

**Mary Taylor, CPA**  
Auditor of State



CITY OF ORRVILLE  
WAYNE COUNTY

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# Mary Taylor, CPA

Auditor of State

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

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

To the Mayor and City Council Members:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orrville, Wayne County, Ohio, (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 20, 2009, in which we noted the City restated the net assets of the business-type activities and the fund balances of the Capital Improvement and Sewer Funds. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the City's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

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

We noted certain matters that we reported to the City's management in a separate letter dated July 20, 2009.

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### **Compliance and Other Matters**

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

We did note a certain noncompliance or other matter that we reported to the City's management in a separate letter dated July 20, 2009.

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

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

**Mary Taylor, CPA**  
Auditor of State

July 20, 2009

*City of Orrville, Ohio  
Comprehensive  
Annual Financial  
Report*



*For the  
Year Ended  
December 31, 2008*



**CITY OF ORRVILLE, OHIO**

**COMPREHENSIVE**

**ANNUAL FINANCIAL REPORT**

**For the Year Ended December 31, 2008**

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, 2008*  
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207 North Main Street | Orrville, Ohio 44667-1639 | Phone (330) 684-5000 | FAX (330) 684-5023 | www.orrville.com

July 20, 2009

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.

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, 2008, and the Independent Accountants' Report on the basic financial statements is included in the financial section of this report.

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

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

The City, founded in 1864, is located in Wayne County in northeastern Ohio, approximately 50 miles south of the City of Cleveland. The City was incorporated as a Village in 1913 and later became a City in 1951. The City's 2000 population was 8,551, according to the U.S. Census. The Safety Service Department estimates the population in 2008 to be 8,908.

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

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

Steven M. Wheeler  
Safety-Service Director

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

David T. Handwerk  
Mayor

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

Philip C. McFarren  
Human Resources Manager

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

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

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

### ***Local Economy***

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

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

Air service is easily accessible to both residents and industry through the Wayne County Airport, the Holmes County Airport and the Wadsworth Municipal Airport (Medina County). All are easily reached and able to handle small aircraft traffic.

Commercial passenger and air freight services are available through the Akron-Canton Regional Airport and the Cleveland Hopkins International Airport, each within an hour's driving time.

The County has a strong agricultural economy with 1,788 farms covering 248,409 acres. The average farm size in the County is 139 acres. There is also 4,548,000 bushels of commercial grain storage capacity. In 2007 (the latest information available) the county-wide receipts from agriculture were \$247,258,000. The County ranked first in the State in the production of hay, and second in the production of oats. Wayne County farmers owned 88,900 head of cattle and calves, and 35,000 milk cows, ranking the County number one in the State. The County maintains forty two acres of fairgrounds situated in the southwest portion of the nearby City of Wooster. The fairgrounds are the home of the annual County Fair and are used year round to stable privately-owned horses, for flea markets and for art and craft shows. Paid attendance to the 2008 County fair was 133,336.

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

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

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

Source: County Auditor.

Residents of the City have access to a wide range of educational and cultural facilities. Wayne College, a branch campus of the University of Akron, was founded in 1972 on 160 acres located within the City. Their enrollment in 2008 was 2,022 students. Wayne College offers general, technical and continuing education programs. Students choosing general studies may transfer to a four-year college or university after the first two basic years at the campus. Those choosing technical education programs may obtain associate degrees from the University of Akron.

The County is also the home of the College of Wooster, the Ohio Agricultural Research and Development Center and the Agricultural Technical Institute. The College of Wooster, a private nonprofit college opened its doors in 1870 with a faculty of 5 and a student body of 34. The College is a source of cultural and educational opportunities usually limited to more metropolitan areas. The faculty consists of 160 full time members and 38 part-time members. In all approximately 802 full and part time employees work on the 240 acre campus making the college one of the largest employers in the county. Wooster College had a fall 2008 enrollment of approximately 1,810. Lectures, concerts, plays, recitals, arts shows and public forums draw residents from across the County. The College's Ohio Light Opera Company attracts thousands of residents each year as well as over 24,000 visitors from outside the County.

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

The Ohio State Agricultural Technical Institute (ATI) is located in Wooster Ohio. It is an associate degree-granting program within the College of Food, Agriculture, and Environmental Sciences at the Ohio State University. It is the largest institution of its kind in the U.S. enrolling approximately 752 students and offering 28 programs of study. In December 2008, for the second year, a four student team took first place in the second annual Ohio Turfgrass Foundation Student Turf Bowl. The competition was held at the 42nd Ohio Turfgrass Foundation Conference and Show held in Columbus Ohio.

### ***City Employees***

The City has 220 full-time employees; including 39 members of the City's volunteer fire department (who are paid on a per-call basis). The number of full-time employees has remained relatively constant over the past several years. A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining. Some full-time employees are represented by the following bargaining units:

<b>Bargaining Unit</b>	<b>Expiration Date Of Current Agreement</b>	<b>Number of Employees</b>
United City Workers Ohio Patrolmen's Benevolent Association	December 31, 2009  December 31, 2009	81  16

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

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

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

The City prefers to pay for its capital items from the capital improvement fund. However, in November of 2006, an increase of one quarter 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.

The City has debt for its three utilities. Future borrowings are not anticipated for the sewer or the electric utilities. Their capital expenses will be paid from excess working capital. The water utility will rely on grants and loans for its future capital projects. All three utilities will be subject to rate increases.

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

The City has ordinances in place that determine the split of the revenue received from the municipal income tax. The current split is 20 percent to the capital improvement fund and 80 percent to the general fund.

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

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

### ***Major Initiatives***

The City and its various utilities have completed a number of projects in 2008.

The Service Department, with the help of a grant from the Ohio Public Works Commission and in partnership with the Wayne County Engineer's Office, repaved Crown Hill Road and Schrock Road. Repaving projects on East and West Water Street were completed with the help of a Community Development Block Grant. Repaving was also completed on Sunset Drive, Evergreen Drive, and West Hill Drive with Gas Tax Motor Vehicle License Funds.

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

The City, in conjunction with Main Street Orrville, spent more than \$150,000 of Community Block Grant money on projects in the downtown area. These projects were primarily percentage grants to business owners for renovation and improvements of their facilities.

The City also broke ground on the new industrial park in the northwest section of the City. The industrial park will be located on approximately 80 acres of property and is expected to be completed in 2009.

The sewer utility treated 785 million gallons of effluent during 2008, with 193 million reused by the power plant. The plant is currently operating at 75 percent of its rated capacity. In 2008 the digester project was completed.

The electric utility operated at 74 percent of its capacity this year. The power plant burned 215,600 tons of coal in 2008 at a cost of \$10,351,000.

The electric utility also contracted to participate in three American Municipal Power – Ohio projects; one of which will start providing power in 2012. These projects involve the construction of three hydroelectric facilities on the Ohio River, the Prairie State Energy Campus coal fired plant in Illinois, and the AMP-Generating Station which is a coal fired power plant located in southern Ohio.

The water utility treated approximately 666 million gallons of water during 2008. During 2008 two new water lines were completed. The first replacement was on Garfield Street from Paradise Street to Fike Street. The second was on Chestnut Street from Main Street to McGill Street. In addition, an old water line was removed on Mill Street from Paradise Street to Chestnut Street. Lastly, a new high service pump in the water plant was installed.

The water utility also cleaned and rebuilt three production wells and implemented the last phase of the Source Water Area Protection Program.

Organizations located within the City have also completed a number of projects in 2008, such as:

- The Orrville Public Library has traditionally ranked nationally as a top ten library with a customer base between 10,000 and 25,000 people. In 2008 the total circulation for the library was 513,136.
- Buehler's Food Markets completed a \$3.5 million remodel of the facility in October, 2008. As a result of the remodel they expanded with more than 3,000 new grocery items. One of the biggest changes in the store is the creation of Buehler's Scenic River Coffee Company, a plush espresso bar serving lattes, mochas and specialty coffees.
- Smith Dairy completed \$2.5 million in exterior renovations. Starting last year the company began refacing the façade of its plant at Church and Vine Streets. The main downtown plant was repainted in a terra cotta tone in addition to having two murals painted on the exterior of the building which relate to the history of the company. The company has also installed two 30,000 gallon silos behind a new brick façade along the Main Street sidewalk. The silos are strictly for organic milk.
- Quality Castings expanded with \$1.2 million in acquisitions of machinery and equipment.
- CVS invested \$1.6 million in a new 11,945 square foot pharmacy.
- Orrville Utilities purchased the Rosemount Facility for future expansion of the Power Plant. This purchase adds 81,400 square feet of building area and 4,000 square feet of office space for Orrville Utilities.

Other on-going projects in the community include:

- The Orrville Industrial Park continues to progress and is home to several industries.
- The Orrville Elementary School broke ground. This \$12 million school will open for the 2010-2011 school year and will house kindergarten through fourth grades. The elementary school is Phase 2 of the renovation process. In addition, Orrville High School broke ground for a \$1.3 million multi-purpose facility. The project will be complete in the Fall of 2009 and will provide indoor space for educational programs, extra-curricular activities and athletic needs.
- A Student Life Building is being built by the University of Akron on the Orrville Wayne Campus. It will open in the 2009 Fall Semester. The 36,000 square foot facility includes a large multipurpose room for instruction, speakers, performers and college/community events. A Student Center with a bookstore, dining facility, student lounge and offices for student organizations will also be housed in the new facility.

#### *Awards and Acknowledgements*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Orrville for its comprehensive financial report for the fiscal year ended December 31, 2007. This was the seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

A sincere thanks also goes to the Local Government Services Section of Auditor of State Mary Taylor's Office for their assistance in the organization and final review of our 2008 Comprehensive Annual Financial Report.

Respectfully submitted,



Janet L. Strimlan  
Director of Finance

**City of Orrville, Ohio**

*City Officials*

ELECTED OFFICIALS

Mayor .....David T. Handwerk  
President of Council.....Lyle Baker  
Council Member ..... Rich Corfman  
Council Member ..... Julie Leathers  
Council Member .....Arthur Shupp  
Council Member ..... Dennis Landlaw  
Council Member .....Ricardo Aspiras  
Council Member ..... Paul Vance

APPOINTED OFFICIALS

Director of Finance (1).....James D. Leggett  
Director of Law.....Daniel R. Lutz  
Director of Public Safety and Service (2).....Becky L. Jewell  
Director of Utilities ..... Dan Preising  
Clerk of Council..... Tamra Peppard

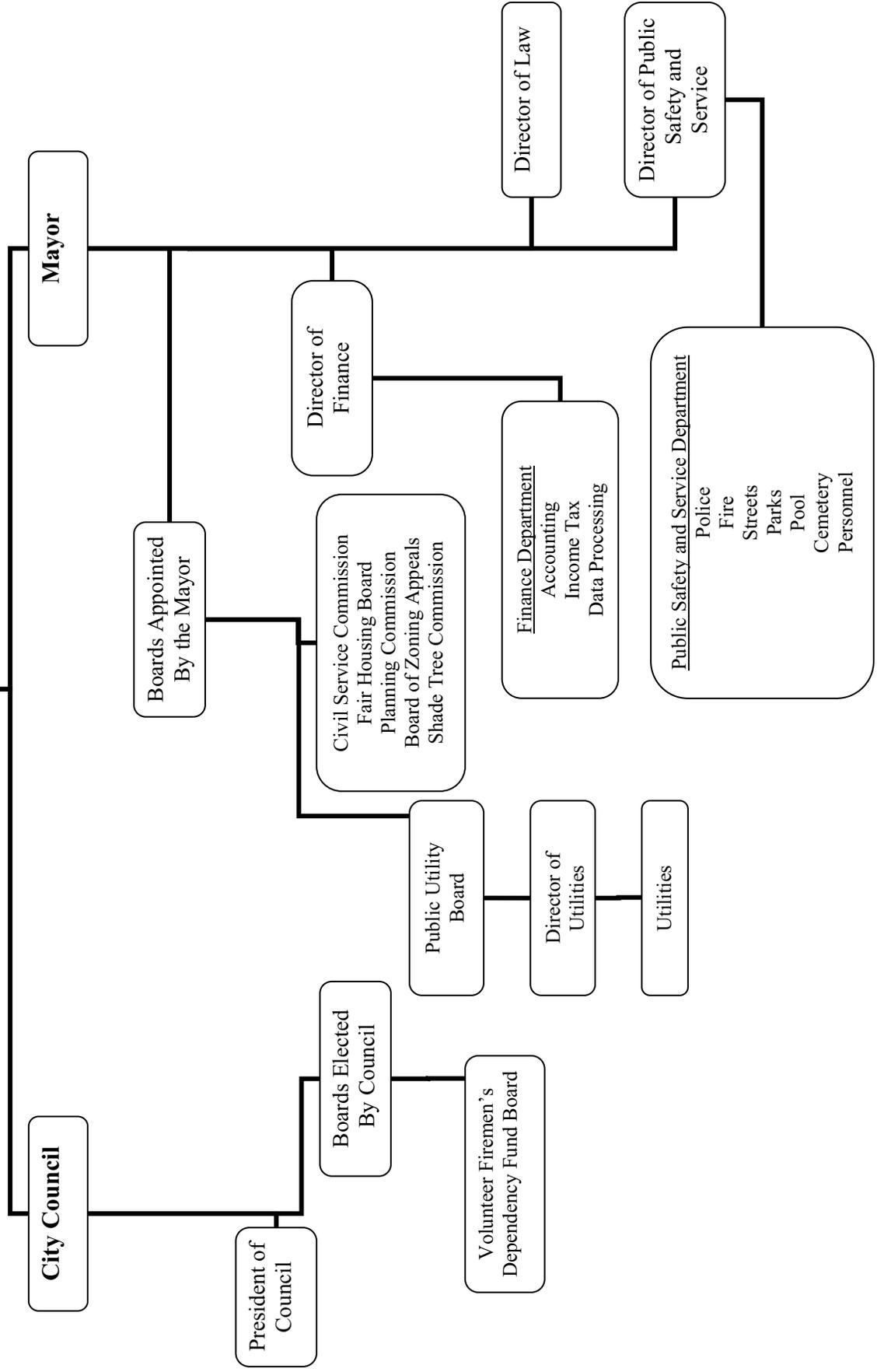
UTILITY BOARD MEMBERS

President of Board.....Dave Shrader  
Board Member ..... Gary Gossard  
Board Member ..... Roland Lehman Jr.  
Board Member ..... Robert Maglio  
Board Member ..... Kenneth Stuter

(1) Janet L. Strimlan was appointed as Director of Finance on February 1, 2009.

(2) Steven Wheeler was appointed as Director of Public Safety and Service on April 1, 2009.

**Citizens of Orrville  
(Voters)**



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Orrville  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2007

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



A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

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# *Financial Section*





# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

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

To the Mayor and City Council Members:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orrville, Wayne County, Ohio, (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orrville, Wayne County, Ohio, as of December 31, 2008, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, the City restated net assets of the business-type activities and the fund balances of the Capital Improvement and Sewer Funds to report manuscript debt as an interfund balance rather than a long-term liability.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2009, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

July 20, 2009

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2008*  
*Unaudited*

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The discussion and analysis for the City of Orrville's financial statements provides an overall review of the financial activity of the City for the twelve months ended December 31, 2008. 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 2008 are as follows:

- Total Net Assets increased \$7,412,320. Net Assets of governmental activities increased \$287,197 from 2007. Net assets of business-type activities increased \$7,125,123 from 2007.
- Total Assets of Governmental Activities increased \$266,806 as compared to 2007.
- Total Assets of Business Type Activities increased \$5,833,682 or 7.8 percent above the 2007 level, primarily due to increases in electric charges for services revenues, which resulted in a higher cash balance.
- Total Liabilities of Governmental Activities decreased \$20,391. This is a decrease of 1.63 percent from the previous year.
- Total Liabilities of Business-Type Activities decreased \$1,291,441. This is a reduction of 6.87 percent from the previous year.
- Total Capital Assets increased \$1,109,929 due to the construction in progress of the new industrial park and other additions, partially offset by annual depreciation.
- Total Long Term Liabilities increased \$781,995 or 5.24 percent during 2008 due to the issuance of notes, partially offset by annual debt payments.

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

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

The Statement of Net Assets and the Statement of Changes in Net Assets provides summarized information showing the effects of the operations for the year 2008 and how they effected the operations of the City as a whole.

Major Fund financial statements provide the next level of detail. For governmental funds, these statements show how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements look at the City's most significant funds with all other nonmajor funds presented in total in one column.

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

#### *Statement of Net Assets and Statement of Activities*

The Statement of Net Assets and the Statement of Activities provide summary information concerning the financial position and operations of the City as an entity. They provide a good resource for an overall evaluation of the City's financial performance "on one page." These statements include all assets and all

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liabilities using the accrual basis of accounting. This method takes into account all revenues when they are earned and all expenses when they are incurred. These transactions are booked as they occur, not when the actual cash is received for revenues or when invoices are paid for expenses.

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

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

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

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

*Fund Financial Statements*

The fund financial statements begin on page 16. Fund financial reports give a detailed report of the activities within the funds. The City currently has twenty-seven funds, as presented in this report. These funds are in existence to provide a multitude of services to the citizens of Orrville. Some funds provide for safety forces, some provide for streets, some provide for electric service, some provide for water service, and some provide for sewer service. Some provide for purchase of capital assets and infrastructure. One even provides health care for the City's employees. Each fund is in some way an entity unto itself. Each fund has a designated revenue stream and restricted uses for the monies within the fund.

In this report, the focus is on five major funds, the General Fund, the Capital Improvements Fund, the Sewer Fund, the Electric Fund, and the Water Fund.

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

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

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

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**The City of Orrville as a Whole**

The Statement of Net Assets provides an overall view of the City. Table one shows a summary of the City's net assets for 2008 as they compare to 2007.

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

	Governmental Activities		Business-Type Activities		Total	
	2008	Restated 2007	2008	Restated 2007	2008	Restated 2007
<b>Assets</b>						
Current and Other Assets	\$5,625,229	\$6,089,767	\$33,825,579	\$28,370,482	\$39,450,808	\$34,460,249
Capital Assets, Net	43,702,605	42,971,261	46,790,436	46,411,851	90,493,041	89,383,112
<i>Total Assets</i>	<u>49,327,834</u>	<u>49,061,028</u>	<u>80,616,015</u>	<u>74,782,333</u>	<u>129,943,849</u>	<u>123,843,361</u>
<b>Liabilities</b>						
Current Liabilities	1,029,950	1,015,463	2,014,341	4,122,655	3,044,291	5,138,118
Long-Term Liabilities:						
Due Within One Year	120,055	140,870	3,086,227	2,890,832	3,206,282	3,031,702
Due in More Than One Year	77,765	91,828	12,413,140	11,791,662	12,490,905	11,883,490
<i>Total Liabilities</i>	<u>1,227,770</u>	<u>1,248,161</u>	<u>17,513,708</u>	<u>18,805,149</u>	<u>18,741,478</u>	<u>20,053,310</u>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	43,619,685	42,872,471	31,936,125	30,554,543	75,555,810	73,427,014
Restricted for:						
Capital Projects	215,741	490,992	0	0	215,741	490,992
Debt Service	243,223	246,445	3,016,575	3,022,749	3,259,798	3,269,194
Street Repair and Maintenance	462,630	470,584	0	0	462,630	470,584
Solid Waste Services	80,955	54,643	0	0	80,955	54,643
Law Enforcement and Education	19,651	20,024	0	0	19,651	20,024
Cemetery Maintenance	285,788	263,763	0	0	285,788	263,763
EMS Equipment	194,363	162,903	0	0	194,363	162,903
Performing Arts	1,070	5,354	0	0	1,070	5,354
Replacement and Improvement	0	0	2,300,000	2,300,000	2,300,000	2,300,000
Unrestricted	2,976,958	3,225,688	25,849,607	20,099,892	28,826,565	23,325,580
<i>Total Net Assets</i>	<u>\$48,100,064</u>	<u>\$47,812,867</u>	<u>\$63,102,307</u>	<u>\$55,977,184</u>	<u>\$111,202,371</u>	<u>\$103,790,051</u>

Total assets increased in 2008 by \$6,100,488. The increase in total assets is primarily due to an increase in current assets, mainly cash and intergovernmental receivables. Cash increased significantly in the business type activities due to increased charges for services revenues. These revenues were higher due to sales on the wholesale market. Intergovernmental receivables were increased due to a grant from the Ohio Department of Development.

The decrease of \$20,391 in total liabilities for the Governmental Activities is due to principal payments on debt. The reduction of \$1,291,441 in the total liabilities for the Business-Type Activities is primarily the result of the payments on the revenue bonds and loans in the enterprise funds. All three utilities have long-term debt.

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Total net assets in Governmental Activities increased by \$287,197. This is largely a result of the receipt of a grant.

Total Net Assets for the Business-Type Activities increased by \$7,125,123 due primarily to the fact that overall revenues exceeded expenses in the utilities, due primarily to the electric utility selling power on the wholesale market.

The City also works hard to increase net assets through our investment program. Investment earnings for the City were \$1,010,773 in 2008. This is a \$332,401 decrease from 2007 and reflects the decline in interest rates received on investments due to the overall economy.

Table 2 shows the changes in net assets for the year ended December 31, 2008, for both our Governmental Activities and our Business-Type Activities.

