



Dave Yost • Auditor of State



CITY OF ORRVILLE  
WAYNE COUNTY

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# Dave Yost • Auditor of State

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

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

To the Mayor and City Council Members:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orrville, Wayne County, Ohio, (the City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 17, 2013.

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

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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

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

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

June 17, 2013

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

**For the Year Ended December 31, 2012**



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**CITY OF ORRVILLE, OHIO**

**COMPREHENSIVE**

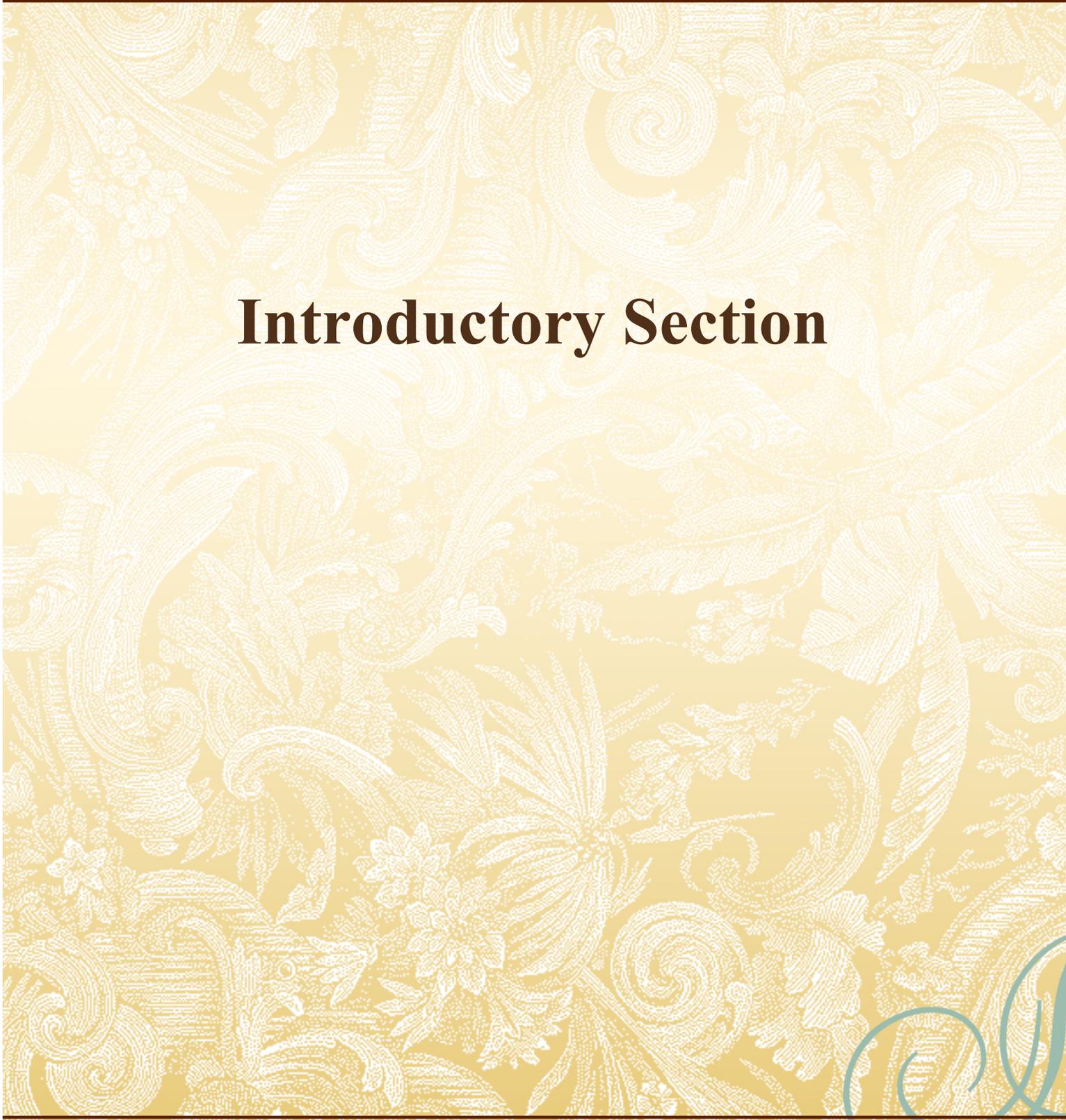
**ANNUAL FINANCIAL REPORT**

**For the Year Ended December 31, 2012**

Janet L. Strimlan  
Finance Director

Prepared by the City Finance Department

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# Introductory Section



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**City of Orrville, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2012*  
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207 North Main Street | Orrville, Ohio 44667-1639 | Phone (330) 684-5000 | FAX (330) 684-5023 | www.orrville.com

June 17, 2013

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

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

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

State statutes require the City of Orrville (the City) to be subjected to an annual examination by the Auditor of State. The Auditor of State's office rendered an opinion on the City's financial statements as of December 31, 2012, and the Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

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

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

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

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

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

Steven M. Wheeler  
Safety-Service Director

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

David T. Handwerk  
Mayor

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

Phillip C. McFarren  
Personnel Manager

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

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

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

### ***Local Economy***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## *Utilities*

### *Electric*

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

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

The generating station and distribution system provide electricity to over 6,400 customers covering more than 100 square miles in Eastern Wayne County, including Orrville, Marshallville, Dalton, and Kidron areas.

The generation department is supported by 50 professional, technical, skilled maintenance, and operating personnel. In the distribution department, 19 highly trained employees are responsible for maintaining over 300 miles of overhead and underground lines and safely handling voltage systems up to 13,800 volts.

The electric division provides the City's street lighting, telecommunications and other quality services as well as implementing an energy efficiency program offering a multitude of services to local businesses and citizens.

The electric utility operated at 44 percent of its capacity this year. The power plant burned 123,527 tons of coal in 2012 at a cost of \$7,370,575.

### ***Wastewater***

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

The wastewater department consists of 8 employees. Seven are State Certified Wastewater Plant Operators and a clerical person. The staff operates the wastewater plant, maintains the collection system and performs a wide variety of laboratory duties. The employees have a combined 170 years in the wastewater field and recently celebrated 100 years of service to Orrville.

The sewer facility treated 697 million gallons of sewage during 2012. 80 million gallons of our effluent water was beneficially reused at our power plant. 192 dry tons of residual solids were land applied in 2012 to agricultural fields, returning their nutrients to the soil.

### ***Water***

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

The \$13 million facility was completed in 1997. The plant is capable of treating 3.7 million gallons per day (MGD), with current usage of 1.7 MGD. The department is frequently recognized for its safe and high quality water and programs.

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

### ***Education***

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

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

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

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

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

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

### ***Recreational Facilities***

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

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

Orr Park is the gem of a five-site City park system. Citizens have their choice of softball and baseball fields, tennis courts, playground equipment, and a new swimming pool with spacious bathhouse. They can also relax and enjoy the parks' picnic facilities or a concert and other entertainment activities at Rehm Performing Arts Pavilion. Citizens enjoyed nine concerts at Rehm Performing Arts Pavilion and four summer movies in 2012, and all events were well attended.

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

### ***Cultural Opportunities***

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

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

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

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

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

	<b>Percent of Assessed Valuation</b>
Residential	66.0 %
Commercial	16.8
Industrial	17.2

Source: County Auditor.

### ***City Employees***

The City has 173 employees; and 38 members of the City's volunteer fire department (who are paid on a per-call basis). The number of full-time employees has remained relatively constant over the past several years. A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining. Some full-time employees are represented by the following bargaining units:

<b>Bargaining Unit</b>	<b>Expiration Date Of Current Agreement</b>	<b>Number of Employees</b>
United City Workers	December 31, 2012	70
Ohio Patrolmen's Benevolent Association	December 31, 2012	18

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

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

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

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

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

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

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

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

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

### ***Major Initiatives***

The City and its various utilities have completed a number of projects in 2012.

The Service Department, with the help of grants from the Ohio Public Works Commission and the Community Development Block Grant resurfaced a downtown parking lot and reconstructed Mineral Springs Street. In addition, capital proceeds were utilized to resurface Brookwood, Cloverridge, and Viking Streets.

Major capital purchases in 2012 included a police cruiser.

We also continued engineering on the Truck Route Project, which started in 2007, and Phase II of Raspberry Road.

