost. There were no lay-offs.

The Safety Services Department operates under a comprehensive plan. This plan is updated every ten years and provides a structure for development within the City. The plan was updated in 2012. The Safety Service Director, the Mayor, and City Council spent a great deal of time working with a planning consultant and the citizens to develop the plan for the next ten years. The plan deals with land use, economic development, transportation, and community facilities/parks and recreation.

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

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

Contacting the City's Finance Department

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

City of Orrville, Ohio
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-Type Activities	Total *
Assets			
Equity in Pooled Cash and Cash Equivalents	\$7,577,997	\$45,693,833	\$53,271,830
Materials and Supplies Inventory	91,153	4,140,808	4,231,961
Accrued Interest Receivable	20,267	131,869	152,136
Accounts Receivable	114,721	4,962,047	5,076,768
Internal Balances	104,611	(104,611)	0
Intergovernmental Receivable	410,161	0	410,161
Income Taxes Receivable	1,202,783	0	1,202,783
Property Taxes Receivable	493,009	0	493,009
Special Assessments Receivable	17,672	0	17,672
Nondepreciable Capital Assets	3,943,880	1,354,759	5,298,639
Depreciable Capital Assets, Net	47,607,061	35,233,786	82,840,847
<i>Total Assets</i>	<u>61,583,315</u>	<u>91,412,491</u>	<u>152,995,806</u>
Deferred Outflows of Resources			
Pension	1,622,100	3,774,393	5,396,493
Liabilities			
Accounts Payable	179,504	2,322,126	2,501,630
Accrued Wages	123,777	221,670	345,447
Intergovernmental Payable	75,816	130,586	206,402
Accrued Interest Payable	0	5,084	5,084
Vacation Benefits Payable	115,381	188,332	303,713
Long-Term Liabilities:			
Due Within One Year	74,123	321,270	395,393
Due in More Than One Year:			
Net Pension Liability (See Note 14)	5,942,101	9,872,226	15,814,327
Other Amounts	594,597	1,206,932	1,801,529
<i>Total Liabilities</i>	<u>7,105,299</u>	<u>14,268,226</u>	<u>21,373,525</u>
Deferred Inflows of Resources			
Property Taxes	482,600	0	482,600
Pension	221,609	306,725	528,334
<i>Total Deferred Inflows of Resources</i>	<u>704,209</u>	<u>306,725</u>	<u>1,010,934</u>
Net Position			
Net Investment in Capital Assets	51,042,719	35,568,935	86,611,654
Restricted for:			
Capital Projects	246,852	0	246,852
Debt Service	200,513	0	200,513
Street Repair and Maintenance	1,018,093	0	1,018,093
Law Enforcement and Education	23,167	0	23,167
Cemetery Maintenance	363,798	0	363,798
Unrestricted	2,500,765	45,042,998	47,543,763
<i>Total Net Position</i>	<u>\$55,395,907</u>	<u>\$80,611,933</u>	<u>\$136,007,840</u>

See accompanying notes to the basic financial statements

* After deferred outflows of resources and deferred inflows of resources related to the change in internal proportionate share of pension related items have been eliminated.

City of Orrville, Ohio
Statement of Activities
For the Year Ended December 31, 2017

	Program Revenues			
	Expenses	Charges for Services and Operating Assessments	Operating Grants and Contribution	Capital Grants and Contribution
Governmental Activities:				
General Government	\$1,455,297	\$165,112	\$17,457	\$0
Security of Persons and Property:				
Police	2,376,973	8,015	8,929	0
Fire	620,786	92,475	6,700	0
Transportation	2,650,728	65,313	445,373	452,870
Public Health and Welfare	313,670	158,260	0	0
Leisure Time Activities	400,247	101,221	4,520	0
Basic Utility Service	446,518	440,163	0	0
<i>Total Governmental Activities</i>	<u>8,264,219</u>	<u>1,030,559</u>	<u>482,979</u>	<u>452,870</u>
Business-Type Activities:				
Sewer	2,653,891	2,116,127	0	0
Electric	34,648,875	34,017,923	0	0
Water	3,011,661	2,954,895	0	0
<i>Total Business-Type Activities</i>	<u>40,314,427</u>	<u>39,088,945</u>	<u>0</u>	<u>0</u>
<i>Total - Primary Government</i>	<u>\$48,578,646</u>	<u>\$40,119,504</u>	<u>\$482,979</u>	<u>\$452,870</u>

General Revenues

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

Total General Revenues

Extraordinary Item - Insurance Settlement
Transfers

*Total General Revenues, Extraordinary Item
and Transfers*

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(\$1,272,728)	\$0	(\$1,272,728)
(2,360,029)	0	(2,360,029)
(521,611)	0	(521,611)
(1,687,172)	0	(1,687,172)
(155,410)	0	(155,410)
(294,506)	0	(294,506)
(6,355)	0	(6,355)
<u>(6,297,811)</u>	<u>0</u>	<u>(6,297,811)</u>
0	(537,764)	(537,764)
0	(630,952)	(630,952)
0	(56,766)	(56,766)
<u>0</u>	<u>(1,225,482)</u>	<u>(1,225,482)</u>
<u>(6,297,811)</u>	<u>(1,225,482)</u>	<u>(7,523,293)</u>
459,213	0	459,213
916,592	0	916,592
4,251,620	0	4,251,620
1,790,831	0	1,790,831
258,486	0	258,486
62,503	104,381	166,884
600	0	600
(26,698)	396,252	369,554
28,029	597,386	625,415
<u>7,741,176</u>	<u>1,098,019</u>	<u>8,839,195</u>
0	3,062,987	3,062,987
(916,592)	916,592	0
<u>6,824,584</u>	<u>5,077,598</u>	<u>11,902,182</u>
526,773	3,852,116	4,378,889
<u>54,869,134</u>	<u>76,759,817</u>	<u>131,628,951</u>
<u>\$55,395,907</u>	<u>\$80,611,933</u>	<u>\$136,007,840</u>

City of Orrville, Ohio

Balance Sheet

Governmental Funds

December 31, 2017

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$4,140,114	\$1,346,830	\$2,091,053	\$7,577,997
Materials and Supplies Inventory	91,153	0	0	91,153
Accrued Interest Receivable	19,180	0	1,087	20,267
Accounts Receivable	42,549	0	72,172	114,721
Intergovernmental Receivable	135,629	0	274,532	410,161
Income Taxes Receivable	841,948	360,835	0	1,202,783
Property Taxes Receivable	493,009	0	0	493,009
Special Assessments Receivable	0	0	17,672	17,672
<i>Total Assets</i>	<u>\$5,763,582</u>	<u>\$1,707,665</u>	<u>\$2,456,516</u>	<u>\$9,927,763</u>
Liabilities				
Accounts Payable	\$60,051	\$59,281	\$60,172	\$179,504
Accrued Wages	99,552	0	24,225	123,777
Intergovernmental Payable	61,803	0	14,013	75,816
<i>Total Liabilities</i>	<u>221,406</u>	<u>59,281</u>	<u>98,410</u>	<u>379,097</u>
Deferred Inflows of Resources				
Property Taxes	482,600	0	0	482,600
Unavailable Revenue	383,420	122,269	203,102	708,791
<i>Total Deferred Inflows of Resources</i>	<u>866,020</u>	<u>122,269</u>	<u>203,102</u>	<u>1,191,391</u>
Fund Balances				
Nonspendable	91,153	0	0	91,153
Restricted	0	0	1,759,580	1,759,580
Committed	0	1,526,115	359,173	1,885,288
Assigned	1,861,536	0	36,251	1,897,787
Unassigned	2,723,467	0	0	2,723,467
<i>Total Fund Balances</i>	<u>4,676,156</u>	<u>1,526,115</u>	<u>2,155,004</u>	<u>8,357,275</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$5,763,582</u>	<u>\$1,707,665</u>	<u>\$2,456,516</u>	<u>\$9,927,763</u>

See accompanying notes to the basic financial statements

City of Orrville, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2017*

Total Governmental Fund Balances		\$8,357,275
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		51,550,941
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable revenues in the funds:		
Delinquent Property Taxes	\$10,409	
Income Taxes	407,563	
Delinquent Special Assessments	17,672	
Intergovernmental	243,886	
Fines, Licenses and Permits	24,693	
Charges for Services	4,568	
Total	708,791	708,791
The accumulated overpayments to the internal service fund.		104,611
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.		(115,381)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
OPWC Loan	(456,422)	
Compensated Absences	(212,298)	
Total	(668,720)	(668,720)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the funds:		
Deferred Outflows - Pension	1,622,100	
Net Pension Liability	(5,942,101)	
Deferred Inflows - Pension	(221,609)	
Total	(4,541,610)	(4,541,610)
 <i>Net Position of Governmental Activities</i>		 <u><u>\$55,395,907</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, 2017

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$460,007	\$0	\$0	\$460,007
Income Taxes	4,207,170	1,771,781	0	5,978,951
Kilowatt Per Hour Tax	916,592	0	0	916,592
Special Assessments	0	0	19,309	19,309
Intergovernmental	282,679	173,269	699,434	1,155,382
Interest	(29,937)	0	3,239	(26,698)
Fines, Licenses and Permits	23,718	0	72,476	96,194
Rentals	552	0	0	552
Charges for Services	393,867	0	539,019	932,886
Contributions and Donations	11,556	0	9,024	20,580
Other	23,538	0	4,491	28,029
<i>Total Revenues</i>	<u>6,289,742</u>	<u>1,945,050</u>	<u>1,346,992</u>	<u>9,581,784</u>
Expenditures				
Current:				
General Government	1,215,286	0	14,868	1,230,154
Security of Persons and Property:				
Police	2,181,950	0	4,635	2,186,585
Fire	564,278	0	0	564,278
Transportation	516,051	0	891,611	1,407,662
Public Health and Welfare	166,687	0	125,155	291,842
Leisure Time Activities	330,760	0	4,924	335,684
Basic Utility Service	0	0	446,518	446,518
Capital Outlay	0	2,024,557	297,129	2,321,686
Debt Service:				
Principal Retirement	24,023	0	0	24,023
<i>Total Expenditures</i>	<u>4,999,035</u>	<u>2,024,557</u>	<u>1,784,840</u>	<u>8,808,432</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,290,707</u>	<u>(79,507)</u>	<u>(437,848)</u>	<u>773,352</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	200,713	0	0	200,713
Transfers In	0	0	475,360	475,360
Transfers Out	(1,391,952)	0	0	(1,391,952)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,191,239)</u>	<u>0</u>	<u>475,360</u>	<u>(715,879)</u>
<i>Net Change in Fund Balances</i>	99,468	(79,507)	37,512	57,473
<i>Fund Balances Beginning of Year</i>	<u>4,576,688</u>	<u>1,605,622</u>	<u>2,117,492</u>	<u>8,299,802</u>
<i>Fund Balances End of Year</i>	<u>\$4,676,156</u>	<u>\$1,526,115</u>	<u>\$2,155,004</u>	<u>\$8,357,275</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, 2017*

Net Change in Fund Balances - Total Governmental Funds \$57,473

*Amounts reported for governmental activities in the
statement of activities are different because:*

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

Capital Asset Additions	\$2,677,079	
Current Year Depreciation	(1,729,156)	
Total	947,923	947,923

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (138,210)

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

Delinquent Property Taxes	(794)	
Income Taxes	63,500	
Delinquent Special Assessments	(19,309)	
Intergovernmental	18,973	
Fines, Licenses and Permits	77	
Charges for Services	850	
Total	63,297	63,297

Repayment of loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 24,023

The change in the accumulated overpayments to the internal service fund for governmental funds is reported for the year. 60,757

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	(26,695)	
Vacation Benefits Payable	(10,058)	
Total	(36,753)	(36,753)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 434,223

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (885,960)

Change in Net Position of Governmental Activities \$526,773

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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$427,500	\$427,000	\$460,007	\$33,007
Income Taxes	3,268,000	3,853,000	4,213,533	360,533
Kilowatt Per Hour Tax	1,300,000	990,000	916,592	(73,408)
Intergovernmental	262,550	262,550	277,084	14,534
Interest	21,150	31,150	54,249	23,099
Fines, Licenses and Permits	28,000	28,000	23,718	(4,282)
Rentals	1,100	1,100	552	(548)
Charges for Services	243,550	253,550	390,366	136,816
Contributions and Donations	10,000	10,000	11,556	1,556
Other	1,000	1,000	23,538	22,538
<i>Total Revenues</i>	<u>5,562,850</u>	<u>5,857,350</u>	<u>6,371,195</u>	<u>513,845</u>
Expenditures				
Current:				
General Government	1,422,148	1,474,839	1,205,388	269,451
Security of Persons and Property:				
Police	2,176,487	2,357,762	2,231,376	126,386
Fire	637,358	649,138	562,657	86,481
Transportation	674,498	613,888	543,172	70,716
Public Health and Welfare	218,434	198,726	173,061	25,665
Leisure Time Activities	360,069	377,890	343,609	34,281
Debt Service:				
Principal	25,000	25,000	24,023	977
<i>Total Expenditures</i>	<u>5,513,994</u>	<u>5,697,243</u>	<u>5,083,286</u>	<u>613,957</u>
<i>Excess of Revenues Over Expenditures</i>	<u>48,856</u>	<u>160,107</u>	<u>1,287,909</u>	<u>1,127,802</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	267,440	267,440
Transfers Out	(1,815,000)	(1,785,000)	(1,391,952)	393,048
<i>Total Other Financing Sources (Uses)</i>	<u>(1,815,000)</u>	<u>(1,785,000)</u>	<u>(1,124,512)</u>	<u>660,488</u>
<i>Net Change in Fund Balance</i>	(1,766,144)	(1,624,893)	163,397	1,788,290
<i>Fund Balance Beginning of Year</i>	3,851,356	3,851,356	3,851,356	0
Prior Year Encumbrances Appropriated	186,763	186,763	186,763	0
<i>Fund Balance End of Year</i>	<u>\$2,271,975</u>	<u>\$2,413,226</u>	<u>\$4,201,516</u>	<u>\$1,788,290</u>

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2017

	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	\$2,892,908	\$38,077,062	\$4,376,141	\$45,346,111	\$347,722
Receivables:					
Accounts	254,318	4,321,898	385,831	4,962,047	0
Accrued Interest	9,616	109,246	12,026	130,888	981
Materials and Supplies Inventory	162,575	3,754,983	223,250	4,140,808	0
Interfund Receivable	545,000	845,000	0	1,390,000	0
<i>Total Current Assets</i>	<u>3,864,417</u>	<u>47,108,189</u>	<u>4,997,248</u>	<u>55,969,854</u>	<u>348,703</u>
<i>Non-Current Assets:</i>					
Nondepreciable Assets	138,480	459,286	756,993	1,354,759	0
Depreciable Capital Assets, Net	4,371,769	19,611,301	11,250,716	35,233,786	0
<i>Total Non-Current Assets</i>	<u>4,510,249</u>	<u>20,070,587</u>	<u>12,007,709</u>	<u>36,588,545</u>	<u>0</u>
<i>Total Assets</i>	<u>8,374,666</u>	<u>67,178,776</u>	<u>17,004,957</u>	<u>92,558,399</u>	<u>348,703</u>
Deferred Outflows of Resources					
Pension	608,613	2,661,431	564,401	3,834,445	0
Liabilities					
<i>Current Liabilities:</i>					
Accounts Payable	29,979	2,187,841	104,306	2,322,126	0
Accrued Wages	33,458	158,064	30,148	221,670	0
Intergovernmental Payable	19,652	93,204	17,730	130,586	0
Interfund Payable	0	0	1,390,000	1,390,000	0
Accrued Interest Payable	0	0	5,084	5,084	0
Vacation Benefits Payable	33,448	121,760	33,124	188,332	0
Compensated Absences Payable	14,358	101,765	13,037	129,160	0
General Obligation Bonds Payable	0	0	110,000	110,000	0
Loans Payable	0	0	82,110	82,110	0
<i>Total Current Liabilities</i>	<u>130,895</u>	<u>2,662,634</u>	<u>1,785,539</u>	<u>4,579,068</u>	<u>0</u>
<i>Long-Term Liabilities (net of current portion):</i>					
Compensated Absences Payable	13,372	280,403	85,657	379,432	0
General Obligation Bonds Payable	0	0	455,000	455,000	0
Loans Payable	0	0	372,500	372,500	0
Net Pension Liability	1,518,804	6,961,186	1,392,236	9,872,226	0
<i>Total Long-Term Liabilities</i>	<u>1,532,176</u>	<u>7,241,589</u>	<u>2,305,393</u>	<u>11,079,158</u>	<u>0</u>
<i>Total Liabilities</i>	<u>1,663,071</u>	<u>9,904,223</u>	<u>4,090,932</u>	<u>15,658,226</u>	<u>0</u>
Deferred Inflows of Resources					
Pension	9,039	349,452	8,286	366,777	0
Net Position					
Net Investment in Capital Assets	4,510,249	20,070,587	10,988,099	35,568,935	0
Unrestricted	2,800,920	39,515,945	2,482,041	44,798,906	348,703
<i>Total Net Position</i>	<u>\$7,311,169</u>	<u>\$59,586,532</u>	<u>\$13,470,140</u>	<u>80,367,841</u>	<u>\$348,703</u>

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

	244,092
Net position of business-type activities	\$80,611,933

See accompanying notes to the basic financial statements

City of Orrville, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017*

	Business-Type Activities				Business-Type Activity - Internal Service Fund
	Sewer	Electric	Water	Total	
Operating Revenues					
Charges for Services	\$2,087,347	\$33,871,967	\$2,924,059	\$38,883,373	\$293,675
Other	11,270	570,636	15,480	597,386	0
<i>Total Operating Revenues</i>	<u>2,098,617</u>	<u>34,442,603</u>	<u>2,939,539</u>	<u>39,480,759</u>	<u>293,675</u>
Operating Expenses					
Personal Services	1,475,205	6,808,264	1,398,231	9,681,700	0
Purchased Services	202,156	2,322,286	236,622	2,761,064	6,609
Materials and Supplies	239,602	20,343,050	243,113	20,825,765	0
Utilities	125,383	2,915,198	216,750	3,257,331	0
Depreciation	602,367	2,213,529	856,088	3,671,984	0
Claims	0	0	0	0	87,048
<i>Total Operating Expenses</i>	<u>2,644,713</u>	<u>34,602,327</u>	<u>2,950,804</u>	<u>40,197,844</u>	<u>93,657</u>
<i>Operating Income (Loss)</i>	<u>(546,096)</u>	<u>(159,724)</u>	<u>(11,265)</u>	<u>(717,085)</u>	<u>200,018</u>
Non-Operating Revenues (Expenses)					
Interest	36,702	323,150	34,645	394,497	2,506
Gain on Sale of Capital Assets	13,716	70,613	20,052	104,381	0
Interest and Fiscal Charges	0	0	(51,023)	(51,023)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>50,418</u>	<u>393,763</u>	<u>3,674</u>	<u>447,855</u>	<u>2,506</u>
<i>Income (Loss) before Extraordinary Item and Transfer:</i>	<u>(495,678)</u>	<u>234,039</u>	<u>(7,591)</u>	<u>(269,230)</u>	<u>202,524</u>
Extraordinary Item - Insurance Settlement	0	3,062,987	0	3,062,987	
Transfers In	0	916,592	0	916,592	0
<i>Change in Net Position</i>	<u>(495,678)</u>	<u>4,213,618</u>	<u>(7,591)</u>	<u>3,710,349</u>	<u>202,524</u>
<i>Net Position Beginning of Year</i>	<u>7,806,847</u>	<u>55,372,914</u>	<u>13,477,731</u>		<u>146,179</u>
<i>Net Position End of Year</i>	<u><u>\$7,311,169</u></u>	<u><u>\$59,586,532</u></u>	<u><u>\$13,470,140</u></u>		<u><u>\$348,703</u></u>