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

	Governmental Activities		Business - Type Activities		Total	
	2008	Restated 2007	2008	Restated 2007	2008	Restated 2007
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$703,189	\$699,547	\$33,910,108	\$30,317,697	\$34,613,297	\$31,017,244
Operating Grants and Contributions	656,705	673,322	0	0	656,705	673,322
Capital Grants and Contributions	1,189,081	850,713	41,402	301,273	1,230,483	1,151,986
<b>Total Program Revenues</b>	<b>2,548,975</b>	<b>2,223,582</b>	<b>33,951,510</b>	<b>30,618,970</b>	<b>36,500,485</b>	<b>32,842,552</b>
General Revenues:						
Property Taxes	505,320	485,053	0	0	505,320	485,053
Income Taxes	3,125,948	4,348,859	0	0	3,125,948	4,348,859
Killowatt Per Hour Tax	881,904	897,363	0	0	881,904	897,363
Grants and Entitlements	816,394	514,543	0	0	816,394	514,543
Investment Earnings	171,859	236,379	838,914	1,138,233	1,010,773	1,374,612
Miscellaneous	209,767	88,388	533,030	623,615	742,797	712,003
<b>Total General Revenues</b>	<b>5,711,192</b>	<b>6,570,585</b>	<b>1,371,944</b>	<b>1,761,848</b>	<b>7,083,136</b>	<b>8,332,433</b>
<b>Total Revenues</b>	<b>\$8,260,167</b>	<b>\$8,794,167</b>	<b>\$35,323,454</b>	<b>\$32,380,818</b>	<b>\$43,583,621</b>	<b>\$41,174,985</b>

(continued)

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

	Governmental Activities		Business - Type Activities		Total	
	2008	Restated 2007	2008	Restated 2007	2008	Restated 2007
	<b>Program Expenses</b>					
General Government	\$1,276,806	\$1,323,894	\$0	\$0	\$1,276,806	\$1,323,894
Security of Persons and Property:						
Police	1,631,577	1,538,833	0	0	1,631,577	1,538,833
Fire	617,200	614,516	0	0	617,200	614,516
Transportation	2,474,540	2,289,247	0	0	2,474,540	2,289,247
Public Health and Welfare	199,238	187,718	0	0	199,238	187,718
Leisure Time Activities	395,062	348,947	0	0	395,062	348,947
Basic Utility Service	417,347	307,678	0	0	417,347	307,678
Interest and Fiscal Charges	79,296	39,260	0	0	79,296	39,260
Enterprise Operations	0	0	29,080,235	30,673,978	29,080,235	30,673,978
<b>Total Program Expenses</b>	<b>7,091,066</b>	<b>6,650,093</b>	<b>29,080,235</b>	<b>30,673,978</b>	<b>36,171,301</b>	<b>37,324,071</b>
Increase in Net Assets Before Transfers	1,169,101	2,144,074	6,243,219	1,706,840	7,412,320	3,850,914
Transfers	(881,904)	(897,363)	881,904	897,363	0	0
<b>Increase in Net Assets</b>	<b>287,197</b>	<b>1,246,711</b>	<b>7,125,123</b>	<b>2,604,203</b>	<b>7,412,320</b>	<b>3,850,914</b>
Net Assets Beginning of Year	47,812,867	46,566,156	55,977,184	53,372,981	103,790,051	99,939,137
<b>Net Assets End of Year</b>	<b>\$48,100,064</b>	<b>\$47,812,867</b>	<b>\$63,102,307</b>	<b>\$55,977,184</b>	<b>\$111,202,371</b>	<b>\$103,790,051</b>

***Governmental Activities***

Funding for government activities comes from several different sources, the most significant being the municipal income tax. Other prominent sources are property taxes, grants and entitlements, charges for services, and investment interest.

The City also receives money from grants which have limitations on how and where the dollars can be spent. The City received a grant for a truck route study, and a grant for downtown improvement that carried such limitations.

The City's income tax was established by ordinance to be effective January 1, 1961 at a rate of .6 percent. The rate was later increased by resolution to 1 percent effective October 1, 1970. The rate has remained at that level since then. This rate is much lower than the State average for municipalities that have an income tax. The income tax accounted for revenues of \$3,125,948 in 2008. These revenues were split between the general fund and the capital improvements fund with an allocation of 80 percent to the general fund and 20 percent to the capital improvements fund. The allocation percentage is set by resolution and historically has changed from time to time depending on the balances in the two aforementioned funds. The allocation has been 65 - 35 percent, 60 - 40 percent as well as 70 - 30 percent. This practice of putting a percentage of income tax revenue into the capital improvements fund has been an excellent tool for the City in making capital improvements without the need to issue debt. In the last several years some major projects have been accomplished with monies from the capital improvements fund, such as the reconstruction and repaving of North Main Street.

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The level of revenue from the income tax decreased in 2008. This was partially the result of a decrease in withholding taxes; however, the largest decrease was from taxes on net profits from some of our corporate citizens. Although the decrease from the prior year was significant, there was an unusually large amount of income tax revenue in 2007. 2008 income tax revenue is still larger than any year other than 2007.

Transportation represents the largest expense of the Governmental Activities. This expense of \$2,474,540 represents 34.9 percent of the total expenses of the Governmental Activities. These funds are used to maintain the streets and the equipment used for the streets.

Our Fire Department is a part-time department with a full-time Chief. The City is very committed to maintaining a very efficient department. Regular meetings, drills, and training sessions are held. There is a strong emphasis on equipment with a new heavy rescue truck having been purchased in the last several years. The Department's functions include firefighting, emergency medical service including paramedic service, fire prevention education, and investigation. The Fire Department expenses account for 8.7 percent of the Governmental Activities expenses. 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.

Our Police Department is also funded through the general fund. The Department is a full-time 24-hour a day, 365-days a year Department. Each patrol car is now equipped with a laptop computer to assist the officers in accessing information while on duty. The expenses for the Department for the year 2008 were \$1,631,577. This accounts for 23.0 percent of the expenses for Governmental Activities.

***Business-Type Activities***

The City also 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 2008, the electric utility sold 292,033,600 KWH of electricity to generate \$28,780,366 in charges for services revenue. They burned 215,600 tons of coal at a cost of \$10,351,000.

The water utility treats 1,800,000 gallons of water per day with a capacity to treat an additional 1,900,000 per day. 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. The plant currently serves 3,000 residential customers and 350 industrial and commercial customers.

The sewer facility treated 785 million gallons of sewage during 2008. This facility has made some changes to their operations which allow it to operate at 54 percent of its organic capacity. The plant is controlled by a modern SCADA (computer) system. A video surveillance system monitors strategic locations throughout the facility 24 hours a day. The plant currently serves 3,300 residential customers and 330 industrial and commercial customers. The utility maintains 42 miles of sanitary sewer lines.

The revenues and expenses for all three of these utilities are reported under the Business-Type Activities on Table 2. Reviewing this table shows the majority of the City's revenues and expenses flow through the Utility Department. The revenues for the Utility Department come primarily from charges for service. In 2008 this amount of \$33,910,108 accounted for approximately 96 percent of the revenues. The total expenses for the utilities were \$29,080,235, leaving a surplus of \$7,125,123 after transfers for the Business-Type Activities.

The increase in the balances in the utility funds during 2008 was primarily due to the increase in the electric fund created by significant wholesale sales.

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## **The City's Funds**

Information about the City's governmental funds begins on page 16. These funds are accounted for using the modified accrual method of accounting. The general fund revenues of \$5,437,766 are slightly lower than 2007, due to lower income tax revenue, partially offset by increased intergovernmental revenue. Expenditures of \$4,046,601 are higher than 2007, due to increases in employee wages. Although this shows a surplus of \$1,391,165, the true picture is somewhat different. Some of the revenue collected in the general fund is from the collection of the Kilowatt-hour tax that is then passed back through the Electric Revenue Fund by way of a transfer. When these receipts and other transfers are eliminated, the true surplus is \$236,413. The capital improvements fund revenues of \$1,717,992 are larger than 2007 because of grants received by the City. The expenditures of \$1,824,530 are less than 2007, due to more projects being completed during 2007. Expenditures exceeding revenues creates a deficit of \$106,538.

Information about the business-type funds starts on page 21. These funds are accounted for on an accrual basis. The sewer fund had operating revenues of \$2,055,239 and operating expenses of \$1,999,056. The electric fund had operating revenues of \$29,288,136 and operating expenses of \$23,602,258 and the water fund had operating revenues of \$3,099,388 and operating expenses of \$2,396,803. All three utilities had revenues exceeding expenses, increasing net assets.

## ***Budgeting Highlights***

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

For the general fund, the original budgeted revenues and the final budgeted revenues were \$4,336,441. The actual revenues were \$5,327,115. Of this \$990,674 difference between final budgeted and actual revenues, most was due to higher than anticipated income tax revenues and intergovernmental revenues. The final expenditures of \$4,415,690 compare favorably with the final budget figure of \$4,777,436. The difference of \$361,746 is primarily due to lower expenditures in general government and police. The general government lower level spending was due to anticipated expenditures for repair of a fire damaged house at the corner of Main and Oak Streets as well as allocation for professional services for updating our Comprehensive Plan. Although budgeted, these expenditures did not occur in 2008. The lower level in the Police Department was a result of conservative budgeting to ensure overtime costs can be maintained.

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

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

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**Capital Assets and Debt Administration**

***Capital Assets***

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

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$2,512,207	\$2,512,207	\$1,360,391	\$669,804	\$3,872,598	\$3,182,011
Construction In Progress	885,289	0	353,905	0	1,239,194	0
Buildings and Improvements	3,532,875	3,532,305	11,658,233	11,703,384	15,191,108	15,235,689
Equipment	713,580	579,753	4,257,882	3,639,234	4,971,462	4,218,987
Vehicles	662,272	746,024	358,043	358,818	1,020,315	1,104,842
Electric - Generation/ Transmission/Distribution	0	0	17,907,315	18,846,085	17,907,315	18,846,085
Infrastructure	35,396,382	35,600,972	10,894,667	11,194,526	46,291,049	46,795,498
Totals	<u>\$43,702,605</u>	<u>\$42,971,261</u>	<u>\$46,790,436</u>	<u>\$46,411,851</u>	<u>\$90,493,041</u>	<u>\$89,383,112</u>

Total capital assets for the City of Orrville for the year ended December 31, 2008 amounted to \$90,493,041, which reflects a \$1,109,929 increase from the 2007 figure of \$89,383,112.

Several projects were begun during 2008 and will continue into 2009; the most significant being work on the new industrial park. These projects are reflected in the construction in progress amounts above.

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 7 to the basic financial statements.

***Debt***

The outstanding debt for the City of Orrville as of December 31, 2008 was \$15,343,253. This balance reflects a reduction of \$1,065,440, or 6.49 percent, from the previous year's balance of \$16,408,693.

**Outstanding Debt at Year End**

	Governmental Activities		Business-Type Activities		Total	
	2008	Restated 2007	2008	2007	2008	Restated 2007
Special Assessment Bonds	\$82,920	\$98,790	\$0	\$0	\$82,920	\$98,790
Mortgage Revenue Bonds	0	0	3,498,722	5,072,004	3,498,722	5,072,004
Revenue Bonds	0	0	5,108,318	5,507,150	5,108,318	5,507,150
OWDA Loans	0	0	1,889,701	2,285,881	1,889,701	2,285,881
OPWC Loan	0	0	1,193,592	1,264,868	1,193,592	1,264,868
Notes	0	0	3,570,000	2,180,000	3,570,000	2,180,000
Totals	<u>\$82,920</u>	<u>\$98,790</u>	<u>\$15,260,333</u>	<u>\$16,309,903</u>	<u>\$15,343,253</u>	<u>\$16,408,693</u>

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The Governmental Activities' only debt is \$82,920 of Special Assessment Bonds, which were issued after our Downtown Improvement Project (Streetscape) was finished and for residential sidewalk installation. The bonds cover the amount of unpaid property owner assessments. The payments on these bonds come from the assessments collected by the County Auditor on property tax duplicates.

The Utility department carries the vast majority of the debt, the largest debt being that of the electric utility. Most of this debt is in Mortgage Revenue Bonds that were originally issued in the 1980's for major upgrades to the power plant. These bonds were refinanced in 1997. The electric utility also has an outstanding bond anticipation general obligation note. One piece of this note is in the amount of \$600,000 and is for the purpose of financing the precipitator improvement project, which was completed in 2002. The precipitator is part of the pollution control system at the power plant. The other portion is in the amount of \$1,580,000 and was issued to call a portion of the Mortgage Revenue Bonds. The note was issued in 2007 and was due in 2008. In 2008, additional notes were issued to refinance the 2007 note and also to improve the water utility system. The water utility also carries two other kinds of debt. Water System Improvement Revenue Bonds were issued in 1994 for the construction of a new treatment plant and then refunded in 2002. They are scheduled to be paid off in 2018. The water utility also has three interest free loans from the OPWC; the oldest is scheduled to be paid off in 2018. The two newest loans which were both issued in 2007 are scheduled to be paid off in 2027 and 2037. The sewer utility has two loans from the Ohio Water Development Authority which were used to defease the original mortgage revenue bonds issued to construct the treatment plant. These loans will be paid off in 2012 and 2013. Total debt service payments for the electric utility in 2008 were \$4,072,762, for the sewer utility \$542,766, and for the water utility \$711,467.

The administration and City Council are both very committed to controlling and managing the debt. Over the last nine years, we have been able to manage the cash balances of the City to a point that debt issuance is not necessary for capital improvement except in extreme cases or instances where it is fiscally better to issue debt rather than spend reserves. For additional information see Notes 9 and 10 to the basic financial statements.

### **Current Financial Issues**

The City's finances during 2008 reflected a positive outcome. Income tax revenues were higher than any prior year, other than 2007, and revenues for the utilities as a whole showed an increase. The City as a whole operated in a surplus position due to controlled spending. The strength of the City was evident, as the services to our citizens remained at a high level. Our street department continued to repair and improve streets, and plow snow. Our park system continues to provide a high level of leisure activity for the citizens and visitors of Orrville. All three utilities continue to provide quality service at a reasonable cost. There were no lay-offs.

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

The construction of the park in the south end of town remains halted. 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 streets within the City being either asphalt or concrete. This program will replace the chip and seal program that is currently in place, however, this plan will be slowed due to the failure of the tax increase.

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*Unaudited*

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The City is in the process of developing a second industrial park. This park will allow for future controlled industrial growth. The current park is nearing full capacity. Property has been purchased and construction of the park is in progress.

The City is a member of Main Street Ohio, and in 2008 spent more than \$150,000 of Community Development Block Grant money on projects in the Downtown area. These projects were primarily percentage grants to business owners for renovation and improvements of their facilities.

The Utility Departments continue to grow and improve. The sewer utility completed projects to improve digester operations. In addition, two major sludge pumps were replaced and a portable generator was purchased for emergency back-up power. The electric utility continued to sell power into the wholesale market. The electric utility also contracted to participate in three American Municipal Power-Ohio projects, one of which will start providing power in 2012. The water utility installed two new water lines in 2008 as well as installing a high service pump in the water plant.

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

**Contacting the City's Finance Department**

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

**City of Orrville, Ohio**

*Statement of Net Assets*

*December 31, 2008*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$4,168,048	\$20,401,593	\$24,569,641
Cash Equivalents Held by Trustee	0	8,202	8,202
Investments Held by Trustee	0	3,069,629	3,069,629
Materials and Supplies Inventory	134,180	4,672,927	4,807,107
Accrued Interest Receivable	30,827	184,771	215,598
Accounts Receivable	88,086	3,703,570	3,791,656
Internal Balances	(1,329,307)	1,329,307	0
Intergovernmental Receivable	988,925	0	988,925
Prepaid Items	10,397	49,558	59,955
Deferred Charges	0	406,022	406,022
Income Taxes Receivable	910,482	0	910,482
Property Taxes Receivable	518,503	0	518,503
Special Assessments Receivable	105,088	0	105,088
Nondepreciable Capital Assets	3,397,496	1,714,296	5,111,792
Depreciable Capital Assets, Net	40,305,109	45,076,140	85,381,249
<i>Total Assets</i>	<u>49,327,834</u>	<u>80,616,015</u>	<u>129,943,849</u>
<b>Liabilities</b>			
Accounts Payable	215,004	736,613	951,617
Accrued Wages	95,979	235,685	331,664
Intergovernmental Payable	145,504	227,892	373,396
Accrued Interest Payable	29,372	120,130	149,502
Claims Payable	0	95,237	95,237
Deferred Revenue	462,600	0	462,600
Vacation Benefits Payable	81,491	198,784	280,275
Notes Payable	0	400,000	400,000
Long-Term Liabilities:			
Due Within One Year	120,055	3,086,227	3,206,282
Due In More Than One Year	77,765	12,413,140	12,490,905
<i>Total Liabilities</i>	<u>1,227,770</u>	<u>17,513,708</u>	<u>18,741,478</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	43,619,685	31,936,125	75,555,810
Restricted for:			
Capital Projects	215,741	0	215,741
Debt Service	243,223	3,016,575	3,259,798
Electric Replacement and Improvement	0	1,500,000	1,500,000
Water Replacement and Improvement	0	800,000	800,000
Street Repair and Maintenance	462,630	0	462,630
Solid Waste Services	80,955	0	80,955
Law Enforcement and Education	19,651	0	19,651
Cemetery Maintenance	285,788	0	285,788
EMS Equipment	194,363	0	194,363
Performing Arts	1,070	0	1,070
Unrestricted	2,976,958	25,849,607	28,826,565
<i>Total Net Assets</i>	<u>\$48,100,064</u>	<u>\$63,102,307</u>	<u>\$111,202,371</u>

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2008

	Program Revenues			
	Expenses	Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$1,276,806	\$113,285	\$76,851	\$140,552
Security of Persons and Property:				
Police	1,631,577	18,697	0	0
Fire	617,200	23,280	2,500	0
Transportation	2,474,540	264	526,802	1,048,529
Public Health and Welfare	199,238	92,782	0	0
Leisure Time Activities	395,062	24,855	36,919	0
Basic Utility Service	417,347	430,026	13,633	0
Interest and Fiscal Charges	79,296	0	0	0
<i>Total Governmental Activities</i>	<u>7,091,066</u>	<u>703,189</u>	<u>656,705</u>	<u>1,189,081</u>
<b>Business-Type Activities:</b>				
Sewer	2,165,950	2,048,402	0	0
Electric	24,122,241	28,780,366	0	0
Water	2,792,044	3,081,340	0	41,402
<i>Total Business-Type Activities</i>	<u>29,080,235</u>	<u>33,910,108</u>	<u>0</u>	<u>41,402</u>
<i>Total - Primary Government</i>	<u>\$36,171,301</u>	<u>\$34,613,297</u>	<u>\$656,705</u>	<u>\$1,230,483</u>

**General Revenues**

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

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

Change in Net Assets

*Net Assets Beginning of Year - Restated (See Note 3)*

*Net Assets End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$946,118)	\$0	(\$946,118)
(1,612,880)	0	(1,612,880)
(591,420)	0	(591,420)
(898,945)	0	(898,945)
(106,456)	0	(106,456)
(333,288)	0	(333,288)
26,312	0	26,312
(79,296)	0	(79,296)
<u>(4,542,091)</u>	<u>0</u>	<u>(4,542,091)</u>
0	(117,548)	(117,548)
0	4,658,125	4,658,125
<u>0</u>	<u>330,698</u>	<u>330,698</u>
0	4,871,275	4,871,275
<u>(4,542,091)</u>	<u>4,871,275</u>	<u>329,184</u>
505,320	0	505,320
881,904	0	881,904
2,319,038	0	2,319,038
806,910	0	806,910
816,394	0	816,394
171,859	838,914	1,010,773
<u>209,767</u>	<u>533,030</u>	<u>742,797</u>
5,711,192	1,371,944	7,083,136
<u>(881,904)</u>	<u>881,904</u>	<u>0</u>
<u>4,829,288</u>	<u>2,253,848</u>	<u>7,083,136</u>
287,197	7,125,123	7,412,320
<u>47,812,867</u>	<u>55,977,184</u>	<u>103,790,051</u>
<u>\$48,100,064</u>	<u>\$63,102,307</u>	<u>\$111,202,371</u>

**City of Orrville, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2008*

	<u>General</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,172,788	\$979,077	\$1,016,183	\$4,168,048
Materials and Supplies Inventory	134,180	0	0	134,180
Accrued Interest Receivable	29,443	0	1,384	30,827
Accounts Receivable	22,124	0	65,962	88,086
Intergovernmental Receivable	195,271	545,420	248,234	988,925
Prepaid Items	10,397	0	0	10,397
Income Taxes Receivable	728,385	182,097	0	910,482
Property Taxes Receivable	518,503	0	0	518,503
Special Assessments Receivable	0	0	105,088	105,088
<i>Total Assets</i>	<u>\$3,811,091</u>	<u>\$1,706,594</u>	<u>\$1,436,851</u>	<u>\$6,954,536</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$31,633	\$122,297	\$61,074	\$215,004
Accrued Wages	79,853	0	16,126	95,979
Intergovernmental Payable	130,261	16	15,227	145,504
Accrued Interest Payable	0	28,923	0	28,923
Interfund Payable	0	1,380,000	0	1,380,000
Deferred Revenue	709,094	29,551	275,265	1,013,910
<i>Total Liabilities</i>	<u>950,841</u>	<u>1,560,787</u>	<u>367,692</u>	<u>2,879,320</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	139,093	442,183	548,613	1,129,889
Unreserved, Undesignated, Reported in:				
General Fund	2,721,157	0	0	2,721,157
Special Revenue Funds	0	0	839,287	839,287
Debt Service Funds	0	0	138,584	138,584
Capital Projects Funds (Deficit)	0	(296,376)	(457,325)	(753,701)
<i>Total Fund Balances</i>	<u>2,860,250</u>	<u>145,807</u>	<u>1,069,159</u>	<u>4,075,216</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,811,091</u>	<u>\$1,706,594</u>	<u>\$1,436,851</u>	<u>\$6,954,536</u>

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 December 31, 2008*

<b>Total Governmental Fund Balances</b>	<b>\$4,075,216</b>
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	43,702,605
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property Taxes	55,903
Income Taxes	147,754
Grants	237,315
Special Assessments	105,088
Charges for Services	5,250
Total	551,310
The accumulated overpayments to the internal service fund.	50,693
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.	(81,491)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(449)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Special Assessment Bonds	(82,920)
Compensated Absences	(114,900)
Total	(197,820)
<i>Net Assets of Governmental Activities</i>	<b>\$48,100,064</b>

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2008*

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$483,819	\$0	\$0	\$483,819
Income Taxes	2,806,447	928,762	0	3,735,209
Killowatt Per Hour Tax	881,904	0	0	881,904
Special Assessments	0	0	25,148	25,148
Intergovernmental	794,017	545,420	1,130,376	2,469,813
Interest	164,869	0	6,990	171,859
Fines, Licenses and Permits	28,919	0	2,545	31,464
Rentals	39,239	0	0	39,239
Charges for Services	118,839	0	498,529	617,368
Contributions and Donations	31,756	122,000	5,163	158,919
Other	87,957	121,810	0	209,767
<i>Total Revenues</i>	<u>5,437,766</u>	<u>1,717,992</u>	<u>1,668,751</u>	<u>8,824,509</u>
<b>Expenditures</b>				
Current:				
General Government	1,058,839	0	66,917	1,125,756
Security of Persons and Property:				
Police	1,598,027	0	4,128	1,602,155
Fire	400,868	0	0	400,868
Transportation	544,485	0	803,002	1,347,487
Public Health and Welfare	162,793	0	14,693	177,486
Leisure Time Activities	281,589	0	9,580	291,169
Basic Utility Service	0	0	417,347	417,347
Capital Outlay	0	1,752,045	568,743	2,320,788
Debt Service:				
Principal Retirement	0	0	15,870	15,870
Interest and Fiscal Charges	0	72,485	6,909	79,394
<i>Total Expenditures</i>	<u>4,046,601</u>	<u>1,824,530</u>	<u>1,907,189</u>	<u>7,778,320</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,391,165</u>	<u>(106,538)</u>	<u>(238,438)</u>	<u>1,046,189</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	272,848	272,848
Transfers Out	(1,154,752)	0	0	(1,154,752)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,154,752)</u>	<u>0</u>	<u>272,848</u>	<u>(881,904)</u>
<i>Net Change in Fund Balances</i>	236,413	(106,538)	34,410	164,285
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>2,623,837</u>	<u>252,345</u>	<u>1,034,749</u>	<u>3,910,931</u>
<i>Fund Balances End of Year</i>	<u>\$2,860,250</u>	<u>\$145,807</u>	<u>\$1,069,159</u>	<u>\$4,075,216</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, 2008*

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**Net Change in Fund Balances - Total Governmental Funds** \$164,285

*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	2,145,541
Current Year Depreciation	<u>(1,414,197)</u>

Total	731,344
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	21,501
Income Taxes	(609,261)
Grants	33,448
Special Assessments	(9,997)
Charges for Services	<u>(33)</u>

Total	(564,342)
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

15,870

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

98

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	19,008
Vacation Benefits Payable	<u>(11,940)</u>

Total	7,068
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The change in the accumulated underpayments to the internal service fund for governmental funds is reported for the year.