Despite the bleak economy surrounding us, organizations located within the City have also completed a number of projects in 2012. The total amount invested in property and capital improvements by the following organizations totaled in excess of \$13.2 million: Orrville City Schools, Venture Products, Orrville YMCA, Orrville Community Theater, Quality Castings, Heartland Point, Smith Dairy, Runions Furniture, Bennetts Appliance, Mennonite Mutual Insurance, Railroad Heritage Society, McDonalds, Wil-Burt, Jarret Logistics and Zephyrs. Without diminishing the significance of these investments within the City we would be remiss if we did not single out continued significant projects undertaken by one individual organization in 2012.

The J.M. Smucker Company completed the construction of their state-of-the-art manufacturing plant in 2012. Total investment in the facility will surpass \$150 million. We are thrilled that they are part of the Orrville community.

### *Awards and Acknowledgements*

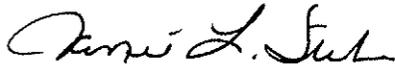
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Orrville for its comprehensive financial report for the fiscal year ended December 31, 2011. This was the eleventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

A sincere thanks also goes to the Local Government Services Section of Auditor of State Dave Yost's Office for their assistance in the organization and final review of our 2012 Comprehensive Annual Financial Report.

Respectfully submitted,



Janet L. Strimlan  
Director of Finance

**City of Orrville, Ohio**

*City Officials*

ELECTED OFFICIALS

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

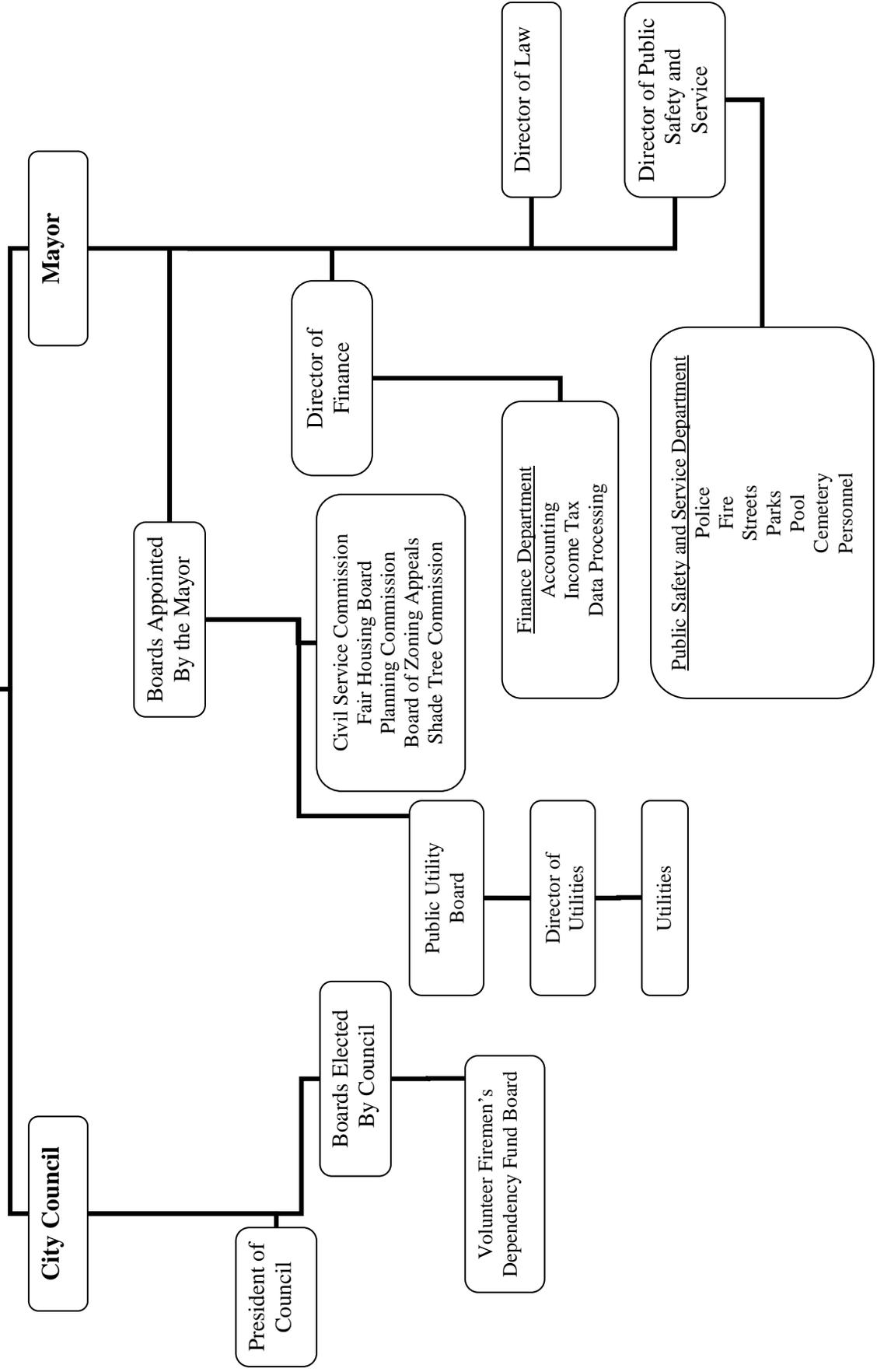
APPOINTED OFFICIALS

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

UTILITY BOARD MEMBERS

President of Board.....Jon McGuire  
Board Member ..... Gary Gossard  
Board Member ..... Brad Strausbaugh  
Board Member ..... Robert Maglio  
Board Member .....Russell Miller

**Citizens of Orrville  
(Voters)**



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Orrville  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2011

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.

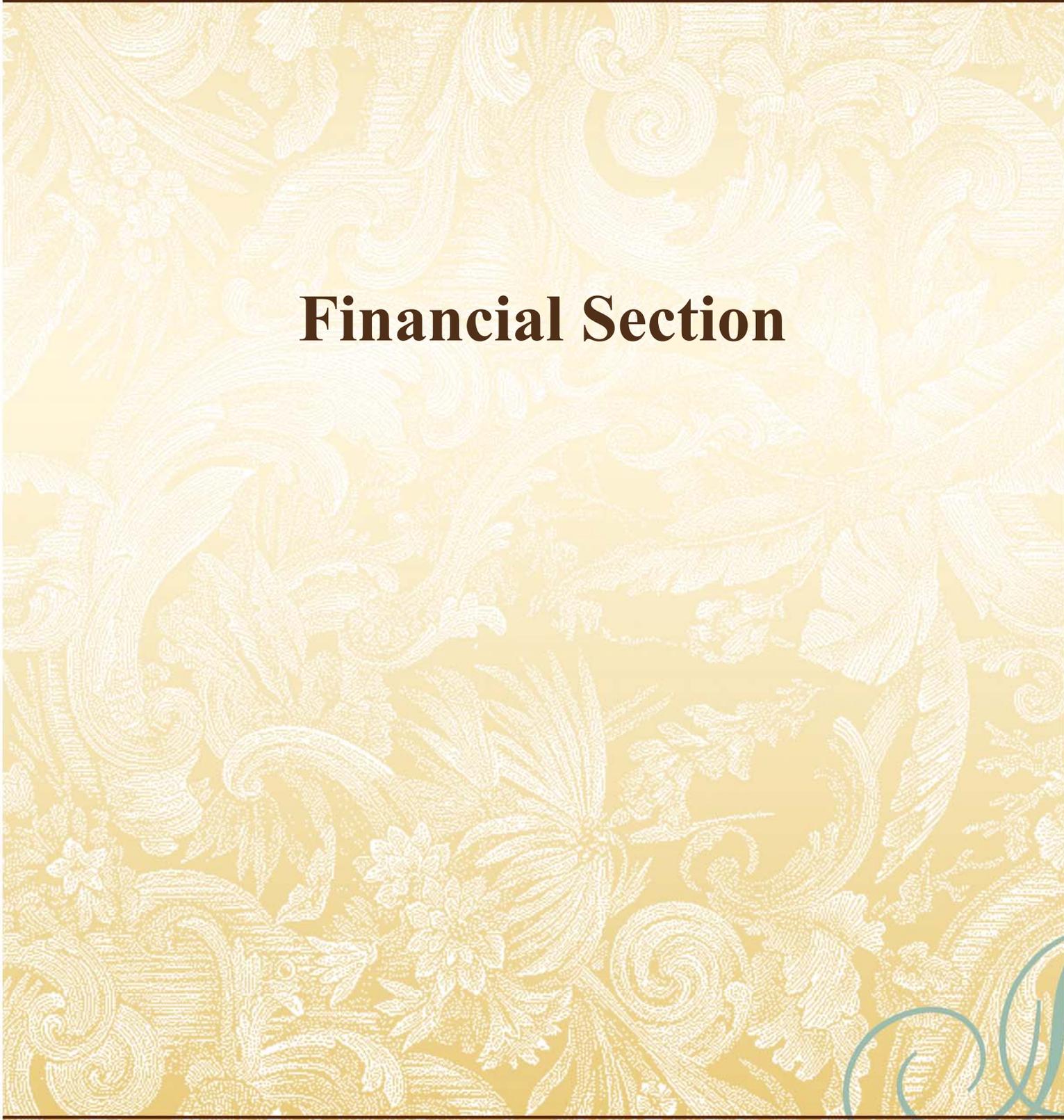


*Christopher P. Moynell*

President

*Jeffrey R. Emer*

Executive Director



# Financial Section



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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Mayor and City Council Members:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orrville, Wayne County, Ohio, (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