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

141,767

Change in net position of business-type activities

\$3,852,116

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	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	\$2,098,391	\$33,434,155	\$2,918,761	\$38,451,307	\$0
Cash Received from Transactions with Other Funds	0	0	0	0	293,965
Other Cash Receipts	11,270	570,636	15,480	597,386	0
Extraordinary Item - Insurance Settlement	0	1,372,376	0	1,372,376	0
Cash Payments to Employees for Services	(1,226,217)	(6,113,828)	(1,113,783)	(8,453,828)	0
Cash Payments for Goods and Services	(552,688)	(24,931,598)	(672,365)	(26,156,651)	(6,609)
Cash Payments for Claims	0	0	0	0	(87,048)
<i>Net Cash Provided by Operating Activities</i>	<u>330,756</u>	<u>4,331,741</u>	<u>1,148,093</u>	<u>5,810,590</u>	<u>200,308</u>
Cash Flows from Noncapital Financing Activities					
Transfers In	0	916,592	0	916,592	0
Cash Flows from Capital and Related Financing Activities					
Sale of Capital Assets	18,335	90,464	27,128	135,927	0
Interfund Activity - Manuscript Bonds - Water	102,500	(197,500)	95,000	0	0
Extraordinary Item - Insurance Settlement	0	1,690,611	0	1,690,611	0
Interest Paid on Manuscript Bonds - Water	0	0	(27,518)	(27,518)	0
Principal Paid on Refunding GO Bonds	0	0	(105,000)	(105,000)	0
Interest Paid on Refunding GO Bonds	0	0	(21,352)	(21,352)	0
Principal Paid on Notes	0	0	(400,000)	(400,000)	0
Interest Paid on Notes	0	0	(2,200)	(2,200)	0
Principal Paid on OPWC Loan	0	0	(82,108)	(82,108)	0
Payments for Capital Acquisitions	(276,382)	(2,008,956)	(233,710)	(2,519,048)	0
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(155,547)</u>	<u>(425,381)</u>	<u>(749,760)</u>	<u>(1,330,688)</u>	<u>0</u>
Cash Flows from Investing Activities					
Interest on Investments	34,454	282,518	30,266	347,238	2,027
<i>Net Increase in Cash and Cash Equivalents</i>	209,663	5,105,470	428,599	5,743,732	202,335
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,683,245</u>	<u>32,971,592</u>	<u>3,947,542</u>	<u>39,602,379</u>	<u>145,387</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$2,892,908</u>	<u>\$38,077,062</u>	<u>\$4,376,141</u>	<u>\$45,346,111</u>	<u>\$347,722</u>

(continued)

City of Orrville, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2017

	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)	(\$546,096)	(\$159,724)	(\$11,265)	(\$717,085)	\$200,018
Adjustments:					
Depreciation	602,367	2,213,529	856,088	3,671,984	0
(Increase) Decrease in Assets:					
Accounts Receivable	11,044	(437,812)	(5,298)	(432,066)	290
Materials and Supplies Inventory	2,447	153,349	(1,902)	153,894	0
Prepaid Items	8,785	26,354	8,785	43,924	0
Extraordinary Item - Insurance Settlement	0	1,372,376	0	1,372,376	0
(Increase) Decrease in Deferred Outflows of Resources - Pension	206,340	909,195	192,420	1,307,955	0
Increase (Decrease) in Liabilities:					
Accounts Payable	3,221	469,233	17,237	489,691	0
Accrued Wages	2,944	(3,403)	2,453	1,994	0
Intergovernmental Payable	5,477	18,496	5,322	29,295	0
Vacation Benefits Payable	5,465	(20,704)	6,204	(9,035)	0
Compensated Absences Payable	14,738	(90,640)	65,194	(10,708)	0
Net Pension Liability	33,999	155,833	31,166	220,998	0
Increase (Decrease) in Deferred Inflows of Resources - Pension	(19,975)	(274,341)	(18,311)	(312,627)	0
<i>Net Cash Provided by Operating Activities</i>	<u>\$330,756</u>	<u>\$4,331,741</u>	<u>\$1,148,093</u>	<u>\$5,810,590</u>	<u>\$200,308</u>

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2017

	Private-Purpose Trust	
	Cemetery Memorial	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$4,131	\$62,035
Accrued Interest Receivable	11	0
<i>Total Assets</i>	<u>4,142</u>	<u>\$62,035</u>
Liabilities		
Deposits Held and Due to Others	0	<u>\$62,035</u>
Net Position		
Held in Trust for Cemetery	115	
Endowments	<u>4,027</u>	
<i>Total Net Position</i>	<u>\$4,142</u>	

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2017

	Private-Purpose Trust Cemetery Memorial
Additions	
Interest	\$41
Deductions	0
<i>Change in Net Position</i>	41
<i>Net Position Beginning of Year</i>	4,101
<i>Net Position End of Year</i>	\$4,142

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organizations. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The City has no component units.

The City participates in one joint venture, the Wooster-Ashland Regional Council of Governments. This organization is described in Note 19 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 more significant of the City's accounting policies are described as follows.

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

Fund Accounting

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

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

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

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

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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 dental benefits and on claims dated prior to February 1, 2014, for a self-insurance program for employee health benefits. For additional information, see Note 10.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's only trust fund is a private-purpose trust fund established to account for funds given by individuals with the interest specifically designated to be used for the decoration of individually named graves. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency fund accounts for utility line installation deposits from customers and contractors, as well as deposits held for the use of recreation facilities.

Measurement Focus

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

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 8). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance fiscal year 2018 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and

City of Orrville, Ohio
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the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, income taxes, special assessments, intergovernmental grants, and fines, licenses and permits. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities found on page 19. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 14).

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.

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 2017, investments were limited to federal farm credit bank bonds, federal national mortgage association bonds, federal home loan mortgage corporation bonds, federal home loan bank bonds, commercial paper and STAR Ohio, the State Treasurer’s Investment Pool.

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

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

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, gas 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 2017 amounted to (\$29,937), which includes (\$56,172) assigned from other City funds.

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

City of Orrville, Ohio
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The City reports the change in fair value of investments. The calculation of realized gains/losses is independent of the calculation of the change in the fair value of investments. The realized gains/losses of the current period include unrealized amounts from prior periods.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2017, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

Inventory

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

Capital Assets

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

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 acquisition 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.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Buildings and Improvements	15-40 years	20-45 years
Equipment	5-10 years	6-20 years
Vehicles	10 years	10 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.

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Interfund Balances

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

Deferred inflows of resources and deferred outflows of resources from the change in internal proportionate share related to pension items are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service. Since the City's policy limits the accrual of vacation time to one year from the employee's anniversary date, the outstanding liability is recorded as “vacation benefits payable” on the statement of net position rather than as a long-term liability.

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

The entire compensated absences liability is reported on the government-wide financial statements. On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Severance Payable” in the fund from which the employees who have accumulated leave are paid. There were none during 2016. The noncurrent portion of the liability is not reported. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

Pensions

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

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.

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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, compensated absences and net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the governmental fund financial statements when due.

Fund Balance

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

The classifications are as follows:

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

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter, ordinance or State statute. State statute authorizes the Director of Finance to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance primarily for public safety and street maintenance and to cover a gap between estimated revenues and appropriations for 2018 operations.

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

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

Net Position

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

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

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

Operating Revenues and Expenses

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

Internal Activity

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

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 and after non-operating revenues/expenses in proprietary 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 Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. In 2017, the City received an insurance settlement in the electric fund in the amount of \$3,062,987.

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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 Principle

For 2017, the City/County implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2016-1*. These changes were incorporated in the City/County's 2017 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 – Compliance

Contrary to ORC Section 5705.41, the solid waste fund had purchased services expenditures plus encumbrances in excess of appropriations as of December 31, 2017, in the amount of \$503.

Management has indicated that appropriations will be closely monitored to ensure no future violations.

City of Orrville, Ohio
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Note 5 – Fund Balances

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

Fund Balances	General	Capital Improvements	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Inventory	\$91,153	\$0	\$0	\$91,153
<u>Restricted for:</u>				
Police Department	0	0	23,167	23,167
Cemetery Maintenance	0	0	362,935	362,935
Debt Service	0	0	182,841	182,841
Street Maintenance	0	0	943,785	943,785
Community Development	0	0	246,852	246,852
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>1,759,580</u>	<u>1,759,580</u>
<u>Committed to:</u>				
Capital Improvements	0	1,526,115	0	1,526,115
Solid Waste Management	0	0	123,991	123,991
First Responders Program	0	0	13,603	13,603
Fire and EMS Department	0	0	217,352	217,352
Performing Arts	0	0	4,227	4,227
<i>Total Committed</i>	<u>0</u>	<u>1,526,115</u>	<u>359,173</u>	<u>1,885,288</u>
<u>Assigned to:</u>				
2018 Operations	1,776,025	0	0	1,776,025
Parking Meters	312	0	0	312
<u>Purchases on Order:</u>				
City Administration	10,870	0	0	10,870
Police Department	26,014	0	0	26,014
Fire Department	12,254	0	0	12,254
Street Maintenance	15,491	0	0	15,491
Recreation Department	14,838	0	36,251	51,089
Cemetery Maintenance	5,732	0	0	5,732
<i>Total Assigned</i>	<u>1,861,536</u>	<u>0</u>	<u>36,251</u>	<u>1,897,787</u>
Unassigned	<u>2,723,467</u>	<u>0</u>	<u>0</u>	<u>2,723,467</u>
Total Fund Balances	<u><u>\$4,676,156</u></u>	<u><u>\$1,526,115</u></u>	<u><u>\$2,155,004</u></u>	<u><u>\$8,357,275</u></u>

Note 6 – Budgetary Basis of Accounting

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

City of Orrville, Ohio
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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. Investments are reported at fair value (GAAP) rather than cost (budget).
3. Budgetary revenues and expenditures of the parking meter fund are reclassified to the general fund for GAAP Reporting.
4. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
5. 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	\$99,468
Net Adjustment for Revenue Accruals	60,062
Beginning Fair Value Adjustments for Investments	(107,693)
Ending Fair Value Adjustments for Investments	195,811
Perspective Difference:	
Parking Meter	1,200
Net Adjustment for Expenditure Accruals	48,646
Encumbrances	(134,097)
Budget Basis	\$163,397

Note 7 – Deposits and Investments

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

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

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

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

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

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

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

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

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

City of Orrville, Ohio
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Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2017, the City's bank balance of \$25,175,362 was not exposed to custodial credit risk.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

In April 2018, one of the City's financial institutions participating in OPCS was approved for a reduced collateral floor of 50 percent. At the time the reduced floor became effective, \$10,179,556 of the City's bank balance of \$20,359,112 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized.

Investments

As of December 31, 2017, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Net Asset Value Per Share:				
STAR Ohio	\$2,177	52.1 Days	AAA	0.01 %
Fair Value - Level 2 Inputs:				
Federal Farm Credit Bank Bonds	1,475,970	Less Than Five Years	AA+	5.21
Federal National Mortgage Association Bonds	4,955,226	Less Than Three Years	AA+	17.51
Federal Home Loan Mortgage Corporation Bonds	9,491,149	Less Than Three Years	AA+	33.53
Federal Home Loan Bank Bonds	2,911,494	Less Than Five Years	AA+	10.29
Commercial Paper	9,468,445	Less Than One Year	N/A	33.45
Total Fair Value - Level 2 Inputs	<u>28,302,284</u>			<u>99.99</u>
Total Investments	<u>\$28,304,461</u>			<u>100.00 %</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The preceding chart identifies the City's recurring fair value measurements as of December 31, 2017. The City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

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

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

Custodial Credit Risk for an investment is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Federal Farm Credit Bank Notes, Federal National Mortgage Association Bonds, Federal Home Loan Mortgage Corporation Bonds, and the Federal Home Loan 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.

Note 8 – Receivables

Receivables at December 31, 2017, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from grants, entitlements and shared revenues, special assessments, accrued interest on investments and accounts (billings for refuse and utility services). 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. All receivables except property taxes are expected to be received within one year. 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	\$116,357	\$1,636	\$114,721
Business-Type	4,966,431	4,384	4,962,047
	\$5,082,788	\$6,020	\$5,076,768

The amount of delinquent special assessments outstanding at year-end is \$17,672. Special assessments, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2017 for real and public utility property taxes represents collections of 2016 taxes.

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For the Year Ended December 31, 2017

2017 real property taxes were levied after October 1, 2017, on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2016 public utility property taxes, which became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2017, was \$2.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2017 property tax receipts were based are as follows:

Real Property	\$178,839,240
Public Utility Property	697,700
Total	\$179,536,940

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2017, and for which there was an enforceable legal claim. In governmental funds, the portion of receivable not levied to finance 2017 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amount
Governmental Activities	
Gasoline Tax	\$149,653
Local Government	94,604
Auto Regulation	70,463
Permissive Tax	34,885
Homestead and Rollback	24,187
Ohio Department of Transportation Grant	19,506
Other	16,863
Total	\$410,161

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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 thirty 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 2017, the proceeds were allocated to the general fund and the capital improvements fund.

Note 9 – Tax Abatements

As of December 31, 2017, the City provides tax abatements through three programs: The Community Reinvestment Area Tax Abatements (CRA), Local Job Creation Tax Credit (JCTC), and Enterprise Zone Tax Exemptions (EZ).

Community Reinvestment Area Tax Abatements (CRA)

Pursuant to Ohio Revised Code Chapter 5709, the City established a Community Reinvestment Area to provide property tax abatements to encourage revitalization of existing buildings and new commercial construction. Any commercial or industrial entity or residential property owner located within the CRA is eligible to apply for tax incentives under this program. Available incentives and conditions are listed as follows:

- 50 percent for 10 years, (the term the same for all) for the remodeling of dwellings containing not more than two housing units.
- Up to 75 percent (for up to 12 years) for existing commercial and industrial facilities shall be negotiated on a case-by-case basis in advance of construction or remodeling occurring.
- Up to 75 percent (for up to 12 years) for new commercial or industrial facilities shall be negotiated on a case- by-case basis in advance of construction occurring.
- Multi-family housing units (3 or more) shall be exempt.

Only taxes on new investments within a CRA are considered. Existing real estate taxes in effect at the time a project is implemented must be maintained throughout the terms of any agreement. No incentives are available for land or building that already exists prior to the application. Abatements are obtained through application by the property owner and approval by all applicable governing bodies. The amount of the abatement is deducted from the recipient's tax bill.

City of Orrville, Ohio
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For the Year Ended December 31, 2017

Local Job Creation Tax Credit (JCTC)

Pursuant to Ohio Revised Code Chapter 718, the City established a Local Job Creation Tax Credit to provide City of Orrville employee withholding income tax abatements to encourage creation of new and preservation of existing employment opportunities and improve the economic climate of the City of Orrville. The maximum Job Creation Tax Credit will be 25 percent of the City Income Tax withheld on the qualifying new jobs; with a maximum Job Creation Tax Credit of 10 percent of the City Income Tax withheld on qualifying new jobs if the participant also has an accompanying Enterprise Zone Agreement. The job creation tax credit shall be consistent with the job creation tax credit granted by the State of Ohio. Abatements are obtained through application by the business owner and approval by the applicable governing bodies. The amount of the abatement is refunded to the business owner.

Enterprise Zone Tax Exemptions (EZ)

Pursuant to Ohio Revised Code Chapter 5709, the City established an Enterprise Zone to provide property tax abatements to encourage industrial investment in buildings, machinery, and increased employment. In exchange for the significant capital investment resulting in the creation of new employment opportunities, a business may qualify for one or more of the following incentives:

- **Inventory:** Partial exemption for a specified number of years, not to exceed ten, of up to 50 percent of personal property tax on inventory, first used in this business at the project site as a result of the agreement.
- **Machinery/Equipment:** Partial exemption for a specified number of years, not to exceed ten, of up to 50 percent of personal property tax on machinery/equipment, first used in this business at the project site as a result of the agreement.
- **Real Estate:** Partial exemption for a specified number of years, not to exceed ten, of a specified portion up to 50 percent of the new tax value added to the project site as a result of the agreement.

In order to minimize the loss of tax revenues, only taxes on new investments within an Enterprise Zone will be considered. Existing personal property and/or real estate taxes in effect at the time a project is implemented must be maintained throughout the terms of any agreement. No incentives will be available for land, buildings, equipment, or inventory that already exists prior to the application. If a business has taxes abated for so many years, they must stay for an additional amount of years equaling the amount of years taxes were abated; otherwise they are subject to recapture provisions.

Real property, machinery/equipment, and inventory are considered separate categories subject to individual consideration. Each will be determined based upon the benefits derived by the City due to the project.

The "first-used-in-business" standard is defined in ORC Section 5709.61(O) and states "that the property referred to has not been used in business in this state by the enterprise that owns it, or by an enterprise that is a related member or predecessor enterprise of such an enterprise, other than as inventory prior to being used in business at a facility as the result of a project." Any purchase of used assets must be an "arms-length" transaction.

Abatements are obtained through application by the property owner and approval by the applicable governing bodies. The amount of the abatement is deducted from the recipient's tax bill. The City also contracts with the overlapping school district for payments in lieu of taxes when required by Ohio Revised Code.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Information relevant to the disclosure of these programs for the year ended December 31, 2017, is as follows:

Tax Abatement Program	Amount of 2016 Taxes Abated
<i>Community Reinvestment Area (CRA):</i>	
Retail	\$57,253
Professional	3,041
<i>Local Job Creation Tax Credit (JCTC):</i>	
Manufacturing	258,671
<i>Enterprise Zone Tax Exemptions (EZ):</i>	
Manufacturing	215,175
Total	\$534,140

Note 10 – Risk Management

Property and Liability

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 2017, the City contracted with several companies for various types of insurance as follows:

Company	Type of Coverage	Coverage
EMC Insurance	Commercial Property	\$167,751,735
	Auto Liability	1,000,000
	General Liability	1,000,000
	Umbrella Liability	10,000,000
	Public Officials Liability	1,000,000
	Boiler and Machinery	152,190,664
Selective Insurance	Commercial Property (\$500 deductible)	16,490,468
	Commercial General Liability:	
	General Aggregate Limit (Other Than Products)	2,000,000
	Products - Completed Operations (Aggregate)	2,000,000
	Personal and Advertising Injury Limit	1,000,000
	Each Occurrence Limit	1,000,000
	Business Automobile Liability	1,000,000
	Employer's Liability (Stop Gap)	1,000,000
	Employee Benefits:	
	Aggregate Limit	2,000,000
	Per Claim Limit (\$1,000 deductible each employee)	1,000,000
Commercial Umbrella Liability Coverage (Aggregate)	5,000,000	
Scottsdale Insurance	Police Professional Liability	1,000,000
Travelers Insurance	Computer Fraud - Single Loss (\$25,000 retention)	1,000,000
	Funds Transfer Fraud - Single Loss (\$25,000 retention)	1,000,000
	Employee Theft - Single Loss (\$25,000 retention)	1,000,000

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Workers' Compensation

The City participates in the Ohio Rural Water Association (ORWA) Ohio Bureau of Workers Compensation Group-Experience Rating Program for workers' compensation. The intent of the ORWA Group Rating Program is to achieve the benefit of a reduced premium for the participants, foster safe working environments and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the ORWA. The workers' compensation experience of the participating agencies is calculated as one experience and a common premium rate is applied to all agencies participating in the ORWA Group. Each participant pays its workers' compensation premium to the State based on the rate for the ORWA rather than its own individual rate. Participation in the ORWA Group is limited to agencies that can meet the ORWA's selection criteria. The firm of Comp Management is the third party administrator of the ORWA Group providing administrative, cost control, and actuarial services to the ORWA Group.

Self-Insurance

The City managed employee health benefits on a self-insured basis through January 31, 2014. As of February 1, 2014, the City is no longer self-insured for employee health benefits. The self-insurance fund is being utilized for the transition period to account for any runoff claims for employee health benefits dated prior to February 1, 2014. AultCare served as the third party administrator.

The City continues to manage employee dental benefits on a self-insured basis. AultCare serves as the third party administrator of the program, which reviews and pays the claims. The City's portions of the monthly premiums for employee, employee plus one, and family are \$16, \$32, and \$50, respectively, for the regular dental plan, or \$11, \$22, and \$34, respectively, for the alternative dental plan.