(67,126)

*Change in Net Assets of Governmental Activities*

\$287,197

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, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property Taxes	\$423,078	\$423,078	\$483,819	\$60,741
Income Taxes	2,099,450	2,099,450	2,740,980	641,530
Kilowatt Per Hour Tax	850,000	850,000	881,904	31,904
Intergovernmental	536,313	536,313	712,479	176,166
Interest	170,500	170,500	200,644	30,144
Fines, Licenses and Permits	26,000	26,000	28,265	2,265
Rentals	30,000	30,000	39,239	9,239
Charges for Services	200,100	200,100	120,072	(80,028)
Contributions and Donations	0	0	31,756	31,756
Other	1,000	1,000	87,957	86,957
<i>Total Revenues</i>	<u>4,336,441</u>	<u>4,336,441</u>	<u>5,327,115</u>	<u>990,674</u>
<b>Expenditures</b>				
Current:				
General Government	1,320,833	1,320,833	1,135,405	185,428
Security of Persons and Property:				
Police	1,716,719	1,716,719	1,622,406	94,313
Fire	478,841	478,841	449,643	29,198
Transportation	589,102	589,102	553,804	35,298
Public Health and Welfare	179,684	179,684	160,686	18,998
Leisure Time Activities	297,257	297,257	298,746	(1,489)
Debt Service:				
Principal	120,000	120,000	120,000	0
Interest and Fiscal Charges	75,000	75,000	75,000	0
<i>Total Expenditures</i>	<u>4,777,436</u>	<u>4,777,436</u>	<u>4,415,690</u>	<u>361,746</u>
<i>Excess of Revenues</i>				
<i>Over (Under) Expenditures</i>	(440,995)	(440,995)	911,425	1,352,420
<b>Other Financing Uses</b>				
Transfers Out	(1,252,000)	(1,252,000)	(1,154,752)	97,248
<i>Net Change in Fund Balance</i>	(1,692,995)	(1,692,995)	(243,327)	1,449,668
<i>Fund Balance Beginning of Year</i>	2,122,168	2,122,168	2,122,168	0
Prior Year Encumbrances Appropriated	123,215	123,215	123,215	0
<i>Fund Balance End of Year</i>	<u>\$552,388</u>	<u>\$552,388</u>	<u>\$2,002,056</u>	<u>\$1,449,668</u>

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Fund Net Assets*  
*Proprietary Funds*  
*December 31, 2008*

	Business-Type Activities				Business-Type Activity - Internal Service Fund
	Sewer	Electric	Water	Total	
<b>Assets</b>					
<i>Current Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	\$1,987,445	\$13,860,848	\$1,991,017	\$17,839,310	\$262,283
Restricted Assets:					
Cash Equivalents Held by Trustee	0	5,283	2,919	8,202	0
Investments Held by Trustee	0	1,740,536	472,054	2,212,590	0
Receivables:					
Accounts	312,840	2,939,668	451,062	3,703,570	0
Accrued Interest	71,739	93,273	17,828	182,840	1,931
Materials and Supplies Inventory	190,904	4,139,926	342,097	4,672,927	0
Prepaid Items	7,434	34,690	7,434	49,558	0
Interfund Receivable	1,380,000	0	0	1,380,000	0
<i>Total Current Assets</i>	<u>3,950,362</u>	<u>22,814,224</u>	<u>3,284,411</u>	<u>30,048,997</u>	<u>264,214</u>
<i>Non-Current Assets:</i>					
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents Held by Trustee:	0	1,500,000	800,000	2,300,000	0
Investments Held by Trustee	0	544,680	312,359	857,039	0
Deferred Charges	11,936	270,154	123,932	406,022	0
Nondepreciable Assets	176,646	566,198	971,452	1,714,296	0
Depreciable Capital Assets, Net	7,478,261	22,827,204	14,770,675	45,076,140	0
<i>Total Non-Current Assets</i>	<u>7,666,843</u>	<u>25,708,236</u>	<u>16,978,418</u>	<u>50,353,497</u>	<u>0</u>
<i>Total Assets</i>	<u>11,617,205</u>	<u>48,522,460</u>	<u>20,262,829</u>	<u>80,402,494</u>	<u>264,214</u>
<b>Liabilities</b>					
<i>Current Liabilities:</i>					
Accounts Payable	50,981	544,473	141,159	736,613	0
Accrued Wages	27,649	177,372	30,664	235,685	0
Intergovernmental Payable	26,360	173,743	27,789	227,892	0
Compensated Absences Payable	32,880	226,805	89,704	349,389	0
Accrued Interest Payable	36,364	43,329	40,437	120,130	0
Loans Payable	474,728	0	82,110	556,838	0
Vacation Benefits Payable	27,770	146,693	24,321	198,784	0
Revenue Bonds Payable	0	1,725,000	455,000	2,180,000	0
Notes Payable	0	400,000	0	400,000	0
Claims Payable	0	0	0	0	95,237
<i>Total Current Liabilities</i>	<u>676,732</u>	<u>3,437,415</u>	<u>891,184</u>	<u>5,005,331</u>	<u>95,237</u>
<i>Long-Term Liabilities:</i>					
Notes Payable (net of current portion)	0	1,470,000	1,700,000	3,170,000	0
Compensated Absences Payable (net of current portion)	82,160	168,156	39,329	289,645	0
Loans Payable (net of current portion)	1,414,973	0	1,111,482	2,526,455	0
Revenue Bonds Payable (net of current portion)	0	1,773,722	4,653,318	6,427,040	0
<i>Total Long-Term Liabilities</i>	<u>1,497,133</u>	<u>3,411,878</u>	<u>7,504,129</u>	<u>12,413,140</u>	<u>0</u>
<i>Total Liabilities</i>	<u>2,173,865</u>	<u>6,849,293</u>	<u>8,395,313</u>	<u>17,418,471</u>	<u>95,237</u>
<b>Net Assets</b>					
Invested in Capital Assets, Net of Related Debt	5,777,142	18,294,834	7,864,149	31,936,125	0
Restricted for					
Replacement and Improvement	0	1,500,000	800,000	2,300,000	0
Debt Service	0	2,269,680	746,895	3,016,575	0
Unrestricted	3,666,198	19,608,653	2,456,472	25,731,323	168,977
<i>Total Net Assets</i>	<u>\$9,443,340</u>	<u>\$41,673,167</u>	<u>\$11,867,516</u>	<u>62,984,023</u>	<u>\$168,977</u>

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

Net assets of business-type activities	118,284
	<u>\$63,102,307</u>

**City of Orrville, Ohio**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2008*

	Business-Type	
	Sewer	Electric
<b>Operating Revenues</b>		
Charges for Services	\$2,048,402	\$28,780,366
Other	6,837	507,770
<i>Total Operating Revenues</i>	<u>2,055,239</u>	<u>29,288,136</u>
<b>Operating Expenses</b>		
Personal Services	970,161	6,011,598
Purchased Services	140,064	2,626,906
Materials and Supplies	137,337	12,019,266
Utilities	122,313	911,376
Depreciation	629,181	2,033,112
Claims	0	0
<i>Total Operating Expenses</i>	<u>1,999,056</u>	<u>23,602,258</u>
<i>Operating Income (Loss)</i>	<u>56,183</u>	<u>5,685,878</u>
<b>Non-Operating Revenues (Expenses)</b>		
Interest and Fiscal Charges	(143,311)	(400,384)
Capital Grants	0	0
Interest	147,213	538,553
<i>Total Non-Operating Revenues (Expenses)</i>	<u>3,902</u>	<u>138,169</u>
<i>Income (Loss) before Transfers</i>	60,085	5,824,047
Transfers In	0	881,904
<i>Change in Net Assets</i>	60,085	6,705,951
<i>Net Assets Beginning of Year - Restated (See Note 3)</i>	<u>9,383,255</u>	<u>34,967,216</u>
<i>Net Assets End of Year</i>	<u>\$9,443,340</u>	<u>\$41,673,167</u>

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

Change in net assets of business-type activities

See accompanying notes to the basic financial statements

Activities		Business-Type Activity - Internal Service Fund
Water	Total	
\$3,081,340	\$33,910,108	\$1,422,181
18,048	532,655	375
<u>3,099,388</u>	<u>34,442,763</u>	<u>1,422,556</u>
1,083,111	8,064,870	0
266,020	3,032,990	9,739
104,684	12,261,287	0
168,746	1,202,435	0
774,242	3,436,535	0
<u>0</u>	<u>0</u>	<u>1,648,018</u>
<u>2,396,803</u>	<u>27,998,117</u>	<u>1,657,757</u>
<u>702,585</u>	<u>6,444,646</u>	<u>(235,201)</u>
(369,973)	(913,668)	0
41,402	41,402	0
<u>141,700</u>	<u>827,466</u>	<u>11,448</u>
<u>(186,871)</u>	<u>(44,800)</u>	<u>11,448</u>
515,714	6,399,846	(223,753)
<u>0</u>	<u>881,904</u>	<u>0</u>
515,714	7,281,750	(223,753)
<u>11,351,802</u>		<u>392,730</u>
<u>\$11,867,516</u>		<u>\$168,977</u>
	<u>(156,627)</u>	
	<u>\$7,125,123</u>	

**City of Orrville, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2008

	Business-Type Activities				Business-Type Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
<b>Increase (Decrease) in Cash and Cash Equivalents</b>					
<b>Cash Flows from Operating Activities</b>					
Cash Received from Customers	\$1,969,151	\$28,733,842	\$2,992,307	\$33,695,300	\$0
Cash Received from Transactions with Other Funds	0	0	0	0	1,422,181
Other Cash Receipts	6,837	507,770	18,048	532,655	375
Cash Payments to Employees for Services	(1,002,935)	(5,945,766)	(1,051,668)	(8,000,369)	0
Cash Payments for Goods and Services	(460,528)	(16,662,911)	(580,006)	(17,703,445)	(9,739)
Cash Payments for Claims	0	0	0	0	(1,624,955)
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>512,525</u>	<u>6,632,935</u>	<u>1,378,681</u>	<u>8,524,141</u>	<u>(212,138)</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers In	0	881,904	0	881,904	0
<b>Cash Flows from Capital and Related Financing Activities</b>					
Capital Grants	0	0	41,402	41,402	0
Proceeds from Sale of Notes	0	1,870,000	1,700,000	3,570,000	0
Principal Paid on Revenue Bonds	0	(1,635,000)	(440,000)	(2,075,000)	0
Interest Paid on Revenue Bonds	0	(213,349)	(200,191)	(413,540)	0
Principal Paid on OWDA Loans	(458,221)	0	0	(458,221)	0
Interest Paid on OWDA Loans	(84,545)	0	0	(84,545)	0
Principal Paid on OPWC Loan	0	0	(71,276)	(71,276)	0
Principal Paid on Notes	0	(2,180,000)	0	(2,180,000)	0
Interest Paid on Notes	0	(44,413)	0	(44,413)	0
Payments for Capital Acquisitions	(1,001,746)	(1,383,102)	(1,430,272)	(3,815,120)	0
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(1,544,512)</u>	<u>(3,585,864)</u>	<u>(400,337)</u>	<u>(5,530,713)</u>	<u>0</u>
<b>Cash Flows from Investing Activities</b>					
Interest on Investments	299,612	511,185	83,629	894,426	16,767
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>(732,375)</u>	<u>4,440,160</u>	<u>1,061,973</u>	<u>4,769,758</u>	<u>(195,371)</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,719,820</u>	<u>10,925,971</u>	<u>1,731,963</u>	<u>15,377,754</u>	<u>457,654</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$1,987,445</u>	<u>\$15,366,131</u>	<u>\$2,793,936</u>	<u>\$20,147,512</u>	<u>\$262,283</u>

(continued)

**City of Orrville, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
*For the Year Ended December 31, 2008*

	Business-Type Activities				Business-Type Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>					
Operating Income (Loss)	\$56,183	\$5,685,878	\$702,585	\$6,444,646	(\$235,201)
Adjustments:					
Depreciation	629,181	2,033,112	774,242	3,436,535	0
(Increase) Decrease in Assets:					
Accounts Receivable	(79,251)	(46,524)	(89,033)	(214,808)	0
Prepaid Items	446	2,083	446	2,975	0
Materials and Supplies Inventory	44	(828,303)	(51,863)	(880,122)	0
Increase (Decrease) in Liabilities:					
Accounts Payable	(61,304)	(279,142)	10,862	(329,584)	0
Accrued Wages	(2,086)	(13,701)	(771)	(16,558)	0
Vacation Benefits Payable	3,745	22,914	(16)	26,643	0
Compensated Absences Payable	(27,028)	74,582	38,889	86,443	0
Intergovernmental Payable	(7,405)	(17,964)	(6,660)	(32,029)	0
Claims Payable	0	0	0	0	23,063
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>\$512,525</u>	<u>\$6,632,935</u>	<u>\$1,378,681</u>	<u>\$8,524,141</u>	<u>(\$212,138)</u>

Non Cash Transactions:

During 2008, the electric and water enterprise funds had a change in fair value of investments of \$646 and \$1,826, respectively.

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Funds*  
*December 31, 2008*

	Private Purpose Trust	
	Cemetery Memorial	Agency
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$4,451	\$63,171
Accrued Interest Receivable	25	0
<i>Total Assets</i>	4,476	\$63,171
<b>Liabilities</b>		
Deposits Held and Due to Others	0	\$63,171
<b>Net Assets</b>		
Held in Trust for Cemetery	449	
Endowments	4,027	
<i>Total Net Assets</i>	\$4,476	

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Changes in Fiduciary Net Assets*  
*Fiduciary Fund*  
*For the Year Ended December 31, 2008*

	Private-Purpose Trust
	Cemetery Memorial
<b>Additions</b>	
Interest	\$132
<b>Deductions</b>	
Materials and Supplies	75
<i>Change in Net Assets</i>	57
<i>Net Assets Beginning of Year</i>	4,419
<i>Net Assets End of Year</i>	\$4,476

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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

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

***Reporting Entity***

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

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

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

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

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds unless these pronouncements conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. The more significant of the City's accounting policies are described below.

***A. Basis of Presentation***

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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

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

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

***B. Fund Accounting***

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

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

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

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

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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

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

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

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

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

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

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

### **C. Measurement Focus**

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

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

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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

***D. Basis of Accounting***

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

***Deferred Revenue*** Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but which were levied to finance year 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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***E. 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 2008, investments were limited to federal national mortgage association bonds, federal farm credit bank bonds, federal home loan bank notes, U.S. Treasury bills, and STAROhio, the State Treasurer’s Investment Pool.

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

STAROhio is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio’s share price which is the price the investment could be sold for on December 31, 2008.

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the general fund, gasoline tax motor vehicle license, state highway and performing arts special revenue funds, the special assessment bond retirement debt service fund, the park improvement capital projects fund, the employee self-insurance internal service fund, the cemetery memorial private-purpose trust fund, and the sewer, electric, and water enterprise funds. Interest revenue credited to the general fund during 2008 amounted to \$164,869 which includes \$90,537 assigned from other City funds.

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

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

***F. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2008, 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.

***G. 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.

***H. Restricted Assets***

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

***I. Capital Assets***

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

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

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

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

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

***J. Interfund Balances***

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables." Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

***K. 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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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employee's anniversary date, the outstanding liability is recorded as "vacation benefits payable" on the statement of net assets rather than as a long-term liability.

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

***L. Bond Issuance Costs***

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

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

***M. Deferred Loss on Refunding***

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

***N. Bond Discount***

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

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

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

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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***P. Fund Balance Reserves***

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

***Q. Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

***R. 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.

***S. Internal Activity***

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

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

***T. Extraordinary and Special Items***

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

***U. Estimates***

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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***V. Budgetary Process***

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

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

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

**Note 3 – Change in Accounting Principles and Restatement of Prior Year Fund Balance/Net Assets**

***A. Change in Accounting Principles***

For 2008, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations". GASB Statement No. 49 addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effect of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of this Statement did not result in any changes to the City's financial statements.

***B. Restatement of Prior Year Fund Balance/Net Assets***

During 2008, it was determined that manuscript debt that was previously reported as a long term liability should have been reported as an interfund receivable/payable. The restatement had the following effect on fund balance/net assets at December 31, 2007 as previously reported.

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The following table summarizes the restatement adjustment for fund balance:

	General	Capital Improvements	Other Governmental	Total
Fund Balances at December 31, 2007	\$2,623,837	\$1,783,783	\$1,034,749	\$5,442,369
Adjustment for Interfund Receivable/Payable	0	(1,531,438)	0	(1,531,438)
Restated Fund Balances at December 31, 2007	<u>\$2,623,837</u>	<u>\$252,345</u>	<u>\$1,034,749</u>	<u>\$3,910,931</u>

The following table summarizes the restatement adjustment for net assets:

	Sewer	Electric	Water	Total Enterprise Funds
Net Assets, December 31, 2007	\$9,351,817	\$34,967,216	\$11,351,802	\$55,670,835
Adjustment for Interfund Receivable/Payable	31,438	0	0	31,438
Adjusted Net Assets at December 31, 2007	<u>\$9,383,255</u>	<u>\$34,967,216</u>	<u>\$11,351,802</u>	<u>\$55,702,273</u>
Internal Balance				274,911
Total Adjusted Business-Type Activities Net Assets December 31, 2007				<u>\$55,977,184</u>

**Note 4 - Budgetary Basis of Accounting**

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

**City of Orrville, Ohio**  
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The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance	
GAAP Basis	\$236,413
Net Adjustment for Revenue Accruals	(110,651)
Net Adjustment for Expenditure Accruals	(198,357)
Encumbrances	<u>(170,732)</u>
Budget Basis	<u><u>(\$243,327)</u></u>

**Note 5 - Deposits and Investments**

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement exceeds the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligation of the State of Ohio;

**City of Orrville, Ohio**  
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5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio); and,
8. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

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

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

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

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

### **Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, the carrying amount of the City's deposits was \$16,465,166 and the bank balance was \$17,073,022. Of the bank balance \$1,000,000 was covered by Federal depository insurance and \$16,073,022 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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

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**Investments**

As of December 31, 2008, the City had the following investments:

	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-2	Over 2
Federal National Mortgage Association Bonds	\$1,998,650	\$0	\$998,650	\$1,000,000
Federal Farm Credit Bank Bonds	999,500	0	999,500	0
Federal Home Loan Bank Notes	1,999,080	999,080	0	1,000,000
US Treasury Bills	3,069,629	3,069,629	0	0
STAROhio	3,183,069	3,183,069	0	0
Total Portfolio	<u>\$11,249,928</u>	<u>\$7,251,778</u>	<u>\$1,998,150</u>	<u>\$2,000,000</u>

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

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

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

**Concentration of Credit Risk** is defined as having five percent or more of the City's investments invested in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but only states that the investments should be distributed as evenly as possible among the various instruments and institutions. The following is the City's allocation as of December 31, 2008:

Investment Issuer	Percentage of Investments
Federal National Mortgage Association Bonds	17.77%
Federal Farm Credit Bank Bonds	8.88
Federal Home Loan Bank Notes	17.77
US Treasury Bills	27.29
STAROhio	28.29

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
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**Note 6 - Receivables**

Receivables at December 31, 2008, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments and accounts (billings for utility service). All allowances for uncollectibles represent estimates of uncollectible receivables in the accounts receivable classification. Taxes, intergovernmental, special assessments and interest receivable are deemed collectible in full. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

	Accounts Receivable	Allowance for Uncollectibles	Net Accounts Receivable
Governmental	\$90,034	\$1,948	\$88,086
Business-Type	3,706,716	3,146	3,703,570

Special assessments expected to be collected in more than one year amount to \$68,410 in the Special Assessment Bond Retirement Fund. The amount of delinquent special assessments outstanding at year-end is \$22,168.