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

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orrville, Wayne County, Ohio, as of December 31, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Supplementary and Other Information*

Our audit was conducted to opine on the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

**Dave Yost**  
Auditor of State

Columbus, Ohio

June 17, 2013

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**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2012*  
*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, 2012. 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 2012 are as follows:

- Income tax collections were the largest single year of collections in the City's history, primarily due to income tax on business net profits and withholdings from contractors working on new construction within the City. Overall, local businesses had solid financial performance. Several businesses expanded in the City creating new jobs.
- Expansion of established local businesses also impacted the City's utilities, increasing usage and therefore increasing revenues.

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

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

The Statement of Net Position and the Statement of Changes in Net Position provides summarized information showing the effects of the operations for the year 2012 and how they effected the operations of the City as a whole.

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

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

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

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

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

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2012*  
*Unaudited*

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

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

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

***Fund Financial Statements***

The fund financial statements begin on page 18. Fund financial reports give a detailed report of the activities within the funds. The City currently has twenty-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 Position and the Statement of Activities) and the governmental funds is reconciled in the financial statements.

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

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

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2012*  
*Unaudited*

**The City of Orrville as a Whole**

The Statement of Net Position provides an overall view of the City. Table one shows a summary of the City's net position for 2012 as they compare to 2011.

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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Assets</b>						
Current and Other Assets	\$9,249,040	\$7,700,086	\$33,268,068	\$31,710,887	\$42,517,108	\$39,410,973
Capital Assets, Net	43,559,333	43,405,454	41,371,723	43,106,300	84,931,056	86,511,754
<i>Total Assets</i>	<u>52,808,373</u>	<u>51,105,540</u>	<u>74,639,791</u>	<u>74,817,187</u>	<u>127,448,164</u>	<u>125,922,727</u>
<b>Deferred Outflows of Resources</b>	<u>0</u>	<u>0</u>	<u>247,010</u>	<u>288,178</u>	<u>247,010</u>	<u>288,178</u>
<b>Liabilities</b>						
Current Liabilities	540,645	616,357	2,692,145	2,691,973	3,232,790	3,308,330
Long-Term Liabilities:						
Due Within One Year	56,334	58,492	739,374	1,397,480	795,708	1,455,972
Due in More Than One Year	177,377	138,013	5,402,936	6,016,395	5,580,313	6,154,408
<i>Total Liabilities</i>	<u>774,356</u>	<u>812,862</u>	<u>8,834,455</u>	<u>10,105,848</u>	<u>9,608,811</u>	<u>10,918,710</u>
<b>Deferred Inflows of Resources</b>	<u>446,500</u>	<u>448,500</u>	<u>0</u>	<u>0</u>	<u>446,500</u>	<u>448,500</u>
<b>Net Position</b>						
Net Investment in Capital Assets	43,532,213	43,370,414	35,863,973	36,501,762	79,396,186	79,872,176
Restricted for:						
Capital Projects	147,186	148,516	0	0	147,186	148,516
Debt Service	178,275	188,601	760,679	757,162	938,954	945,763
Street Repair and Maintenance	491,854	449,189	0	0	491,854	449,189
Law Enforcement and Education	17,799	21,075	0	0	17,799	21,075
Cemetery Maintenance	353,402	334,225	0	0	353,402	334,225
Replacement and Improvement	0	0	800,000	800,000	800,000	800,000
Unrestricted	6,866,788	5,332,158	28,627,694	26,940,593	35,494,482	32,272,751
<i>Total Net Position</i>	<u>\$51,587,517</u>	<u>\$49,844,178</u>	<u>\$66,052,346</u>	<u>\$64,999,517</u>	<u>\$117,639,863</u>	<u>\$114,843,695</u>

Total assets increased from 2011. Current assets were the major contributor for this increase with increases in cash balances as well as an increase in income tax receivables. In addition, capital assets decreased as annual depreciation outpaced additions in 2012.

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

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2012*  
*Unaudited*

Total net position increased, largely as a result of the increase in current assets mentioned above.

The City also works hard to increase net position through our investment program. Investment earnings for the City were slightly lower than in 2011. This decrease reflects the decline in interest rates received on investments due to the overall economy.

Table 2 shows the changes in net position for the year ended December 31, 2012, for both our Governmental Activities and our Business-Type Activities.

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

	Governmental Activities		Business - Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$962,309	\$793,653	\$37,106,393	\$31,372,681	\$38,068,702	\$32,166,334
Operating Grants and Contributions	512,274	559,982	0	0	512,274	559,982
Capital Grants and Contributions	432,284	184,461	18,596	249,780	450,880	434,241
<b>Total Program Revenues</b>	<b>1,906,867</b>	<b>1,538,096</b>	<b>37,124,989</b>	<b>31,622,461</b>	<b>39,031,856</b>	<b>33,160,557</b>
General Revenues:						
Property Taxes	407,917	445,836	0	0	407,917	445,836
Income Taxes	6,132,895	4,315,780	0	0	6,132,895	4,315,780
Kilowatt Per Hour Tax	916,240	884,285	0	0	916,240	884,285
Grants and Entitlements	437,914	540,040	0	0	437,914	540,040
Investment Earnings	24,179	27,685	148,673	166,028	172,852	193,713
Other	383,627	42,833	898,385	661,252	1,282,012	704,085
<b>Total General Revenues</b>	<b>8,302,772</b>	<b>6,256,459</b>	<b>1,047,058</b>	<b>827,280</b>	<b>9,349,830</b>	<b>7,083,739</b>
<b>Total Revenues</b>	<b>\$10,209,639</b>	<b>\$7,794,555</b>	<b>\$38,172,047</b>	<b>\$32,449,741</b>	<b>\$48,381,686</b>	<b>\$40,244,296</b>
<b>Program Expenses</b>						
General Government	\$1,524,270	\$1,113,080	\$0	\$0	\$1,524,270	\$1,113,080
Security of Persons and Property:						
Police	2,035,706	1,741,290	0	0	2,035,706	1,741,290
Fire	583,869	727,641	0	0	583,869	727,641
Transportation	2,178,927	2,120,596	0	0	2,178,927	2,120,596
Public Health and Welfare	355,785	193,614	0	0	355,785	193,614
Leisure Time Activities	388,379	395,350	0	0	388,379	395,350
Basic Utility Service	434,596	418,618	0	0	434,596	418,618
Interest and Fiscal Charges	48,529	56,842	0	0	48,529	56,842
Enterprise Operations	0	0	38,035,457	32,620,884	38,035,457	32,620,884
<b>Total Program Expenses</b>	<b>7,550,061</b>	<b>6,767,031</b>	<b>38,035,457</b>	<b>32,620,884</b>	<b>45,585,518</b>	<b>39,387,915</b>

(continued)

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2012*  
*Unaudited*

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

	Governmental Activities		Business - Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Increase (Decrease) in Net Position Before Transfers	2,659,578	1,027,524	136,590	(171,143)	2,796,168	856,381
Transfers	(916,239)	(884,285)	916,239	884,285	0	0
Increase in Net Position	1,743,339	143,239	1,052,829	713,142	2,796,168	856,381
Net Position Beginning of Year	49,844,178	49,700,939	64,999,517	64,286,375	114,843,695	113,987,314
Net Position End of Year	\$51,587,517	\$49,844,178	\$66,052,346	\$64,999,517	\$117,639,863	\$114,843,695

***Governmental Activities***

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

The City's income tax was established by ordinance to be effective January 1, 1961 at a rate of .6 percent. The rate was later increased by resolution to 1 percent effective October 1, 1970. The rate has remained at that level since then. This rate is much lower than the State average for municipalities that have an income tax. The income tax accounted for revenues of \$6,132,895 in 2012. These revenues were split between the general fund and the capital improvements fund with an allocation of 75 percent to the general fund and 25 percent to the capital improvements fund. The allocation percentage is set by resolution and historically has changed from time to time depending on the balances in the two aforementioned funds. The allocation has been 80 - 20 percent, 65 - 35 percent, 60 - 40 percent as well as 70 - 30 percent. This practice of putting a percentage of income tax revenue into the capital improvements fund has been an excellent tool for the City in making capital improvements without the need to issue debt. In the last several years some major projects have been accomplished with monies from the capital improvements fund, such as the repaving of several small streets and the purchase of a new fire truck.