The claims liability of \$0 reported in the self-insurance fund at December 31, 2017, 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 are as follows:

Year	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2016	\$0	\$92,289	\$92,289	\$0
2017	0	87,048	87,048	0

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 11 – Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

	Balance 12/31/16	Additions	Deductions	Balance 12/31/17
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$2,101,420	\$159,873	(\$135,076)	\$2,126,217
Construction in Progress	1,730,094	87,569	0	1,817,663
Total Capital Assets, not being Depreciated	<u>3,831,514</u>	<u>247,442</u>	<u>(135,076)</u>	<u>3,943,880</u>
Capital Assets, being Depreciated				
Buildings and Improvements	8,198,321	242,811	0	8,441,132
Equipment	3,611,116	264,204	(202,803)	3,672,517
Vehicles	3,323,080	112,096	(45,172)	3,390,004
Infrastructure	65,255,844	1,810,526	0	67,066,370
Total Capital Assets, being Depreciated	<u>80,388,361</u>	<u>2,429,637</u>	<u>(247,975)</u>	<u>82,570,023</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(4,920,521)	(181,581)	0	(5,102,102)
Equipment	(2,446,355)	(230,308)	199,669	(2,476,994)
Vehicles	(2,597,367)	(169,537)	45,172	(2,721,732)
Infrastructure	(23,514,404)	(1,147,730)	0	(24,662,134)
Total Accumulated Depreciation	<u>(33,478,647)</u>	<u>(1,729,156)*</u>	<u>244,841</u>	<u>(34,962,962)</u>
Total Capital Assets, being Depreciated, net	<u>46,909,714</u>	<u>700,481</u>	<u>(3,134)</u>	<u>47,607,061</u>
Governmental Activities Capital Assets, Net	<u>\$50,741,228</u>	<u>\$947,923</u>	<u>(\$138,210)</u>	<u>\$51,550,941</u>

* Depreciation expense was charged to governmental activities as follows:

General Government	\$163,139
Security of Persons and Property:	
Police	50,317
Fire	150,625
Transportation	1,272,769
Public Health and Welfare	23,765
Leisure Time Activities	68,541
Total Depreciation Expense	<u>\$1,729,156</u>

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

	Balance 12/31/16	Additions	Deductions	Balance 12/31/17
Business-Type Activities:				
Capital Assets, not being Depreciated:				
Land	\$1,139,783	\$0	\$0	\$1,139,783
Construction In Progress	96,590	118,386	0	214,976
Total Capital Assets, not being Depreciated	<u>1,236,373</u>	<u>118,386</u>	<u>0</u>	<u>1,354,759</u>
Capital Assets, being Depreciated				
Buildings and Improvements	24,483,957	13,288	0	24,497,245
Equipment	16,820,910	702,948	(561)	17,523,297
Vehicles	2,170,572	477,387	(194,986)	2,452,973
Electric - Generation/Transmission/Distribution	66,639,584	893,769	0	67,533,353
Infrastructure	28,374,999	313,270	0	28,688,269
Total Capital Assets, being Depreciated	<u>138,490,022</u>	<u>2,400,662</u>	<u>(195,547)</u>	<u>140,695,137</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(14,990,082)	(648,261)	0	(15,638,343)
Equipment	(11,454,056)	(1,110,162)	561	(12,563,657)
Vehicles	(1,627,851)	(114,803)	194,986	(1,547,668)
Electric - Generation/Transmission/Distribution	(53,736,641)	(1,119,450)	0	(54,856,091)
Infrastructure	(20,176,284)	(679,308)	0	(20,855,592)
Total Accumulated Depreciation	<u>(101,984,914)</u>	<u>(3,671,984)</u>	<u>195,547</u>	<u>(105,461,351)</u>
Total Capital Assets, being Depreciated, net	<u>36,505,108</u>	<u>(1,271,322)</u>	<u>0</u>	<u>35,233,786</u>
Business-Type Activities Capital Assets, Net	<u>\$37,741,481</u>	<u>(\$1,152,936)</u>	<u>\$0</u>	<u>\$36,588,545</u>

Note 12 – Long-Term Debt

Debt Issue	Interest Rate	Original Issue Amount
Governmental Activities:		
OPWC Concrete Streets Loan - 2015	0.00 %	\$480,445
Business-Type Activities:		
Water System Refunding General Obligation Bonds - 2013	2.125	1,035,000
Water Utility Project Note - 2016	0.55	400,000
OPWC Water System Improvement Loan - 1999	0.00	1,208,853
OPWC Water System Improvement Loan - 2007 A	0.00	500,000
OPWC Water System Improvement Loan - 2007 B	0.00	100,000

A schedule of changes in bonds and other long-term obligations of the City during 2017 follows:

	Amount Outstanding 12/31/16	Additions	Deletions	Amount Outstanding 12/31/17	Amounts Due in One Year
Governmental Activities:					
OPWC Concrete Streets Loan - 2015	\$480,445	\$0	\$24,023	\$456,422	\$24,022
Compensated Absences	185,603	76,117	49,422	212,298	50,101
Net Pension Liability:					
OPERS	2,360,895	423,757	0	2,784,652	0
OPF	3,246,319	0	88,870	3,157,449	0
Total Net Pension Liability	<u>5,607,214</u>	<u>423,757</u>	<u>88,870</u>	<u>5,942,101</u>	<u>0</u>
Total Governmental Activities	<u>\$6,273,262</u>	<u>\$499,874</u>	<u>\$162,315</u>	<u>\$6,610,821</u>	<u>\$74,123</u>

(continued)

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

	Amount Outstanding 12/31/16	Additions	Deletions	Amount Outstanding 12/31/17	Amounts Due in One Year
Business-Type Activities:					
Water System Refunding General Obligation Bonds - 2013	\$670,000	\$0	\$105,000	\$565,000	\$110,000
Long-Term Notes:					
Water Utility Project Note .55% - 2016	400,000	0	400,000	0	0
OPWC Water System:					
Improvement Loan - 1999	120,885	0	60,442	60,443	60,443
Improvement Loan - 2007 A	358,333	0	16,666	341,667	16,667
Improvement Loan - 2007 B	57,500	0	5,000	52,500	5,000
Total OPWC Water System	536,718	0	82,108	454,610	82,110
Compensated Absences	519,300	209,058	219,766	508,592	129,160
Net Pension Liability - OPERS:					
Sewer	1,129,123	389,681	0	1,518,804	0
Electric	5,748,261	1,212,925	0	6,961,186	0
Water	1,026,475	365,761	0	1,392,236	0
Total Net Pension Liability - OPERS	7,903,859	1,968,367	0	9,872,226	0
Total Business-Type Activities	\$10,029,877	\$2,177,425	\$806,874	\$11,400,428	\$321,270

The City pays obligations related to employee compensation from the fund benefitting from their service. There is no repayment schedule for the net pension liability; however, employer pension and compensated absences will be paid from the general fund, the gas tax motor vehicle license special revenue fund and the sewer, electric, and water enterprise funds. For additional information related to the net pension liability, see Note 14.

The 2015 OPWC Concrete Streets Loan will be paid from the general fund. The OPWC loans for business-type activities will be paid from the water fund.

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

On April 14, 2016, the City issued Water Utility Project Notes to retire the 2015 Water Utility Project Notes. During 2017, \$100,000 of the notes was paid down while the balance of \$300,000 was refinanced as manuscript debt. See Note 17 for more information.

The City has pledged future water customer revenues to repay the Ohio Public Works Commission Water Systems Loans. The loans are payable solely from net revenues and are payable through 2038. Proceeds of these loans provided financing for various water projects. Annual principal payments on the loans are expected to require about 9 percent of net revenues and less than 3 percent of total revenues. The total principal remaining to be paid on the loans is \$454,610. Principal paid for the current year was \$82,108, total net revenues were \$879,468, and total revenues were \$2,974,184.

As of December 31, 2017, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$18,286,379 and the unvoted legal debt margin was \$9,309,532. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2017, are as follows:

City of Orrville, Ohio
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For the Year Ended December 31, 2017

Year Ending December 31	Governmental Activities
	Ohio Public Works Commission
	Principal
2018	\$24,022
2019	24,022
2020	24,022
2021	24,022
2022	24,022
2023-2027	120,110
2028-2032	120,110
2033-2036	96,092
Total	\$456,422

Year Ending December 31	Business-Type Activities		
	Water System		Ohio Public
	General Obligation Refunding		Works Commission
	Principal	Interest	Principal
2018	\$110,000	\$12,007	\$82,110
2019	110,000	9,668	21,666
2020	115,000	7,331	21,666
2021	115,000	4,887	21,666
2022	115,000	2,444	21,666
2023-2027	0	0	108,330
2028-2032	0	0	85,830
2033-2037	0	0	83,330
2038	0	0	8,346
Total	\$565,000	\$36,337	\$454,610

Industrial Revenue Bonds

The City authorized the issuance of industrial development revenue bonds for two commercial entities. The aggregate outstanding principal amount was \$3,206,610 at December 31, 2017. 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 13 – 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.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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, 2017, 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.

Note 14 – Defined Benefit Pension Plans

Net Pension Liability

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

	State and Local
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0
Total Employer	14.0 %
 Employee	 10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$929,429 for 2017. Of this amount, \$152,891 is reported as an intergovernmental payable.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. (See OPF CAFR referenced previously for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits.)

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Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and member whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12-month period ending on September 30 of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

	Police	Firefighters
2017 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2017 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$229,748 for 2017. Of this amount, \$35,358 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	OPF	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.05573600%	0.04985000%	
Prior Measurement Date	0.05926100%	0.05046300%	
Change in Proportionate Share	-0.00352500%	-0.00061300%	
Proportionate Share of the Net Pension Liability	\$12,656,878	\$3,157,449	\$15,814,327
Pension Expense	\$2,438,641	\$388,599	\$2,827,240

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At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$17,155	\$893	\$18,048
Changes of assumptions	2,007,507	0	2,007,507
Net difference between projected and actual earnings on pension plan investments	1,884,874	307,048	2,191,922
Changes in proportion and differences between City contributions and proportionate share of contributions	0	19,839	19,839
City contributions subsequent to the measurement date	<u>929,429</u>	<u>229,748</u>	<u>1,159,177</u>
Total Deferred Outflows of Resources	<u>\$4,838,965</u>	<u>\$557,528</u>	<u>\$5,396,493</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$75,326	\$7,270	\$82,596
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>418,042</u>	<u>27,696</u>	<u>445,738</u>
Total Deferred Inflows of Resources	<u>\$493,368</u>	<u>\$34,966</u>	<u>\$528,334</u>

\$1,159,177 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
2018	\$1,336,332	\$115,824	\$1,452,156
2019	1,477,337	115,824	1,593,161
2020	657,749	87,999	745,748
2021	(55,250)	(21,622)	(76,872)
2022	0	(4,687)	(4,687)
Thereafter	<u>0</u>	<u>(524)</u>	<u>(524)</u>
Total	<u>\$3,416,168</u>	<u>\$292,814</u>	<u>\$3,708,982</u>

Actuarial Assumptions – OPERS

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

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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the OPERS' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2016, compared with December 31, 2015, are presented as follows:

	December 31, 2016	December 31, 2015
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.05 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2016, mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by the applying the MP-2015 mortality improvement scale to the previously described tables.

For 2015, mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, one hundred five percent of the combined healthy male mortality rates were used. For females, one hundred percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, one hundred percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2015. The prior experience study was completed for the five year period ended December 31, 2010.

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

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During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3 percent for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table that follows displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other investments	18.00	4.92
Total	<u>100.00 %</u>	<u>5.66 %</u>

Discount Rate The discount rate used to measure the total pension liability for 2016 was 7.5 percent. The discount rate for 2015 was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$19,335,933	\$12,656,878	\$7,090,734

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Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2016, is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented as follows:

Valuation Date	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2016, are summarized as follows:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	120.00 %	

Note: Assumptions are geometric.

* levered 2x

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective shown previously, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$4,205,348	\$3,157,449	\$2,269,340

Changes Between Measurement Date and Report Date

In October 2017, the OPF Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8 percent. Although the exact amount of these changes is not known, it has the potential to impact the City's net pension liability.

Social Security

As of December 31, 2017, the City's part-time firefighters are covered by Social Security rather than OPF. The City's liability is 6.2 percent of wages paid.

Note 15 – Post-Employment Benefits

Ohio Public Employees Retirement System

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

OPERS maintained two cost-sharing, multiple-employer defined benefit post-employment health care trusts, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced as follows for additional information.

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

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

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was one percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was four percent.

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Substantially all of the City's contribution allocated to fund post-employment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2017, 2016, and 2015 was \$71,494, \$144,029, and \$147,513, respectively. For 2017, 83.55 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

Ohio Police and Fire Pension Fund

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

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

The Ohio Revised Code allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF 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.

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units. Active members do not make contributions to the OPEB Plan.

OPF maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OPF 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 2017, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OPF 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.

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The City's contribution to OPF for the years ended December 31, 2017, 2016, and 2015 were \$229,748, \$232,296, and \$219,586, respectively, of which \$5,943, \$5,846, and \$5,523, respectively, was allocated to the healthcare plan. For 2017, 84.65 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

Note 16 – Other Employee Benefits

Compensated Absences

City employees earn vacation leave at varying rates based upon length of service, from one to five weeks per year. Vacation is required to be taken within one year of the date it is earned for hourly employees. Other employees may carry up to 320 hours. In the event of a termination of employment, death, or retirement, employees (or their estates) are paid for unused vacation leave. Outstanding unused vacation is reflected as vacation benefits payable on the statement of net position.

City employees earn sick leave at the rate of eight hours per each month worked. Sick leave accrual is limited to 1,440 hours for employees hired prior to January 1, 2007, and is limited to 960 hours for employees hired subsequent to January 1, 2007. In the case of death or retirement, employees (or the employees' estates) are paid a maximum of 80 percent 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.

Insurance Benefits

For 2017, the City provided medical insurance to its employees through AultCare. The City's portions of the monthly premiums for employee, employee plus one, and family are \$446.30, \$925.05, and \$1,429.90, respectively, for January through September. The City's portions of the monthly premiums for employee, employee plus one, and family are \$470.70, \$971.90, and \$1,500.40, respectively, for October through December.

Note 17 – 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.

The general fund made transfers of \$461,038 and \$14,322 to the gas tax motor vehicle license and solid waste special revenue funds, respectively, to supplement the funds available for maintaining City streets and for solid waste services. The general fund also made a transfer of \$916,592 to give the electric enterprise fund the kilowatt per hour taxes.

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Interfund Balances

The water major enterprise fund had an interfund payable balance of \$1,390,000 and the sewer and electric major enterprise funds had interfund receivable balances of \$545,000 and \$845,000, respectively, due to the issuance of manuscript bonds and notes.

\$1,090,000 in manuscript bonds are utility refunding bonds that were issued on April 17, 2013, at an original issue amount of \$1,880,000 at 2.125 percent. These bonds are due on December 1, 2022, and were used to refund a portion of the water system refunding revenue bonds that had been issued in 2002. These manuscript bonds were issued by the water fund and purchased by the sewer and electric funds as investments. Principal of \$205,000 was retired during 2017. Principal and interest requirements to retire the utility refunding manuscript bonds outstanding at December 31, 2017, are as follows:

Year	Utility Refunding Bonds	
	Principal	Interest
2018	\$210,000	\$23,162
2019	215,000	18,700
2020	220,000	14,132
2021	220,000	9,456
2022	225,000	4,782
Total	\$1,090,000	\$70,232

On April 14, 2017, the water fund issued manuscript notes in the amount of \$300,000 in order to retire the 2016 water utilities project notes. The electric fund purchased the notes as an investment. The notes mature on April 13, 2018, and have an interest rate of 1.00 percent.

Internal Balances – Change in Proportionate Share

The City uses an internal proportionate share to allocate its net pension liability and corresponding deferred outflows/inflows of resources and pension expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate share are eliminated from the pension deferred outflows/inflows of resources in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position, thus allowing the total column to present the change in proportionate share for the City as a whole.

Eliminations made in the business-type activities column include a deferred outflow of resources for the sewer and water enterprise funds in the amounts of \$27,937 and \$32,115, respectively.

Note 18 – Donor Restricted Endowments

The City’s private-purpose trust fund includes donor restricted endowments. Net position - 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 \$115 and is included as net position - 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.

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For the Year Ended December 31, 2017

Note 19 – Joint Venture

The City participates in the Wooster-Ashland Regional Council of Governments (the Council) which is a statutorily created political subdivision of the State. The Council is a joint venture between the City of Orrville, the City of Wooster and the City of Ashland. The Council is controlled by a Board of Directors which is composed of at least one elected public official of each municipal corporation which is a founding member (for a municipal corporation this is the mayor). Two additional directors are appointed by each founding member, plus an additional director appointed in alternate years beginning first with the City of Wooster, then the City of Ashland, and then the City of Orrville. There are three additional Directors, with one each appointed by the respective Presidents of the Council of the cities of Wooster, Orrville, and Ashland. Officers of the Council include a President, at least one Vice-President, a Secretary, a Treasurer and such other officers as the Directors deem advisable and appoint. Officers are chosen by the Directors. Each member's control over the operation of the Council is limited to its representation on the board. The Council was formed to plan for, create, and operate a joint dispatching system for police, fire, emergency medical services, and other related public safety services, and receive and expend funds, grants, or other contributions. Continued existence of the Council is dependent on the City's continued participation; however, the City does not have an equity interest in the Council. The Council is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. In 2017, the City did not make any contributions to the Council.

Note 20 – Significant Commitments

Contractual Commitments

At December 31, 2017, the City had a contractual commitment that consisted of the following:

Project	Contract Amount	Amount Paid	Remaining on Contract
Truck Route Engineering	\$1,589,833	\$1,537,681	\$52,152

Remaining commitment amounts were encumbered at year end.

Encumbrances

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

<i>Governmental Funds:</i>		<i>Proprietary Funds:</i>	
General	\$134,097	Sewer	\$182,672
Capital Improvements	291,403	Electric	1,520,143
Other Governmental Funds	73,715	Water	301,124
Total	\$499,215	Total	\$2,003,939

City of Orrville, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
Last Four Years (1)

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.05573600%	0.05926100%	0.06203000%	0.06203000%
City's Proportionate Share of the Net Pension Liability	\$12,656,878	\$10,264,754	\$7,481,513	\$7,312,530
City's Covered Payroll	\$7,201,433	\$7,375,667	\$7,605,008	\$7,443,364
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	175.75%	139.17%	98.38%	98.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

(1) Although this schedule is intended to show information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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

City of Orrville, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Police and Fire Pension Fund
Last Four Years (1)

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.04985000%	0.05046300%	0.04987180%	0.04987180%
City's Proportionate Share of the Net Pension Liability	\$3,157,449	\$3,246,319	\$2,583,567	\$2,428,913
City's Covered Payroll	\$1,169,147	\$1,104,590	\$1,076,865	\$1,074,614
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	270.06%	293.89%	239.92%	226.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	71.71%	73.00%

(1) Although this schedule is intended to show information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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

City of Orrville, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Five Years (1)

	2017	2016	2015	2014	2013
Contractually Required Contribution	\$929,429	\$864,172	\$885,080	\$912,601	\$967,637
Contributions in Relation to the Contractually Required Contribution	<u>(929,429)</u>	<u>(864,172)</u>	<u>(885,080)</u>	<u>(912,601)</u>	<u>(967,637)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$7,149,454	\$7,201,433	\$7,375,667	\$7,605,008	\$7,443,364
Contributions as a Percentage of Covered Payroll	13.00%	12.00%	12.00%	12.00%	13.00%

(1) Although this schedule is intended to show information for ten years, information prior to 2013 is not available. An additional column will be added each year.