**A. Property Taxes**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2008 for real and public utility property taxes represents collections of the 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) are for 2008 taxes.

2008 real property taxes are levied after October 1, 2008, on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

2008 tangible personal property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

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The full tax rate for all City operations for the year ended December 31, 2008, was \$2.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

Real Property	\$152,946,750
Tangible Personal Property	18,326,310
Public Utility Property	810,520
Total	\$172,083,580

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Orrville. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivables represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2008 and for which there is an enforceable legal claim. In the general fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2008 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified basis the revenue is deferred.

***B. Income Taxes***

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

The City's income tax ordinance requires twenty percent of the income tax revenues to be used to finance governmental and business-type capital improvements. As a result, this portion of the revenue is allocated to the capital improvements capital projects fund each year. The remaining income tax proceeds are to be used to pay the cost of administering the tax, general fund operations, capital improvements, debt service and other governmental functions when needed, as determined by Council. In 2008, the proceeds were allocated to the general fund and the capital improvements fund.

***C. Intergovernmental Receivables***

A summary of intergovernmental receivables follows:

	Amount
<b>Governmental Activities</b>	
Ohio Department of Development Grant	\$498,464
Gasoline Tax	160,579
Estate Tax	111,370
Auto Regulation	75,422
Local Government	57,052
Nature Works Grant	54,491
Homestead and Rollback	22,630
Permissive Motor Vehicle Tax	4,696
Recycling Grant	4,221
Total	\$988,925

**City of Orrville, Ohio**  
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**Note 7 - Capital Assets**

Capital asset activity for the year ended December 31, 2008, was as follows:

	Balance 12/31/07	Additions	Deductions	Balance 12/31/08
<b>Governmental Activities</b>				
Capital Assets, not being depreciated:				
Land	\$2,512,207	\$0	\$0	\$2,512,207
Construction in Progress	0	885,289	0	885,289
Total Capital Assets, not being Depreciated	<u>2,512,207</u>	<u>885,289</u>	<u>0</u>	<u>3,397,496</u>
Capital Assets, being Depreciated				
Buildings and Improvements	6,780,418	193,436	0	6,973,854
Equipment	2,166,998	294,255	(9,311)	2,451,942
Vehicles	2,448,137	67,248	(31,348)	2,484,037
Infrastructure	50,312,786	705,313	0	51,018,099
Total Capital Assets, being Depreciated	<u>61,708,339</u>	<u>1,260,252</u>	<u>(40,659)</u>	<u>62,927,932</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(3,248,114)	(192,865)	0	(3,440,979)
Equipment	(1,587,245)	(160,428)	9,311	(1,738,362)
Vehicles	(1,702,113)	(151,000)	31,348	(1,821,765)
Infrastructure	(14,711,813)	(909,904)	0	(15,621,717)
Total Accumulated Depreciation	<u>(21,249,285)</u>	<u>(1,414,197) *</u>	<u>40,659</u>	<u>(22,622,823)</u>
Total Capital Assets, being Depreciated, net	<u>40,459,054</u>	<u>(153,945)</u>	<u>0</u>	<u>40,305,109</u>
Governmental Activities Capital Assets, Net	<u>\$42,971,261</u>	<u>\$731,344</u>	<u>\$0</u>	<u>\$43,702,605</u>
<b>Business-Type Activities</b>				
Capital Assets, not being depreciated:				
Land	\$669,804	\$690,587	\$0	\$1,360,391
Construction In Progress	0	353,905	0	353,905
Total Capital Assets, not being depreciated	<u>669,804</u>	<u>1,044,492</u>	<u>0</u>	<u>1,714,296</u>
Capital Assets, being Depreciated				
Buildings and Improvements	20,615,087	630,713	0	21,245,800
Equipment	8,474,585	1,245,824	(36,398)	9,684,011
Vehicles	1,743,315	74,874	(54,370)	1,763,819
Electric - Generation/Transmission/Distribution	62,133,138	443,852	0	62,576,990
Infrastructure	25,162,901	379,535	0	25,542,436
Total Capital Assets, being Depreciated	<u>118,129,026</u>	<u>2,774,798</u>	<u>(90,768)</u>	<u>120,813,056</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(8,911,703)	(675,864)	0	(9,587,567)
Equipment	(4,835,351)	(627,176)	36,398	(5,426,129)
Vehicles	(1,384,497)	(71,479)	50,200	(1,405,776)
Electric - Generation/Transmission/Distribution	(43,287,053)	(1,382,622)	0	(44,669,675)
Infrastructure	(13,968,375)	(679,394)	0	(14,647,769)
Total Accumulated Depreciation	<u>(72,386,979)</u>	<u>(3,436,535)</u>	<u>86,598</u>	<u>(75,736,916)</u>
Total Capital Assets, being Depreciated, net	<u>45,742,047</u>	<u>(661,737)</u>	<u>(4,170)</u>	<u>45,076,140</u>
Business-Type Activities Capital Assets, Net	<u>\$46,411,851</u>	<u>\$382,755</u>	<u>(\$4,170)</u>	<u>\$46,790,436</u>

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

General Government	\$88,366
Security of Persons and Property:	
Police	31,121
Fire	190,753
Transportation	1,008,488
Public Health and Welfare	21,291
Leisure Time Activities	74,178
Total Depreciation Expense	\$1,414,197

**Note 8 - Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2008, the City contracted with several companies for various types of insurance as follows:

Company	Type of Coverage	Deductible	Coverage
EMC Insurance	Commercial Property	\$50,000	\$153,905,332
	Auto Liability	250	1,000,000
	Auto Liability	500	1,000,000
	General Liability	0	1,000,000
	Umbrella Liability	0	10,000,000
	Public Officials Liability	3,000	1,000,000
	Boiler and Machinery	200,000	153,905,332
Scottsdale Insurance	Police Professional Liability	5,000	1,000,000
	Public Officials Liability	3,500	2,000,000
Selective Insurance	Commercial Property	500	12,840,527

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

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

**City of Orrville, Ohio**  
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The City manages employee health benefits on a self-insured basis. The employee health benefit plan provides basic health and dental coverage through AultCare, the third party administrator of the program, which reviews and pays the claims. A specific excess loss coverage (stop-loss) insurance policy covers claims in excess of \$50,000 per employee, per year. The family/employee plus one/single premiums were \$900.72/\$580.22/\$276.29 for medical and \$94.00/\$60.00/\$28.00 for dental, respectively. AultCare charges the City a medical administration fee of \$25.50/\$16.25/\$7.81 per family/employee plus one/single per month and a dental administration fee of \$2.75/\$1.75/\$.84 per family/employee plus one/single per month.

The claims liability of \$95,237 reported in the self-insurance fund at December 31, 2008, is estimated by the third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustments expenses and does not include other allocated or unallocated claim adjustment expenses.

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

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2007	\$83,517	\$1,382,472	\$1,393,815	\$72,174
2008	72,174	1,648,018	1,624,955	95,237

**Note 9 - Long-Term Debt**

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
<b>Governmental Activities</b>			
Street Improvement Special Assessment - 1996	5.60%	\$93,242	December 1, 2011
Street Improvement Special Assessment - 2000	6.75	95,170	December 1, 2015
Sidewalk Installation Special Assessment - 2003	5.50	7,976	October 1, 2008
<b>Business-Type Activities</b>			
OPWC Water System Improvement Loan - 1999	0.00	1,208,853	July 1, 2018
OPWC Water System Improvement Loan - 2007 A	0.00	500,000	July 1, 2037
OPWC Water System Improvement Loan - 2007 B	0.00	100,000	July 1, 2027
OWDA Water Pollution Control Loan - 1993	3.54	7,185,000	July 1, 2012
OWDA Sewer Improvement Loan - 1972	5.50	157,361	July 1, 2013
Water Utility Project Note - 2008	4.00	1,700,000	April 22, 2009
Electric Improvement Note - 2008	4.00	1,470,000	April 22, 2009
Water System Refunding Revenue Bonds - 2002	1.90-4.75	8,135,000	December 1, 2018
Electric System Mortgage Revenue Refunding and Improvement Bonds - 1997	3.75-5.10	15,230,000	December 1, 2010

**City of Orrville, Ohio**  
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A schedule of changes in bonds and other long-term obligations of the City during 2008 follows:

	Amount Outstanding 12/31/07	Additions	Deletions	Amount Outstanding 12/31/08	Amounts Due in One Year
<b>Governmental Activities</b>					
<u>Special Assessment Bonds</u>					
<u>with Governmental Commitment</u>					
1996 Street Improvement	\$35,000	\$0	\$8,000	\$27,000	\$8,000
2000 Street Improvement	62,020	0	6,100	55,920	6,510
2003 Sidewalk Installation	1,770	0	1,770	0	0
Total Special Assessment Bonds	98,790	0	15,870	82,920	14,510
Compensated Absences	133,908	5,201	24,209	114,900	105,545
Total Governmental Activities	<u>\$232,698</u>	<u>\$5,201</u>	<u>\$40,079</u>	<u>\$197,820</u>	<u>\$120,055</u>
<b>Business-Type Activities</b>					
OPWC Water System					
Improvement Loan - 1999	\$664,868	\$0	\$60,443	\$604,425	\$60,443
Improvement Loan - 2007 A	500,000	0	8,333	491,667	21,667
Improvement Loan - 2007 B	100,000	0	2,500	97,500	0
Total OPWC Water System	1,264,868	0	71,276	1,193,592	82,110
OWDA Water Pollution Control Loan	2,421,401	0	450,875	1,970,526	466,978
Unamortized Accounting Loss	(186,123)	0	(62,041)	(124,082)	0
Net OWDA Water Pollution Control Loan	2,235,278	0	388,834	1,846,444	466,978
OWDA Sewer Improvement Loan	50,603	0	7,346	43,257	7,750
Total OWDA Loans	2,285,881	0	396,180	1,889,701	474,728
Water Utility Project Note	0	1,700,000	0	1,700,000	0
Electric Improvement Note	0	1,470,000	0	1,470,000	0
Total Long-Term Notes	0	3,170,000	0	3,170,000	0
<u>Mortgage Revenue Bonds</u>					
Water System Refunding Revenue Bonds	5,960,000	0	440,000	5,520,000	455,000
Unamortized Accounting Loss	(452,850)	0	(41,168)	(411,682)	0
Net Water System Refunding Revenue Bonds	5,507,150	0	398,832	5,108,318	455,000
Electric System Mortgage Revenue					
Refunding and Improvement Bonds	5,165,000	0	1,635,000	3,530,000	1,725,000
Unamortized Discount	(34,659)	0	(3,381)	(31,278)	0
Unamortized Accounting Loss	(58,337)	0	(58,337)	0	0
Net Electric System Mortgage Revenue	5,072,004	0	1,573,282	3,498,722	1,725,000
Total Mortgage Revenue Bonds	10,579,154	0	1,972,114	8,607,040	2,180,000
Compensated Absences	552,591	127,799	41,356	639,034	349,389
Total Business-Type Activities	<u>\$14,682,494</u>	<u>\$3,297,799</u>	<u>\$2,480,926</u>	<u>\$15,499,367</u>	<u>\$3,086,227</u>

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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

On September 23, 2008, the City issued Electric Improvement Notes to retire the 2007 Electric Improvement Notes and Water Utility Project Notes to improve the water utility system. The notes mature on April 22, 2009. The notes are bond anticipation notes and are backed by the full faith and credit of the City.

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

***Revenue Bonds***

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

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

Restricted assets relating to the water revenue bonds at December 31, 2008, were as follows:

Restricted Assets Held by City	
Replacement and Improvement	\$800,000
Restricted Assets Held by the Trustee	
Mortgage Revenue Bond Debt Service	\$746,895

The City has pledged future revenues to repay the Water System Refunding Revenue Bonds. The bonds are payable solely from net revenues and are payable through 2018. Annual principal and interest payments on the bonds are expected to require less than 39 percent of net revenues and less than 20 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$6,962,921. Principal and interest paid for the current year were \$640,191, total net revenues were \$1,618,527 and total revenues were \$3,241,088.

***Mortgage Revenue Bonds***

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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

Restricted assets relating to the electric mortgage revenue bonds at December 31, 2008, were as follows:

Restricted Assets Held by City	
Replacement and Improvement	\$1,500,000
Restricted Assets Held by the Trustee	
Mortgage Revenue Bond Debt Service	\$2,269,680

The City has pledged future revenues to repay the Electric System Mortgage Revenue Refunding and Improvement Bonds. The bonds are payable solely from net revenues and are payable through 2018. Annual principal and interest payments on the bonds are expected to require less than 21 percent of net revenues and less than 7 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$3,946,764. Principal and interest paid for the current year were \$1,848,349, total net revenues were \$9,139,447 and total revenues were \$30,708,593.

As of December 31, 2008, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$18,068,776 and the unvoted legal debt margin was \$9,464,597. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2008 are as follows:

Year Ending December 31	Governmental Activities	
	Special	
	Assessment Bonds	
	Principal	Interest
2009	\$14,510	\$5,800
2010	15,950	4,760
2011	17,420	3,616
2012	7,920	2,365
2013	8,460	1,830
2014-2015	18,660	1,910
Total	\$82,920	\$20,281

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2008

Year Ending December 31	Business-Type Activities				
	Ohio Public Works Commission	OWDA Water Pollution Control		OWDA Sewer Improvement Loan	
	Principal	Principal	Interest	Principal	Interest
2009	\$82,110	\$466,978	\$65,660	\$7,750	\$2,379
2010	82,109	483,655	49,003	8,176	1,953
2011	82,109	500,929	31,710	8,626	1,504
2012	82,109	518,964	13,677	9,100	1,029
2013	82,109	0	0	9,605	521
2014-2018	410,545	0	0	0	0
2019-2023	108,330	0	0	0	0
2024-2028	108,330	0	0	0	0
2029-2033	83,335	0	0	0	0
2034-2037	72,506		0	0	0
<b>Total</b>	<b>\$1,193,592</b>	<b>\$1,970,526</b>	<b>\$160,050</b>	<b>\$43,257</b>	<b>\$7,386</b>

Year Ending December 31	Business-Type Activities			
	Water System Refunding Revenue Bonds		Electric System Mortgage Revenue Refunding and Improvement Bonds	
	Principal	Interest	Principal	Interest
2009	\$455,000	\$239,675	\$1,725,000	\$249,824
2010	475,000	221,930	1,805,000	166,940
2011	495,000	202,930	0	0
2012	515,000	182,883	0	0
2013	535,000	161,510	0	0
2014-2018	3,045,000	433,993	0	0
<b>Total</b>	<b>\$5,520,000</b>	<b>\$1,442,921</b>	<b>\$3,530,000</b>	<b>\$416,764</b>

**Industrial Revenue Bonds**

The City authorized the issuance of industrial development revenue bonds for two commercial entities. The aggregate outstanding principal amount was \$8,427,333 at December 31, 2008. 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 10 - Notes Payable**

A summary of the note transactions for the year ended December 31, 2008, follows:

	Outstanding 12/31/07	Issued	Retired	Outstanding 12/31/08
Enterprise Funds:				
4.00% Electric Improvement Note	\$2,180,000	\$400,000	(\$2,180,000)	\$400,000

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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On September 23, 2008, the City issued Electric Improvement Notes to retire the 2007 Electric Improvement Notes. The notes mature on April 22, 2009.

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

**Note 11 - Compensated Absences**

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

City employees earn sick leave at the rate of eight hours per each month worked. Sick leave accrual is continuous, without limit. In the case of death or retirement, employees (or the employees' estates) are paid a maximum of 960 hours of accumulated, unused sick leave.

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

**Note 12 – Defined Benefit Pension Plans**

***A. Ohio Public Employees Retirement System***

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008, members in state and local classifications contributed 10 percent of covered payroll and public safety and law enforcement members contributed 10.1 percent.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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The City's contribution rate for 2008 was 14.00 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.4 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$546,611, \$585,775 and \$773,141 respectively; 91.6 percent has been contributed for 2008 and 100 percent for 2007 and 2006. Contributions to the member-directed plan for 2008 were \$17,945 made by the City and \$12,818 made by the plan members.

***B. Ohio Police and Fire Pension Fund***

**Plan Description** - The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability 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. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

**Funding Policy** - Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The City's contribution was 19.5 percent for police officers and 24 percent for firefighters. Contribution rates are established by State statute. For 2008, a portion of the City's contribution equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The City's pension contributions to the OP&F for police and firefighters were \$102,089 and \$12,507 for the year ended December 31, 2008, \$90,197 and \$11,050 for the year ended December 31, 2007, and \$92,838 and \$10,737 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 78.5 percent has been contributed for police and 63.0 percent has been contributed for firefighters for 2008.

***C. Social Security***

As of December 31, 2008, the City's part-time firefighters are covered by Social Security rather than OP&F. The employees' liability is 6.2 percent of wages paid.

**Note 13 – Postemployment Benefits**

***A. Ohio Public Employees Retirement System***

**Plan Description** – OPERS maintains a cost sharing multiple employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to the traditional and combined plans is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008, state and local employers contributed 14.0 percent of covered payroll (17.4 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2008, the amount of the employer contributions which was allocated to fund post-employment health care was 7.0 percent of covered payroll.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007 and 2006 were \$546,611, \$447,726 and \$384,435 respectively; 91.6 percent has been contributed for 2008 and 100 percent for 2007 and 2006.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

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

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

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability or survivor benefit or is a spouse or eligible dependent child of such person.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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Funding Policy – OP&F’s post-employment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50 percent and 24.00 percent of covered payroll for police and firefighters, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2008, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees’ primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

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

The City’s contributions to OP&F which were allocated to fund post-employment healthcare benefits for police and firefighters were \$54,046 and \$4,894 for the year ended December 31, 2008, \$47,751 and \$4,324 for the year ended December 31, 2007, and \$61,233 and \$5,121 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 78.5 percent has been contributed for police and 63.0 percent has been contributed for firefighters for 2008.

#### **Note 14 - Contingent Liabilities**

##### ***A. 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.

##### ***B. 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, 2008, 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 15 - Interfund Transfers and Balances**

##### ***A. 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.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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\$272,848 was transferred from the general fund to the gas tax motor vehicle license special revenue fund to supplement the funds available for maintaining City streets. \$881,904 was transferred from the general fund, giving the electric enterprise fund the kilowatt per hour taxes.

***B. Interfund Balances***

The capital improvement major capital projects fund had an interfund payable balance of \$1,380,000 and the sewer major enterprise fund had an interfund receivable balance in the amount of \$1,380,000 due to the issuance of manuscript bonds.

The manuscript bond is an economic development bond that was issued on August 1, 2007 at 5.00 percent. This bond is due on August 1, 2017 and was used for the development of a new industrial park. The manuscript bonds were issued by the City and purchased by the sewer fund as an investment.

**Note 16 - Insurance Purchasing Pool**

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

**Note 17 – Donor Restricted Endowments**

The City's private purpose trust fund includes donor restricted endowments. Endowments, in the amount of \$4,027, represent the principal portion. The amount of interest on donor restricted investments that is available for expenditures by the City is \$449 and is included as held in trust for cemetery. State law permits the City to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise. The endowments indicate that the interest should be used for the decoration of specifically named graves.

**Note 18 – Subsequent Event**

On April 22, 2009, the City issued \$3,170,000 in bond anticipation notes to retire the 2008 Electric Improvement Notes and the Water Utilities Project Notes. The notes mature on April 21, 2010 and have an interest rate of 2 percent.

Combining Statements and Individual  
Fund Schedules

## Fund Descriptions – Nonmajor Governmental Funds

### *Nonmajor Special Revenue Funds*

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

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

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

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

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

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

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

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

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

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

***FEMA Grant Fund*** -To account for federal grant monies which are used for emergency management services.

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

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

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

(continued)

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

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

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

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

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

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

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

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

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

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

***Community Development Block Grant Fund*** To account for federal grant monies used for various capital projects of the City.