In 2012, the majority of businesses in the City had strong financial performance and some even expanded their workforce.

Program revenues increased on a GAAP basis in 2012 primarily due to proceeds from capital grants for road construction projects.

Transportation represents the largest expense of the governmental activities. These funds are used to maintain the streets and the equipment used for the streets. Transportation expenses increased in 2012 due to an increased emphasis on road maintenance projects and City wide street clearing during snow events.

Our Police Department is also funded through the general fund. The Department is a full-time 24-hour a day, 365-days a year Department. The expenses for the Department for the year 2012 increased due to unexpected overtime demands created by medical and military leave of absences.

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2012*  
*Unaudited*

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Our Fire Department is a part-time department with a full-time Chief. The City is committed to maintaining a very efficient department. Regular meetings, drills, and training sessions are held. The Department's functions include firefighting, emergency medical service including paramedic service, fire prevention education, and investigation. The Department also contracts with surrounding townships to provide firefighting and emergency medical services. The revenues generated by these contracts are reported under the charges for services area. The expenses for the Fire Department decreased in 2012 primarily due to stabilization to a historical level of fire calls.

***Business-Type Activities***

The City operates a Utility Department that consists of three utilities. The largest from an asset and revenue standpoint is the electric utility. This utility consists of a coal fired generation plant and distribution system that serves the City and surrounding area with reliable and competitively priced power. In 2012, the electric utility sold 300,351,316 KWH of electricity to generate \$32,256,760 in charges for services revenue. They burned 123,527 tons of coal at a cost of \$7,370,575. The overhaul of Number 11 Turbine was completed in February 2012. The Energy Efficiency Program that began in 2011 and continued in 2012 is proving beneficial to many of the City's industrial customers. The EPA issued a final Rule for Boiler MACT which became effective in January 2013. We are currently exploring compliance options.

The water utility treated an average of 1.7 million gallons of water per day in 2012. The water plant is the newest of the utility facilities. It was put into service in 1996. The raw water is supplied from various wells and continued to produce a high quality of water while meeting or exceeding all EPA requirements. The plant currently serves approximately 3,200 residential customers and over 350 industrial and commercial customers.

The sewer facility treated 697 million gallons of sewage during 2012. 80 million gallons of our effluent water was beneficially reused at our Power Plant. 192 dry tons of residual solids were land applied in 2012 to agricultural fields, returning their nutrients to the soil. The facility is currently operating at approximately 70 percent of its rated capacity and continues to maintain its operations to assure reliable wastewater collection and treatment for Orrville's residents, businesses and industries.

The revenues and expenses for all three of these utilities are reported under the business-type activities on Table 2. Reviewing this table shows the majority of the City's revenues and expenses flow through the Utility Department. The revenues for the Utility Department come primarily from charges for service. In 2011 this amount accounted for approximately 97.5 percent of the revenues. The increase in the revenues in the utility funds during 2012 was primarily due to the increase in the electric fund created by an increase in industrial and commercial usage compared to 2011. Usage was up due to several local companies increasing production. The revenues and transfers in exceeded total expenses for the utilities, increasing net position \$1,052,829 in the business-type activities.

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2012*  
*Unaudited*

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**The City's Funds**

Information about the City's governmental funds begins on page 18. These funds are accounted for using the modified accrual method of accounting. The general fund revenues of \$6,544,738 are higher than 2011, due to higher income tax revenue, partially offset by decreased intergovernmental and property taxes revenues. Expenditures of \$4,607,935 are higher than 2011, due to previously mentioned absences in the police department. Although this shows a surplus of \$1,936,803, 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 \$600,540. The capital improvements fund revenues of \$1,633,268 are larger than 2011 and is being driven by two things. The first is a legislative change in the historical allocation of income tax revenue between the general fund and the capital improvement fund and the second is the overall increase in income tax collections. The expenditures of \$1,231,421 are higher than 2011, due to more street projects being completed during 2012. Revenues exceeding expenditures creates a surplus of \$401,847.

Information about the business-type funds starts on page 23. These funds are accounted for on an accrual basis. The sewer fund had operating revenues of \$2,024,971 and operating expenses of \$2,078,019, the electric fund had operating revenues of \$33,081,688 and operating expenses of \$32,760,490 and the water fund had operating revenues of \$2,898,119 and operating expenses of \$2,826,480. As a result, the sewer utility fund reflected an operating loss and the electric and water utility funds had operating income. After non-operating revenues (expenses) and transfers are taken into consideration, the sewer and water fund had a decrease in net position.

***Budgeting Highlights***

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

For the general fund, the original budgeted revenues and the final budgeted revenues were \$4,667,400 and \$4,853,700. The actual revenues were \$6,790,926. Of this \$1,937,226 difference between final budgeted and actual revenues, most was due to higher than anticipated income tax revenues. The final expenditures of \$4,901,397 compare favorably with the final budget figure of \$5,228,122. The final budget was higher than actual expenditures in every department, due to conservative budgeting by the City's administration.

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

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

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2012*  
*Unaudited*

**Capital Assets and Debt Administration**

*Capital Assets*

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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$2,251,068	\$2,512,207	\$1,318,307	\$1,386,307	\$3,569,375	\$3,898,514
Construction In Progress	1,218,986	1,170,771	0	230,117	1,218,986	1,400,888
Buildings and Improvements	3,366,163	3,454,779	9,528,512	10,179,879	12,894,675	13,634,658
Equipment	557,169	559,386	4,571,577	4,123,272	5,128,746	4,682,658
Vehicles	874,270	846,640	516,377	514,960	1,390,647	1,361,600
Electric - Generation/ Transmission/Distribution	0	0	14,908,833	15,761,764	14,908,833	15,761,764
Infrastructure	35,291,677	34,861,671	10,528,117	10,910,001	45,819,794	45,771,672
<b>Totals</b>	<b>\$43,559,333</b>	<b>\$43,405,454</b>	<b>\$41,371,723</b>	<b>\$43,106,300</b>	<b>\$84,931,056</b>	<b>\$86,511,754</b>

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

The City has a formal capital asset policy, which outlines the procedures for purchasing, receiving, and disposing of capital assets. The policy contains forms and includes a tagging process, which was instituted in 2005. For additional information see Note 9 to the basic financial statements.

***Debt***

The following is the outstanding debt for the City of Orrville as of December 31, 2012:

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Special Assessment Bonds	\$27,120	\$35,040	\$0	\$0	\$27,120	\$35,040
Revenue Bonds	0	0	3,580,000	4,095,000	3,580,000	4,095,000
OWDA Loans	0	0	9,608	537,207	9,608	537,207
OPWC Loan	0	0	865,152	947,262	865,152	947,262
Notes	0	0	1,300,000	1,400,000	1,300,000	1,400,000
<b>Totals</b>	<b>\$27,120</b>	<b>\$35,040</b>	<b>\$5,754,760</b>	<b>\$6,979,469</b>	<b>\$5,781,880</b>	<b>\$7,014,509</b>

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2012*  
*Unaudited*

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The Governmental Activities' only debt is \$27,120 of special assessment bonds, which were issued after our Downtown Improvement Project (Streetscape) was finished and for residential sidewalk installation. The bonds cover the amount of unpaid property owner assessments. The payments on these bonds come from the assessments collected by the County Auditor on property tax duplicates.