City of Orrville, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

	2017	2016	2015	2014	2013
Contractually Required Contribution	\$229,748	\$226,450	\$214,063	\$208,710	\$174,718
Contributions in Relation to the Contractually Required Contribution	(229,748)	(226,450)	(214,063)	(208,710)	(174,718)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0
City Covered Payroll	\$1,188,680	\$1,169,147	\$1,104,590	\$1,076,865	\$1,074,614
Contributions as a Percentage of Covered Payroll	19.33%	19.37%	19.38%	19.38%	16.26%

2012	2011	2010	2009	2008
\$131,201	\$125,830	\$122,460	\$117,763	\$114,596
(131,201)	(125,830)	(122,460)	(117,763)	(114,596)
\$0	\$0	\$0	\$0	\$0
\$998,842	\$958,663	\$932,818	\$897,966	\$873,202
13.14%	13.13%	13.13%	13.11%	13.12%

City of Orrville, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2017

Changes in Assumptions – OPERS

Amounts reported for 2017 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2016 and prior are presented as follows:

	December 31, 2017	December 31, 2016 and Prior
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.05 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Amounts reported for 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

**Combining and Individual
Fund Statements and Schedules**

Combining and Individual Fund Statements and Schedules

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

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

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

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

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

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

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

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

Permissive Fund – To account for and report the permissive motor vehicle license fee collected by the City which is restricted to street maintenance and repair.

First Responders Fund – To account for and report the contributions and donations which are committed to the Orrville First Responders Shop with a Cop program.

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

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

(continued)

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds (continued)

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

Nonmajor Debt Service Funds

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

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

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

Nonmajor Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

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

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

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

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,625,598	\$182,358	\$283,097	\$2,091,053
Accrued Interest Receivable	598	483	6	1,087
Accounts Receivable	72,172	0	0	72,172
Intergovernmental Receivable	255,026	0	19,506	274,532
Special Assessments Receivable	0	17,672	0	17,672
<i>Total Assets</i>	<u>\$1,953,394</u>	<u>\$200,513</u>	<u>\$302,609</u>	<u>\$2,456,516</u>
Liabilities				
Accounts Payable	\$40,666	\$0	\$19,506	\$60,172
Accrued Wages	24,225	0	0	24,225
Intergovernmental Payable	14,013	0	0	14,013
<i>Total Liabilities</i>	<u>78,904</u>	<u>0</u>	<u>19,506</u>	<u>98,410</u>
Deferred Inflows of Resources				
Unavailable Revenue	185,430	17,672	0	203,102
Fund Balances				
Restricted	1,329,887	182,841	246,852	1,759,580
Committed	359,173	0	0	359,173
Assigned	0	0	36,251	36,251
<i>Total Fund Balances</i>	<u>1,689,060</u>	<u>182,841</u>	<u>283,103</u>	<u>2,155,004</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,953,394</u>	<u>\$200,513</u>	<u>\$302,609</u>	<u>\$2,456,516</u>

City of Orrville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Special Assessments	\$0	\$19,309	\$0	\$19,309
Intergovernmental	419,833	0	279,601	699,434
Interest	1,776	1,445	18	3,239
Fines, Licenses and Permits	68,026	0	4,450	72,476
Charges for Services	539,019	0	0	539,019
Contributions and Donations	9,024	0	0	9,024
Other	4,491	0	0	4,491
<i>Total Revenues</i>	<u>1,042,169</u>	<u>20,754</u>	<u>284,069</u>	<u>1,346,992</u>
Expenditures				
Current:				
General Government	3,525	11,343	0	14,868
Security of Persons and Property:				
Police	4,635	0	0	4,635
Transportation	891,611	0	0	891,611
Public Health and Welfare	125,155	0	0	125,155
Leisure Time Activities	4,924	0	0	4,924
Basic Utility Service	446,518	0	0	446,518
Capital Outlay	0	0	297,129	297,129
<i>Total Expenditures</i>	<u>1,476,368</u>	<u>11,343</u>	<u>297,129</u>	<u>1,784,840</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(434,199)	9,411	(13,060)	(437,848)
Other Financing Sources				
Transfers In	475,360	0	0	475,360
<i>Net Change in Fund Balances</i>	41,161	9,411	(13,060)	37,512
<i>Fund Balances Beginning of Year</i>	<u>1,647,899</u>	<u>173,430</u>	<u>296,163</u>	<u>2,117,492</u>
<i>Fund Balances End of Year</i>	<u>\$1,689,060</u>	<u>\$182,841</u>	<u>\$283,103</u>	<u>\$2,155,004</u>

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	Gas Tax Motor Vehicle License	State Highway	Permissive Motor Vehicle License
Assets			
Equity in Pooled Cash and Cash Equivalents	\$103,347	\$222,121	\$63,003
Accrued Interest Receivable	0	586	0
Accounts Receivable	0	0	0
Intergovernmental Receivable	203,607	16,509	0
<i>Total Assets</i>	<u>\$306,954</u>	<u>\$239,216</u>	<u>\$63,003</u>
Liabilities			
Accounts Payable	\$1,929	\$0	\$0
Accrued Wages	24,225	0	0
Intergovernmental Payable	14,013	0	0
<i>Total Liabilities</i>	<u>40,167</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources			
Unavailable Revenue	147,883	11,991	0
Fund Balances			
Restricted	118,904	227,225	63,003
Committed	0	0	0
<i>Total Fund Balances</i>	<u>118,904</u>	<u>227,225</u>	<u>63,003</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$306,954</u>	<u>\$239,216</u>	<u>\$63,003</u>

Solid Waste	Law Enforcement	Enforcement and Education	Cemetery Maintenance
\$99,576	\$5,539	\$5,961	\$362,335
0	0	0	0
59,732	0	0	1,463
0	0	25	0
<u>\$159,308</u>	<u>\$5,539</u>	<u>\$5,986</u>	<u>\$363,798</u>
\$35,317	\$0	\$0	\$0
0	0	0	0
0	0	0	0
<u>35,317</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	863
0	5,539	5,986	362,935
123,991	0	0	0
<u>123,991</u>	<u>5,539</u>	<u>5,986</u>	<u>362,935</u>
<u>\$159,308</u>	<u>\$5,539</u>	<u>\$5,986</u>	<u>\$363,798</u>

(continued)

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2017

	Permissive	First Responders	Emergency Medical Service Equipment
Assets			
Equity in Pooled Cash and Cash Equivalents	\$524,461	\$13,603	\$209,795
Accrued Interest Receivable	0	0	0
Accounts Receivable	0	0	10,977
Intergovernmental Receivable	34,885	0	0
<i>Total Assets</i>	<u>\$559,346</u>	<u>\$13,603</u>	<u>\$220,772</u>
Liabilities			
Accounts Payable	\$0	\$0	\$3,420
Accrued Wages	0	0	0
Intergovernmental Payable	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>3,420</u>
Deferred Inflows of Resources			
Unavailable Revenue	24,693	0	0
Fund Balances			
Restricted	534,653	0	0
Committed	0	13,603	217,352
<i>Total Fund Balances</i>	<u>534,653</u>	<u>13,603</u>	<u>217,352</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$559,346</u>	<u>\$13,603</u>	<u>\$220,772</u>

Performing Arts	Continuing Professional Training Grant	Total Nonmajor Special Revenue Funds
\$4,215	\$11,642	\$1,625,598
12	0	598
0	0	72,172
0	0	255,026
<u>\$4,227</u>	<u>\$11,642</u>	<u>\$1,953,394</u>
\$0	\$0	\$40,666
0	0	24,225
0	0	14,013
<u>0</u>	<u>0</u>	<u>78,904</u>
<u>0</u>	<u>0</u>	<u>185,430</u>
0	11,642	1,329,887
4,227	0	359,173
<u>4,227</u>	<u>11,642</u>	<u>1,689,060</u>
<u>\$4,227</u>	<u>\$11,642</u>	<u>\$1,953,394</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, 2017

	Gas Tax Motor Vehicle License	State Highway	Permissive Motor Vehicle License
Revenues			
Intergovernmental	\$380,113	\$30,820	\$0
Interest	24	1,709	0
Fines, Licenses and Permits	0	0	0
Charges for Services	0	0	0
Contributions and Donations	0	0	0
Other	4,491	0	0
<i>Total Revenues</i>	<u>384,628</u>	<u>32,529</u>	<u>0</u>
Expenditures			
Current:			
General Government	0	0	0
Security of Persons and Property:			
Police	0	0	0
Transportation	891,611	0	0
Public Health and Welfare	0	0	0
Leisure Time Activities	0	0	0
Basic Utility Service	0	0	0
Capital Outlay	0	0	0
<i>Total Expenditures</i>	<u>891,611</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(506,983)	32,529	0
Other Financing Sources			
Transfers In	461,038	0	0
<i>Net Change in Fund Balances</i>	(45,945)	32,529	0
<i>Fund Balances Beginning of Year</i>	<u>164,849</u>	<u>194,696</u>	<u>63,003</u>
<i>Fund Balances End of Year</i>	<u><u>\$118,904</u></u>	<u><u>\$227,225</u></u>	<u><u>\$63,003</u></u>

Solid Waste	Law Enforcement	Enforcement and Education	Cemetery Maintenance
\$0	\$0	\$0	\$0
0	0	0	0
0	2,325	465	0
440,163	0	0	20,234
0	0	0	0
0	0	0	0
440,163	2,325	465	20,234
0	0	0	0
0	3,312	888	0
0	0	0	0
0	0	0	77,551
0	0	0	0
446,518	0	0	0
0	0	0	0
446,518	3,312	888	77,551
(6,355)	(987)	(423)	(57,317)
14,322	0	0	0
7,967	(987)	(423)	(57,317)
116,024	6,526	6,409	420,252
\$123,991	\$5,539	\$5,986	\$362,935

(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, 2017

	Permissive	First Responders	Emergency Medical Service Equipment
Revenues			
Intergovernmental	\$0	\$0	\$0
Interest	0	0	0
Fines, Licenses and Permits	65,236	0	0
Charges for Services	0	0	78,622
Contributions and Donations	0	4,504	0
Other	0	0	0
<i>Total Revenues</i>	<u>65,236</u>	<u>4,504</u>	<u>78,622</u>
Expenditures			
Current:			
General Government	0	3,525	0
Security of Persons and Property:			
Police	0	0	0
Transportation	0	0	0
Public Health and Welfare	0	0	47,604
Leisure Time Activities	0	0	0
Basic Utility Service	0	0	0
Capital Outlay	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>3,525</u>	<u>47,604</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	65,236	979	31,018
Other Financing Sources (Uses)			
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	65,236	979	31,018
<i>Fund Balances Beginning of Year</i>	<u>469,417</u>	<u>12,624</u>	<u>186,334</u>
<i>Fund Balances End of Year</i>	<u><u>\$534,653</u></u>	<u><u>\$13,603</u></u>	<u><u>\$217,352</u></u>

Performing Arts	Continuing Professional Training Grant	Total Nonmajor Special Revenue Funds
\$0	\$8,900	\$419,833
43	0	1,776
0	0	68,026
0	0	539,019
4,520	0	9,024
0	0	4,491
<u>4,563</u>	<u>8,900</u>	<u>1,042,169</u>
0	0	3,525
0	435	4,635
0	0	891,611
0	0	125,155
4,924	0	4,924
0	0	446,518
0	0	0
<u>4,924</u>	<u>435</u>	<u>1,476,368</u>
(361)	8,465	(434,199)
<u>0</u>	<u>0</u>	<u>475,360</u>
(361)	8,465	41,161
<u>4,588</u>	<u>3,177</u>	<u>1,647,899</u>
<u>\$4,227</u>	<u>\$11,642</u>	<u>\$1,689,060</u>

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2017

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$4,152	\$178,206	\$182,358
Accrued Interest Receivable	0	483	483
Special Assessments Receivable	0	17,672	17,672
<i>Total Assets</i>	<u>\$4,152</u>	<u>\$196,361</u>	<u>\$200,513</u>
Deferred Inflows of Resources			
Unavailable Revenue	\$0	\$17,672	\$17,672
Fund Balances			
Restricted	<u>4,152</u>	<u>178,689</u>	<u>182,841</u>
<i>Total Deferred Inflows of Resources and Fund Balances</i>	<u>\$4,152</u>	<u>\$196,361</u>	<u>\$200,513</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, 2017

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Special Assessments	\$0	\$19,309	\$19,309
Interest	0	1,445	1,445
<i>Total Revenues</i>	0	20,754	20,754
Expenditures			
Current:			
General Government	0	11,343	11,343
<i>Net Change in Fund Balances</i>	0	9,411	9,411
<i>Fund Balances Beginning of Year</i>	4,152	169,278	173,430
<i>Fund Balances End of Year</i>	\$4,152	\$178,689	\$182,841

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017

	Park Improvement	Recreation and Park	Grants	Community Development Block Grant	Total Nonmajor Capital Projects Funds
Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$2,310	\$33,935	\$132,984	\$113,868	\$283,097
Accrued Interest Receivable	6	0	0	0	6
Intergovernmental Receivable	0	0	19,506	0	19,506
<i>Total Assets</i>	<u>\$2,316</u>	<u>\$33,935</u>	<u>\$152,490</u>	<u>\$113,868</u>	<u>\$302,609</u>
Liabilities					
Accounts Payable	\$0	\$0	\$19,506	\$0	\$19,506
Fund Balances					
Restricted	0	0	132,984	113,868	246,852
Assigned	2,316	33,935	0	0	36,251
<i>Total Fund Balances</i>	<u>2,316</u>	<u>33,935</u>	<u>132,984</u>	<u>113,868</u>	<u>283,103</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,316</u>	<u>\$33,935</u>	<u>\$152,490</u>	<u>\$113,868</u>	<u>\$302,609</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, 2017

	Park Improvement	Recreation and Park	Grants	Community Development Block Grant	Total Nonmajor Capital Projects Funds
Revenues					
Intergovernmental	\$0	\$0	\$279,601	\$0	\$279,601
Interest	18	0	0	0	18
Fines, Licenses and Permits	0	4,450	0	0	4,450
<i>Total Revenues</i>	18	4,450	279,601	0	284,069
Expenditures					
Capital Outlay	0	0	297,129	0	297,129
<i>Net Change in Fund Balances</i>	18	4,450	(17,528)	0	(13,060)
<i>Fund Balances Beginning of Year</i>	2,298	29,485	150,512	113,868	296,163
<i>Fund Balances End of Year</i>	\$2,316	\$33,935	\$132,984	\$113,868	\$283,103

Fund Descriptions - Fiduciary Funds

Fiduciary Funds

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

Private-Purpose Trust Fund

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

Agency Fund

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

City of Orrville, Ohio
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended December 31, 2017

	Beginning Balance <u>12/31/16</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>12/31/17</u>
Deposits in Escrow				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$63,395</u>	<u>\$7,700</u>	<u>\$9,060</u>	<u>\$62,035</u>
Liabilities				
Deposits Held and Due to Others	<u>\$63,395</u>	<u>\$7,700</u>	<u>\$9,060</u>	<u>\$62,035</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$427,500	\$427,000	\$460,007	\$33,007
Income Taxes	3,268,000	3,853,000	4,213,533	360,533
Kilowatt Per Hour Tax	1,300,000	990,000	916,592	(73,408)
Intergovernmental	262,550	262,550	277,084	14,534
Interest	21,150	31,150	54,249	23,099
Fines, Licenses and Permits	28,000	28,000	23,718	(4,282)
Rentals	1,100	1,100	552	(548)
Charges for Services	243,550	253,550	390,366	136,816
Contributions and Donations	10,000	10,000	11,556	1,556
Other	1,000	1,000	23,538	22,538
<i>Total Revenues</i>	<u>5,562,850</u>	<u>5,857,350</u>	<u>6,371,195</u>	<u>513,845</u>
Expenditures				
Current:				
General Government:				
City Council:				
Personal Services	32,209	31,862	31,620	242
City Hall:				
Personal Services	192,960	196,885	186,862	10,023
Purchased Services	23,883	23,199	23,199	0
Materials and Supplies	9,448	5,849	2,417	3,432
Utilities	9,424	8,801	8,412	389
Total City Hall	<u>235,715</u>	<u>234,734</u>	<u>220,890</u>	<u>13,844</u>
Finance Department:				
Personal Services	95,450	96,250	87,516	8,734
Purchased Services	46,261	46,531	34,456	12,075
Materials and Supplies	3,818	3,818	1,328	2,490
Utilities	352	352	245	107
Total Finance Department	<u>145,881</u>	<u>146,951</u>	<u>123,545</u>	<u>23,406</u>
Personnel:				
Personal Services	106,220	117,720	110,412	7,308
Purchased Services	7,941	7,907	2,036	5,871
Materials and Supplies	5,976	5,874	2,294	3,580
Utilities	1,366	1,358	1,211	147
Total Personnel	<u>\$121,503</u>	<u>\$132,859</u>	<u>\$115,953</u>	<u>\$16,906</u>

(continued)

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Data Processing:				
Personal Services	\$25,600	\$27,050	\$24,047	\$3,003
Purchased Services	18,674	18,674	17,165	1,509
Materials and Supplies	9,799	16,608	13,177	3,431
Utilities	2,183	2,261	1,870	391
Total Data Processing	56,256	64,593	56,259	8,334
Income Tax:				
Personal Services	84,400	85,200	60,660	24,540
Purchased Services	530	530	530	0
Materials and Supplies	6,732	6,732	2,274	4,458
Utilities	816	816	524	292
Total Income Tax	92,478	93,278	63,988	29,290
Law Department:				
Personal Services	43,740	44,040	41,328	2,712
Purchased Services	16,904	16,640	8,464	8,176
Total Law Department	60,644	60,680	49,792	10,888
Mayor's Office:				
Personal Services	25,600	27,376	25,801	1,575
Purchased Services	365	350	247	103
Materials and Supplies	51	0	0	0
Utilities	507	607	483	124
Total Mayor's Office	26,523	28,333	26,531	1,802
Administrative:				
Personal Services	301,420	342,250	289,453	52,797
Purchased Services	329,065	317,845	216,985	100,860
Materials and Supplies	20,454	21,454	10,372	11,082
Total Administrative	650,939	681,549	516,810	164,739
Total General Government	1,422,148	1,474,839	1,205,388	269,451
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	1,785,675	1,943,800	1,835,250	108,550
Purchased Services	245,321	264,315	264,315	0
Materials and Supplies	122,892	107,798	92,756	15,042
Utilities	22,599	41,849	39,055	2,794
Total Police	\$2,176,487	\$2,357,762	\$2,231,376	\$126,386

(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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fire:				
Fire Department:				
Personal Services	\$385,741	\$405,701	\$350,908	\$54,793
Purchased Services	75,191	69,453	54,310	15,143
Materials and Supplies	162,554	157,854	141,309	16,545
Utilities	13,872	16,130	16,130	0
Total Fire	<u>637,358</u>	<u>649,138</u>	<u>562,657</u>	<u>86,481</u>
Total Security of Persons and Property	<u>2,813,845</u>	<u>3,006,900</u>	<u>2,794,033</u>	<u>212,867</u>
Transportation:				
Street:				
Personal Services	375,430	387,020	362,354	24,666
Purchased Services	90,617	43,717	20,907	22,810
Materials and Supplies	208,451	183,151	159,911	23,240
Total Transportation	<u>674,498</u>	<u>613,888</u>	<u>543,172</u>	<u>70,716</u>
Public Health and Welfare:				
Animal Control:				
Purchased Services	816	0	0	0
Materials and Supplies	12,852	17,000	15,856	1,144
Total Animal Control	<u>13,668</u>	<u>17,000</u>	<u>15,856</u>	<u>1,144</u>
Cemetery:				
Personal Services	157,111	140,121	123,829	16,292
Purchased Services	7,906	6,757	6,757	0
Materials and Supplies	35,770	30,107	21,878	8,229
Utilities	3,979	4,741	4,741	0
Total Cemetery	<u>204,766</u>	<u>181,726</u>	<u>157,205</u>	<u>24,521</u>
Total Public Health and Welfare	<u>218,434</u>	<u>198,726</u>	<u>173,061</u>	<u>25,665</u>
Leisure Time Activities:				
Park:				
Personal Services	169,704	191,605	178,734	12,871
Purchased Services	10,219	15,029	6,386	8,643
Materials and Supplies	39,828	38,512	38,512	0
Utilities	5,002	6,878	6,878	0
Total Park	<u>\$224,753</u>	<u>\$252,024</u>	<u>\$230,510</u>	<u>\$21,514</u>

(continued)