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2008*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$845,664	\$137,686	\$32,833	\$1,016,183
Accrued Interest Receivable	472	898	14	1,384
Accounts Receivable	65,962	0	0	65,962
Intergovernmental Receivable	240,698	0	7,536	248,234
Special Assessments Receivable	0	105,088	0	105,088
<i>Total Assets</i>	<u>\$1,152,796</u>	<u>\$243,672</u>	<u>\$40,383</u>	<u>\$1,436,851</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$61,074	\$0	\$0	\$61,074
Accrued Wages	16,126	0	0	16,126
Intergovernmental Payable	15,227	0	0	15,227
Deferred Revenue	170,177	105,088	0	275,265
<i>Total Liabilities</i>	<u>262,604</u>	<u>105,088</u>	<u>0</u>	<u>367,692</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	50,905	0	497,708	548,613
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	839,287	0	0	839,287
Debt Service Funds	0	138,584	0	138,584
Capital Projects Funds (Deficit)	0	0	(457,325)	(457,325)
<i>Total Fund Balances</i>	<u>890,192</u>	<u>138,584</u>	<u>40,383</u>	<u>1,069,159</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,152,796</u>	<u>\$243,672</u>	<u>\$40,383</u>	<u>\$1,436,851</u>

**City of Orrville, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2008*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Special Assessments	\$0	\$25,148	\$0	\$25,148
Intergovernmental	608,715	0	521,661	1,130,376
Interest	2,402	4,517	71	6,990
Fines, Licenses and Permits	2,395	0	150	2,545
Charges for Services	498,529	0	0	498,529
Contributions and Donations	5,163	0	0	5,163
<i>Total Revenues</i>	<u>1,117,204</u>	<u>29,665</u>	<u>521,882</u>	<u>1,668,751</u>
<b>Expenditures</b>				
Current:				
General Government	66,708	209	0	66,917
Security of Persons and Property:				
Police	4,128	0	0	4,128
Transportation	803,002	0	0	803,002
Public Health and Welfare	14,693	0	0	14,693
Leisure Time Activities	9,580	0	0	9,580
Basic Utility Service	417,347	0	0	417,347
Capital Outlay	0	0	568,743	568,743
Debt Service:				
Principal Retirement	0	15,870	0	15,870
Interest and Fiscal Charges	0	6,909	0	6,909
<i>Total Expenditures</i>	<u>1,315,458</u>	<u>22,988</u>	<u>568,743</u>	<u>1,907,189</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(198,254)	6,677	(46,861)	(238,438)
<b>Other Financing Sources</b>				
Transfers In	272,848	0	0	272,848
<i>Net Change in Fund Balances</i>	74,594	6,677	(46,861)	34,410
<i>Fund Balances Beginning of Year</i>	<u>815,598</u>	<u>131,907</u>	<u>87,244</u>	<u>1,034,749</u>
<i>Fund Balances End of Year</i>	<u><u>\$890,192</u></u>	<u><u>\$138,584</u></u>	<u><u>\$40,383</u></u>	<u><u>\$1,069,159</u></u>

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2008*

	Gas Tax Motor Vehicle License	State Highway	Permissive Motor Vehicle License
<b>Assets</b>			
Equity in Pooled Cash and			
Cash Equivalents	\$32,776	\$79,486	\$48,407
Accrued Interest Receivable	0	461	0
Accounts Receivable	0	0	0
Intergovernmental Receivable	218,295	17,707	0
<i>Total Assets</i>	<u>\$251,071</u>	<u>\$97,654</u>	<u>\$48,407</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$2,607	\$491	\$0
Accrued Wages	16,126	0	0
Intergovernmental Payable	15,227	0	0
Deferred Revenue	156,558	12,701	0
<i>Total Liabilities</i>	<u>190,518</u>	<u>13,192</u>	<u>0</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	16,508	12,845	0
Unreserved, Undesignated	44,045	71,617	48,407
<i>Total Fund Balances</i>	<u>60,553</u>	<u>84,462</u>	<u>48,407</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$251,071</u>	<u>\$97,654</u>	<u>\$48,407</u>

Parking Meter	Solid Waste	Law Enforcement	Enforcement and Education
\$13,312	\$22,019	\$9,173	\$10,149
0	0	0	0
0	58,936	301	28
0	0	0	0
<u>\$13,312</u>	<u>\$80,955</u>	<u>\$9,474</u>	<u>\$10,177</u>
\$0	\$0	\$0	\$0
0	0	0	0
0	0	0	0
0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	547	0	0
13,312	80,408	9,474	10,177
<u>13,312</u>	<u>80,955</u>	<u>9,474</u>	<u>10,177</u>
<u>\$13,312</u>	<u>\$80,955</u>	<u>\$9,474</u>	<u>\$10,177</u>

(continued)

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2008*

	Cemetery Maintenance	Permissive	Emergency Medical Service Equipment
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$284,720	\$155,109	\$188,734
Accrued Interest Receivable	0	0	0
Accounts Receivable	1,068	0	5,629
Intergovernmental Receivable	0	4,696	0
<i>Total Assets</i>	<u>\$285,788</u>	<u>\$159,805</u>	<u>\$194,363</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$0	\$57,976	\$0
Accrued Wages	0	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	918	0	0
<i>Total Liabilities</i>	<u>918</u>	<u>57,976</u>	<u>0</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	0	20,448	341
Unreserved, Undesignated	284,870	81,381	194,022
<i>Total Fund Balances</i>	<u>284,870</u>	<u>101,829</u>	<u>194,363</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$285,788</u>	<u>\$159,805</u>	<u>\$194,363</u>

Performing Arts	Continuing Professional Training Grant	Total Nonmajor Special Revenue Funds
\$1,059	\$720	\$845,664
11	0	472
0	0	65,962
0	0	240,698
<u>\$1,070</u>	<u>\$720</u>	<u>\$1,152,796</u>
\$0	\$0	\$61,074
0	0	16,126
0	0	15,227
0	0	170,177
<u>0</u>	<u>0</u>	<u>262,604</u>
121	95	50,905
949	625	839,287
<u>1,070</u>	<u>720</u>	<u>890,192</u>
<u>\$1,070</u>	<u>\$720</u>	<u>\$1,152,796</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, 2008*

	Gas Tax Motor Vehicle License	State Highway	Permissive Motor Vehicle License
<b>Revenues</b>			
Intergovernmental	\$414,993	\$33,440	\$13,709
Interest	0	2,269	0
Fines, Licenses and Permits	0	0	0
Charges for Services	0	0	0
Contributions and Donations	0	0	0
<i>Total Revenues</i>	<u>414,993</u>	<u>35,709</u>	<u>13,709</u>
<b>Expenditures</b>			
Current:			
General Government	0	0	0
Security of Persons and Property:			
Police	0	0	0
Transportation	688,793	20,824	4,700
Public Health and Welfare	0	0	0
Leisure Time Activities	0	0	0
Basic Utility Service	0	0	0
<i>Total Expenditures</i>	<u>688,793</u>	<u>20,824</u>	<u>4,700</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(273,800)	14,885	9,009
<b>Other Financing Sources</b>			
Transfers In	272,848	0	0
<i>Net Change in Fund Balances</i>	(952)	14,885	9,009
<i>Fund Balances Beginning of Year</i>	<u>61,505</u>	<u>69,577</u>	<u>39,398</u>
<i>Fund Balances End of Year</i>	<u><u>\$60,553</u></u>	<u><u>\$84,462</u></u>	<u><u>\$48,407</u></u>

Parking Meter	Solid Waste	Law Enforcement	Enforcement and Education
\$0	\$13,633	\$0	\$0
0	0	0	0
0	0	1,605	790
0	430,026	0	0
0	0	0	0
0	443,659	1,605	790
0	0	0	0
0	0	2,144	624
2,500	0	0	0
0	0	0	0
0	0	0	0
0	417,347	0	0
2,500	417,347	2,144	624
(2,500)	26,312	(539)	166
0	0	0	0
(2,500)	26,312	(539)	166
15,812	54,643	10,013	10,011
\$13,312	\$80,955	\$9,474	\$10,177

(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, 2008*

	Cemetery Maintenance	Permissive	FEMA Grant
<b>Revenues</b>			
Intergovernmental	\$0	\$64,152	\$66,708
Interest	0	0	0
Fines, Licenses and Permits	0	0	0
Charges for Services	22,350	0	0
Contributions and Donations	0	0	0
<i>Total Revenues</i>	<u>22,350</u>	<u>64,152</u>	<u>66,708</u>
<b>Expenditures</b>			
Current:			
General Government	0	0	66,708
Security of Persons and Property:			
Police	0	0	0
Transportation	0	86,185	0
Public Health and Welfare	0	0	0
Leisure Time Activities	0	0	0
Basic Utility Service	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>86,185</u>	<u>66,708</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	22,350	(22,033)	0
<b>Other Financing Sources</b>			
Transfers In	0	0	0
<i>Net Change in Fund Balances</i>	22,350	(22,033)	0
<i>Fund Balances Beginning of Year</i>	<u>262,520</u>	<u>123,862</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$284,870</u></u>	<u><u>\$101,829</u></u>	<u><u>\$0</u></u>

Emergency Medical Service Equipment	Performing Arts	Continuing Professional Training Grant	Total Nonmajor Special Revenue Funds
\$0	\$0	\$2,080	\$608,715
0	133	0	2,402
0	0	0	2,395
46,153	0	0	498,529
0	5,163	0	5,163
46,153	5,296	2,080	1,117,204
0	0	0	66,708
0	0	1,360	4,128
0	0	0	803,002
14,693	0	0	14,693
0	9,580	0	9,580
0	0	0	417,347
14,693	9,580	1,360	1,315,458
31,460	(4,284)	720	(198,254)
0	0	0	272,848
31,460	(4,284)	720	74,594
162,903	5,354	0	815,598
\$194,363	\$1,070	\$720	\$890,192

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Debt Service Funds*  
*December 31, 2008*

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$4,152	\$133,534	\$137,686
Accrued Interest Receivable	0	898	898
Special Assessments Receivable	0	105,088	105,088
<i>Total Assets</i>	<u>\$4,152</u>	<u>\$239,520</u>	<u>\$243,672</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Deferred Revenue	\$0	\$105,088	\$105,088
<b>Fund Balances</b>			
Unreserved, Undesignated	4,152	134,432	138,584
<i>Total Liabilities and Fund Balances</i>	<u>\$4,152</u>	<u>\$239,520</u>	<u>\$243,672</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, 2008*

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
<b>Revenues</b>			
Special Assessments	\$0	\$25,148	\$25,148
Interest	0	4,517	4,517
<i>Total Revenues</i>	<u>0</u>	<u>29,665</u>	<u>29,665</u>
<b>Expenditures</b>			
Current:			
General Government	0	209	209
Debt Service:			
Principal Retirement	0	15,870	15,870
Interest and Fiscal Charges	0	6,909	6,909
<i>Total Expenditures</i>	<u>0</u>	<u>22,988</u>	<u>22,988</u>
<i>Net Change in Fund Balances</i>	0	6,677	6,677
<i>Fund Balances Beginning of Year</i>	<u>4,152</u>	<u>127,755</u>	<u>131,907</u>
<i>Fund Balances End of Year</i>	<u><u>\$4,152</u></u>	<u><u>\$134,432</u></u>	<u><u>\$138,584</u></u>

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2008*

	Park Improvement	Recreation and Park	Grants	Community Development Block Grant	Total Nonmajor Capital Projects Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$2,190	\$24,785	\$4,878	\$980	\$32,833
Accrued Interest Receivable	14	0	0	0	14
Intergovernmental Receivable	0	0	0	7,536	7,536
<i>Total Assets</i>	<u>\$2,204</u>	<u>\$24,785</u>	<u>\$4,878</u>	<u>\$8,516</u>	<u>\$40,383</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	0	0	426,446	71,262	497,708
Unreserved, Undesignated (Deficit)	2,204	24,785	(421,568)	(62,746)	(457,325)
<i>Total Fund Balances</i>	<u>2,204</u>	<u>24,785</u>	<u>4,878</u>	<u>8,516</u>	<u>40,383</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,204</u>	<u>\$24,785</u>	<u>\$4,878</u>	<u>\$8,516</u>	<u>\$40,383</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, 2008*

	Park Improvement	Recreation and Park	Grants	Community Development Block Grant	Total Nonmajor Capital Projects Funds
<b>Revenues</b>					
Intergovernmental	\$0	\$0	\$381,109	\$140,552	\$521,661
Interest	71	0	0	0	71
Fines, Licenses and Permits	0	150	0	0	150
<i>Total Revenues</i>	71	150	381,109	140,552	521,882
<b>Expenditures</b>					
Capital Outlay	0	0	381,109	187,634	568,743
<i>Net Change in Fund Balances</i>	71	150	0	(47,082)	(46,861)
<i>Fund Balances Beginning of Year</i>	2,133	24,635	4,878	55,598	87,244
<i>Fund Balances End of Year</i>	\$2,204	\$24,785	\$4,878	\$8,516	\$40,383

## **Fund Descriptions - Fiduciary Funds**

### ***Fiduciary Funds***

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

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

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

### ***Agency Fund***

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

**City of Orrville, Ohio**  
*Statement of Changes in Assets and Liabilities*  
*Agency Fund*  
*For the Fiscal Year Ended December 31, 2008*

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	Beginning Balance <u>12/31/07</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>12/31/08</u>
<b>Deposits in Escrow</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$56,596</u>	<u>\$10,300</u>	<u>\$3,725</u>	<u>\$63,171</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	<u>\$56,596</u>	<u>\$10,300</u>	<u>\$3,725</u>	<u>\$63,171</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, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$423,078	\$423,078	\$483,819	\$60,741
Income Taxes	2,099,450	2,099,450	2,740,980	641,530
Kilowatt Per Hour Tax	850,000	850,000	881,904	31,904
Intergovernmental	536,313	536,313	712,479	176,166
Interest	170,500	170,500	200,644	30,144
Fines, Licenses and Permits	26,000	26,000	28,265	2,265
Rentals	30,000	30,000	39,239	9,239
Charges for Services	200,100	200,100	120,072	(80,028)
Contributions and Donations	0	0	31,756	31,756
Other	1,000	1,000	87,957	86,957
<b>Total Revenues</b>	<b>4,336,441</b>	<b>4,336,441</b>	<b>5,327,115</b>	<b>990,674</b>
<b>Expenditures</b>				
Current:				
General Government:				
City Council:				
Personal Services	34,050	34,050	32,613	1,437
City Hall:				
Personal Services	146,900	146,900	140,457	6,443
Purchased Services	23,411	23,411	18,873	4,538
Utilities	9,900	9,900	10,826	(926)
Materials and Supplies	10,952	10,952	9,819	1,133
<b>Total City Hall</b>	<b>191,163</b>	<b>191,163</b>	<b>179,975</b>	<b>11,188</b>
Finance Department:				
Personal Services	73,850	73,850	69,978	3,872
Purchased Services	46,798	46,798	47,594	(796)
Materials and Supplies	2,152	2,152	3,408	(1,256)
<b>Total Finance Department</b>	<b>122,800</b>	<b>122,800</b>	<b>120,980</b>	<b>1,820</b>
Personnel:				
Personal Services	93,151	93,151	94,011	(860)
Purchased Services	9,799	9,799	4,206	5,593
Utilities	1,150	1,150	1,178	(28)
Materials and Supplies	5,410	5,410	4,744	666
<b>Total Personnel</b>	<b>109,510</b>	<b>109,510</b>	<b>104,139</b>	<b>5,371</b>
Data Processing:				
Personal Services	21,970	21,970	20,491	1,479
Purchased Services	26,211	26,211	6,636	19,575
Utilities	1,300	1,300	2,155	(855)
Materials and Supplies	6,579	6,579	3,645	2,934
<b>Total Data Processing</b>	<b>\$56,060</b>	<b>\$56,060</b>	<b>\$32,927</b>	<b>\$23,133</b>

(continued)

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Income Tax:				
Personal Services	\$59,800	\$59,800	\$56,967	\$2,833
Utilities	630	630	758	(128)
Materials and Supplies	7,501	7,501	9,849	(2,348)
<b>Total Income Tax</b>	<b>67,931</b>	<b>67,931</b>	<b>67,574</b>	<b>357</b>
Law Department:				
Personal Services	28,730	28,730	28,362	368
Materials and Supplies	257	257	0	257
Purchased Services	28,394	28,394	26,440	1,954
<b>Total Law Department</b>	<b>57,381</b>	<b>57,381</b>	<b>54,802</b>	<b>2,579</b>
Mayor's Office:				
Personal Services	21,350	21,350	20,352	998
Purchased Services	0	0	568	(568)
Materials and Supplies	50	50	0	50
Utilities	0	0	151	(151)
<b>Total Mayor's Office</b>	<b>21,400</b>	<b>21,400</b>	<b>21,071</b>	<b>329</b>
Administrative:				
Personal Services	212,758	212,758	201,600	11,158
Purchased Services	419,044	419,044	275,115	143,929
Materials and Supplies	28,736	28,736	44,609	(15,873)
<b>Total Administrative</b>	<b>660,538</b>	<b>660,538</b>	<b>521,324</b>	<b>139,214</b>
<b>Total General Government</b>	<b>1,320,833</b>	<b>1,320,833</b>	<b>1,135,405</b>	<b>185,428</b>
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	1,523,000	1,523,000	1,433,624	89,376
Purchased Services	87,491	87,491	84,594	2,897
Utilities	18,195	18,195	18,948	(753)
Materials and Supplies	88,033	88,033	85,240	2,793
<b>Total Police</b>	<b>1,716,719</b>	<b>1,716,719</b>	<b>1,622,406</b>	<b>94,313</b>
Fire:				
Fire Department:				
Personal Services	342,050	342,050	341,330	720
Purchased Services	57,693	57,693	51,441	6,252
Utilities	16,971	16,971	15,055	1,916
Materials and Supplies	62,127	62,127	41,817	20,310
<b>Total Fire</b>	<b>478,841</b>	<b>478,841</b>	<b>449,643</b>	<b>29,198</b>
<b>Total Security of Persons and Property</b>	<b>\$2,195,560</b>	<b>\$2,195,560</b>	<b>\$2,072,049</b>	<b>\$123,511</b>

(continued)

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Transportation:</b>				
<b>Street:</b>				
Personal Services	\$301,700	\$301,700	\$305,033	(\$3,333)
Purchased Services	101,622	101,622	88,390	13,232
Utilities	4,125	4,125	0	4,125
Materials and Supplies	181,655	181,655	160,381	21,274
<b>Total Transportation</b>	<b>589,102</b>	<b>589,102</b>	<b>553,804</b>	<b>35,298</b>
<b>Public Health and Welfare:</b>				
<b>Animal Control:</b>				
Purchased Services	5,300	5,300	35	5,265
Materials and Supplies	18,728	18,728	14,715	4,013
<b>Total Animal Control</b>	<b>24,028</b>	<b>24,028</b>	<b>14,750</b>	<b>9,278</b>
<b>Cemetery:</b>				
Personal Services	113,600	113,600	116,815	(3,215)
Purchased Services	10,227	10,227	5,386	4,841
Utilities	6,415	6,415	5,667	748
Materials and Supplies	25,414	25,414	18,068	7,346
<b>Total Cemetery</b>	<b>155,656</b>	<b>155,656</b>	<b>145,936</b>	<b>9,720</b>
<b>Total Public Health and Welfare</b>	<b>179,684</b>	<b>179,684</b>	<b>160,686</b>	<b>18,998</b>
<b>Leisure Time Activities:</b>				
<b>Park:</b>				
Personal Services	125,300	125,300	146,019	(20,719)
Purchased Services	16,574	16,574	13,995	2,579
Utilities	10,850	10,850	7,166	3,684
Materials and Supplies	33,183	33,183	27,260	5,923
<b>Total Park</b>	<b>185,907</b>	<b>185,907</b>	<b>194,440</b>	<b>(8,533)</b>
<b>Pool:</b>				
Personal Services	74,750	74,750	75,055	(305)
Purchased Services	8,350	8,350	4,014	4,336
Utilities	7,600	7,600	9,752	(2,152)
Materials and Supplies	17,350	17,350	12,967	4,383
<b>Total Pool</b>	<b>108,050</b>	<b>108,050</b>	<b>101,788</b>	<b>6,262</b>
<b>Recreation:</b>				
Materials and Supplies	3,300	3,300	2,518	782
<b>Total Leisure Time Activities</b>	<b>297,257</b>	<b>297,257</b>	<b>298,746</b>	<b>(1,489)</b>
<b>Debt Service:</b>				
Principal	120,000	120,000	120,000	0
Interest and Fiscal Charges	75,000	75,000	75,000	0
<b>Total Debt Service</b>	<b>195,000</b>	<b>195,000</b>	<b>195,000</b>	<b>0</b>
<b>Total Expenditures</b>	<b>\$4,777,436</b>	<b>\$4,777,436</b>	<b>\$4,415,690</b>	<b>\$361,746</b>

(continued)

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<i>Excess of Revenues Over (Under) Expenditures</i>	(\$440,995)	(\$440,995)	\$911,425	\$1,352,420
<b>Other Financing Uses</b>				
Transfers Out	(1,252,000)	(1,252,000)	(1,154,752)	97,248
<i>Net Change in Fund Balance</i>	(1,692,995)	(1,692,995)	(243,327)	1,449,668
<i>Fund Balance Beginning of Year</i>	2,122,168	2,122,168	2,122,168	0
Prior Year Encumbrances Appropriated	123,215	123,215	123,215	0
<i>Fund Balance End of Year</i>	<u>\$552,388</u>	<u>\$552,388</u>	<u>\$2,002,056</u>	<u>\$1,449,668</u>

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Improvements Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Income Taxes	\$500,000	\$500,000	\$668,645	\$168,645
Charges for Services	200	200	0	(200)
Contributions and Gifts	214,798	214,798	122,000	(92,798)
Other	0	640,000	121,810	(518,190)
<i>Total Revenues</i>	714,998	1,354,998	912,455	(442,543)
<b>Expenditures</b>				
Capital Outlay	2,445,606	3,085,606	2,279,904	805,702
<i>Net Change in Fund Balance</i>	(1,730,608)	(1,730,608)	(1,367,449)	363,159
<i>Fund Balance Beginning of Year</i>	1,562,790	1,562,790	1,562,790	0
Prior Year Encumbrances Appropriated	219,256	219,256	219,256	0
<i>Fund Balance End of Year</i>	<u>\$51,438</u>	<u>\$51,438</u>	<u>\$414,597</u>	<u>\$363,159</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, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$123,700	\$123,700	\$179,612	\$55,912
Charges for Services	2,023,000	2,023,000	1,969,151	(53,849)
Other	4,000	4,000	6,837	2,837
<i>Total Revenues</i>	<u>2,150,700</u>	<u>2,150,700</u>	<u>2,155,600</u>	<u>4,900</u>
<b>Expenses</b>				
Personal Services	1,229,644	1,229,644	1,003,379	226,265
Purchased Services	301,753	302,003	278,534	23,469
Materials and Supplies	315,322	315,322	202,467	112,855
Utilities	162,353	175,003	144,754	30,249
Capital Outlay	1,516,933	1,516,933	1,080,793	436,140
Debt Service:				
Principal Retirement	458,221	458,221	458,221	0
Interest and Fiscal Charges	84,545	84,545	84,545	0
<i>Total Expenses</i>	<u>4,068,771</u>	<u>4,081,671</u>	<u>3,252,693</u>	<u>828,978</u>
<i>Net Change in Fund Equity</i>	(1,918,071)	(1,930,971)	(1,097,093)	833,878
<i>Fund Equity Beginning of Year</i>	3,456,101	3,456,101	3,456,101	0
Prior Year Encumbrances Appropriated	<u>763,722</u>	<u>763,722</u>	<u>763,722</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$2,301,752</u></u>	<u><u>\$2,288,852</u></u>	<u><u>\$3,122,730</u></u>	<u><u>\$833,878</u></u>