The Utility Department carries the vast majority of the debt, which is in the water and sewer funds. The water utility has an outstanding bond anticipation general obligation note. This was issued originally in 2007 to call a portion of the Mortgage Revenue Bonds and was due in 2008. In 2008, additional notes were issued to refinance the 2007 note and also to improve the water utility system. These notes were refinanced in 2009, 2010, 2011, and again in 2012. 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 a loan from the Ohio Water Development Authority which was used to defease the original mortgage revenue bonds issued to construct the treatment plant. These loans will be paid off in 2013. Total debt service payments for the sewer utility in 2012 were \$542,768, and for the water utility \$2,159,507.

The administration and City Council are both very committed to controlling and managing the debt. Over the last ten years, we have been able to manage the cash balances of the City to a point that debt issuance is not necessary for capital improvement except in extreme cases or instances where it is fiscally better to issue debt rather than spend reserves. For additional information see Notes 11 and 12 to the basic financial statements.

### **Current Financial Issues**

The City's finances during 2012 reflected a positive outcome. While the rest of the county was struggling with very trying times we were fortunate to have companies that were experiencing stability and in some cases growth and expansion. The Office of Economic Development had an excellent year assisting with the expansion of existing industries in Orrville. Although future collections are not certain, income tax revenues were the highest collections in the City's history on a cash basis. The City as a whole operated in a surplus position due to continued controlled spending and strong income tax revenue. The strength of the City was evident, as the services to our citizens remained at a high level. Our street department continued to repair and improve streets and plow snow. Our park system continues to provide a high level of leisure activity for the citizens and visitors of Orrville. Revenues for the utilities are up from 2011 due to increased usage by the City's businesses. The Utility Department continues to review EPA rules which will dramatically impact the future operations of the power plant and will have a significant negative impact on the cost structure. Rate studies are in progress to determine what level of funding will be needed for current and future needs of our utilities. All three utilities continue to provide quality service at a reasonable cost. There were no lay-offs.

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

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2012*  
*Unaudited*

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

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

**Contacting the City's Finance Department**

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

**City of Orrville, Ohio**

*Statement of Net Position*

*December 31, 2012*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$6,546,816	\$22,088,806	\$28,635,622
Cash Equivalents Held by Trustee	0	1,449	1,449
Investments Held by Trustee	0	760,679	760,679
Materials and Supplies Inventory	76,928	4,824,401	4,901,329
Accrued Interest Receivable	4,605	49,958	54,563
Accounts Receivable	103,642	4,639,289	4,742,931
Internal Balances	(863,260)	863,260	0
Intergovernmental Receivable	460,922	0	460,922
Prepaid Items	17,006	40,226	57,232
Income Taxes Receivable	2,359,560	0	2,359,560
Property Taxes Receivable	505,662	0	505,662
Special Assessments Receivable	37,159	0	37,159
Nondepreciable Capital Assets	3,470,054	1,318,307	4,788,361
Depreciable Capital Assets, Net	40,089,279	40,053,416	80,142,695
<i>Total Assets</i>	<u>52,808,373</u>	<u>74,639,791</u>	<u>127,448,164</u>
<b>Deferred Outflows of Resources</b>			
Deferred Charge on Refunding	0	247,010	247,010
<b>Liabilities</b>			
Accounts Payable	121,789	1,840,641	1,962,430
Accrued Wages	127,609	142,807	270,416
Intergovernmental Payable	176,102	275,217	451,319
Accrued Interest Payable	17,760	31,082	48,842
Claims Payable	0	229,731	229,731
Vacation Benefits Payable	97,385	172,667	270,052
Long-Term Liabilities:			
Due Within One Year	56,334	739,374	795,708
Due In More Than One Year	177,377	5,402,936	5,580,313
<i>Total Liabilities</i>	<u>774,356</u>	<u>8,834,455</u>	<u>9,608,811</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	446,500	0	446,500
<b>Net Position</b>			
Net Investment in Capital Assets	43,532,213	35,863,973	79,396,186
Restricted for:			
Capital Projects	147,186	0	147,186
Debt Service	178,275	760,679	938,954
Water Replacement and Improvement	0	800,000	800,000
Street Repair and Maintenance	491,854	0	491,854
Law Enforcement and Education	17,799	0	17,799
Cemetery Maintenance	353,402	0	353,402
Unrestricted	6,866,788	28,627,694	35,494,482
<i>Total Net Position</i>	<u>\$51,587,517</u>	<u>\$66,052,346</u>	<u>\$117,639,863</u>

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2012

	Program Revenues			
	Expenses	Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$1,524,270	\$223,260	\$18,150	\$0
Security of Persons and Property:				
Police	2,035,706	27,483	0	0
Fire	583,869	87,585	0	0
Transportation	2,178,927	0	464,131	432,284
Public Health and Welfare	355,785	135,591	0	0
Leisure Time Activities	388,379	69,579	29,993	0
Basic Utility Service	434,596	418,811	0	0
Interest and Fiscal Charges	48,529	0	0	0
<i>Total Governmental Activities</i>	<u>7,550,061</u>	<u>962,309</u>	<u>512,274</u>	<u>432,284</u>
<b>Business-Type Activities:</b>				
Sewer	2,087,164	1,984,559	0	0
Electric	32,778,792	32,256,760	0	0
Water	3,169,501	2,865,074	0	18,596
<i>Total Business-Type Activities</i>	<u>38,035,457</u>	<u>37,106,393</u>	<u>0</u>	<u>18,596</u>
<i>Total - Primary Government</i>	<u>\$45,585,518</u>	<u>\$38,068,702</u>	<u>\$512,274</u>	<u>\$450,880</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 Position

*Net Position Beginning of Year*

*Net Position End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$1,282,860)	\$0	(\$1,282,860)
(2,008,223)	0	(2,008,223)
(496,284)	0	(496,284)
(1,282,512)	0	(1,282,512)
(220,194)	0	(220,194)
(288,807)	0	(288,807)
(15,785)	0	(15,785)
(48,529)	0	(48,529)
<u>(5,643,194)</u>	<u>0</u>	<u>(5,643,194)</u>
0	(102,605)	(102,605)
0	(522,032)	(522,032)
<u>0</u>	<u>(285,831)</u>	<u>(285,831)</u>
0	(910,468)	(910,468)
<u>(5,643,194)</u>	<u>(910,468)</u>	<u>(6,553,662)</u>
407,917	0	407,917
916,240	0	916,240
4,344,025	0	4,344,025
1,788,870	0	1,788,870
437,914	0	437,914
24,179	148,673	172,852
<u>383,627</u>	<u>898,385</u>	<u>1,282,012</u>
8,302,772	1,047,058	9,349,830
<u>(916,239)</u>	<u>916,239</u>	<u>0</u>
<u>7,386,533</u>	<u>1,963,297</u>	<u>9,349,830</u>
1,743,339	1,052,829	2,796,168
<u>49,844,178</u>	<u>64,999,517</u>	<u>114,843,695</u>
<u>\$51,587,517</u>	<u>\$66,052,346</u>	<u>\$117,639,863</u>

**City of Orrville, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2012*

	<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	\$3,757,903	\$1,578,838	\$1,210,075	\$6,546,816
Materials and Supplies Inventory	76,928	0	0	76,928
Accrued Interest Receivable	4,454	0	151	4,605
Accounts Receivable	34,048	0	69,594	103,642
Intergovernmental Receivable	194,019	0	266,903	460,922
Prepaid Items	17,006	0	0	17,006
Income Taxes Receivable	1,769,670	589,890	0	2,359,560
Property Taxes Receivable	505,662	0	0	505,662
Special Assessments Receivable	0	0	37,159	37,159
<i>Total Assets</i>	<u>\$6,359,690</u>	<u>\$2,168,728</u>	<u>\$1,583,882</u>	<u>\$10,112,300</u>
<b>Liabilities</b>				
Accounts Payable	\$29,838	\$1,515	\$90,436	\$121,789
Accrued Wages	115,860	0	11,749	127,609
Intergovernmental Payable	155,698	93	20,311	176,102
Accrued Interest Payable	0	17,605	0	17,605
Interfund Payable	0	840,000	0	840,000
<i>Total Liabilities</i>	<u>301,396</u>	<u>859,213</u>	<u>122,496</u>	<u>1,283,105</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	446,500	0	0	446,500
Unavailable Revenue	1,036,729	277,300	194,208	1,508,237
<i>Total Deferred Inflows of Resources</i>	<u>1,483,229</u>	<u>277,300</u>	<u>194,208</u>	<u>1,954,737</u>
<b>Fund Balances</b>				
Nonspendable	93,934	0	0	93,934
Restricted	0	0	1,055,428	1,055,428
Committed	0	1,032,215	181,848	1,214,063
Assigned	1,776,606	0	29,902	1,806,508
Unassigned	2,704,525	0	0	2,704,525
<i>Total Fund Balances</i>	<u>4,575,065</u>	<u>1,032,215</u>	<u>1,267,178</u>	<u>6,874,458</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$6,359,690</u>	<u>\$2,168,728</u>	<u>\$1,583,882</u>	<u>\$10,112,300</u>