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Pool:				
Personal Services	\$93,500	\$89,850	\$81,670	\$8,180
Purchased Services	7,689	4,240	1,067	3,173
Materials and Supplies	20,704	17,072	15,658	1,414
Utilities	10,923	12,204	12,204	0
Total Pool	132,816	123,366	110,599	12,767
Recreation:				
Materials and Supplies	2,500	2,500	2,500	0
Total Leisure Time Activities	360,069	377,890	343,609	34,281
Debt Service:				
Principal	25,000	25,000	24,023	977
Total Expenditures	5,513,994	5,697,243	5,083,286	613,957
Excess of Revenues Over Expenditures	48,856	160,107	1,287,909	1,127,802
Other Financing (Sources) Uses				
Sale of Capital Assets	0	0	267,440	267,440
Transfers Out	(1,815,000)	(1,785,000)	(1,391,952)	393,048
Total Other Financing Sources (Uses)	(1,815,000)	(1,785,000)	(1,124,512)	660,488
Net Change in Fund Balance	(1,766,144)	(1,624,893)	163,397	1,788,290
Fund Balance Beginning of Year	3,851,356	3,851,356	3,851,356	0
Prior Year Encumbrances Appropriated	186,763	186,763	186,763	0
Fund Balance End of Year	\$2,271,975	\$2,413,226	\$4,201,516	\$1,788,290

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Income Taxes	\$1,275,000	\$1,890,000	\$1,774,508	(\$115,492)
Intergovernmental	976,125	1,001,125	173,321	(827,804)
<i>Total Revenues</i>	2,251,125	2,891,125	1,947,829	(943,296)
Expenditures				
Capital Outlay	2,967,933	3,440,433	2,678,558	761,875
<i>Net Change in Fund Balance</i>	(716,808)	(549,308)	(730,729)	(181,421)
<i>Fund Balance Beginning of Year</i>	1,407,348	1,407,348	1,407,348	0
Prior Year Encumbrances Appropriated	378,808	378,808	378,808	0
<i>Fund Balance End of Year</i>	<u>\$1,069,348</u>	<u>\$1,236,848</u>	<u>\$1,055,427</u>	<u>(\$181,421)</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$19,300	\$19,300	\$34,454	\$15,154
Charges for Services	2,125,500	2,125,500	2,098,391	(27,109)
Fees, Licenses and Permits	100	100	350	250
Other	300	300	10,920	10,620
Sale of Capital Assets	0	0	18,335	18,335
<i>Total Revenues</i>	<u>2,145,200</u>	<u>2,145,200</u>	<u>2,162,450</u>	<u>17,250</u>
Expenses				
Personal Services	1,502,000	1,503,900	1,226,217	277,683
Purchased Services	350,746	334,546	235,271	99,275
Materials and Supplies	308,498	344,198	291,669	52,529
Utilities	187,978	187,878	185,170	2,708
Capital Outlay	172,905	777,905	299,632	478,273
<i>Total Expenses</i>	<u>2,522,127</u>	<u>3,148,427</u>	<u>2,237,959</u>	<u>910,468</u>
<i>Net Change in Fund Equity</i>	(376,927)	(1,003,227)	(75,509)	927,718
<i>Fund Equity Beginning of Year</i>	3,239,965	3,239,965	3,239,965	0
Prior Year Encumbrances Appropriated	90,777	90,777	90,777	0
<i>Fund Equity End of Year</i>	<u>\$2,953,815</u>	<u>\$2,327,515</u>	<u>\$3,255,233</u>	<u>\$927,718</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$128,400	\$147,800	\$282,518	\$134,718
Charges for Services	32,363,000	32,088,000	33,434,155	1,346,155
Other	508,200	381,200	571,041	189,841
Sale of Capital Assets	0	0	90,464	90,464
Insurance Settlement	0	3,491,000	3,062,987	(428,013)
<i>Total Revenues</i>	<u>32,999,600</u>	<u>36,108,000</u>	<u>37,441,165</u>	<u>1,333,165</u>
Expenses				
Personal Services	7,109,300	7,182,200	6,113,828	1,068,372
Purchased Services	2,794,884	3,088,384	2,867,534	220,850
Materials and Supplies	21,694,889	20,684,389	20,597,047	87,342
Utilities	4,394,337	4,396,137	3,360,058	1,036,079
Capital Outlay	1,612,297	2,421,297	1,636,058	785,239
<i>Total Expenses</i>	<u>37,605,707</u>	<u>37,772,407</u>	<u>34,574,525</u>	<u>3,197,882</u>
<i>Excess of Revenues Over (Under) Expenses before Transfers</i>	(4,606,107)	(1,664,407)	2,866,640	4,531,047
Transfers In	1,014,000	990,000	916,592	(73,408)
<i>Net Change in Fund Equity</i>	(3,592,107)	(674,407)	3,783,232	4,457,639
<i>Fund Equity Beginning of Year</i>	32,103,584	32,103,584	32,103,584	0
Prior Year Encumbrances Appropriated	1,515,106	1,515,106	1,515,106	0
<i>Fund Equity End of Year</i>	<u>\$30,026,583</u>	<u>\$32,944,283</u>	<u>\$37,401,922</u>	<u>\$4,457,639</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$13,000	\$18,550	\$30,266	\$11,716
Charges for Services	3,077,900	2,852,800	2,918,762	65,962
Notes Issued	300,000	300,000	300,000	0
Other	7,400	7,800	15,481	7,681
Sale of Capital Assets	0	1,000	27,128	26,128
<i>Total Revenues</i>	<u>3,398,300</u>	<u>3,180,150</u>	<u>3,291,637</u>	<u>111,487</u>
Expenses				
Personal Services	1,403,600	1,360,700	1,113,782	246,918
Purchased Services	334,141	388,841	285,939	102,902
Materials and Supplies	551,016	548,216	312,811	235,405
Utilities	280,618	301,418	271,509	29,909
Capital Outlay	425,517	772,789	336,939	435,850
Debt Service:				
Principal Retirement	1,085,380	792,108	792,108	0
Interest and Fiscal Charges	55,120	73,720	51,070	22,650
<i>Total Expenses</i>	<u>4,135,392</u>	<u>4,237,792</u>	<u>3,164,158</u>	<u>1,073,634</u>
<i>Excess of Revenues Over (Under) Expenses before Transfers</i>	(737,092)	(1,057,642)	127,479	1,185,121
Transfers In	36,000	36,000	0	(36,000)
Transfers Out	(5,000)	0	0	0
<i>Net Change in Fund Equity</i>	(706,092)	(1,021,642)	127,479	1,149,121
<i>Fund Equity Beginning of Year</i>	3,870,647	3,870,647	3,870,647	0
Prior Year Encumbrances Appropriated	76,893	76,893	76,893	0
<i>Fund Equity End of Year</i>	<u>\$3,241,448</u>	<u>\$2,925,898</u>	<u>\$4,075,019</u>	<u>\$1,149,121</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$375,000	\$375,000	\$381,025	\$6,025
Interest	0	0	80	80
Other	0	0	4,491	4,491
<i>Total Revenues</i>	<u>375,000</u>	<u>375,000</u>	<u>385,596</u>	<u>10,596</u>
Expenditures				
Current:				
Transportation:				
Street Repair and Maintenance:				
Personal Services	768,881	824,701	794,569	30,132
Purchased Services	7,100	6,173	4,691	1,482
Materials and Supplies	123,030	116,880	81,082	35,798
Utilities	18,976	19,283	19,283	0
<i>Total Expenditures</i>	<u>917,987</u>	<u>967,037</u>	<u>899,625</u>	<u>67,412</u>
<i>Excess of Revenues Under Expenditures</i>	(542,987)	(592,037)	(514,029)	78,008
Other Financing Sources				
Transfers In	515,000	515,000	461,038	(53,962)
<i>Net Change in Fund Balance</i>	(27,987)	(77,037)	(52,991)	24,046
<i>Fund Balance Beginning of Year</i>	102,310	102,310	102,310	0
Prior Year Encumbrances Appropriated	24,235	24,235	24,235	0
<i>Fund Balance End of Year</i>	<u>\$98,558</u>	<u>\$49,508</u>	<u>\$73,554</u>	<u>\$24,046</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$30,500	\$30,500	\$30,894	\$394
Interest	220	220	1,486	1,266
<i>Total Revenues</i>	<u>30,720</u>	<u>30,720</u>	<u>32,380</u>	<u>1,660</u>
Expenditures				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	20,000	100,000	0	100,000
Materials and Supplies	5,000	5,000	0	5,000
<i>Total Expenditures</i>	<u>25,000</u>	<u>105,000</u>	<u>0</u>	<u>105,000</u>
<i>Net Change in Fund Balance</i>	5,720	(74,280)	32,380	106,660
<i>Fund Balance Beginning of Year</i>	<u>189,739</u>	<u>189,739</u>	<u>189,739</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$195,459</u></u>	<u><u>\$115,459</u></u>	<u><u>\$222,119</u></u>	<u><u>\$106,660</u></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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$25,000	\$25,000	\$0	(\$25,000)
Expenditures				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	800	0	0	0
Materials and Supplies	0	5,000	0	5,000
<i>Total Expenditures</i>	<u>800</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
<i>Net Change in Fund Balance</i>	24,200	20,000	0	(20,000)
<i>Fund Balance Beginning of Year</i>	<u>63,003</u>	<u>63,003</u>	<u>63,003</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$87,203</u></u>	<u><u>\$83,003</u></u>	<u><u>\$63,003</u></u>	<u><u>(\$20,000)</u></u>

City of Orrville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Solid Waste Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$430,000	\$430,000	\$439,031	\$9,031
Expenditures				
Current:				
Basic Utility Service:				
Solid Waste Services:				
Purchased Services	444,099	446,099	446,602	(503)
<i>Excess of Revenues Under Expenditures</i>	(14,099)	(16,099)	(7,571)	8,528
Other Financing Sources				
Transfers In	14,000	14,000	14,322	322
<i>Net Change in Fund Balance</i>	(99)	(2,099)	6,751	8,850
<i>Fund Balance Beginning of Year</i>	92,705	92,705	92,705	0
Prior Year Encumbrances Appropriated	99	99	99	0
<i>Fund Balance End of Year</i>	<u>\$92,705</u>	<u>\$90,705</u>	<u>\$99,555</u>	<u>\$8,850</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines, Licenses and Permits	\$2,500	\$2,500	\$2,374	(\$126)
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Materials and Supplies	<u>3,800</u>	<u>5,000</u>	<u>3,312</u>	<u>1,688</u>
<i>Net Change in Fund Balance</i>	(1,300)	(2,500)	(938)	1,562
<i>Fund Balance Beginning of Year</i>	<u>6,477</u>	<u>6,477</u>	<u>6,477</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,177</u></u>	<u><u>\$3,977</u></u>	<u><u>\$5,539</u></u>	<u><u>\$1,562</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines, Licenses and Permits	\$400	\$400	\$540	\$140
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Materials and Supplies	3,000	3,000	888	2,112
<i>Net Change in Fund Balance</i>	(2,600)	(2,600)	(348)	2,252
<i>Fund Balance Beginning of Year</i>	6,309	6,309	6,309	0
<i>Fund Balance End of Year</i>	<u>\$3,709</u>	<u>\$3,709</u>	<u>\$5,961</u>	<u>\$2,252</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, 2017

	<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	\$19,634	\$4,634
Expenditures				
Current:				
Public Health and Welfare:				
Cemetery Maintenance:				
Other	0	80,000	77,551	2,449
<i>Net Change in Fund Balance</i>	15,000	(65,000)	(57,917)	4,634
<i>Fund Balance Beginning of Year</i>	420,252	420,252	420,252	0
<i>Fund Balance End of Year</i>	<u>\$435,252</u>	<u>\$355,252</u>	<u>\$362,335</u>	<u>\$4,634</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines, Licenses and Permits	\$60,000	\$60,000	\$65,277	\$5,277
Expenditures				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	0	100,000	0	100,000
Materials and Supplies	25,000	0	0	0
<i>Total Expenditures</i>	<u>25,000</u>	<u>100,000</u>	<u>0</u>	<u>100,000</u>
<i>Net Change in Fund Balance</i>	35,000	(40,000)	65,277	105,277
<i>Fund Balance Beginning of Year</i>	<u>459,184</u>	<u>459,184</u>	<u>459,184</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$494,184</u></u>	<u><u>\$419,184</u></u>	<u><u>\$524,461</u></u>	<u><u>\$105,277</u></u>

City of Orrville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
First Responders Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions and Donations	\$3,000	\$8,000	\$4,504	(\$3,496)
Expenditures				
Current:				
General Government:				
Administrative:				
Purchased Services	50	100	0	100
Materials and Supplies	6,000	8,350	3,875	4,475
<i>Total Expenditures</i>	<u>6,050</u>	<u>8,450</u>	<u>3,875</u>	<u>4,575</u>
<i>Net Change in Fund Balance</i>	(3,050)	(450)	629	1,079
<i>Fund Balance Beginning of Year</i>	12,624	12,624	12,624	0
Prior Year Encumbrances Appropriated	<u>350</u>	<u>350</u>	<u>350</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$9,924</u></u>	<u><u>\$12,524</u></u>	<u><u>\$13,603</u></u>	<u><u>\$1,079</u></u>

City of Orrville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Medical Service Equipment Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$55,000	\$55,000	\$78,653	\$23,653
Expenditures				
Current:				
Public Health and Welfare:				
Emergency Medical Service:				
Materials and Supplies	<u>25,336</u>	<u>125,336</u>	<u>52,200</u>	<u>73,136</u>
<i>Net Change in Fund Balance</i>	29,664	(70,336)	26,453	96,789
<i>Fund Balance Beginning of Year</i>	168,006	168,006	168,006	0
Prior Year Encumbrances Appropriated	<u>15,336</u>	<u>15,336</u>	<u>15,336</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$213,006</u>	<u>\$113,006</u>	<u>\$209,795</u>	<u>\$96,789</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$15	\$15	\$40	\$25
Contributions and Donations	6,050	6,050	4,520	(1,530)
<i>Total Revenues</i>	<u>6,065</u>	<u>6,065</u>	<u>4,560</u>	<u>(1,505)</u>
Expenditures				
Current:				
Leisure Time Activities:				
Performing Arts:				
Purchased Services	7,000	6,500	4,895	1,605
Materials and Supplies	750	750	29	721
<i>Total Expenditures</i>	<u>7,750</u>	<u>7,250</u>	<u>4,924</u>	<u>2,326</u>
<i>Net Change in Fund Balance</i>	(1,685)	(1,185)	(364)	821
<i>Fund Balance Beginning of Year</i>	<u>4,579</u>	<u>4,579</u>	<u>4,579</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,894</u>	<u>\$3,394</u>	<u>\$4,215</u>	<u>\$821</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, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$2,100	\$2,100	\$8,900	\$6,800
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Purchased Services	<u>2,000</u>	<u>3,000</u>	<u>435</u>	<u>2,565</u>
<i>Net Change in Fund Balance</i>	100	(900)	8,465	9,365
<i>Fund Balance Beginning of Year</i>	<u>3,177</u>	<u>3,177</u>	<u>3,177</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,277</u></u>	<u><u>\$2,277</u></u>	<u><u>\$11,642</u></u>	<u><u>\$9,365</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, 2017

	<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>1,300</u>	<u>1,300</u>	<u>1,200</u>	<u>100</u>
<i>Net Change in Fund Balance</i>	(1,300)	(1,300)	(1,200)	100
<i>Fund Balance Beginning of Year</i>	<u>1,512</u>	<u>1,512</u>	<u>1,512</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$212</u></u>	<u><u>\$212</u></u>	<u><u>\$312</u></u>	<u><u>\$100</u></u>

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2017*

	<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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$23,005	\$23,005	\$19,309	(\$3,696)
Interest	400	400	1,294	894
<i>Total Revenues</i>	23,405	23,405	20,603	(2,802)
Expenditures				
Current:				
General Government:				
Contractual Services	12,505	12,005	11,342	663
<i>Net Change in Fund Balance</i>	10,900	11,400	9,261	(2,139)
<i>Fund Balance Beginning of Year</i>	168,945	168,945	168,945	0
<i>Fund Balance End of Year</i>	<u>\$179,845</u>	<u>\$180,345</u>	<u>\$178,206</u>	<u>(\$2,139)</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$10	\$10	\$17	\$7
Expenditures				
Capital Outlay	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	(990)	(990)	17	1,007
<i>Fund Balance Beginning of Year</i>	2,293	2,293	2,293	0
<i>Fund Balance End of Year</i>	<u>\$1,303</u>	<u>\$1,303</u>	<u>\$2,310</u>	<u>\$1,007</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines, Licenses and Permits	\$200	\$200	\$4,450	\$4,250
Expenditures				
Capital Outlay	500	500	0	500
<i>Net Change in Fund Balance</i>	(300)	(300)	4,450	4,750
<i>Fund Balance Beginning of Year</i>	29,485	29,485	29,485	0
<i>Fund Balance End of Year</i>	<u>\$29,185</u>	<u>\$29,185</u>	<u>\$33,935</u>	<u>\$4,750</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,654,000	\$1,341,125	\$304,147	(\$1,036,978)
Expenditures				
Capital Outlay	1,701,185	463,310	336,126	127,184
<i>Net Change in Fund Balance</i>	(47,185)	877,815	(31,979)	(909,794)
<i>Fund Deficit Beginning of Year</i>	73,879	73,879	73,879	0
Prior Year Encumbrances Appropriated	47,185	47,185	47,185	0
<i>Fund Balance End of Year</i>	\$73,879	\$998,879	\$89,085	(\$909,794)

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, 2017*

	<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>113,868</u>	<u>113,868</u>	<u>113,868</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$113,868</u></u>	<u><u>\$113,868</u></u>	<u><u>\$113,868</u></u>	<u><u>\$0</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$300	\$300	\$2,027	\$1,727
Charges for Services	2,260,000	2,260,000	293,965	(1,966,035)
<i>Total Revenues</i>	2,260,300	2,260,300	295,992	(1,964,308)
Expenses				
Purchased Services	2,250,000	2,162,952	6,609	2,156,343
Claims	0	87,048	87,048	0
<i>Total Expenses</i>	2,250,000	2,250,000	93,657	2,156,343
<i>Net Change in Fund Equity</i>	10,300	10,300	202,335	192,035
<i>Fund Equity Beginning of Year</i>	145,387	145,387	145,387	0
<i>Fund Equity End of Year</i>	\$155,687	\$155,687	\$347,722	\$192,035

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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$10	\$10	\$30	\$20
Expenses				
Materials and Supplies	20	20	0	20
<i>Net Change in Fund Equity</i>	(10)	(10)	30	40
<i>Fund Equity Beginning of Year</i>	4,101	4,101	4,101	0
<i>Fund Equity End of Year</i>	<u>\$4,091</u>	<u>\$4,091</u>	<u>\$4,131</u>	<u>\$40</u>

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STATISTICAL SECTION

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Statistical Section

This part of the City of Orrville, Ohio's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents	Page(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 – S23</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>S24 – S25</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>S26 – S33</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 Position By Component
Last Ten Years
(Accrual Basis of Accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities				
Net Investment in Capital Assets	\$51,042,719	\$50,035,165	\$47,803,815	\$46,651,815
Restricted:				
Capital Projects	246,852	264,380	340,136	234,932
Debt Service	200,513	210,411	201,248	206,850
Street Repair and Maintenance	1,018,093	1,026,796	865,725	699,840
Solid Waste Services	0	0	0	0
Law Enforcement and Education	23,167	16,112	13,410	15,242
Cemetery Maintenance	363,798	420,852	402,807	387,038
EMS Equipment	0	0	0	0
Performing Arts	0	0	0	0
Unrestricted (1)	<u>2,500,765</u>	<u>2,895,418</u>	<u>4,708,457</u>	<u>3,763,350</u>
<i>Total Governmental Activities Net Position</i>	<u>55,395,907</u>	<u>54,869,134</u>	<u>54,335,598</u>	<u>51,959,067</u>
Business Type - Activities				
Net Investment in Capital Assets	35,568,935	36,134,763	33,514,348	34,331,464
Restricted:				
Debt Service	0	0	0	0
Replacement and Improvement	0	0	0	0
Unrestricted (1)	<u>45,042,998</u>	<u>40,625,054</u>	<u>38,787,351</u>	<u>34,747,551</u>
<i>Total Business-Type Activities Net Position</i>	<u>80,611,933</u>	<u>76,759,817</u>	<u>72,301,699</u>	<u>69,079,015</u>
Primary Government				
Net Investment in Capital Assets	86,611,654	86,169,928	81,318,163	80,983,279
Restricted	1,852,423	1,938,551	1,823,326	1,543,902
Unrestricted (1)	<u>47,543,763</u>	<u>43,520,472</u>	<u>43,495,808</u>	<u>38,510,901</u>
<i>Total Primary Government Net Position</i>	<u>\$136,007,840</u>	<u>\$131,628,951</u>	<u>\$126,637,297</u>	<u>\$121,038,082</u>

(1) The City reported the impact of GASB Statement No. 68 beginning in 2014.