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Electric Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$400,900	\$400,900	\$510,539	\$109,639
Charges for Services	24,948,000	24,948,000	28,733,842	3,785,842
Notes Issued	1,780,000	1,780,000	1,870,000	90,000
Other	327,300	327,300	507,770	180,470
<i>Total Revenues</i>	<u>27,456,200</u>	<u>27,456,200</u>	<u>31,622,151</u>	<u>4,165,951</u>
<b>Expenses</b>				
Personal Services	6,658,100	6,658,100	5,947,986	710,114
Purchased Services	3,695,000	3,695,000	3,185,190	509,810
Materials and Supplies	15,154,371	15,154,371	14,602,395	551,976
Utilities	1,022,971	1,022,971	1,022,971	0
Capital Outlay	1,967,427	1,967,427	1,436,694	530,733
Debt Service:				
Principal Retirement	3,830,000	3,830,000	3,815,000	15,000
Interest and Fiscal Charges	257,762	257,762	257,762	0
<i>Total Expenses</i>	<u>32,585,631</u>	<u>32,585,631</u>	<u>30,267,998</u>	<u>2,317,633</u>
<i>Excess of Revenues Over (Under) Expenses Before Transfers</i>	(5,129,431)	(5,129,431)	1,354,153	6,483,584
Transfers In	485,000	485,000	881,904	396,904
<i>Net Change in Fund Equity</i>	(4,644,431)	(4,644,431)	2,236,057	6,880,488
<i>Fund Equity Beginning of Year</i>	8,313,454	8,313,454	8,313,454	0
Prior Year Encumbrances Appropriated	2,607,881	2,607,881	2,607,881	0
<i>Fund Equity End of Year</i>	<u>\$6,276,904</u>	<u>\$6,276,904</u>	<u>\$13,157,392</u>	<u>\$6,880,488</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, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$83,885	\$83,885	\$81,803	(\$2,082)
Charges for Services	3,105,965	3,105,965	2,992,307	(113,658)
Capital Grants	1,015,057	1,015,057	41,402	(973,655)
Other	4,600	4,600	18,048	13,448
Proceeds of Notes	1,350,000	1,350,000	1,700,000	350,000
<i>Total Revenues</i>	<u>5,559,507</u>	<u>5,559,507</u>	<u>4,833,560</u>	<u>(725,947)</u>
<b>Expenses</b>				
Personal Services	1,356,146	1,356,146	1,051,965	304,181
Purchased Services	522,787	522,787	482,974	39,813
Materials and Supplies	685,453	685,453	219,271	466,182
Utilities	190,545	190,545	190,545	0
Capital Outlay	2,002,992	2,067,266	1,806,437	260,829
Debt Service:				
Principal Retirement	511,276	511,276	511,276	0
Interest and Fiscal Charges	250,000	250,000	200,191	49,809
<i>Total Expenses</i>	<u>5,519,199</u>	<u>5,583,473</u>	<u>4,462,659</u>	<u>1,120,814</u>
<i>Excess of Revenues Over (Under)</i>				
<i>Expenses Before Transfers</i>	40,308	(23,966)	370,901	394,867
Transfers In	0	96,000	0	(96,000)
Transfers Out	(90,000)	0	0	0
<i>Net Change in Fund Equity</i>	(49,692)	72,034	370,901	298,867
<i>Fund Equity Beginning of Year</i>	1,290,168	1,290,168	1,290,168	0
Prior Year Encumbrances Appropriated	440,699	440,699	440,699	0
<i>Fund Equity End of Year</i>	<u>\$1,681,175</u>	<u>\$1,802,901</u>	<u>\$2,101,768</u>	<u>\$298,867</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, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$400,000	\$400,000	\$418,874	\$18,874
Interest	1,000	1,000	0	(1,000)
<i>Total Revenues</i>	<u>401,000</u>	<u>401,000</u>	<u>418,874</u>	<u>17,874</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Repair and Maintenance:				
Personal Services	668,500	668,500	577,239	91,261
Contractual Services	11,390	11,390	7,525	3,865
Materials and Supplies	108,640	108,640	108,640	0
Utilities	19,205	19,205	18,219	986
<i>Total Expenditures</i>	<u>807,735</u>	<u>807,735</u>	<u>711,623</u>	<u>96,112</u>
<i>Excess of Revenues Under Expenditures</i>	(406,735)	(406,735)	(292,749)	113,986
<b>Other Financing Sources</b>				
Transfers In	400,000	400,000	272,848	(127,152)
<i>Net Change in Fund Balance</i>	(6,735)	(6,735)	(19,901)	(13,166)
<i>Fund Balance Beginning of Year</i>	28,227	28,227	28,227	0
Prior Year Encumbrances Appropriated	5,335	5,335	5,335	0
<i>Fund Balance End of Year</i>	<u>\$26,827</u>	<u>\$26,827</u>	<u>\$13,661</u>	<u>(\$13,166)</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, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$27,000	\$27,000	\$33,754	\$6,754
Interest	3,050	3,050	2,654	(396)
<i>Total Revenues</i>	<u>30,050</u>	<u>30,050</u>	<u>36,408</u>	<u>6,358</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	48,681	48,681	9,079	39,602
Materials and Supplies	24,590	24,590	24,590	0
<i>Total Expenditures</i>	<u>73,271</u>	<u>73,271</u>	<u>33,669</u>	<u>39,602</u>
<i>Net Change in Fund Balance</i>	(43,221)	(43,221)	2,739	45,960
<i>Fund Balance Beginning of Year</i>	60,140	60,140	60,140	0
Prior Year Encumbrances Appropriated	<u>3,271</u>	<u>3,271</u>	<u>3,271</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$20,190</u></u>	<u><u>\$20,190</u></u>	<u><u>\$66,150</u></u>	<u><u>\$45,960</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, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	<u>\$45,000</u>	<u>\$45,000</u>	<u>\$13,709</u>	<u>(\$31,291)</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	110,000	110,000	59,700	50,300
Materials and Supplies	<u>3,794</u>	<u>3,794</u>	<u>0</u>	<u>3,794</u>
<i>Total Expenditures</i>	<u>113,794</u>	<u>113,794</u>	<u>59,700</u>	<u>54,094</u>
<i>Net Change in Fund Balance</i>	(68,794)	(68,794)	(45,991)	22,803
<i>Fund Balance Beginning of Year</i>	35,603	35,603	35,603	0
Prior Year Encumbrances Appropriated	<u>58,795</u>	<u>58,795</u>	<u>58,795</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$25,604</u></u>	<u><u>\$25,604</u></u>	<u><u>\$48,407</u></u>	<u><u>\$22,803</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, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(2,500)	(2,500)	(2,500)	0
<i>Fund Balance Beginning of Year</i>	<u>15,812</u>	<u>15,812</u>	<u>15,812</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$13,312</u></u>	<u><u>\$13,312</u></u>	<u><u>\$13,312</u></u>	<u><u>\$0</u></u>

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Solid Waste Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$0	\$0	\$13,633	\$13,633
Charges for Services	295,000	415,000	409,208	(5,792)
<i>Total Revenues</i>	295,000	415,000	422,841	7,841
<b>Expenditures</b>				
Current:				
Basic Utility Service:				
Solid Waste Services:				
Purchased Services	312,887	432,887	417,894	14,993
<i>Excess of Revenues Over (Under) Expenditures</i>	(17,887)	(17,887)	4,947	22,834
<b>Other Financing Sources</b>				
Transfers In	2,000	2,000	0	(2,000)
<i>Net Change in Fund Balance</i>	(15,887)	(15,887)	4,947	20,834
<i>Fund Balance Beginning of Year</i>	15,638	15,638	15,638	0
Prior Year Encumbrances Appropriated	887	887	887	0
<i>Fund Balance End of Year</i>	<u>\$638</u>	<u>\$638</u>	<u>\$21,472</u>	<u>\$20,834</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, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Fines, Licenses and Permits	\$1,500	\$1,500	\$1,455	(\$45)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Materials and Supplies	<u>6,000</u>	<u>6,000</u>	<u>2,144</u>	<u>3,856</u>
<i>Net Change in Fund Balance</i>	(4,500)	(4,500)	(689)	3,811
<i>Fund Balance Beginning of Year</i>	<u>9,862</u>	<u>9,862</u>	<u>9,862</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,362</u></u>	<u><u>\$5,362</u></u>	<u><u>\$9,173</u></u>	<u><u>\$3,811</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, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Fines, Licenses and Permits	\$1,000	\$1,000	\$787	(\$213)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	1,020	1,020	0	1,020
Purchased Services	1,000	1,000	0	1,000
Materials and Supplies	2,000	2,000	624	1,376
<i>Total Expenditures</i>	<u>4,020</u>	<u>4,020</u>	<u>624</u>	<u>3,396</u>
<i>Net Change in Fund Balance</i>	(3,020)	(3,020)	163	3,183
<i>Fund Balance Beginning of Year</i>	<u>9,986</u>	<u>9,986</u>	<u>9,986</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$6,966</u></u>	<u><u>\$6,966</u></u>	<u><u>\$10,149</u></u>	<u><u>\$3,183</u></u>

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Cemetery Maintenance Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$15,000	\$15,000	\$23,000	\$8,000
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	15,000	15,000	23,000	8,000
<i>Fund Balance Beginning of Year</i>	<u>261,720</u>	<u>261,720</u>	<u>261,720</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$276,720</u>	<u>\$276,720</u>	<u>\$284,720</u>	<u>\$8,000</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$67,000	\$67,000	\$64,193	(\$2,807)
<b>Expenditures</b>				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	116,250	116,250	75,535	40,715
Materials and Supplies	31,098	31,098	31,098	0
<i>Total Expenditures</i>	<u>147,348</u>	<u>147,348</u>	<u>106,633</u>	<u>40,715</u>
<i>Net Change in Fund Balance</i>	(80,348)	(80,348)	(42,440)	37,908
<i>Fund Balance Beginning of Year</i>	93,777	93,777	93,777	0
Prior Year Encumbrances Appropriated	<u>25,348</u>	<u>25,348</u>	<u>25,348</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$38,777</u></u>	<u><u>\$38,777</u></u>	<u><u>\$76,685</u></u>	<u><u>\$37,908</u></u>

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*FEMA Grant Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$66,860	\$66,860	\$66,708	(\$152)
<b>Expenditures</b>				
Capital Outlay	<u>66,860</u>	<u>66,860</u>	<u>66,708</u>	<u>152</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</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*  
*Emergency Medical Service Equipment Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$20,000	\$20,000	\$46,099	\$26,099
<b>Expenditures</b>				
Current:				
Public Health and Welfare:				
Emergency Medical Service:				
Materials and Supplies	<u>35,000</u>	<u>35,000</u>	<u>15,034</u>	<u>19,966</u>
<i>Net Change in Fund Balance</i>	(15,000)	(15,000)	31,065	46,065
<i>Fund Balance Beginning of Year</i>	<u>157,328</u>	<u>157,328</u>	<u>157,328</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$142,328</u></u>	<u><u>\$142,328</u></u>	<u><u>\$188,393</u></u>	<u><u>\$46,065</u></u>

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Performing Arts Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$200	\$200	\$205	\$5
Contributions and Donations	10,000	10,000	5,163	(4,837)
<i>Total Revenues</i>	<u>10,200</u>	<u>10,200</u>	<u>5,368</u>	<u>(4,832)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Performing Arts:				
Purchased Services	11,949	11,949	8,650	3,299
Materials and Supplies	1,051	1,051	1,051	0
<i>Total Expenditures</i>	<u>13,000</u>	<u>13,000</u>	<u>9,701</u>	<u>3,299</u>
<i>Net Change in Fund Balance</i>	(2,800)	(2,800)	(4,333)	(1,533)
<i>Fund Balance Beginning of Year</i>	<u>5,271</u>	<u>5,271</u>	<u>5,271</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,471</u>	<u>\$2,471</u>	<u>\$938</u>	<u>(\$1,533)</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, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$2,080	\$2,080	\$2,080	\$0
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Purchased Services	2,000	2,000	1,455	545
Materials and Supplies	80	80	0	80
<i>Total Expenditures</i>	<u>2,080</u>	<u>2,080</u>	<u>1,455</u>	<u>625</u>
<i>Net Change in Fund Balance</i>	0	0	625	625
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$625</u></u>	<u><u>\$625</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, 2008*

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

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Special Assessment Bond Retirement Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Special Assessments	\$23,300	\$23,300	\$25,148	\$1,848
Interest	3,100	3,100	5,482	2,382
<i>Total Revenues</i>	<u>26,400</u>	<u>26,400</u>	<u>30,630</u>	<u>4,230</u>
<b>Expenditures</b>				
Current:				
General Government:				
Contractual Services	421	421	209	212
Debt Service:				
Principal Retirement	15,870	15,870	15,870	0
Interest and Fiscal Charges	6,909	6,909	6,909	0
<i>Total Expenditures</i>	<u>23,200</u>	<u>23,200</u>	<u>22,988</u>	<u>212</u>
<i>Net Change in Fund Balance</i>	3,200	3,200	7,642	4,442
<i>Fund Balance Beginning of Year</i>	<u>125,892</u>	<u>125,892</u>	<u>125,892</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$129,092</u></u>	<u><u>\$129,092</u></u>	<u><u>\$133,534</u></u>	<u><u>\$4,442</u></u>

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Park Improvement Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$50	\$50	\$86	\$36
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	50	50	86	36
<i>Fund Balance Beginning of Year</i>	<u>2,104</u>	<u>2,104</u>	<u>2,104</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,154</u></u>	<u><u>\$2,154</u></u>	<u><u>\$2,190</u></u>	<u><u>\$36</u></u>

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recreation and Park Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Fines, Licenses and Permits	\$1,000	\$1,000	\$150	(\$850)
<b>Expenditures</b>				
Materials and Supplies	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
<i>Net Change in Fund Balance</i>	500	500	150	(350)
<i>Fund Balance Beginning of Year</i>	<u>24,635</u>	<u>24,635</u>	<u>24,635</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$25,135</u></u>	<u><u>\$25,135</u></u>	<u><u>\$24,785</u></u>	<u><u>(\$350)</u></u>

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Grants Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$1,423,004	\$1,423,004	\$381,109	(\$1,041,895)
<b>Expenditures</b>				
Contractual Services	<u>1,427,882</u>	<u>1,427,882</u>	<u>807,555</u>	<u>620,327</u>
<i>Net Change in Fund Balance</i>	(4,878)	(4,878)	(426,446)	(421,568)
<i>Fund Balance (Deficit) Beginning of Year</i>	(84,113)	(84,113)	(84,113)	0
Prior Year Encumbrances Appropriated	<u>88,991</u>	<u>88,991</u>	<u>88,991</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>(\$421,568)</u></u>	<u><u>(\$421,568)</u></u>

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Community Development Block Grant Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$535,705	\$535,705	\$133,016	(\$402,689)
<b>Expenditures</b>				
Contractual Services	<u>92,048</u>	<u>592,048</u>	<u>259,641</u>	<u>332,407</u>
<i>Net Change in Fund Balance</i>	443,657	(56,343)	(126,625)	(70,282)
<i>Fund Balance (Deficit) Beginning of Year</i>	(35,705)	(35,705)	(35,705)	0
Prior Year Encumbrances Appropriated	<u>92,048</u>	<u>92,048</u>	<u>92,048</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$500,000</u></u>	<u><u>\$0</u></u>	<u><u>(\$70,282)</u></u>	<u><u>(\$70,282)</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, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$21,000	\$25,500	\$16,767	(\$8,733)
Charges for Services	1,482,000	1,320,000	1,422,181	102,181
Other	0	0	375	375
<i>Total Revenues</i>	<u>1,503,000</u>	<u>1,345,500</u>	<u>1,439,323</u>	<u>93,823</u>
<b>Expenses</b>				
Contractual Services	81,000	81,000	9,739	71,261
Claims	1,714,000	1,714,000	1,624,955	89,045
<i>Total Expenses</i>	<u>1,795,000</u>	<u>1,795,000</u>	<u>1,634,694</u>	<u>160,306</u>
<i>Net Change in Fund Equity</i>	(292,000)	(449,500)	(195,371)	254,129
<i>Fund Equity Beginning of Year</i>	<u>457,654</u>	<u>457,654</u>	<u>457,654</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$165,654</u>	<u>\$8,154</u>	<u>\$262,283</u>	<u>\$254,129</u>

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Cemetery Memorial Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$150	\$150	\$163	\$13
<b>Expenses</b>				
Materials and Supplies	<u>75</u>	<u>75</u>	<u>75</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	75	75	88	13
<i>Fund Equity Beginning of Year</i>	<u>4,363</u>	<u>4,363</u>	<u>4,363</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$4,438</u></u>	<u><u>\$4,438</u></u>	<u><u>\$4,451</u></u>	<u><u>\$13</u></u>

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# *Statistical Section*



## Statistical Section

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

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<b>Contents</b>	<b>Pages(s)</b>
<b><i>Financial Trends</i></b> .....	<b><i>S2 – S11</i></b>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b><i>Revenue Capacity</i></b> .....	<b><i>S12 – S17</i></b>
These schedules contain information to help the reader assess the City's most significant local revenue, the municipal income tax and electric charges for services.	
<b><i>Debt Capacity</i></b> .....	<b><i>S18 – S25</i></b>
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b><i>Economic and Demographic Information</i></b> .....	<b><i>S26 – S27</i></b>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b><i>Operating Information</i></b> .....	<b><i>S28 – S35</i></b>
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement No. 34 in 2001; schedules presenting government-wide information include information beginning in that year.

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

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

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

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

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

	2008	2007	2006	2005
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$113,285	\$158,784	\$111,390	\$113,000
Security of Persons and Property:				
Police	18,697	14,367	15,276	14,506
Fire	23,280	52,225	46,025	46,024
Transportation	264	11,843	11,581	30,141
Public Health and Welfare	92,782	116,240	105,827	100,576
Leisure Time Activities	24,855	65,720	62,139	72,621
Basic Utility Service	430,026	280,368	285,636	269,752
Subtotal - Charges for Services	<u>703,189</u>	<u>699,547</u>	<u>637,874</u>	<u>646,620</u>
Operating Grants and Contributions:				
General Government	76,851	61,468	15,600	16,205
Security of Persons and Property:				
Police	0	0	0	0
Fire	2,500	0	0	0
Transportation	526,802	599,351	562,367	540,752
Public Health and Welfare	0	0	0	0
Leisure Time Activities	36,919	12,503	9,823	10,290
Basic Utility Service	13,633	0	0	0
Subtotal - Operating Grants and Contributions	<u>656,705</u>	<u>673,322</u>	<u>587,790</u>	<u>567,247</u>
Capital Grants and Contributions:				
General Government	140,552	406,576	13,017	95,944
Transportation	1,048,529	444,137	280,843	186,662
Subtotal - Capital Grants and Contributions	<u>1,189,081</u>	<u>850,713</u>	<u>293,860</u>	<u>282,606</u>
<i>Total Governmental Activities Program Revenues</i>	<u>2,548,975</u>	<u>2,223,582</u>	<u>1,519,524</u>	<u>1,496,473</u>
Business-Type Activities:				
Charges for Services:				
Sewer	2,048,402	1,948,555	2,009,263	1,980,067
Electric	28,780,366	25,460,273	26,606,260	25,220,891
Water	3,081,340	2,908,869	2,933,631	2,591,906
Subtotal - Charges for Services	<u>33,910,108</u>	<u>30,317,697</u>	<u>31,549,154</u>	<u>29,792,864</u>
Capital Grants and Contributions				
Water	41,402	301,273	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>33,951,510</u>	<u>30,618,970</u>	<u>31,549,154</u>	<u>29,792,864</u>
<i>Total Primary Government Program Revenues</i>	<u>36,500,485</u>	<u>32,842,552</u>	<u>33,068,678</u>	<u>31,289,337</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	1,276,806	1,323,894	1,151,757	1,075,509
Security of Persons and Property:				
Police	1,631,577	1,538,833	1,565,658	1,360,423
Fire	617,200	614,516	601,531	531,847
Transportation	2,474,540	2,289,247	2,229,194	1,590,642
Public Health and Welfare	199,238	187,718	142,615	118,376
Leisure Time Activities	395,062	348,947	318,858	252,386
Basic Utility Service	417,347	307,678	273,951	282,403
Interest and Fiscal Charges	79,296	39,260	8,877	9,706
<i>Total Governmental Activities Expenses</i>	<u>\$7,091,066</u>	<u>\$6,650,093</u>	<u>\$6,292,441</u>	<u>\$5,221,292</u>

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

(continued)