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 December 31, 2012*

<b>Total Governmental Fund Balances</b>	<b>\$6,874,458</b>
<i>Amounts reported for governmental activities in the statement of net position are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	43,559,333
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds:	
Property Taxes	59,162
Income Taxes	1,109,200
Grants	299,498
Special Assessments	37,159
Charges for Services	3,218
Total	1,508,237
The accumulated underpayments to the internal service fund.	(23,260)
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.	(97,385)
In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(155)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Special Assessment Bonds	(27,120)
Compensated Absences	(206,591)
Total	(233,711)
<i>Net Position of Governmental Activities</i>	<b>\$51,587,517</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, 2012*

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$408,163	\$0	\$0	\$408,163
Income Taxes	3,843,204	1,594,340	0	5,437,544
Killowatt Per Hour Tax	916,240	0	0	916,240
Special Assessments	0	0	11,314	11,314
Intergovernmental	494,306	38,328	852,051	1,384,685
Interest	23,596	0	583	24,179
Fines, Licenses and Permits	37,845	0	3,833	41,678
Rentals	34,809	0	0	34,809
Charges for Services	380,081	0	506,329	886,410
Contributions and Donations	23,467	0	6,526	29,993
Other	383,027	600	0	383,627
<i>Total Revenues</i>	<u>6,544,738</u>	<u>1,633,268</u>	<u>1,380,636</u>	<u>9,558,642</u>
<b>Expenditures</b>				
Current:				
General Government	1,178,445	0	456	1,178,901
Security of Persons and Property:				
Police	1,960,806	0	6,809	1,967,615
Fire	450,488	0	0	450,488
Transportation	493,689	0	816,583	1,310,272
Public Health and Welfare	199,021	0	136,680	335,701
Leisure Time Activities	325,486	0	6,738	332,224
Basic Utility Service	0	0	434,596	434,596
Capital Outlay	0	1,185,211	395,286	1,580,497
Debt Service:				
Principal Retirement	0	0	7,920	7,920
Interest and Fiscal Charges	0	46,210	2,365	48,575
<i>Total Expenditures</i>	<u>4,607,935</u>	<u>1,231,421</u>	<u>1,807,433</u>	<u>7,646,789</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,936,803</u>	<u>401,847</u>	<u>(426,797)</u>	<u>1,911,853</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	420,024	420,024
Transfers Out	(1,336,263)	0	0	(1,336,263)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,336,263)</u>	<u>0</u>	<u>420,024</u>	<u>(916,239)</u>
<i>Net Change in Fund Balances</i>	600,540	401,847	(6,773)	995,614
<i>Fund Balances Beginning of Year</i>	<u>3,974,525</u>	<u>630,368</u>	<u>1,273,951</u>	<u>5,878,844</u>
<i>Fund Balances End of Year</i>	<u>\$4,575,065</u>	<u>\$1,032,215</u>	<u>\$1,267,178</u>	<u>\$6,874,458</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, 2012*

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**Net Change in Fund Balances - Total Governmental Funds** \$995,614

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

Governmental funds report capital outlays as expenditures.

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

Capital Asset Additions	1,811,386
Current Year Depreciation	<u>(1,395,327)</u>

Total	416,059
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Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (262,180)

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

Property Taxes	(246)
Income Taxes	695,351
Grants	(32,206)
Special Assessments	(11,314)
Charges for Services	<u>(588)</u>

Total	650,997
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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 position. 7,920

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 46

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	(45,126)
Vacation Benefits Payable	<u>(9,099)</u>

Total	(54,225)
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The change in the accumulated underpayments to the internal service fund for governmental funds is reported for the year. (10,892)

*Change in Net Position of Governmental Activities* \$1,743,339

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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$390,000	\$396,500	\$408,163	\$11,663
Income Taxes	2,590,000	2,590,000	4,060,957	1,470,957
Kilowatt Per Hour Tax	890,000	1,170,000	916,240	(253,760)
Intergovernmental	473,500	374,000	540,706	166,706
Interest	45,300	28,000	16,876	(11,124)
Fines, Licenses and Permits	24,500	25,500	38,897	13,397
Rentals	30,000	30,000	34,809	4,809
Charges for Services	219,100	233,700	367,785	134,085
Contributions and Donations	4,000	5,000	23,467	18,467
Other	1,000	1,000	383,026	382,026
<i>Total Revenues</i>	<u>4,667,400</u>	<u>4,853,700</u>	<u>6,790,926</u>	<u>1,937,226</u>
<b>Expenditures</b>				
Current:				
General Government	1,269,188	1,298,338	1,200,694	97,644
Security of Persons and Property:				
Police	1,960,824	2,029,824	1,965,449	64,375
Fire	561,211	545,211	472,976	72,235
Transportation	613,454	592,454	531,794	60,660
Public Health and Welfare	195,229	221,729	201,627	20,102
Leisure Time Activities	358,316	346,316	334,607	11,709
Debt Service:				
Principal	145,000	145,000	145,000	0
Interest and Fiscal Charges	49,250	49,250	49,250	0
<i>Total Expenditures</i>	<u>5,152,472</u>	<u>5,228,122</u>	<u>4,901,397</u>	<u>326,725</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(485,072)	(374,422)	1,889,529	2,263,951
<b>Other Financing Uses</b>				
Transfers Out	<u>(1,505,000)</u>	<u>(1,429,350)</u>	<u>(1,336,263)</u>	<u>93,087</u>
<i>Net Change in Fund Balance</i>	(1,990,072)	(1,803,772)	553,266	2,357,038
<i>Fund Balance Beginning of Year</i>	2,916,607	2,916,607	2,916,607	0
Prior Year Encumbrances Appropriated	<u>205,712</u>	<u>205,712</u>	<u>205,712</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,132,247</u></u>	<u><u>\$1,318,547</u></u>	<u><u>\$3,675,585</u></u>	<u><u>\$2,357,038</u></u>

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Funds*  
*December 31, 2012*