2013	2012	2011	2010	2009	2008
\$44,596,582	\$43,532,213	\$43,370,414	\$43,589,853	\$43,659,336	\$43,619,685
145,022	147,186	148,516	587,129	300,589	215,741
167,998	178,275	188,601	210,504	230,546	243,223
606,354	491,854	449,189	428,875	415,535	462,630
0	0	0	0	38,048	80,955
18,368	17,799	21,075	19,377	20,975	19,651
374,477	353,402	334,225	315,730	298,620	285,788
0	0	0	0	240,929	194,363
0	0	0	0	3,073	1,070
7,934,606	6,866,788	5,332,158	4,549,471	3,869,743	2,976,958
53,843,407	51,587,517	49,844,178	49,700,939	49,077,394	48,100,064
35,995,830	35,863,973	36,501,762	36,065,932	34,525,664	31,936,125
0	760,679	757,162	758,544	2,715,024	3,016,575
0	800,000	800,000	800,000	2,300,000	2,300,000
32,108,900	28,627,694	26,940,593	26,661,899	23,987,800	25,849,607
68,104,730	66,052,346	64,999,517	64,286,375	63,528,488	63,102,307
80,592,412	79,396,186	79,872,176	79,655,785	78,185,000	75,555,810
1,312,219	2,749,195	2,698,768	3,120,159	6,563,339	6,819,996
40,043,506	35,494,482	32,272,751	31,211,370	27,857,543	28,826,565
\$121,948,137	\$117,639,863	\$114,843,695	\$113,987,314	\$112,605,882	\$111,202,371

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

	2017	2016	2015	2014
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$165,112	\$75,424	\$122,519	\$161,761
Security of Persons and Property:				
Police	8,015	11,255	9,414	11,473
Fire	92,475	85,579	62,813	59,193
Transportation	65,313	96,369	168,085	673,483
Public Health and Welfare	158,260	144,051	114,464	114,070
Leisure Time Activities	101,221	72,747	77,883	77,503
Basic Utility Service	440,163	437,097	424,502	425,837
Subtotal - Charges for Services	<u>1,030,559</u>	<u>922,522</u>	<u>979,680</u>	<u>1,523,320</u>
Operating Grants and Contributions:				
General Government	17,457	22,453	36,606	20,923
Security of Persons and Property:				
Police	8,929	0	2,120	1,676
Fire	6,700	0	21,516	21,483
Transportation	445,373	480,954	616,218	412,876
Leisure Time Activities	4,520	4,963	5,012	6,235
Basic Utility Service	0	0	0	0
Subtotal - Operating Grants and Contributions	<u>482,979</u>	<u>508,370</u>	<u>681,472</u>	<u>463,193</u>
Capital Grants and Contributions:				
General Government	0	0	0	0
Transportation	452,870	1,289,750	877,275	968,753
Subtotal - Capital Grants and Contributions	<u>452,870</u>	<u>1,289,750</u>	<u>877,275</u>	<u>968,753</u>
<i>Total Governmental Activities Program Revenues</i>	<u>1,966,408</u>	<u>2,720,642</u>	<u>2,538,427</u>	<u>2,955,266</u>
Business-Type Activities:				
Charges for Services:				
Sewer	2,116,127	2,370,897	2,242,742	2,022,412
Electric	34,017,923	34,171,289	32,203,765	35,801,650
Water	2,954,895	3,228,704	3,229,736	3,294,770
Subtotal - Charges for Services	<u>39,088,945</u>	<u>39,770,890</u>	<u>37,676,243</u>	<u>41,118,832</u>
Capital Grants and Contributions				
Water	0	0	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>39,088,945</u>	<u>39,770,890</u>	<u>37,676,243</u>	<u>41,118,832</u>
<i>Total Primary Government Program Revenues</i>	<u>41,055,353</u>	<u>42,491,532</u>	<u>40,214,670</u>	<u>44,074,098</u>
Expenses				
Governmental Activities:				
General Government	1,455,297	1,415,466	1,235,682	1,284,010
Security of Persons and Property:				
Police	2,376,973	2,395,000	2,137,154	2,168,366
Fire	620,786	613,209	534,086	607,537
Transportation	2,650,728	1,915,963	2,464,622	2,737,924
Public Health and Welfare	313,670	334,538	238,586	199,487
Leisure Time Activities	400,247	1,130,301	359,038	389,909
Basic Utility Service	446,518	418,166	400,247	436,292
Interest and Fiscal Charges	0	0	23,532	32,354
<i>Total Governmental Activities Expenses</i>	<u>\$8,264,219</u>	<u>\$8,222,643</u>	<u>\$7,392,947</u>	<u>\$7,855,879</u>

2013	2012	2011	2010	2009	2008
\$145,721	\$223,260	\$113,485	\$150,200	\$207,225	\$113,285
17,514	27,483	20,247	21,428	21,878	18,697
77,582	87,585	69,197	68,219	63,973	23,280
590,096	0	0	0	634	264
141,024	135,591	118,407	118,637	101,345	92,782
74,946	69,579	68,057	65,857	59,572	24,855
416,782	418,811	404,260	416,442	439,532	430,026
<u>1,463,665</u>	<u>962,309</u>	<u>793,653</u>	<u>840,783</u>	<u>894,159</u>	<u>703,189</u>
22,141	18,150	26,440	14,670	16,996	76,851
0	0	300	320	1,520	0
15,000	0	0	0	0	2,500
499,012	464,131	494,700	471,099	516,773	526,802
6,897	29,993	38,542	13,033	13,698	36,919
0	0	0	0	52	13,633
<u>543,050</u>	<u>512,274</u>	<u>559,982</u>	<u>499,122</u>	<u>549,039</u>	<u>656,705</u>
0	0	0	98,755	341,100	140,552
911,860	432,284	184,461	440,681	438,166	1,048,529
911,860	432,284	184,461	539,436	779,266	1,189,081
<u>2,918,575</u>	<u>1,906,867</u>	<u>1,538,096</u>	<u>1,879,341</u>	<u>2,222,464</u>	<u>2,548,975</u>
2,197,638	1,984,559	1,983,158	2,057,237	1,871,276	2,048,402
32,232,307	32,256,760	26,613,199	24,448,148	21,309,884	28,780,366
3,153,951	2,865,074	2,776,324	2,862,194	2,605,185	3,081,340
<u>37,583,896</u>	<u>37,106,393</u>	<u>31,372,681</u>	<u>29,367,579</u>	<u>25,786,345</u>	<u>33,910,108</u>
0	18,596	249,780	0	631,711	41,402
<u>37,583,896</u>	<u>37,124,989</u>	<u>31,622,461</u>	<u>29,367,579</u>	<u>26,418,056</u>	<u>33,951,510</u>
<u>40,502,471</u>	<u>39,031,856</u>	<u>33,160,557</u>	<u>31,246,920</u>	<u>28,640,520</u>	<u>36,500,485</u>
1,256,080	1,524,270	1,113,080	1,000,403	1,298,794	1,276,806
2,057,208	2,035,706	1,741,290	1,761,008	1,756,470	1,631,577
601,627	583,869	727,641	513,253	601,035	617,200
2,359,161	2,178,927	2,120,596	2,657,883	2,632,557	2,474,540
201,826	355,785	193,614	358,574	166,552	199,238
357,702	388,379	395,350	382,833	430,143	395,062
432,964	434,596	418,618	407,762	444,941	417,347
40,640	48,529	56,842	64,704	72,104	79,296
<u>\$7,307,208</u>	<u>\$7,550,061</u>	<u>\$6,767,031</u>	<u>\$7,146,420</u>	<u>\$7,402,596</u>	<u>\$7,091,066</u>

(continued)

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

	2017	2016	2015	2014
Business-Type Activities:				
Sewer	\$2,653,891	\$2,210,618	\$2,712,050	\$2,516,612
Electric	34,648,875	32,019,658	30,796,025	31,828,365
Water	3,011,661	2,803,493	2,831,465	2,656,914
<i>Total Business-Type Activities Expenses</i>	<u>40,314,427</u>	<u>37,033,769</u>	<u>36,339,540</u>	<u>37,001,891</u>
<i>Total Primary Government Program Expenses</i>	<u>48,578,646</u>	<u>45,256,412</u>	<u>43,732,487</u>	<u>44,857,770</u>
Net (Expense)/Revenue				
Governmental Activities	(6,297,811)	(5,502,001)	(4,854,520)	(4,900,613)
Business-Type Activities	<u>(1,225,482)</u>	<u>2,737,121</u>	<u>1,336,703</u>	<u>4,116,941</u>
<i>Total Primary Government Net Expense</i>	<u>(7,523,293)</u>	<u>(2,764,880)</u>	<u>(3,517,817)</u>	<u>(783,672)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property and Other Local Taxes Levied for:				
General Purposes	459,213	447,328	440,314	433,672
Kilowatt per Hour Taxes Levied for:				
General Purposes	916,592	920,114	988,499	917,051
Municipal Income Taxes Levied for:				
General Purposes	4,251,620	3,695,374	3,985,729	3,884,203
Capital Outlay	1,790,831	1,555,310	2,469,190	2,081,797
Grants and Entitlements not Restricted to				
Specific Programs	258,486	212,873	262,761	266,350
Gain on Sale of Capital Assets	62,503	31,859	0	0
Unrestricted Contributions	600	280	500	600
Investment Income	(26,698)	(45,800)	17,964	16,398
Transfers	(916,592)	(920,114)	(988,499)	(917,052)
Other	<u>28,029</u>	<u>138,313</u>	<u>54,593</u>	<u>89,440</u>
<i>Total Governmental Activities</i>	<u>6,824,584</u>	<u>6,035,537</u>	<u>7,231,051</u>	<u>6,772,459</u>
Business-Type Activities:				
Gain on Sale of Capital Assets	104,381	14,715	0	0
Investment Income	396,252	227,924	209,879	162,258
Transfers	916,592	920,114	988,499	917,052
Other	597,386	558,244	687,603	641,980
Extraordinary Items	<u>3,062,987</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Business-Type Activities</i>	<u>5,077,598</u>	<u>1,720,997</u>	<u>1,885,981</u>	<u>1,721,290</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>11,902,182</u>	<u>7,756,534</u>	<u>9,117,032</u>	<u>8,493,749</u>
Change in Net Position				
Governmental Activities	526,773	533,536	2,376,531	1,871,846
Business-Type Activities	<u>3,852,116</u>	<u>4,458,118</u>	<u>3,222,684</u>	<u>5,838,231</u>
<i>Total Primary Government Change in Net Position</i>	<u>\$4,378,889</u>	<u>\$4,991,654</u>	<u>\$5,599,215</u>	<u>\$7,710,077</u>

2013	2012	2011	2010	2009	2008
\$2,301,197	\$2,087,164	\$2,126,667	\$2,190,719	\$2,123,983	\$2,165,950
31,893,556	32,778,792	27,678,178	25,515,336	22,870,541	24,122,241
3,161,055	3,169,501	2,816,039	2,608,973	3,211,725	2,792,044
37,355,808	38,035,457	32,620,884	30,315,028	28,206,249	29,080,235
44,663,016	45,585,518	39,387,915	37,461,448	35,608,845	36,171,301
(4,388,633)	(5,643,194)	(5,228,935)	(5,267,079)	(5,180,132)	(4,542,091)
228,088	(910,468)	(998,423)	(947,449)	(1,788,193)	4,871,275
(4,160,545)	(6,553,662)	(6,227,358)	(6,214,528)	(6,968,325)	329,184
397,725	407,917	445,836	477,264	495,460	505,320
915,131	916,240	884,285	880,337	847,907	881,904
4,214,928	4,344,025	3,271,841	3,474,663	3,485,477	2,319,038
1,634,785	1,788,870	1,043,939	1,092,418	1,097,066	806,910
261,887	437,914	540,040	722,404	965,243	816,394
0	0	0	0	0	0
0	0	0	0	0	0
4,341	24,179	27,685	49,763	77,420	171,859
(915,131)	(916,239)	(884,285)	(880,337)	(847,907)	(881,904)
130,857	383,627	42,833	74,112	36,796	209,767
6,644,523	7,386,533	5,372,174	5,890,624	6,157,462	4,829,288
194,281	0	0	0	0	0
106,958	148,673	166,028	202,507	783,010	838,914
915,131	916,239	884,285	880,337	847,907	881,904
607,926	898,385	661,252	622,492	583,457	533,030
0	0	0	0	0	0
1,824,296	1,963,297	1,711,565	1,705,336	2,214,374	2,253,848
8,468,819	9,349,830	7,083,739	7,595,960	8,371,836	7,083,136
2,255,890	1,743,339	143,239	623,545	977,330	287,197
2,052,384	1,052,829	713,142	757,887	426,181	7,125,123
\$4,308,274	\$2,796,168	\$856,381	\$1,381,432	\$1,403,511	\$7,412,320

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

	2017	2016	2015	2014
General Fund				
Nonspendable	\$91,153	\$111,330	\$104,828	\$97,710
Assigned	1,861,536	1,566,460	1,898,352	2,486,039
Unassigned	2,723,467	2,898,898	2,598,193	2,134,860
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Total General Fund	<u>4,676,156</u>	<u>4,576,688</u>	<u>4,601,373</u>	<u>4,718,609</u>
All Other Governmental Funds				
Restricted	\$1,759,580	\$1,766,139	\$1,673,767	\$1,410,482
Committed	1,885,288	1,925,192	2,951,029	2,043,936
Assigned	36,251	31,783	31,471	30,660
Reserved	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue funds	N/A	N/A	N/A	N/A
Debt Service funds	N/A	N/A	N/A	N/A
Capital Projects funds (Deficit)	N/A	N/A	N/A	N/A
Total All Other Governmental Funds	<u>3,681,119</u>	<u>3,723,114</u>	<u>4,656,267</u>	<u>3,485,078</u>
Total Governmental Funds	<u><u>\$8,357,275</u></u>	<u><u>\$8,299,802</u></u>	<u><u>\$9,257,640</u></u>	<u><u>\$8,203,687</u></u>

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

N/A - Not Applicable

2013	2012	2011	2010	2009	2008
\$96,812	\$93,934	\$105,065	\$99,349	N/A	N/A
1,860,961	1,776,606	130,210	9,612	N/A	N/A
3,188,229	2,704,525	3,739,250	3,568,240	N/A	N/A
N/A	N/A	N/A	N/A	\$149,410	\$139,093
N/A	N/A	N/A	N/A	3,287,216	2,721,157
5,146,002	4,575,065	3,974,525	3,677,201	3,436,626	2,860,250
\$1,183,988	\$1,055,428	\$991,795	\$927,139	N/A	N/A
1,830,120	1,214,063	882,927	463,431	N/A	N/A
30,103	29,902	29,597	29,487	N/A	N/A
N/A	N/A	N/A	N/A	429,198	990,796
N/A	N/A	N/A	N/A	857,617	839,287
N/A	N/A	N/A	N/A	139,179	138,584
N/A	N/A	N/A	N/A	(201,417)	(753,701)
3,044,211	2,299,393	1,904,319	1,420,057	1,224,577	1,214,966
\$8,190,213	\$6,874,458	\$5,878,844	\$5,097,258	\$4,661,203	\$4,075,216

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

	2017	2016	2015	2014
Revenues				
Property Taxes	\$460,007	\$446,795	\$456,735	\$431,947
Income Taxes	5,978,951	5,993,991	6,227,814	6,119,991
Kilowatt Per Hour Tax	916,592	920,114	988,499	917,051
Special Assessments	19,309	8,846	19,183	22,907
Intergovernmental	1,155,382	2,011,077	1,778,787	1,698,141
Interest	(26,698)	(45,800)	17,964	16,398
Fines, Licenses and Permits	96,194	98,562	100,704	102,280
Rentals	552	557	1,689	4,739
Charges for Services	932,886	790,115	872,860	1,364,068
Contributions and Donations	20,580	28,274	29,911	19,718
Other	28,029	138,313	54,593	89,440
<i>Total Revenues</i>	<u>9,581,784</u>	<u>10,390,844</u>	<u>10,548,739</u>	<u>10,786,680</u>
Expenditures				
Current:				
General Government	1,230,154	1,204,905	1,197,106	1,185,189
Security of Persons and Property:				
Police	2,186,585	2,248,782	2,059,944	2,113,519
Fire	564,278	461,229	435,938	463,480
Transportation	1,407,662	1,375,018	1,562,128	1,246,065
Public Health and Welfare	291,842	313,286	222,964	178,694
Leisure Time Activities	335,684	344,920	299,276	306,991
Basic Utility Service	446,518	418,166	400,247	436,292
Capital Outlay	2,321,686	4,550,785	2,492,178	3,884,488
Debt Service:				
Principal Retirement	24,023	0	9,630	9,030
Interest and Fiscal Charges	0	0	23,587	32,406
<i>Total Expenditures</i>	<u>8,808,432</u>	<u>10,917,091</u>	<u>8,702,998</u>	<u>9,856,154</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>773,352</u>	<u>(526,247)</u>	<u>1,845,741</u>	<u>930,526</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	200,713	79,300	125,489	0
OPWC Loan Issued	0	409,223	71,222	0
Transfers In	475,360	495,134	493,653	981,385
Transfers Out	(1,391,952)	(1,415,248)	(1,482,152)	(1,898,437)
<i>Total Other Financing Sources (Uses)</i>	<u>(715,879)</u>	<u>(431,591)</u>	<u>(791,788)</u>	<u>(917,052)</u>
<i>Net Change in Fund Balances</i>	<u>\$57,473</u>	<u>(\$957,838)</u>	<u>\$1,053,953</u>	<u>\$13,474</u>
Debt Service as a Percentage of Noncapital Expenditures	0.39%	0.00%	0.57%	0.65%