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

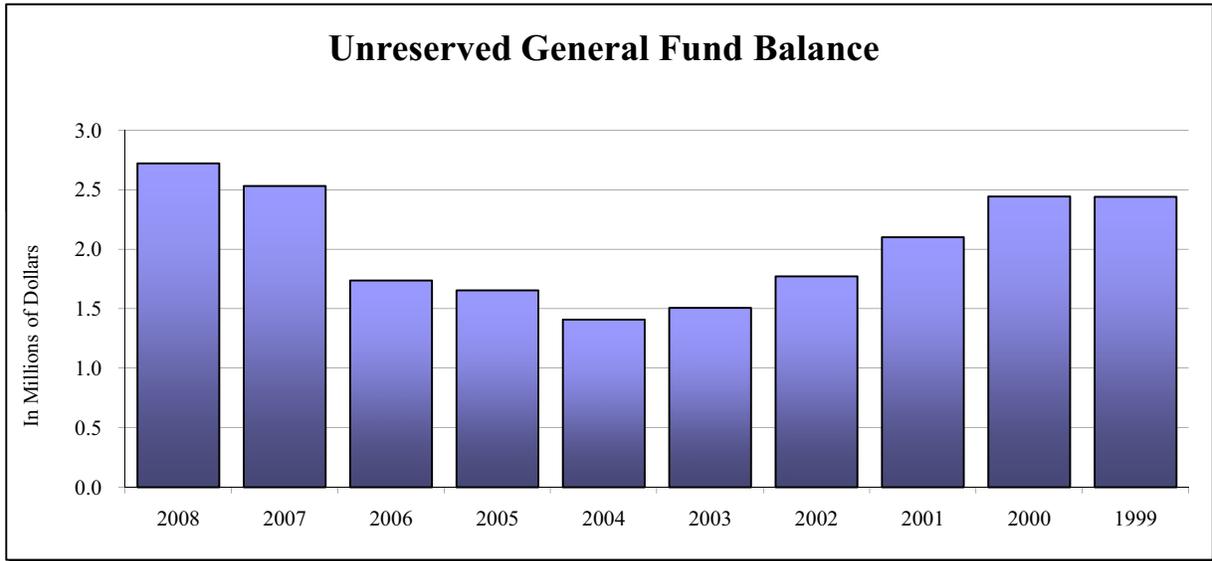
	2008	2007	2006	2005
<b>Business-Type Activities:</b>				
Sewer	\$2,165,950	\$2,235,400	\$2,064,871	\$1,942,249
Electric	24,122,241	25,725,633	25,754,322	25,247,053
Water	2,792,044	2,712,945	2,874,257	2,425,269
<i>Total Business-Type Activities Expenses</i>	<u>29,080,235</u>	<u>30,673,978</u>	<u>30,693,450</u>	<u>29,614,571</u>
<i>Total Primary Government Program Expenses</i>	<u>36,171,301</u>	<u>37,324,071</u>	<u>36,985,891</u>	<u>34,835,863</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(4,542,091)	(4,426,511)	(4,772,917)	(3,724,819)
Business-Type Activities	4,871,275	(55,008)	855,704	178,293
<i>Total Primary Government Net Expense</i>	<u>329,184</u>	<u>(4,481,519)</u>	<u>(3,917,213)</u>	<u>(3,546,526)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental Activities:				
Taxes:				
Property and Other Local Taxes Levied for:				
General Purposes	505,320	485,053	469,385	524,516
Kilowatt per Hour Taxes Levied for:				
General Purposes	881,904	897,363	851,218	837,438
Municipal Income Taxes Levied for: (1)				
General Purposes	2,319,038	3,490,470	2,299,733	2,195,463
Capital Outlay	806,910	858,389	560,677	534,765
Grants and Entitlements not Restricted to				
Specific Programs	816,394	514,543	579,014	717,533
Investment Income	171,859	236,379	217,144	139,056
Gain on Sale of Capital Assets	0	0	0	0
Transfers	(881,904)	(897,363)	(851,218)	(837,438)
Miscellaneous	209,767	88,388	35,116	165,427
<i>Total Governmental Activities</i>	<u>4,829,288</u>	<u>5,673,222</u>	<u>4,161,069</u>	<u>4,276,760</u>
Business-Type Activities:				
Investment Income	838,914	1,138,233	965,009	325,135
Transfers	881,904	897,363	851,218	837,438
Gain on Sale of Capital Assets	0	0	0	0
Miscellaneous	533,030	623,615	333,385	539,674
<i>Total Business-Type Activities</i>	<u>2,253,848</u>	<u>2,659,211</u>	<u>2,149,612</u>	<u>1,702,247</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>7,083,136</u>	<u>8,332,433</u>	<u>6,310,681</u>	<u>5,979,007</u>
<b>Change in Net Assets</b>				
Governmental Activities	287,197	1,246,711	(611,848)	551,941
Business-Type Activities	7,125,123	2,604,203	3,005,316	1,880,540
<i>Total Primary Government Change in Net Assets</i>	<u>\$7,412,320</u>	<u>\$3,850,914</u>	<u>\$2,393,468</u>	<u>\$2,432,481</u>

(1) Income Tax revenue increased in 2007 due to higher net profits of corporations within the City and higher taxes from withholding.

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

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

	2008	2007	2006	2005	2004
<b>General Fund</b>					
Reserved	\$139,093	\$92,442	\$80,051	\$56,479	\$34,228
Unreserved	2,721,157	2,531,395	1,736,936	1,653,693	1,408,511
<b>Total General Fund</b>	<u>2,860,250</u>	<u>2,623,837</u>	<u>1,816,987</u>	<u>1,710,172</u>	<u>1,442,739</u>
<b>All Other Governmental Funds</b>					
Reserved	990,796	342,543	273,104	408,775	258,006
Unreserved, Undesignated, Reported in:					
Special Revenue funds	839,287	786,946	732,225	474,957	636,263
Debt Service funds	138,584	131,907	124,544	117,076	113,349
Capital Projects funds	(753,701)	25,698	1,305,906	1,562,445	1,626,555
<b>Total All Other Governmental Funds</b>	<u>1,214,966</u>	<u>1,287,094</u>	<u>2,435,779</u>	<u>2,563,253</u>	<u>2,634,173</u>
<b>Total Governmental Funds</b>	<u>\$4,075,216</u>	<u>\$3,910,931</u>	<u>\$4,252,766</u>	<u>\$4,273,425</u>	<u>\$4,076,912</u>



2003	2002	2001	2000	1999
\$25,157	\$45,241	\$139,653	\$181,511	\$215,591
1,506,925	1,772,376	2,102,190	2,443,891	2,440,318
1,532,082	1,817,617	2,241,843	2,625,402	2,655,909
991,349	425,987	470,772	232,592	771,367
734,105	698,477	729,417	596,685	587,899
108,004	106,722	106,065	101,410	0
1,533,720	1,787,430	1,884,283	2,218,880	2,107,254
3,367,178	3,018,616	3,190,537	3,149,567	3,466,520
\$4,899,260	\$4,836,233	\$5,432,380	\$5,774,969	\$6,122,429

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

	2008	2007	2006	2005
<b>Revenues</b>				
Property Taxes	\$483,819	\$479,755	\$492,470	\$485,085
Income Taxes	3,735,209	3,879,196	2,780,220	2,700,645
Kilowatt Per Hour Tax	881,904	897,363	851,218	837,438
Special Assessments	25,148	22,759	12,822	12,518
Intergovernmental	2,469,813	2,036,256	1,598,760	1,359,658
Interest	171,859	236,379	217,144	139,056
Fines, Licenses and Permits	31,464	40,170	134,415	130,687
Rentals	39,239	31,200	31,200	31,600
Charges for Services	617,368	609,929	556,639	484,450
Contributions and Donations	158,919	20,503	9,823	10,290
Other	209,767	88,388	35,116	165,427
<i>Total Revenues</i>	<u>8,824,509</u>	<u>8,341,898</u>	<u>6,719,827</u>	<u>6,356,854</u>
<b>Expenditures</b>				
Current:				
General Government	1,125,756	1,034,771	954,490	1,000,293
Security of Persons and Property:				
Police	1,602,155	1,476,049	1,525,428	1,378,888
Fire (1)	400,868	413,333	386,844	374,293
Transportation	1,347,487	1,222,942	1,058,560	1,226,957
Public Health and Welfare	177,486	159,007	116,383	118,486
Community Development	0	0	0	0
Leisure Time Activities	291,169	268,548	236,039	218,033
Basic Utilities Service	417,347	307,678	273,951	282,403
Capital Outlay	2,320,788	2,850,305	1,314,669	701,247
Debt Service:				
Principal Retirement	15,870	14,388	13,941	12,518
Interest and Fiscal Charges	79,394	39,349	8,963	9,785
<i>Total Expenditures</i>	<u>7,778,320</u>	<u>7,786,370</u>	<u>5,889,268</u>	<u>5,322,903</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,046,189</u>	<u>555,528</u>	<u>830,559</u>	<u>1,033,951</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0
General Obligation Bonds Issued	0	0	0	0
Notes Issued	0	0	0	0
Transfers In	272,848	214,970	163,570	213,564
Transfers Out	(1,154,752)	(1,112,333)	(1,014,788)	(1,051,002)
<i>Total Other Financing Sources (Uses)</i>	<u>(881,904)</u>	<u>(897,363)</u>	<u>(851,218)</u>	<u>(837,438)</u>
<i>Net Change in Fund Balances</i>	<u>\$164,285</u>	<u>(\$341,835)</u>	<u>(\$20,659)</u>	<u>\$196,513</u>
Debt Service as a Percentage of Noncapital Expenditures	1.69%	1.03%	0.48%	0.48%

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

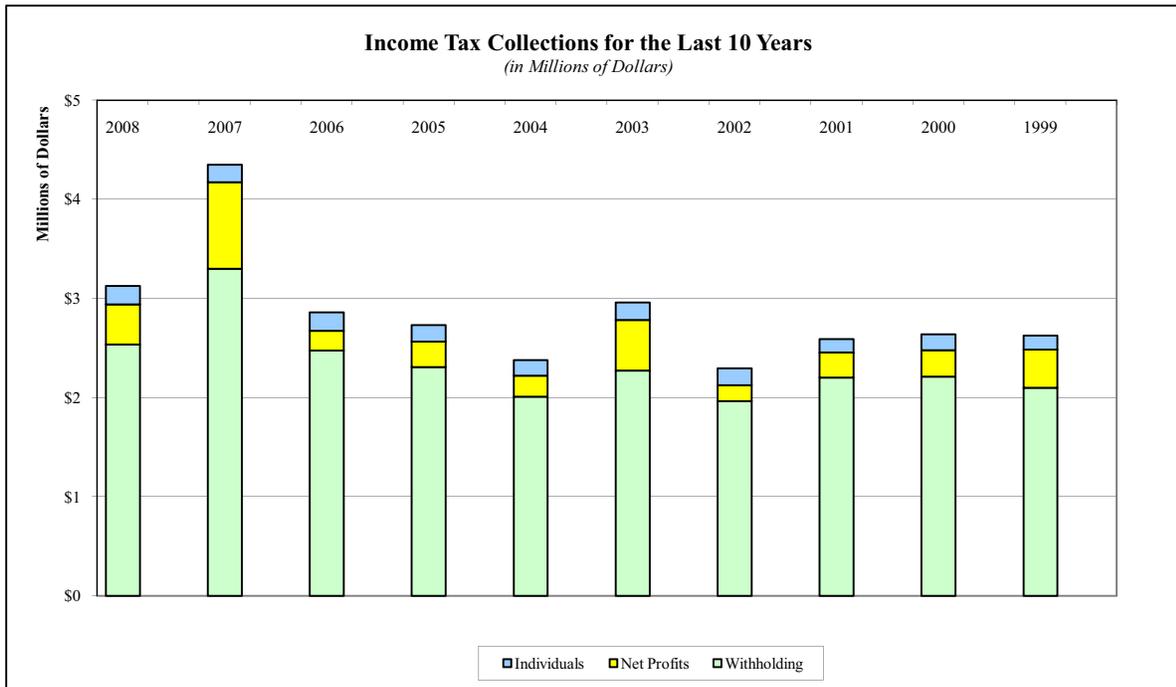
2004	2003	2002	2001	2000	1999
\$580,710	\$442,911	\$466,911	\$471,047	\$431,700	\$1,070,738
2,575,080	2,910,735	2,371,048	2,594,930	2,637,057	2,626,006
802,505	782,502	767,505	470,708	0	0
12,129	8,961	16,977	8,860	78,968	70,328
1,708,192	1,733,338	1,530,312	1,208,110	1,317,306	600,413
81,999	81,948	107,127	282,992	363,909	213,160
40,277	27,812	53,817	22,623	16,760	41,074
31,500	0	31,700	32,828	0	0
553,287	499,551	544,303	479,129	503,888	476,046
9,900	8,062	9,546	13,510	17,810	0
112,812	127,254	201,020	70,965	405,497	109,971
<u>6,508,391</u>	<u>6,623,074</u>	<u>6,100,266</u>	<u>5,655,702</u>	<u>5,772,895</u>	<u>5,207,736</u>
859,525	877,044	838,937	844,855	1,480,689	1,532,689
1,370,432	1,366,492	1,344,277	1,213,840	1,359,979	1,125,793
393,870	381,581	386,818	383,512	0	0
1,167,448	1,139,246	1,220,558	1,129,278	1,109,183	975,683
255,971	205,711	153,395	146,672	124,620	113,483
0	0	0	0	0	84,683
214,635	273,331	318,917	296,834	248,407	180,858
279,895	274,386	272,076	237,049	247,849	184,866
1,963,528	1,247,979	1,347,873	1,254,462	1,421,262	649,360
12,129	10,400	9,120	8,860	255,000	265,000
10,801	10,956	11,616	12,221	24,538	20,738
<u>6,528,234</u>	<u>5,787,126</u>	<u>5,903,587</u>	<u>5,527,583</u>	<u>6,271,527</u>	<u>5,133,153</u>
<u>(19,843)</u>	<u>835,948</u>	<u>196,679</u>	<u>128,119</u>	<u>(498,632)</u>	<u>74,583</u>
0	1,605	500	0	0	4,791
0	7,976	0	0	95,170	0
0	0	0	0	0	0
0	0	0	0	0	250,000
307,093	340,974	427,727	709,969	421,292	767,607
<u>(1,109,598)</u>	<u>(1,123,476)</u>	<u>(1,221,053)</u>	<u>(1,180,677)</u>	<u>(365,290)</u>	<u>(214,214)</u>
<u>(802,505)</u>	<u>(772,921)</u>	<u>(792,826)</u>	<u>(470,708)</u>	<u>151,172</u>	<u>808,184</u>
<u>(\$822,348)</u>	<u>\$63,027</u>	<u>(\$596,147)</u>	<u>(\$342,589)</u>	<u>(\$347,460)</u>	<u>\$882,767</u>
0.50%	0.47%	0.46%	0.49%	5.76%	6.37%

**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
2008	1.00%	\$3,125,948	\$2,534,831	81.09%	\$404,498	12.94%	\$186,619	5.97%
2007	1.00	4,348,859	3,299,393	75.87	873,005	20.07	176,461	4.06
2006	1.00	2,860,410	2,474,541	86.51	200,229	7.00	185,641	6.49
2005	1.00	2,730,228	2,308,681	84.56	254,184	9.31	167,363	6.13
2004	1.00	2,378,792	2,010,079	84.50	210,047	8.83	158,665	6.67
2003	1.00	2,960,636	2,273,472	76.79	508,637	17.18	178,526	6.03
2002	1.00	2,293,233	1,965,071	85.69	159,380	6.95	168,782	7.36
2001	1.00	2,588,695	2,200,908	85.02	254,728	9.84	133,059	5.14
2000	1.00	2,637,057	2,210,381	83.82	266,870	10.12	159,806	6.06
1999	1.00	2,626,006	2,097,916	79.89	384,972	14.66	143,117	5.45

(1) 2001 through 2008 are on an Accrual Basis and 1999 through 2000 are on a Modified Accrual Basis

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



**City of Orrville, Ohio**  
*Income Tax Filers by Income Level*  
*Tax Years 2008 and 2006 (1)*

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	25.35
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	<u>3,504</u>	<u>100%</u>	<u>\$114,852,236</u>	<u>100%</u>

Tax Year 2006				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	59	3.30 %	\$43,682,733	81.53 %
75,001-100,000	19	1.06	1,624,475	3.03
50,001-75,000	21	1.18	1,723,685	3.22
25,000-50,000	63	3.53	2,274,077	4.24
Under 25,000	1,624	90.93	4,275,233	7.98
Total	<u>1,786</u>	<u>100%</u>	<u>\$53,580,203</u>	<u>100%</u>

Source: City Income Tax Department

(1) Information prior to 2006 was not available.

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:	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Residential	\$6,483,030	\$5,752,018	\$5,309,598	\$5,455,605	\$4,676,994	\$4,457,499	\$4,611,187	\$4,252,857	\$4,071,801	\$4,051,190
Industrial (1)	14,909,191	13,379,497	16,079,431	14,621,760	12,550,867	10,716,879	9,150,554	9,786,084	9,463,406	9,070,673
Commercial	7,133,605	6,091,331	5,001,317	4,930,071	4,196,891	4,141,717	3,989,364	4,017,402	3,562,884	3,745,760
Government	254,540	237,427	215,914	213,455	190,590	193,479	213,754	204,568	244,390	233,493
<b>Total</b>	<b>\$28,780,366</b>	<b>\$25,460,273</b>	<b>\$26,606,260</b>	<b>\$25,220,891</b>	<b>\$21,615,342</b>	<b>\$19,509,574</b>	<b>\$17,964,859</b>	<b>\$18,260,911</b>	<b>\$17,342,481</b>	<b>\$17,101,116</b>

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

Source: City Records

**City of Orrville, Ohio**  
*Principal Electric Customers*  
 2008 and 1999

Customer	2008	
	Electric Charges for Services	Percentage of Total 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	1,285,440	4.47
Contours	1,120,586	3.89
JLG	570,250	1.98
Marshallville Corporation	584,153	2.03
Will-Burt	410,477	1.43
Dunlap Hospital	332,297	1.15
Buehlers	219,431	0.76
<b>Total</b>	<b>\$11,471,281</b>	<b>39.86 %</b>
<b>Total Electric Charges for Services</b>	<b>\$28,780,366</b>	

Customer	1999	
	Electric Charges for Services	Percentage of Total Charges for Services
Quality Castings Company	\$2,208,785	12.92 %
Technocast	1,088,308	6.36
J M Smucker Company	877,823	5.13
Smith Dairy	718,293	4.20
American Commercial Vehicles	744,042	4.35
Contours	435,921	2.55
Marshallville Corporation	326,799	1.91
WillBurt	284,014	1.66
Orrville Products	199,879	1.17
Gradall	168,556	0.97
<b>Total</b>	<b>\$7,052,420</b>	<b>41.24 %</b>
<b>Total Electric Charges for Services</b>	<b>\$17,101,116</b>	

Source: City Records

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

	2008	2007	2006	2005
<b>Residential:</b>				
First 50 KWH	\$6.4300	\$6.4300	\$6.4300	\$6.3700
Next 250 KWH - per KWH	0.0633	0.0633	0.0633	0.0627
Next 750 KWH - per KWH	0.0565	0.0565	0.0565	0.0559
All Over 1050 KWH - per KWH	0.0506	0.0506	0.0506	0.0501
<b>General Service:</b>				
<b>Small:</b>				
Minimum Charge	9.6600	9.6600	9.6600	9.5600
First 100 KWH - per KWH	0.0965	0.0965	0.0965	0.0955
Next 200 KWH - per KWH	0.0753	0.0753	0.0753	0.0746
All Over 300 KWH - per KWH	0.0642	0.0642	0.0642	0.0636
<b>Medium (per KVA):</b>				
Minimum Charge - per KVA	1.7600	1.7600	1.7600	1.7400
First 60 KWH Block - per KWH	0.1053	0.1053	0.1053	0.1043
Second 60 KWH Block - per KWH	0.0812	0.0812	0.0812	0.0804
Third 80 KWH Block - per KWH	0.0565	0.0565	0.0565	0.0559
Fourth 100 KWH Block - per KWH	0.0490	0.0490	0.0490	0.0485
All Over 300 KWH - per KWH	0.0434	0.0434	0.0434	0.0430
<b>Large (per KVA):</b>				
Minimum Charge - per KVA	1.6200	1.6200	1.6200	1.6000
First 50 KWH Block - per KWH	0.1014	0.1014	0.1014	0.1004
Second 50 KWH Block - per KWH	0.0614	0.0614	0.0614	0.0608
Over 100 KWH Block but not				
Exceeding 100,000 KWH - per KWH	0.0452	0.0452	0.0452	0.0448
All Over Sum of Prior Amounts - per KWH	0.0403	0.0403	0.0403	0.0399
<b>Industrial (per KVA):</b>				
Minimum Charge - per KVA	3.2000	3.2000	3.2000	3.1700
First 30 KWH Block - per KWH	0.1254	0.1254	0.1254	0.0124
Second 170 KWH Block per KVA:				
2,000 KWH - per KWH	0.0805	0.0805	0.0805	0.0797
8,000 KWH - per KWH	0.0684	0.0684	0.0684	0.0677
90,000 KWH - per KWH	0.0565	0.0565	0.0565	0.0559
Over 100,000 KWH - per KWH	0.0441	0.0441	0.0441	0.0437
Third Block Over 200,000 KWH - per KWH	0.0370	0.0370	0.0370	0.0366
All Over Sum of Prior Amounts - per KWH	0.0362	0.0362	0.0362	0.0358