	Business-Type Activities				Business-Type Activity - Internal Service Fund
	Sewer	Electric	Water	Total	
<b>Assets</b>					
<i>Current Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	\$2,559,972	\$17,473,065	\$1,103,672	\$21,136,709	\$152,097
<i>Restricted Assets:</i>					
Cash Equivalents Held by Trustee	0	0	1,449	1,449	0
Investments Held by Trustee	0	0	547,010	547,010	0
<i>Receivables:</i>					
Accounts	267,310	4,000,742	371,237	4,639,289	0
Accrued Interest	36,689	11,960	1,208	49,857	101
Materials and Supplies Inventory	222,791	4,372,116	229,494	4,824,401	0
Prepaid Items	8,045	24,136	8,045	40,226	0
Interfund Receivable	840,000	0	0	840,000	0
<i>Total Current Assets</i>	<u>3,934,807</u>	<u>25,882,019</u>	<u>2,262,115</u>	<u>32,078,941</u>	<u>152,198</u>
<i>Non-Current Assets:</i>					
<i>Restricted Assets:</i>					
Equity in Pooled Cash and Cash Equivalents Held by Trustee:	0	0	800,000	800,000	0
Investments Held by Trustee	0	0	213,669	213,669	0
Nondepreciable Assets	112,497	570,094	635,716	1,318,307	0
Depreciable Capital Assets, Net	5,279,320	20,447,642	14,326,454	40,053,416	0
<i>Total Non-Current Assets</i>	<u>5,391,817</u>	<u>21,017,736</u>	<u>15,975,839</u>	<u>42,385,392</u>	<u>0</u>
<i>Total Assets</i>	<u>9,326,624</u>	<u>46,899,755</u>	<u>18,237,954</u>	<u>74,464,333</u>	<u>152,198</u>
<b>Deferred Outflows of Resources</b>					
Deferred Charge on Refunding	0	0	247,010	247,010	0
<b>Liabilities</b>					
<i>Current Liabilities:</i>					
Accounts Payable	29,080	1,725,127	86,434	1,840,641	0
Accrued Wages	16,174	110,177	16,456	142,807	0
Intergovernmental Payable	32,110	209,235	33,872	275,217	0
Compensated Absences Payable	15,957	83,605	13,094	112,656	0
Accrued Interest Payable	133	0	30,949	31,082	0
Loans Payable	9,608	0	82,110	91,718	0
Vacation Benefits Payable	25,698	128,345	18,624	172,667	0
Revenue Bonds Payable	0	0	535,000	535,000	0
Claims Payable	0	0	0	0	229,731
<i>Total Current Liabilities</i>	<u>128,760</u>	<u>2,256,489</u>	<u>816,539</u>	<u>3,201,788</u>	<u>229,731</u>
<i>Long-Term Liabilities:</i>					
Notes Payable (net of current portion)	0	0	1,300,000	1,300,000	0
Compensated Absences Payable (net of current portion)	44,088	176,875	53,931	274,894	0
Loans Payable (net of current portion)	0	0	783,042	783,042	0
Revenue Bonds Payable (net of current portion)	0	0	3,045,000	3,045,000	0
<i>Total Long-Term Liabilities</i>	<u>44,088</u>	<u>176,875</u>	<u>5,181,973</u>	<u>5,402,936</u>	<u>0</u>
<i>Total Liabilities</i>	<u>172,848</u>	<u>2,433,364</u>	<u>5,998,512</u>	<u>8,604,724</u>	<u>229,731</u>
<b>Net Position</b>					
Net Investment in Capital Assets	5,382,209	21,017,736	9,464,028	35,863,973	0
<i>Restricted for</i>					
Replacement and Improvement	0	0	800,000	800,000	0
Debt Service	0	0	760,679	760,679	0
Unrestricted (Deficit)	3,771,567	23,448,655	1,461,745	28,681,967	(77,533)
<i>Total Net Position</i>	<u>\$9,153,776</u>	<u>\$44,466,391</u>	<u>\$12,486,452</u>	<u>66,106,619</u>	<u>(\$77,533)</u>

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

(54,273)  
Net position of business-type activities \$66,052,346

**City of Orrville, Ohio**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2012*

	Business-Type	
	Sewer	Electric
<b>Operating Revenues</b>		
Charges for Services	\$1,984,559	\$32,256,760
Other	40,412	824,928
<i>Total Operating Revenues</i>	<u>2,024,971</u>	<u>33,081,688</u>
<b>Operating Expenses</b>		
Personal Services	1,041,435	6,500,166
Purchased Services	65,223	2,200,275
Materials and Supplies	335,419	21,426,366
Utilities	17,194	639,725
Depreciation	618,748	1,993,958
Claims	0	0
<i>Total Operating Expenses</i>	<u>2,078,019</u>	<u>32,760,490</u>
<i>Operating Income (Loss)</i>	<u>(53,048)</u>	<u>321,198</u>
<b>Non-Operating Revenues (Expenses)</b>		
Interest and Fiscal Charges	(5,535)	0
Interest	49,388	45,403
<i>Total Non-Operating Revenues (Expenses)</i>	<u>43,853</u>	<u>45,403</u>
<i>Income (Loss) before Capital Contributions and Transfers</i>	<u>(9,195)</u>	<u>366,601</u>
Capital Contributions	0	0
Transfers In	0	916,239
<i>Change in Net Position</i>	(9,195)	1,282,840
<i>Net Position Beginning of Year</i>	<u>9,162,971</u>	<u>43,183,551</u>
<i>Net Position (Deficit) End of Year</i>	<u><u>\$9,153,776</u></u>	<u><u>\$44,466,391</u></u>

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

Change in net position of business-type activities

See accompanying notes to the basic financial statements

Activities		Business-Type Activity - Internal Service Fund
Water	Total	
\$2,865,074	\$37,106,393	\$2,007,374
33,045	898,385	0
2,898,119	38,004,778	2,007,374
1,055,956	8,597,557	0
80,489	2,345,987	167,916
820,319	22,582,104	0
9,716	666,635	0
860,000	3,472,706	0
0	0	1,876,128
2,826,480	37,664,989	2,044,044
71,639	339,789	(36,670)
(339,155)	(344,690)	0
53,520	148,311	362
(285,635)	(196,379)	362
(213,996)	143,410	(36,308)
18,596	18,596	0
0	916,239	0
(195,400)	1,078,245	(36,308)
12,681,852		(41,225)
<u>\$12,486,452</u>		<u>(\$77,533)</u>
	(25,416)	
	<u>\$1,052,829</u>	

**City of Orrville, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2012

	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	\$1,951,880	\$31,268,118	\$2,803,423	\$36,023,421	\$0
Cash Received from Transactions with Other Funds	0	0	0	0	2,007,374
Other Cash Receipts	40,412	824,928	33,045	898,385	0
Cash Payments to Employees for Services	(1,032,295)	(6,625,823)	(1,091,904)	(8,750,022)	0
Cash Payments for Goods and Services	(429,806)	(24,127,532)	(940,375)	(25,497,713)	(167,916)
Cash Payments for Claims	0	0	0	0	(1,754,410)
<i>Net Cash Provided by Operating Activities</i>	<u>530,191</u>	<u>1,339,691</u>	<u>804,189</u>	<u>2,674,071</u>	<u>85,048</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers In	0	916,239	0	916,239	0
<b>Cash Flows from Capital and Related Financing Activities</b>					
Capital Grants	0	0	108,701	108,701	0
Proceeds from Sale of Notes	0	0	1,300,000	1,300,000	0
Interfund Activity - Manuscript Bonds	145,000	0	0	145,000	0
Principal Paid on Revenue Bonds	0	0	(515,000)	(515,000)	0
Interest Paid on Revenue Bonds	0	0	(144,197)	(144,197)	0
Principal Paid on OWDA Loans	(527,599)	0	0	(527,599)	0
Interest Paid on OWDA Loans	(15,169)	0	0	(15,169)	0
Principal Paid on OPWC Loan	0	0	(82,110)	(82,110)	0
Principal Paid on Notes	0	0	(1,400,000)	(1,400,000)	0
Interest Paid on Notes	0	0	(18,200)	(18,200)	0
Disposal of Capital Assets	0	0	135,000	135,000	0
Payments for Capital Acquisitions	(101,648)	(1,611,129)	(160,352)	(1,873,129)	0
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(499,416)</u>	<u>(1,611,129)</u>	<u>(776,158)</u>	<u>(2,886,703)</u>	<u>0</u>
<b>Cash Flows from Investing Activities</b>					
Interest on Investments	54,678	39,599	3,560	97,837	289
<i>Net Increase in Cash and Cash Equivalents</i>	85,453	684,400	31,591	801,444	85,337
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,474,519</u>	<u>16,788,665</u>	<u>1,873,530</u>	<u>21,136,714</u>	<u>66,760</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$2,559,972</u>	<u>\$17,473,065</u>	<u>\$1,905,121</u>	<u>\$21,938,158</u>	<u>\$152,097</u>

(continued)

**City of Orrville, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
For the Year Ended December 31, 2012

	Business-Type Activities				Business-Type Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>					
Operating Income (Loss)	(\$53,048)	\$321,198	\$71,639	\$339,789	(\$36,670)
Adjustments:					
Depreciation	618,748	1,993,958	860,000	3,472,706	0
(Increase) Decrease in Assets:					
Accounts Receivable	(32,679)	(988,642)	(61,652)	(1,082,973)	0
Prepaid Items	(218)	(566)	(219)	(1,003)	0
Materials and Supplies Inventory	(11,240)	122,625	(4,121)	107,264	0
Increase (Decrease) in Liabilities:					
Accounts Payable	(868)	11,382	(25,756)	(15,242)	0
Accrued Wages	4,073	28,987	2,912	35,972	0
Vacation Benefits Payable	1,982	(14,870)	(4,290)	(17,178)	0
Compensated Absences Payable	4,466	(119,153)	(32,169)	(146,856)	0
Intergovernmental Payable	(1,025)	(15,228)	(2,155)	(18,408)	0
Claims Payable	0	0	0	0	121,718
<i>Net Cash Provided by Operating Activities</i>	<u>\$530,191</u>	<u>\$1,339,691</u>	<u>\$804,189</u>	<u>\$2,674,071</u>	<u>\$85,048</u>

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*December 31, 2012*

	Private Purpose Trust	
	Cemetery Memorial	Agency
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$4,249	\$61,446
Accrued Interest Receivable	3	0
	4,252	\$61,446
<i>Total Assets</i>	4,252	\$61,446
<b>Liabilities</b>		
Deposits Held and Due to Others	0	\$61,446
	0	\$61,446
<b>Net Position</b>		
Held in Trust for Cemetery	225	
Endowments	4,027	
	4,252	
<i>Total Net Position</i>	\$4,252	

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Changes in Fiduciary Net Position*  
*Fiduciary Fund*  
*For the Year Ended December 31, 2012*

	Private-Purpose Trust
	Cemetery Memorial
<b>Additions</b>	
Interest	\$11
<b>Deductions</b>	
Materials and Supplies	100
<i>Change in Net Position</i>	(89)
<i>Net Position Beginning of Year</i>	4,341
<i>Net Position End of Year</i>	\$4,252

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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

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

***Reporting Entity***

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organizations. Component units may also include organizations 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's management believes these financial statements present all activities for which the City is financially accountable.