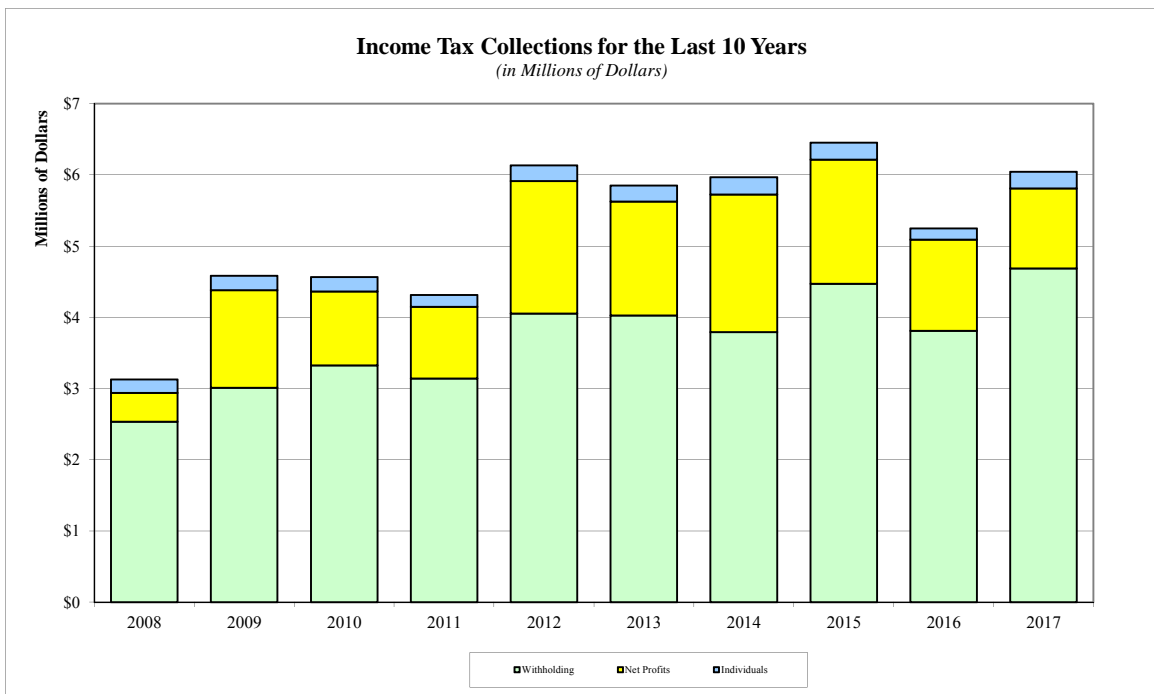
2013	2012	2011	2010	2009	2008
\$431,521	\$408,163	\$422,801	\$500,638	\$491,616	\$483,819
5,944,657	5,437,544	4,677,933	4,313,286	4,208,090	3,735,209
915,131	916,240	884,285	880,337	847,907	881,904
11,556	11,314	21,502	21,765	19,048	25,148
1,748,085	1,384,685	1,224,738	1,653,659	2,215,934	2,469,813
4,341	24,179	27,685	49,763	77,420	171,859
39,316	41,678	37,724	36,122	42,816	31,464
31,418	34,809	31,424	37,865	36,981	39,239
1,332,827	886,410	724,087	767,133	810,187	617,368
72,188	29,993	38,542	13,033	98,698	158,919
130,857	383,627	42,833	74,112	36,796	209,767
10,661,897	9,558,642	8,133,554	8,347,713	8,885,493	8,824,509
1,157,442	1,178,901	1,063,944	971,591	1,194,191	1,125,756
2,033,291	1,967,615	1,724,404	1,707,584	1,660,958	1,602,155
467,667	450,488	544,662	492,705	421,343	400,868
1,251,556	1,310,272	1,257,749	1,405,313	1,457,344	1,347,487
182,521	335,701	179,071	340,315	140,300	177,486
298,747	332,224	333,811	297,717	318,017	291,169
432,964	434,596	418,618	407,762	444,941	417,347
2,557,675	1,580,497	871,072	1,327,598	1,727,815	2,320,788
8,460	7,920	17,420	15,950	14,510	15,870
40,688	48,575	56,932	64,786	72,180	79,394
8,431,011	7,646,789	6,467,683	7,031,321	7,451,599	7,778,320
2,230,886	1,911,853	1,665,871	1,316,392	1,433,894	1,046,189
0	0	0	0	0	0
0	0	0	0	0	0
490,200	420,024	338,014	332,787	327,310	272,848
(1,405,331)	(1,336,263)	(1,222,299)	(1,213,124)	(1,175,217)	(1,154,752)
(915,131)	(916,239)	(884,285)	(880,337)	(847,907)	(881,904)
\$1,315,755	\$995,614	\$781,586	\$436,055	\$585,987	\$164,285
0.83%	0.97%	1.42%	1.42%	1.46%	1.69%

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
2017	1.00%	\$6,042,451	\$4,688,942	77.60%	\$1,122,687	18.58%	\$230,822	3.82%
2016	1.00	5,250,684	3,811,997	72.60	1,280,642	24.39	158,045	3.01
2015	1.00	6,454,919	4,469,386	69.24	1,746,701	27.06	238,832	3.70
2014	1.00	5,966,000	3,790,199	63.53	1,936,564	32.46	239,237	4.01
2013	1.00	5,849,713	4,024,603	68.80	1,600,481	27.36	224,629	3.84
2012	1.00	6,132,895	4,051,390	66.06	1,863,787	30.39	217,718	3.55
2011	1.00	4,315,780	3,142,751	72.82	1,004,282	23.27	168,747	3.91
2010	1.00	4,567,081	3,324,378	72.79	1,038,098	22.73	204,605	4.48
2009	1.00	4,582,543	3,010,960	65.70	1,371,928	29.94	199,655	4.36
2008	1.00	3,125,948	2,534,831	81.09	404,498	12.94	186,619	5.97

(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 (1)
Tax Years 2017 and 2008

Tax Year 2017				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	238	9.60 %	\$39,984,463	34.71 %
75,001-100,000	232	9.36	20,637,895	17.92
50,001-75,000	368	14.84	22,341,969	19.39
25,000-50,000	631	25.45	23,222,147	20.16
Under 25,000	873	35.22	9,009,249	7.82
Zero File	137	5.53	0	0.00
Total	2,479	100.00 %	\$115,195,723	100.00

Tax Year 2008				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	171	4.88 %	\$26,046,413	22.68 %
75,001-100,000	227	6.48	19,637,883	17.10
50,001-75,000	471	13.44	29,121,080	25.36
25,000-50,000	765	21.83	28,141,321	24.50
Under 25,000	1,870	53.37	11,905,539	10.37
Total	3,504	100.00 %	\$114,852,236	100.00 %

Source: City Income Tax Department

(1) Includes individual filers only.

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:	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Residential	\$8,619,074	\$9,110,174	\$8,697,723	\$9,773,938	\$8,652,645	\$7,574,562	\$6,651,550	\$6,399,821	\$5,818,091	\$6,483,030
Industrial	15,345,556	14,549,480	13,876,876	15,053,766	13,497,815	16,269,834	12,768,572	11,256,053	9,208,190	14,909,191
Commercial	9,535,165	9,974,771	9,208,787	10,549,154	9,695,799	8,105,393	6,919,880	6,569,498	6,089,237	7,133,605
Government	372,172	456,521	420,379	424,792	386,048	306,971	273,197	222,776	189,372	254,540
Total	\$33,871,967	\$34,090,946	\$32,203,765	\$35,801,650	\$32,232,307	\$32,256,760	\$26,613,199	\$24,448,148	\$21,304,890	\$28,780,366

Source: City Records

City of Orrville, Ohio
Principal Electric Customers
2017 and 2008

<i>2017</i>		
Customer	Electric Charges for Services	Percentage of Total Electric Charges for Services
Quality Castings Company	\$4,927,893	14.55 %
J.M. Smucker Company	3,460,955	10.22
Smith Dairy Products Company	1,653,812	4.88
Contours Bekaert, Incorporated	1,337,430	3.95
Orrvilon	870,291	2.57
Marshallville Corporation	688,987	2.03
JLG, Incorporated	628,882	1.86
Will-Burt Company, Incorporated	568,333	1.68
Aultman Orrville Hospital (Formerly Dunlap Hospital)	389,625	1.15
Buehler's Fresh Foods	274,349	0.81
Total	<u>\$14,800,557</u>	<u>43.70 %</u>
Total Electric Charges for Services	<u>\$33,871,967</u>	

<i>2008</i>		
Customer	Electric Charges for Services	Percentage of Total Electric Charges for Services
Quality Castings Company	\$3,579,929	12.44 %
J.M. Smucker Company	1,815,517	6.31
Ross Sandcastings	1,553,201	5.40
Smith Dairy Products Company	1,285,440	4.47
Contours Bekaert, Incorporated	1,120,586	3.89
JLG, Incorporated	570,250	1.98
Marshallville Corporation	584,153	2.03
Will-Burt Company, Incorporated	410,477	1.43
Dunlap Hospital	332,297	1.15
Buehler's Fresh Foods	219,431	0.76
Total	<u>\$11,471,281</u>	<u>39.86 %</u>
Total Electric Charges for Services	<u>\$28,780,366</u>	

Source: City Records

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

	2017	2016	2015	2014
Residential:				
First 50 KWH	\$8.2400	\$8.2400	\$8.2400	\$8.2400
Next 250 KWH - per KWH	0.1004	0.1004	0.1004	0.1004
Next 750 KWH - per KWH	0.0936	0.0936	0.0936	0.0936
All Over 1050 KWH - per KWH	0.0877	0.0877	0.0877	0.0877
General Service:				
Small:				
Minimum Charge	13.3700	13.3700	13.3700	13.3700
First 100 KWH - per KWH	0.1334	0.1334	0.1334	0.1334
Next 200 KWH - per KWH	0.1123	0.1123	0.1123	0.1123
All Over 300 KWH - per KWH	0.1013	0.1013	0.1013	0.1013
Medium (per KVA):				
Minimum Charge - per KVA	1.7600	1.7600	1.7600	1.7600
First 60 KWH Block - per KWH	0.1422	0.1422	0.1422	0.1422
Second 60 KWH Block - per KWH	0.1182	0.1182	0.1182	0.1182
Third 80 KWH Block - per KWH	0.0936	0.0936	0.0936	0.0936
Fourth 100 KWH Block - per KWH	0.0861	0.0861	0.0861	0.0861
All Over 300 KWH - per KWH	0.0805	0.0805	0.0805	0.0805
Large (per KVA):				
Minimum Charge - per KVA	1.6200	1.6200	1.6200	1.6200
First 50 KWH Block - per KWH	0.1383	0.1383	0.1383	0.1383
Second 50 KWH Block - per KWH	0.0984	0.0984	0.0984	0.0984
Over 100 KWH Block but not Exceeding 100,000 KWH - per KWH	0.0822	0.0822	0.0822	0.0822
All Over Sum of Prior Amounts - per KWH	0.0774	0.0774	0.0774	0.0774
Industrial (per KVA):				
Minimum Charge - per KVA	3.2000	3.2000	3.2000	3.2000
First 30 KWH Block - per KWH	0.1622	0.1622	0.1622	0.1622
Second 170 KWH Block per KVA:				
2,000 KWH - per KWH	0.1148	0.1148	0.1148	0.1148
8,000 KWH - per KWH	0.1054	0.1054	0.1054	0.1054
90,000 KWH - per KWH	0.0936	0.0936	0.0936	0.0936
Over 100,000 KWH - per KWH	0.0811	0.0811	0.0811	0.0811
Third Block Over 200,000 KWH - per KWH	0.0741	0.0741	0.0741	0.0741
All Over Sum of Prior Amounts - per KWH	0.0733	0.0733	0.0733	0.0733

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

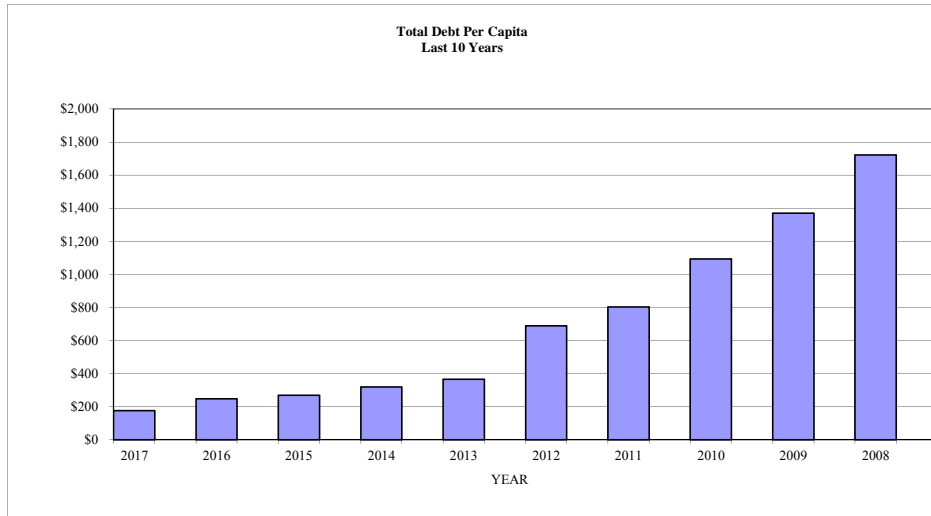
Source: City Records

2013	2012	2011	2010	2009	2008
\$8.2400	\$8.2400	\$6.4300	\$6.4300	\$6.4300	\$6.4300
0.1004	0.1004	0.0633	0.0633	0.0633	0.0633
0.0936	0.0936	0.0565	0.0565	0.0565	0.0565
0.0877	0.0877	0.0506	0.0506	0.0506	0.0506
13.3700	13.3700	9.6600	9.6600	9.6600	9.6600
0.1334	0.1334	0.0965	0.0965	0.0965	0.0965
0.1123	0.1123	0.0753	0.0753	0.0753	0.0753
0.1013	0.1013	0.0642	0.0642	0.0642	0.0642
1.7600	1.7600	1.7600	1.7600	1.7600	1.7600
0.1422	0.1422	0.1053	0.1053	0.1053	0.1053
0.1182	0.1182	0.0812	0.0812	0.0812	0.0812
0.0936	0.0936	0.0565	0.0565	0.0565	0.0565
0.0861	0.0861	0.0490	0.0490	0.0490	0.0490
0.0805	0.0805	0.0434	0.0434	0.0434	0.0434
1.6200	1.6200	1.6200	1.6200	1.6200	1.6200
0.1383	0.1383	0.1014	0.1014	0.1014	0.1014
0.0984	0.0984	0.0614	0.0614	0.0614	0.0614
0.0822	0.0822	0.0452	0.0452	0.0452	0.0452
0.0774	0.0774	0.0403	0.0403	0.0403	0.0403
3.2000	3.2000	3.2000	3.2000	3.2000	3.2000
0.1622	0.1622	0.1254	0.1254	0.1254	0.1254
0.1148	0.1148	0.0805	0.0805	0.0805	0.0805
0.1054	0.1054	0.0684	0.0684	0.0684	0.0684
0.0936	0.0936	0.0565	0.0565	0.0565	0.0565
0.0811	0.0811	0.0441	0.0441	0.0441	0.0441
0.0741	0.0741	0.0370	0.0370	0.0370	0.0370
0.0733	0.0733	0.0362	0.0362	0.0362	0.0362

City of Orrville, Ohio
Ratios of Outstanding Debt
Last Ten Years

Year	General Obligation Bonds (1)	Estimated Actual Taxable Value of Property (2)	Percentage of Estimated Actual Taxable Value of Property	Per Capita (3)	Governmental Activities	
					Special Assessment Bonds	OPWC Loans
2017	\$565,000	\$511,762,098	0.11 %	\$67	\$0	\$456,422
2016	670,000	505,740,476	0.13	80	0	480,445
2015	775,000	510,614,807	0.15	92	0	71,222
2014	875,000	504,526,529	0.17	104	9,630	0
2013	975,000	491,869,509	0.20	116	18,660	0
2012	0	0	N/A	N/A	27,120	0
2011	0	0	N/A	N/A	35,040	0
2010	0	0	N/A	N/A	52,460	0
2009	0	0	N/A	N/A	68,410	0
2008	0	0	N/A	N/A	82,920	0

- (1) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.
(2) Taxable property information obtained from the Wayne County Auditor.
(3) Population and personal income data are presented on page S25.



Business-Type Activities								
Notes	General Obligation Bonds	Revenue Bonds	Mortgage Revenue Bonds	OWDA Loans	OPWC Loans	Total Debt	Percentage of Personal Income (3)	Per Capita (3)
\$0	\$565,000	\$0	\$0	\$0	\$454,610	\$1,476,032	0.86 %	\$176
400,000	670,000	0	0	0	536,718	2,087,163	1.22	249
800,000	775,000	0	0	0	618,824	2,265,046	1.32	270
1,100,000	875,000	0	0	0	700,933	2,685,563	1.57	320
1,300,000	975,000	0	0	0	783,042	3,076,702	1.80	367
1,300,000	0	3,580,000	0	9,608	865,152	5,781,880	3.38	690
1,400,000	0	3,806,822	0	537,207	947,262	6,726,331	3.93	803
2,770,000	0	4,260,654	0	1,046,999	1,029,372	9,159,485	5.36	1,093
3,170,000	0	4,694,486	1,777,103	1,477,014	1,111,482	12,298,495	7.87	1,370
3,570,000	0	5,108,318	3,498,722	1,889,701	1,193,592	15,343,253	9.89	1,722

City of Orrville, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2017

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Orrville			
OPWC Loans	\$456,422	100.00 %	\$456,422
Overlapping			
Orrville City School District:			
General Obligation Bonds	13,896,065	80.39	11,171,047
School Facilities Construction and Improvement Note	802,000	80.39	644,728
Capital Leases	10,054,546	80.39	8,082,850
Wayne County:			
General Obligation Bonds	3,934,439	8.74	343,870
OPWC Loans	217,799	8.74	19,036
<i>Total Overlapping Debt</i>	<u>28,904,849</u>		<u>20,261,531</u>
Total	<u><u>\$29,361,271</u></u>		<u><u>\$20,717,953</u></u>

Source: County Auditor

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

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

Sewer						
Year	Sewer Operating Revenues (2)	Sewer Operating Expenses (3)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2017	\$2,135,319	\$2,042,346	\$92,973	\$0	\$0	N/A
2016	2,383,704	1,584,144	799,560	0	0	N/A
2015	2,298,995	2,121,775	177,220	0	0	N/A
2014	2,085,775	1,898,652	187,123	0	0	N/A
2013	2,264,331	1,724,922	539,409	9,608	521	53.25
2012	2,074,359	1,459,271	615,088	527,599	15,169	1.13
2011	2,044,338	1,477,147	567,191	509,792	32,975	1.04
2010	2,133,390	1,405,974	727,416	492,056	50,711	1.34
2009	1,961,833	1,309,116	652,717	474,728	68,039	1.20
2008	2,202,452	1,369,875	832,577	458,221	84,545	1.53

Water						
Year	Water Operating Revenues (2)	Water Operating Expenses (3)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2017	\$2,974,184	\$2,094,716	\$879,468	\$82,108	\$0	10.71
2016	3,240,535	1,885,953	1,354,582	82,106	0	16.50
2015	3,263,671	1,908,147	1,355,524	82,109	0	16.51
2014	3,324,760	1,756,658	1,568,102	82,109	0	19.10
2013	3,188,911	1,941,241	1,247,670	82,110	0	15.20
2012	2,951,639	1,966,480	985,159	597,110	144,197	1.33
2011	2,841,526	1,617,014	1,224,512	577,110	202,930	1.57
2010	2,983,759	1,346,924	1,636,835	557,110	221,930	2.10
2009	2,721,322	2,035,920	685,402	537,110	135,466	1.02
2008	3,241,088	1,622,561	1,618,527	511,276	200,191	2.27

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

(2) Operating revenues include interest revenue.

(3) Operating expenses do not include depreciation.

Note: All sewer fund debt was repaid as of the end of 2013.