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

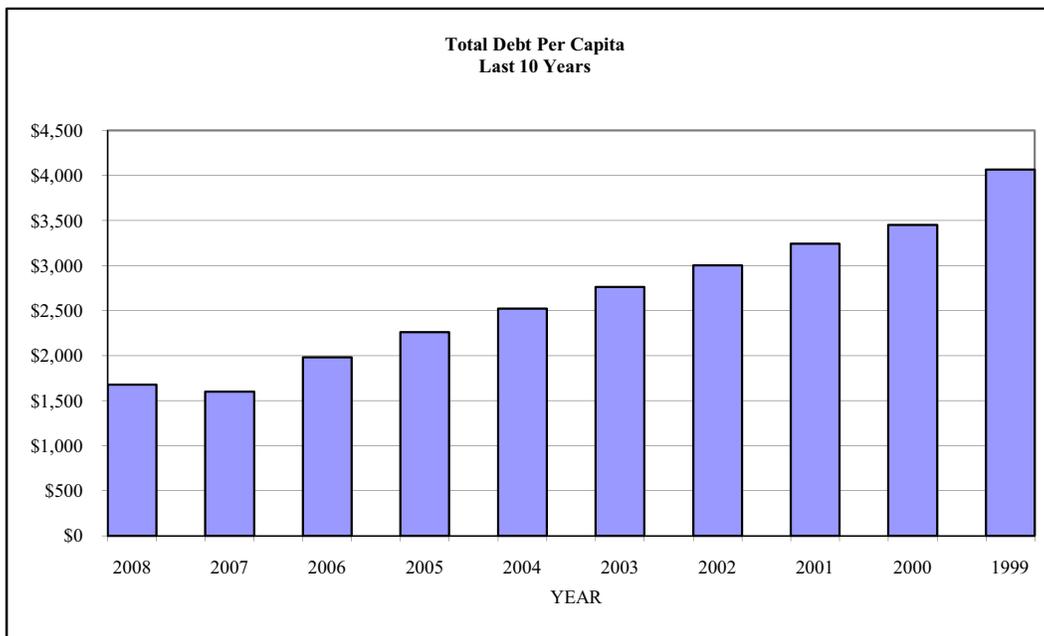
Source: City Records

2004	2003	2002	2001	2000	1999
\$6.1300	\$6.1300	\$6.1300	\$6.1300	\$6.1300	\$6.1300
0.0603	0.0603	0.0603	0.0603	0.0603	0.0603
0.0537	0.0537	0.0537	0.0537	0.0537	0.0537
0.0481	0.0481	0.0481	0.0481	0.0481	0.0481
9.1900	9.1900	9.1900	9.1900	9.1900	9.1900
0.0918	0.0918	0.0918	0.0918	0.0918	0.0918
0.0717	0.0717	0.0717	0.0717	0.0717	0.0717
0.0612	0.0612	0.0612	0.0612	0.0612	0.0612
1.6800	1.6800	1.6800	1.6800	1.6800	1.6800
0.1003	0.1003	0.1003	0.1003	0.1003	0.1003
0.0773	0.0773	0.0773	0.0773	0.0773	0.0773
0.0537	0.0537	0.0537	0.0537	0.0537	0.0537
0.0466	0.0466	0.0466	0.0466	0.0466	0.0466
0.0414	0.0414	0.0414	0.0414	0.0414	0.0414
1.5400	1.5400	1.5400	1.5400	1.5400	1.5400
0.0965	0.0965	0.0965	0.0965	0.0965	0.0965
0.0584	0.0584	0.0584	0.0584	0.0584	0.0584
0.0430	0.0430	0.0430	0.0430	0.0430	0.0430
0.0383	0.0383	0.0383	0.0383	0.0383	0.0383
3.0500	3.0500	3.0500	3.0500	3.0500	3.0500
0.1194	0.1194	0.1194	0.1194	0.1194	0.1194
0.0766	0.0766	0.0766	0.0766	0.0766	0.0766
0.0651	0.0651	0.0651	0.0651	0.0651	0.0651
0.0537	0.0537	0.0537	0.0537	0.0537	0.0537
0.0420	0.0420	0.0420	0.0420	0.0420	0.0420
0.0352	0.0352	0.0352	0.0352	0.0352	0.0352
0.0344	0.0344	0.0344	0.0344	0.0344	0.0344

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

Year	Governmental Activities		Business-Type		
	Notes	Special Assessment Bonds	Notes	Revenue Bonds	Mortgage Revenue Bonds
2008	\$0	\$82,920	\$3,170,000	\$5,108,318	\$3,498,722
2007	0	98,790	0	5,507,150	5,072,004
2006	0	113,178	0	5,890,982	8,130,290
2005	0	127,119	0	6,264,814	9,563,576
2004	0	139,637	0	6,623,646	10,941,862
2003	0	151,766	0	6,977,478	12,255,148
2002	0	154,190	0	7,321,310	13,503,434
2001	0	163,310	0	7,482,200	14,701,720
2000	0	172,170	0	7,741,400	15,855,006
1999	250,000	82,000	0	7,985,600	16,958,292

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



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Activities

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<u>OWDA Loans</u>	<u>OPWC Loans</u>	<u>Total Debt</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$1,889,701	\$1,193,592	\$14,943,253	9.63%	\$1,678
2,285,881	1,264,868	14,228,693	10.60	1,601
2,666,132	725,311	17,525,893	11.37	1,981
3,031,009	785,754	19,772,272	12.97	2,259
3,381,049	846,197	21,932,391	14.48	2,522
3,716,768	906,639	24,007,799	15.85	2,761
4,039,068	967,082	25,985,084	17.23	3,002
4,347,629	1,027,525	27,722,384	18.61	3,242
4,643,319	1,087,966	29,499,861	19.81	3,450
4,926,582	1,148,409	31,350,883	32.17	4,065

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**City of Orrville, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2008*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
<b>Direct - City of Orrville</b>			
Special Assessment Bonds	\$82,920	100.00 %	\$82,920
<b>Overlapping</b>			
Orrville City School District			
General Obligation Bonds	18,292,877	80.39	14,705,644
Tax Anticipation Note	70,000	80.39	56,273
Capital Lease	13,045,334	80.39	10,487,144
Wayne County			
General Obligation Bonds	9,499,000	8.74	830,213
OPWC Loan	95,000	8.74	8,303
<i>Total Overlapping Debt</i>	<u>41,002,211</u>		<u>26,087,577</u>
<b>Total</b>	<u><u>\$41,085,131</u></u>		<u><u>\$26,170,497</u></u>

Source: County Auditor

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

**City of Orrville, Ohio**  
*Legal Debt Margin*  
*Last Eight Years (1)*

	2008	2007	2006	2005
Total Assessed Property Value	<u>\$172,083,580</u>	<u>\$172,706,200</u>	<u>\$179,868,790</u>	<u>\$174,782,986</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>18,068,776</u>	<u>18,134,151</u>	<u>18,886,223</u>	<u>18,352,214</u>
Debt Outstanding:				
Revenue Bonds	\$5,520,000	\$5,960,000	\$6,385,000	\$6,800,000
Mortgage Revenue Bonds	3,530,000	5,165,000	8,285,000	9,780,000
Special Assessment Bonds	82,920	98,790	113,178	127,119
Bond Anticipation Notes	3,570,000	2,180,000	700,000	800,000
OPWC Loans	1,193,592	1,264,868	725,311	785,754
OWDA Loans	<u>2,013,783</u>	<u>2,472,004</u>	<u>2,914,296</u>	<u>3,341,214</u>
Total Gross Indebtedness	15,910,295	17,140,662	19,122,785	21,634,087
Less:				
Revenue Bonds	(5,520,000)	(5,960,000)	(6,385,000)	(6,800,000)
Mortgage Revenue Bonds	(3,530,000)	(5,165,000)	(8,285,000)	(9,780,000)
Special Assessment Bonds	(82,920)	(98,790)	(113,178)	(127,119)
Bond Anticipation Notes	(3,570,000)	(2,180,000)	(700,000)	(800,000)
OPWC Loans	(1,193,592)	(1,264,868)	(725,311)	(785,754)
OWDA Loans	<u>(2,013,783)</u>	<u>(2,472,004)</u>	<u>(2,914,296)</u>	<u>(3,341,214)</u>
Total Net Debt Applicable to Debt Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$18,068,776</u>	<u>\$18,134,151</u>	<u>\$18,886,223</u>	<u>\$18,352,214</u>
Legal Debt Margin as a Percentage of the Debt Limit	100%	100.00%	100.00%	100.00%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$9,464,597</u>	<u>\$9,498,841</u>	<u>\$9,892,783</u>	<u>\$9,613,064</u>
Total Gross Indebtedness	15,910,295	17,140,662	19,122,785	21,634,087
Less:				
Revenue Bonds	(5,520,000)	(5,960,000)	(6,385,000)	(6,800,000)
Mortgage Revenue Bonds	(3,530,000)	(5,165,000)	(8,285,000)	(9,780,000)
Special Assessment Bonds	(82,920)	(98,790)	(113,178)	(127,119)
Bond Anticipation Notes	(3,570,000)	(2,180,000)	(700,000)	(800,000)
OPWC Loans	(1,193,592)	(1,264,868)	(725,311)	(785,754)
OWDA Loans	<u>(2,013,783)</u>	<u>(2,472,004)</u>	<u>(2,914,296)</u>	<u>(3,341,214)</u>
Net Debt Within 5 ½ % Limitations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$9,464,597</u>	<u>\$9,498,841</u>	<u>\$9,892,783</u>	<u>\$9,613,064</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%

Source: City Financial Records

(1) 2001 was the earliest information available.

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

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

Year	Electric Operating Revenues (1)	Electric Operating Expenses (2)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2008	\$30,708,593	\$21,569,146	\$9,139,447	\$1,635,000	\$213,349	4.94
2007	27,683,413	22,730,769	4,952,644	3,120,000	358,983	1.42
2006	28,346,534	22,920,021	5,426,513	1,495,000	399,691	2.86
2005	26,694,430	22,803,540	3,890,890	1,440,000	327,995	2.20
2004	23,254,909	20,148,363	3,106,546	1,375,000	640,384	1.54
2003	20,852,917	19,022,457	1,830,460	1,310,000	544,252	0.99
2002	19,538,733	17,566,833	1,971,900	1,260,000	740,121	0.99
2001	19,705,834	15,781,278	3,924,556	1,215,000	761,289	1.99
2000	17,574,117	14,533,866	3,040,251	1,165,000	808,294	1.54
1999	17,636,132	13,995,474	3,640,658	1,130,000	871,517	1.82

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

(2) Operating expenses do not include depreciation.

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

Year	Water Operating Revenues (1)	Water Operating Expenses (2)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2008	\$3,241,088	\$1,622,561	\$1,618,527	\$440,000	\$200,191	2.53
2007	3,363,974	1,670,713	1,693,261	425,000	221,712	2.62
2006	3,090,791	1,741,923	1,348,868	415,000	242,379	2.05
2005	2,694,596	1,390,760	1,303,836	400,000	259,292	1.98
2004	2,590,025	1,619,417	970,608	395,000	304,307	1.39
2003	2,459,971	1,484,096	975,875	385,000	298,947	1.43
2002	2,454,413	1,931,137	523,276	263,294	272,061	0.98
2001	2,674,119	1,536,782	1,137,337	265,000	492,380	1.50
2000	2,480,785	1,335,435	1,145,350	250,000	474,284	1.58
1999	2,543,489	1,207,619	1,335,870	240,000	485,684	1.84

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

(2) Operating expenses do not include depreciation.

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

<b>2008</b>	
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 Schools	228
Contours Bekaert, Incorporated	195
City of Orrville/Orrville Utilities (1)	181
<b>Total</b>	<b>3,619</b>
<b>Total Employment within the City</b>	<b>n/a</b>

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

Source: Wayne County, Ohio: County Auditor

n/a - Information not available

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

Note: 2001 was the earliest information available.

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (4)</u>	<u>Personal Income Per Capita (2)</u>	<u>Median Household Income (2)</u>	<u>Median Age (2)</u>	<u>Wayne County Unemployment Rate (3)</u>
2008	8,908	\$155,168,452	\$17,419	\$36,500	35.5	5.6%
2007	8,886	154,785,234	17,419	36,500	35.5	5.0
2006	8,847	154,105,893	17,419	36,500	35.5	4.5
2005	8,751	152,433,669	17,419	36,500	35.5	5.0
2004	8,695	151,458,205	17,419	36,500	35.5	5.3
2003	8,695	151,458,205	17,419	36,500	35.5	5.1
2002	8,656	150,778,864	17,419	36,500	35.5	4.9
2001	8,551	148,949,869	17,419	36,500	35.5	3.9
2000	8,551	148,949,869	17,419	36,500	35.5	3.3
1999	7,712	97,464,256	12,638	28,399	34.5	3.6

(1) Sources:

- (a) Years 2002 through 2008 - Orrville Safety Service Department Estimates
- (b) Year 2000 and 2001 - 2000 Federal Census, U.S. Census Bureau
- (c) 1999 - 1990 Federal Census, U.S. Census Bureau

(2) Source: U.S. Census Bureau

- (a) Years 2000 - 2008 - 2000 Federal Census
- (b) 1999 - 1990 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 Seven Years (1)*

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

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

(1) Information prior to 2002 is not available

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

Function/Program	2008	2007	2006	2005
<b>General Government</b>				
<i><b>Council and Clerk</b></i>				
Number of Ordinances Passed	20	22	64	54
Number of Resolutions Passed	65	76	16	22
Number of Planning Commission docket items	44	51	67	62
Zoning Board of Appeals docket items	7	6	10	10
<i><b>Finance Department</b></i>				
Number of checks/ vouchers issued	5,746	5,810	5,568	5,398
Amount of checks written	\$52,403,383	\$49,109,112	\$48,792,992	\$73,789,581
Interest earnings for fiscal year (cash basis)	\$848,247	\$1,162,009	\$976,168	\$583,131
Number of Receipts issued	1,944	1,815	1,824	1,837
Number of Journal Entries issued	687	653	616	560
Number of Budget Adjustments issued	2	8	3	5
<i><b>Income Tax Department</b></i>				
Number of Individual Returns (2)	3,504	1,065	1,089	1,084
Number of Business Returns	520	509	494	439
Number of business withholding accounts	408	489	448	467
Amount of Penalties and Interest Collected	\$34	\$123	\$125	\$315
Annual number of Corporate withholding forms processed	2,627	2,109	1,973	1,858
Annual number of balance due statements forms processed	286	49	34	40
Annual number of estimated payment forms processed	634	594	611	643
Annual number of reconciliations of withholdings processed	531	493	486	431
<i><b>Civil Service</b></i>				
Number of police entry tests administered	1	1	0	1
Number of police promotional tests administered	2	0	1	1
Number of hires of Police Officers from certified lists	2	1	0	1
Number of promotions from police certified lists	1	0	2	0
<i><b>Building Department Indicators</b></i>				
New Construction Permits Issued	53	54	96	65
Estimated Value of Construction	\$16,792,395	\$15,170,164	\$30,392,960	\$9,503,390
Number of permits issued	113	166	173	182
Amount of Revenue generated from permits	\$2,783	\$3,290	\$4,972	\$5,195
<b>Security of Persons and Property</b>				
<i><b>Police</b></i>				
Total Calls for Services	N/A	N/A	N/A	N/A
Number of traffic citations issued	740	705	1,839	1,903
Number of parking citations issued	N/A	N/A	N/A	N/A
Number of criminal arrests	359	320	361	316
Number of accident reports completed	226	225	197	231
Part 1 Offenses (major offenses)	229	247	258	236
DUI Arrests	43	42	53	36
Motor Vehicle Accidents	226	225	197	231
<i><b>Fire</b></i>				
EMS Calls	435	353	326	302
Ambulance Billing Collections (net)	\$73,658	\$101,496	\$63,970	\$63,927
Fire Calls	104	219	144	154
Fires with Loss	22	19	37	50
Fire Losses	\$632,450	\$496,560	\$143,400	\$366,000
Fire Safety Inspections	52	68	60	48
Number of times Mutual Aid given to Fire and EMS	32	37	31	39
Number of times Mutual Aid received for Fire and EMS	13	6	7	8
<b>Public Health and Welfare</b>				
Cemetery burials	82	70	64	86
Cemetery sale of lots	66	79	25	27
Cemetery receipts	\$67,911	\$78,112	\$45,236	\$56,711

2004	2003	2002
40	45	57
17	26	17
55	56	69
12	10	19
5,404	5,297	5,370
\$53,607,377	\$81,763,807	\$147,562,726
\$270,030	\$310,961	\$1,474,219
1,865	1,912	1,920
739	801	790
5	0	2
1,148	1,118	1,168
434	486	476
464	452	447
\$267	\$212	\$295
1,856	1,833	1,773
28	45	51
641	639	646
501	517	492
0	0	0
0	0	0
0	0	0
0	0	0
72	83	93
\$11,745,253	\$10,704,259	\$12,990,827
163	164	164
\$5,164	\$5,461	\$3,019
9,928	10,841	10,240
1,018	1,021	852
117	175	98
445	489	514
205	239	249
218	211	269
54	72	48
205	239	249
277	231	275
\$56,548	\$42,435	\$46,866
178	160	171
52	68	51
\$130,000	\$1,354,464	\$214,400
47	60	31
42	35	54
5	4	3
79	79	79
47	17	41
\$63,104	\$50,633	\$68,482

(continued)

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

Function/Program	2008	2007	2006	2005
<b>Leisure Time Activities</b>				
<i>Recreation</i>				
Recreation Swimming pool receipts	\$44,964	\$41,963	\$42,854	\$49,730
<b>Economic Development</b>				
Grant amounts received due to Economic Development Dept.	\$1,171,324	\$1,350,126	\$292,053	\$344,679
<b>Basic Utility Services</b>				
Refuse disposal per year (in tons)	3,106	3,229	2,966	3,108
Refuse disposal costs per year	\$423,010	\$306,670	\$299,057	\$282,402
Annual recycling tonnage (excluding leaf, and compost items)	329	368	334	364
Percentage of waste recycled	11.86%	11.39%	11.30%	11.70%
<b>Transportation</b>				
Street Improvements - asphalt overlay (linear feet)	5,020	15,797	500	610
Street Repair (Curbs, aprons, berms, asphalt) (hours)	1,949	2,463	1,210	1,058
Paint Striping (hours)	351	340	247	347
Street Sweeper (hours)	279	471	340	207
Cold Patch (hours)	22	66	243	343
Snow & Ice Removal regular hours	788	707	109	216
Snow & Ice Removal overtime hours	454	386	48	359
Sewer Crew (hours)	1,707	815	1,269	768
Sewer jet, Vac-all, other services (hours)	187	142	307	88
Landscaping Stump-Chipper service (hours)	1,608	1,099	183	N/A
Leaf collection (hours)	756	933	803	684
Holiday lights setup (hours)	64	66	50	47
Equipment repair/body shop (hours)	933	808	1,110	788
Sign department (hours)	378	173	157	85
Number of Trees Planted per year	31	27	117	73
Tons of snow melting salt purchased (Nov-Mar)	475	332	305	1,154
Cost of salt purchased	\$31,327	\$13,334	\$11,236	\$24,348
Vehicle repair/body shop (hours)	2,107	1,821	1,765	1,574
<b>Water Department</b>				
Water Rates per 1st 100 Cu ft of water used	\$2.71	\$2.71	\$2.63	\$2.56
Avg. number of water accounts billed monthly (Cu. Ft.)	107,405	103,533	204,347	224,383
Total Water Collections Annually (Including P&I)	\$3,049,297	\$2,973,543	\$2,902,394	\$2,681,687
<b>Sewer Department</b>				
Sewer Rates per 1st 100 Cu ft of water used	\$2.64	\$2.64	\$2.64	\$2.64
Total flow of sewer treatment plant (Billions of Gallons)	0.785	0.795	0.777	0.717
Average daily flow (Millions of gallons per day)	2.150	2.163	2.130	2.040
Tons of dry sludge removed	369	338	178	395

Source: City Records

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

2004	2003	2002
\$37,947	\$41,751	\$51,722
\$581,799	\$1,183,125	\$365,825
3,835	3,391	3,126
\$280,861	\$273,066	\$271,458
393	345	384
10.33%	10.00%	13.00%
761	827	691
692	481	423
256	169	558
376	382	485
290	426	274
481	155	90
53	248	158
1,317	1,312	1,972
79	421	469
N/A	N/A	N/A
621	544	684
22	46	66
1,061	884	921
67	393	257
93	73	80
835	350	1,416
\$19,475	\$8,636	\$22,702
1,374	1,219	\$1,596
\$2.48	\$2.41	\$2.34
112,465	105,356	101,650
\$2,541,640	\$2,433,893	\$2,465,341
\$2.64	\$2.64	\$2.64
0.790	0.743	0.639
2.250	2.110	1.750
377	133	334

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

Function/Program	2008	2007	2006	2005
<b>General Government</b>				
Square Footage Occupied	71,554	71,554	71,554	71,554
Administrative Vehicles	4	4	4	4
Inspection Vehicles	1	1	1	1
<b>Police</b>				
Stations	1	1	1	1
Square Footage of Building	11,700	11,700	11,700	11,700
Vehicles	9	9	9	9
<b>Fire</b>				
Stations	2	2	2	2
Square Footage of Building	10,900	10,900	10,900	10,900
Vehicles	12	12	12	12
<b>Recreation</b>				
Number of Parks	6	6	6	6
Number of Pools	1	1	1	1
Number of Tennis Courts	6	6	6	6
Number of Baseball Diamonds	7	7	7	7
Vehicles	1	1	1	1
<b>Transportation</b>				
Streets (miles)	46	46	46	46
Storm Sewers (miles)	150	150	150	150
Service Vehicles	22	22	22	22
<b>Sewer Department</b>				
Sanitary Sewers (miles)	42	42	42	42
Vehicles	7	7	7	7
<b>Water Department</b>				
Water Lines (miles)	57	57	57	57
Vehicles	12	12	12	12
<b>Electric Department</b>				
Electric Lines (miles)	300	300	260	260
Vehicles	23	23	23	23

Source: City Records

2004	2003	2002	2001	2000	1999
71,554	71,554	71,554	71,554	71,554	71,554
3	3	3	3	3	3
1	1	1	1	1	1
1	1	1	1	1	1
11,700	11,700	11,700	11,700	9,460	9,460
9	9	9	9	9	9
2	2	2	2	2	2
10,900	10,900	10,900	10,900	11,016	11,016
12	11	11	11	11	11
6	6	6	6	6	6
1	1	1	1	1	1
6	6	6	6	6	6
7	7	7	7	7	7
1	1	1	1	1	1
46	46	46	46	46	46
150	150	150	150	150	150
22	22	22	22	22	21
42	42	42	42	42	42
7	7	7	7	7	7
57	57	57	57	57	57
12	12	12	12	12	12
260	260	260	260	260	260
23	23	23	23	23	23

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# *City of Orrville*

*Mayor*

*David J. Handwerk*

*City Council President*

*Lyle Baker*

*City Council Members*

*Ricardo Aspiras*

*Rich Corfman*

*Dennis Landau*

*Julia Leathers*

*Denny Miller*

*Arthur Shupp*

*Paul Vance*

*Public Utility Board President*

*Dave Shrader*

*Public Utility Board Members*

*Gary Gossard*

*Roland Lehman, Jr*

*Robert Maglio*

*Ken Stuter*



Mary Taylor, CPA  
Auditor of State

CITY OF ORRVILLE

WAYNE COUNTY

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
SEPTEMBER 3, 2009