City of Orrville, Ohio

Legal Debt Margin

Last Ten Years

	2017	2016	2015	2014
Total Assessed Property Value	<u>\$179,536,940</u>	<u>\$177,580,850</u>	<u>\$179,137,960</u>	<u>\$176,987,320</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>18,851,379</u>	<u>18,645,989</u>	<u>18,809,486</u>	<u>18,583,669</u>
Debt Outstanding:				
Refunding General Obligation Bonds	\$565,000	\$670,000	\$775,000	\$875,000
Revenue Bonds	0	0	0	0
Mortgage Revenue Bonds	0	0	0	0
Special Assessment Bonds	0	0	0	9,630
Bond Anticipation Notes	0	400,000	800,000	1,100,000
OPWC Loans	911,032	1,017,163	690,046	700,933
OWDA Loans	0	0	0	0
Total Gross Indebtedness	1,476,032	2,087,163	2,265,046	2,685,563
Less:				
Revenue Bonds	0	0	0	0
Mortgage Revenue Bonds	0	0	0	0
Special Assessment Bonds	0	0	0	(9,630)
Bond Anticipation Notes	0	(400,000)	(800,000)	(1,100,000)
OPWC Loans	(911,032)	(1,017,163)	(690,046)	(700,933)
OWDA Loans	0	0	0	0
Total Net Debt Applicable to Debt Limit	<u>565,000</u>	<u>670,000</u>	<u>775,000</u>	<u>875,000</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$18,286,379</u>	<u>\$17,975,989</u>	<u>\$18,034,486</u>	<u>\$17,708,669</u>
Legal Debt Margin as a Percentage of the Debt Limit	97.00%	96.41%	95.88%	95.29%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$9,874,532</u>	<u>\$9,766,947</u>	<u>\$9,852,588</u>	<u>\$9,734,303</u>
Total Gross Indebtedness	1,476,032	2,087,163	2,265,046	2,685,563
Less:				
Revenue Bonds	0	0	0	0
Mortgage Revenue Bonds	0	0	0	0
Special Assessment Bonds	0	0	0	(9,630)
Bond Anticipation Notes	0	(400,000)	(800,000)	(1,100,000)
OPWC Loans	(911,032)	(1,017,163)	(690,046)	(700,933)
OWDA Loans	0	0	0	0
Net Debt Within 5 ½ % Limitations	<u>565,000</u>	<u>670,000</u>	<u>775,000</u>	<u>875,000</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$9,309,532</u>	<u>\$9,096,947</u>	<u>\$9,077,588</u>	<u>\$8,859,303</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	94.28%	93.14%	92.13%	91.01%

Source: City Financial Records

2013	2012	2011	2010	2009	2008
<u>\$172,574,570</u>	<u>\$166,122,650</u>	<u>\$166,803,490</u>	<u>\$165,160,006</u>	<u>\$165,434,340</u>	<u>\$172,083,580</u>
18,120,330	17,442,878	17,514,366	17,341,801	17,370,606	18,068,776
\$975,000	\$0	\$0	\$0	\$0	\$0
0	3,580,000	4,095,000	4,590,000	5,065,000	5,520,000
0	0	0	0	1,805,000	3,530,000
18,660	27,120	35,040	52,460	68,410	82,920
1,300,000	1,300,000	1,400,000	2,770,000	3,170,000	3,570,000
783,042	865,152	947,262	1,029,372	1,111,482	1,193,592
0	9,608	537,207	1,046,999	1,539,055	2,013,783
3,076,702	5,781,880	7,014,509	9,488,831	12,758,947	15,910,295
0	(3,580,000)	(4,095,000)	(4,590,000)	(5,065,000)	(5,520,000)
0	0	0	0	(1,805,000)	(3,530,000)
(18,660)	(27,120)	(35,040)	(52,460)	(68,410)	(82,920)
(1,300,000)	(1,300,000)	(1,400,000)	(2,770,000)	(3,170,000)	(3,570,000)
(783,042)	(865,152)	(947,262)	(1,029,372)	(1,111,482)	(1,193,592)
0	(9,608)	(537,207)	(1,046,999)	(1,539,055)	(2,013,783)
975,000	0	0	0	0	0
<u>\$17,145,330</u>	<u>\$17,442,878</u>	<u>\$17,514,366</u>	<u>\$17,341,801</u>	<u>\$17,370,606</u>	<u>\$18,068,776</u>
94.62%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>\$9,491,601</u>	<u>\$9,136,746</u>	<u>\$9,174,192</u>	<u>\$9,083,800</u>	<u>\$9,098,889</u>	<u>\$9,464,597</u>
3,076,702	5,781,880	7,014,509	9,488,831	12,758,947	15,910,295
0	(3,580,000)	(4,095,000)	(4,590,000)	(5,065,000)	(5,520,000)
0	0	0	0	(1,805,000)	(3,530,000)
(18,660)	(27,120)	(35,040)	(52,460)	(68,410)	(82,920)
(1,300,000)	(1,300,000)	(1,400,000)	(2,770,000)	(3,170,000)	(3,570,000)
(783,042)	(865,152)	(947,262)	(1,029,372)	(1,111,482)	(1,193,592)
0	(9,608)	(537,207)	(1,046,999)	(1,539,055)	(2,013,783)
975,000	0	0	0	0	0
<u>\$8,516,601</u>	<u>\$9,136,746</u>	<u>\$9,174,192</u>	<u>\$9,083,800</u>	<u>\$9,098,889</u>	<u>\$9,464,597</u>
89.73%	100.00%	100.00%	100.00%	100.00%	100.00%

City of Orrville, Ohio

Principal Employers

2017 and 2008

2017

Employer	Employees
J.M. Smucker Company	1,850
Quality Castings Company	331
Smith Dairy Products Company	331
Aultman Orrville Hospital (Formerly Dunlap Hospital)	258
Will-Burt Company, Incorporated	255
Contours Bekaert, Incorporated	230
Orrvilon	217
Orrville City School District	204
Venture Products	175
City of Orrville/Orrville Utilities (1)	166
Total	<u>4,017</u>
Total Employment within the City	<u>n/a</u>

2008

Employer	Employees
J.M. Smucker Company	1,100
JLG, Incorporated	495
Smith Dairy Products Company	329
Quality Castings Company	318
Will-Burt Company, Incorporated	294
Dunlap Hospital	240
University of Akron - Wayne College	239
Orrville City School District	228
Contours Bekaert, Incorporated	195
City of Orrville/Orrville Utilities (1)	181
Total	<u>3,619</u>
Total Employment within the City	<u>n/a</u>

Source: Wayne 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

Year	Population (1)	Total Personal Income (4)	Personal Income Per Capita (2)	Median Household Income (2)	Median Age (2)	Wayne County Unemployment Rate (3)
2017	8,380	\$170,952,000	\$20,400	\$39,565	40.1	3.9%
2016	8,380	170,952,000	20,400	39,565	40.1	4.0
2015	8,380	170,952,000	20,400	39,565	40.1	3.9
2014	8,380	170,952,000	20,400	39,565	40.1	4.6
2013	8,380	170,952,000	20,400	39,565	40.1	6.3
2012	8,380	170,952,000	20,400	39,565	40.1	6.1
2011	8,380	170,952,000	20,400	39,565	40.1	6.6
2010	8,380	170,952,000	20,400	39,565	40.1	9.4
2009	8,975	156,335,525	17,419	36,500	35.5	10.5
2008	8,908	155,168,452	17,419	36,500	35.5	5.6

(1) Sources:

(a) Years 2010 through 2017 - 2010 Federal Census

(b) Years 2008 through 2009 - Orrville Safety Service Department Estimates

(2) Source: U.S. Census Bureau

(a) Years 2010 through 2017 - 2010 Federal Census

(b) Years 2008 through 2009 - 2000 Federal Census

(3) U.S. Bureau of Labor Statistics

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

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

Function/Program	2017	2016	2015	2014
General Government				
City Council	9.00	9.00	9.00	9.00
Finance	2.00	2.00	2.00	2.00
Tax	1.00	1.00	1.00	1.00
Law	1.00	1.00	1.00	1.00
Administration	19.00	19.00	18.00	17.00
Custodial	1.00	1.00	1.00	1.00
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	14.00	15.00	15.00	14.00
Police - Dispatchers	1.00	1.00	5.00	6.00
School Crossing Guards	3.00	3.00	3.00	3.00
Fire	28.00	28.00	28.00	28.00
Community Development				
Economic Development	1.00	1.00	1.00	1.00
Transportation				
Street, Park & Cemetery	15.00	15.00	15.00	15.00
Basic Utility Services				
Electric - Meter Readers	1.00	1.00	1.00	1.00
Electric - Operations	12.00	13.00	15.00	19.00
Electric - Maintenance	17.00	18.00	21.00	21.00
Electric - Distribution	15.00	17.00	17.00	18.00
Electric - Fiber Optics	2.00	2.00	2.00	3.00
Water - Operations	5.00	5.00	5.00	5.00
Water - Maintenance	2.00	3.00	3.00	3.00
Sewer - Operations	7.00	7.00	7.00	8.00
Sewer - Maintenance	2.00	1.00	1.00	1.00
Totals:	<u>166.00</u>	<u>171.00</u>	<u>179.00</u>	<u>185.00</u>

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

2013	2012	2011	2010	2009	2008
9.00	9.00	9.00	9.00	9.00	9.00
3.00	3.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
18.00	18.00	19.00	19.00	18.00	19.00
2.00	2.00	2.00	2.00	2.00	2.00
3.00	3.00	3.00	3.00	3.00	3.00
5.00	5.00	5.00	5.00	5.00	5.00
15.00	16.00	15.00	15.00	15.00	16.00
6.00	6.00	6.00	6.00	7.00	7.00
4.00	4.00	4.00	4.00	4.00	5.00
34.00	44.00	41.00	39.00	37.00	39.00
1.00	1.00	1.00	1.00	1.00	1.00
14.00	14.00	15.00	15.00	16.00	16.00
1.00	1.00	1.00	1.00	3.00	3.00
19.00	19.00	19.00	18.00	18.00	18.00
24.00	25.00	26.00	25.00	25.00	24.00
20.00	20.00	20.00	21.00	21.00	21.00
3.00	3.00	3.00	3.00	3.00	3.00
5.00	5.00	6.00	6.00	6.00	8.00
3.00	3.00	3.00	3.00	3.00	4.00
6.00	7.00	7.00	7.00	8.00	9.00
1.00	1.00	1.00	1.00	1.00	2.00
<u>198.00</u>	<u>211.00</u>	<u>212.00</u>	<u>209.00</u>	<u>211.00</u>	<u>220.00</u>

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

Function/Program	2017	2016	2015
General Government			
<i>Council and Clerk</i>			
Number of Ordinances Passed	4	4	8
Number of Resolutions Passed	55	48	54
Number of Planning Commission docket items	39	33	31
Zoning Board of Appeals docket items	4	3	4
<i>Finance Department</i>			
Number of checks/vouchers issued	4,127	4,685	4,486
Amount of checks written	\$39,366,438	\$52,726,352	\$51,850,129
Interest earnings for fiscal year (cash basis)	\$406,502	\$185,825	\$271,001
Number of Receipts issued	2,032	1,882	1,970
Number of Journal Entries issued	531	539	544
Number of Budget Adjustments issued	3	1	2
<i>Income Tax Department</i>			
Number of Individual Returns (1)	2,479	2,832	3,433
Number of Business Returns	628	593	602
Number of business withholding accounts	770	708	595
Amount of Penalties and Interest Collected	\$266	\$570	\$385
Annual number of Corporate withholding forms processed	5,325	5,108	3,094
Annual number of balance due statements forms processed	52	69	374
Annual number of estimated payment forms processed	687	691	544
Annual number of reconciliations of withholdings processed	676	520	606
<i>Civil Service</i>			
Number of police entry tests administered	0	0	1
Number of police promotional tests administered	0	3	0
Number of hires of Police Officers from certified lists	0	0	1
Number of promotions from police certified lists	0	3	0
<i>Building Department Indicators</i>			
New Construction Permits Issued	91	42	39
Estimated Value of Construction	\$16,661,982	\$30,700,214	\$7,178,303
Number of permits issued	153	91	96
Amount of Revenue generated from permits	\$4,561	\$2,430	\$2,795
Security of Persons and Property			
<i>Police</i>			
Number of traffic citations issued	566	785	656
Number of criminal arrests	177	147	219
Number of accident reports completed	144	160	162
Part 1 Offenses (major offenses)	144	124	92
DUI Arrests	22	22	31
Motor Vehicle Accidents	144	160	162
Fatalities from Motor Vehicle Accidents	0	0	0
<i>Fire</i>			
EMS Calls	727	622	460
Ambulance Billing Collections (net)	\$141,018	\$117,702	\$96,847
Fire Calls	198	180	161
Fires with Loss	22	13	13
Fire Losses	\$468,847	\$108,174	\$287,775
Fire Safety Inspections	57	55	63
Number of times Mutual Aid given to Fire and EMS	28	49	45
Number of times Mutual Aid received for Fire and EMS	6	11	6

2014	2013	2012	2011	2010	2009	2008
8	19	24	10	14	19	20
54	55	44	50	39	49	65
34	34	48	38	39	41	44
5	4	3	8	8	10	7
4,865	4,677	5,204	5,154	5,206	5,756	5,746
\$49,034,188	\$42,905,964	\$49,804,831	\$35,806,210	\$34,575,112	\$43,032,027	\$52,403,383
\$195,009	\$125,836	\$140,238	\$150,653	\$241,517	\$511,210	\$848,247
2,005	2,124	2,028	2,025	2,028	2,101	1,944
509	483	553	608	638	683	687
3	2	0	4	1	4	2
3,408	3,397	3,370	3,418	3,375	2,875	3,504
589	559	567	576	560	560	520
554	576	552	544	528	532	408
\$1,226	\$593	\$1,324	\$831	\$745	\$61	\$34
3,098	2,852	2,681	2,705	2,748	2,694	2,627
402	389	403	454	232	371	286
619	641	486	558	586	630	634
611	599	571	579	549	567	531
1	0	1	0	1	0	1
1	1	0	0	0	0	2
1	2	0	1	0	0	2
1	1	0	0	0	0	1
51	48	51	45	43	99	53
\$46,838,201	\$13,280,308	\$11,460,110	\$19,536,492	\$60,218,940	\$31,299,126	\$16,792,395
114	102	126	129	111	160	113
\$2,865	\$2,445	\$2,869	\$3,905	\$2,805	\$4,335	\$2,783
563	844	1,116	1,335	1,043	1,282	740
164	238	267	319	378	450	359
156	142	188	177	227	182	226
140	141	169	197	188	181	229
18	20	29	42	50	90	43
156	142	188	177	227	182	226
1	0	0	0	0	0	0
492	526	513	418	395	341	435
\$110,797	\$121,698	\$130,470	\$108,209	\$97,951	\$75,286	\$73,658
143	164	155	235	116	172	104
17	5	19	16	26	18	22
\$325,395	\$172,065	\$305,900	\$1,775,425	\$106,570	\$858,650	\$632,450
74	74	63	80	42	42	52
33	46	42	41	42	31	32
8	8	11	11	8	9	13

(continued)

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

Function/Program	2017	2016	2015
Public Health and Welfare			
Cemetery burials	80	77	59
Cemetery sale of lots	75	76	79
Cemetery receipts	\$59,313	\$57,676	\$46,832
Leisure Time Activities			
<i>Recreation</i>			
Recreation Swimming pool receipts	\$60,545	\$37,333	\$47,461
Economic Development			
Grant amounts received due to Economic Development Dept.	\$292,379	\$1,133,879	\$1,343,527
Basic Utility Services			
Refuse disposal per year (in tons)	2,875	2,710	2,707
Refuse disposal costs per year	\$446,263	\$416,358	\$400,271
Annual recycling tonnage (excluding leaf, and compost items)	540	554	549
Percentage of waste recycled	16.00%	17.00%	17.00%
Transportation			
Street Improvements - asphalt overlay (linear feet)	14,500	14,157	21,000
Street Repair (Curbs, aprons, berms, asphalt) (hours)	1,644	1,835	1,907
Paint Striping (hours)	341	161	226
Street Sweeper (hours)	350	353	280
Cold Patch (hours)	100	68	239
Snow & Ice Removal regular hours	271	540	1,228
Snow & Ice Removal overtime hours	132	388	1,237
Sewer Crew (hours)	1,029	1,224	1,495
Sewer jet, Vac-all, other services (hours)	456	258	319
Landscaping Stump-Chipper service (hours)	920	2,857	1,384
Leaf collection (hours)	1,398	1,619	1,251
Holiday lights setup (hours)	129	106	76
Equipment repair/body shop (hours)	2,439	826	1,018
Sign department (hours)	3,309	386	280
Number of Trees Planted per year	31	34	36
Tons of snow melting salt purchased (Nov-Mar)	898	982	50
Cost of salt purchased	\$34,919	\$56,477	\$69,437
Vehicle repair/body shop (hours)	1,516	1,320	1,793
Water Department			
Water Rates per 1st 100 Cu. Ft. of water used	\$3.49	\$3.23	\$3.23
Avg. number of water accounts billed monthly (Cu. Ft.)	58,448	72,654	73,210
Total Water Collections Annually (Including P&I)	\$3,027,637	\$3,224,102	\$3,326,271
Sewer Department			
Sewer Rates per 1st 100 Cu. Ft. of water used	\$2.82	\$2.64	\$2.64
Total flow of sewer treatment plant (Billions of Gallons)	0.804	0.734	0.763
Average daily flow (Millions of gallons per day)	2.200	2.010	2.090
Tons of dry sludge removed	252	459	441

Source: City Records

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

2014	2013	2012	2011	2010	2009	2008
59	81	63	67	67	65	82
30	68	57	56	33	42	66
\$42,349	\$59,807	\$47,557	\$46,217	\$51,425	\$46,351	\$67,911
\$43,927	\$46,247	\$54,056	\$49,136	\$46,041	\$39,459	\$44,964
\$806,529	\$1,018,070	\$484,230	\$261,941	\$547,956	\$1,217,337	\$1,171,324
2,677	2,819	2,659	2,845	2,963	2,881	3,106
\$433,295	\$431,650	\$422,615	\$413,744	\$404,635	\$443,454	\$423,010
465	407	403	452	462	374	329
14.80%	14.45%	13.17%	13.70%	13.60%	11.48%	11.86%
4,916	7,770	4,350	11,045	15,475	14,604	5,020
1,657	1,596	2,245	1,176	2,589	1,916	1,949
0	455	0	3	132	222	351
332	369	342	354	278	306	279
157	46	4	213	177	189	22
909	588	453	613	853	784	788
756	302	301	436	385	504	454
1,050	793	330	710	1,239	1,293	1,707
281	337	301	333	331	444	187
923	2,410	1,473	1,369	1,032	1,255	1,608
1,608	1,161	1,205	1,286	937	918	756
141	93	111	94	90	85	64
1,121	1,943	2,014	1,137	1,359	1,256	933
195	521	439	382	162	318	378
1	63	2	2	40	40	31
375	942	884	1,089	1,290	600	475
\$12,870	\$35,994	\$44,417	\$56,601	\$66,656	\$55,725	\$31,327
2,015	3,189	3,029	1,975	1,986	2,249	2,107
\$3.23	\$3.04	\$2.87	\$2.71	\$2.71	\$2.71	\$2.71
75,321	84,702	85,820	109,594	100,193	73,120	107,405
\$3,296,454	\$3,180,759	\$2,803,423	\$2,819,716	\$2,831,193	\$2,734,271	\$3,049,297
\$2.64	\$2.64	\$2.64	\$2.64	\$2.64	\$2.64	\$2.64
0.756	0.807	0.697	0.850	0.730	0.686	0.785
2.070	2.210	1.910	2.330	2.000	1.880	2.150
387	652	192	181	186	222	369

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

Function/Program	2017	2016	2015	2014
General Government				
Square Footage Occupied	71,554	71,554	71,554	71,554
Administrative Vehicles	3	4	4	4
Inspection Vehicles	1	0	0	0
Police				
Stations	1	1	1	1
Square Footage of Building	11,700	11,700	11,700	11,700
Vehicles	14	11	10	10
Fire				
Stations	2	2	2	2
Square Footage of Building	10,900	10,900	10,900	10,900
Vehicles	14	13	13	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)	50	50	50	47
Storm Sewers (miles)	151	151	151	151
Service Vehicles	26	23	23	23
Sewer Department				
Sanitary Sewers (miles)	42	42	42	42
Vehicles	6	6	6	6
Water Department				
Water Lines (miles)	61	61	61	61
Vehicles	9	10	10	10
Electric Department				
Electric Lines (miles)	300	300	300	300
Vehicles	24	24	24	24

Source: City Records

2013	2012	2011	2010	2009	2008
71,554	71,554	71,554	71,554	71,554	71,554
4	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
11,700	11,700	11,700	11,700	11,700	11,700
10	10	10	10	10	9
2	2	2	2	2	2
10,900	10,900	10,900	10,900	10,900	10,900
12	12	12	12	12	12
6	6	6	6	6	6
1	1	1	1	1	1
6	6	6	6	6	6
7	7	7	7	7	7
1	1	1	1	1	1
47	47	47	47	47	46
151	151	151	151	151	150
23	23	23	22	22	22
42	42	42	42	42	42
6	6	6	6	6	7
61	61	61	61	61	57
10	10	10	10	10	12
300	300	300	300	300	300
24	24	24	24	24	23

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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
JUNE 19, 2018