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

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

***Basis of Presentation***

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

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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

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

***Fund Accounting***

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

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

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

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

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

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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

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

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

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

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

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

**Measurement Focus**

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

**Fund Financial Statements** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and 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 position. The statement of changes in fund net position 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.

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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***Basis of Accounting***

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance fiscal year 2013 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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

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

***Cash and Cash Equivalents***

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

During 2012, investments were limited to Federal Home Loan Bank Notes, Federal Farm Credit Bank Bonds, Commercial Paper, U.S. Treasury Bills and STAR Ohio, 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. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s net asset value per share which is the price the investment could be sold for on December 31, 2012.

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the general fund, state highway and performing arts special revenue funds, the special assessment bond retirement debt service fund, the park improvement capital projects fund, the employee self-insurance internal service fund, the cemetery memorial private-purpose trust fund, and the sewer, electric, and water enterprise funds. Interest revenue credited to the general fund during 2012 amounted to \$23,596 which includes \$9,711 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 position as “restricted assets – investments held by trustee” or “restricted assets – cash equivalents held by trustee.”

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

***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2012, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

***Inventory***

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

***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.

***Capital Assets***

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

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

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

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

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

***Interfund Balances***

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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***Compensated Absences***

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

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

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

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

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

***Fund Balance***

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

The classifications are as follows:

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

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

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter, ordinance or State statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance to cover a gap between estimated revenue and appropriations in the 2013 appropriated budget.

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

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

***Net Position***

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

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

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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***Operating Revenues and Expenses***

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

***Internal Activity***

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

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

***Estimates***

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

***Budgetary Process***

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

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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

**Note 3 – Change in Accounting Principles**

For 2012, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements," Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements," Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53," Statement No. 65, "Items Previously Reported as Assets and Liabilities," and Statement No. 66, "Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62."

GASB Statement No. 60 improves financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 62 incorporates into GASB's authoritative literature certain FASB and AICPA pronouncements issued on or before November 30, 1989. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. These changes were incorporated in the City's 2012 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 64 clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the City's 2012 financial statements.

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of this statement did not result in any change in the City's financial statements.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

**Note 4 – Fund Balances**

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

Fund Balances	General	Capital Improvements	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Inventory	\$76,928	\$0	\$0	\$76,928
Prepays	17,006	0	0	17,006
<i>Total Nonspendable</i>	<u>93,934</u>	<u>0</u>	<u>0</u>	<u>93,934</u>
<u>Restricted for:</u>				
Police Department	0	0	17,799	17,799
Cemetery Maintenance	0	0	353,402	353,402
Debt Service Retirement	0	0	141,271	141,271
Street Maintenance	0	0	394,495	394,495
Community Development	0	0	113,868	113,868
Grants	0	0	34,593	34,593
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>1,055,428</u>	<u>1,055,428</u>
<u>Committed to:</u>				
Capital Improvements	0	1,032,215	0	1,032,215
Solid Waste Management	0	0	44,131	44,131
Fire and EMS Department	0	0	132,586	132,586
Performing Arts	0	0	5,131	5,131
<i>Total Committed</i>	<u>0</u>	<u>1,032,215</u>	<u>181,848</u>	<u>1,214,063</u>
<u>Assigned to:</u>				
2013 Appropriations	1,737,003	0	0	1,737,003
Purchases on Order	32,171	0	0	32,171
Other Purposes	7,432	0	27,635	35,067
Park Improvements	0	0	2,267	2,267
<i>Total Assigned</i>	<u>1,776,606</u>	<u>0</u>	<u>29,902</u>	<u>1,806,508</u>
Unassigned	<u>2,704,525</u>	<u>0</u>	<u>0</u>	<u>2,704,525</u>
<b>Total Fund Balances</b>	<u><u>\$4,575,065</u></u>	<u><u>\$1,032,215</u></u>	<u><u>\$1,267,178</u></u>	<u><u>\$6,874,458</u></u>

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

**Note 5 - Budgetary Basis of Accounting**

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

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

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

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

Net Change in Fund Balance	
GAAP Basis	\$600,540
Net Adjustment for Revenue Accruals	250,742
Excess of revenues and other financing sources and over (under) expenditure's and other financing users:	
Parking Meter	(2,500)
Beginning Fair Value Adjustments for Investments	8,317
Ending Fair Value Adjustments for Investments	(12,871)
Net Adjustment for Expenditure Accruals	(227,987)
Encumbrances	(62,975)
Budget Basis	\$553,266

**Note 6 - Deposits and Investments**

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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 \$8,594,803 and the bank balance was \$8,504,010. Of the bank balance \$8,504,010 was covered by Federal depository insurance.

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

**Investments**

As of December 31, 2012, the City had the following investments:

	Fair Value	Investment Maturities (in Years)	
		Less than 1	1-2
Federal Farm Credit Bank Bonds	\$1,000,880	\$0	\$1,000,880
Commercial Paper	3,997,892	3,997,892	0
U.S. Treasury Bills	1,000,820	1,000,820	0
STAR Ohio	14,869,050	14,869,050	0
Total Portfolio	<u>\$20,868,642</u>	<u>\$19,867,762</u>	<u>\$1,000,880</u>

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

**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 STAR Ohio which carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk.

**Custodial Credit Risk** for an investment is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Federal Farm Credit Bank Bonds, Commercial Paper and U.S. Treasury Bills 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, 2012:

Investment Issuer	Percentage of Investments
Federal Farm Credit Bank Bonds	4.80%
Commercial Paper	19.16
US Treasury Bills	4.79

**Note 7 - Receivables**

Receivables at December 31, 2012, 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	\$103,683	\$41	\$103,642
Business-Type	4,642,110	2,821	4,639,289

Special assessments expected to be collected in more than one year amount to \$18,660 in the Special Assessment Bond Retirement Fund. The amount of delinquent special assessments outstanding at year-end is \$7,167.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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***Property Taxes***

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2012 for real and public utility property taxes represents collections of 2011 taxes.

2012 real property taxes were levied after October 1, 2012, on the assessed value as of January 1, 2012, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2012 real property taxes are collected in and intended to finance 2013.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2012 public utility property taxes which became a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2013 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2012, was \$2.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2012 property tax receipts were based are as follows:

Real Property	\$165,440,550
Public Utility Property	<u>682,100</u>
Total	<u><u>\$166,122,650</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2012, and for which there was an enforceable legal claim. In governmental funds, the portion of receivable not levied to finance 2012 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

***Income Taxes***

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

**City of Orrville, Ohio**  
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*For the Year Ended December 31, 2012*

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The City's income tax ordinance requires twenty-five percent of the income tax revenues to be used to finance governmental and business-type capital improvements. As a result, this portion of the revenue is allocated to the capital improvements capital projects fund each year. The remaining income tax proceeds are to be used to pay the cost of administering the tax, general fund operations, capital improvements, debt service and other governmental functions when needed, as determined by Council. In 2012, the proceeds were allocated to the general fund and the capital improvements fund.

***Intergovernmental Receivables***

A summary of intergovernmental receivables follows:

	<u>Amount</u>
<b>Governmental Activities</b>	
Local Government	\$151,532
Gasoline Tax	140,577
Auto Regulation	73,641
OPWC Grant	46,558
Homestead and Rollback	24,388
Estate Tax	13,211
Miscellaneous	6,119
Permissive Motor Vehicle Tax	4,896
Total	<u><u>\$460,922</u></u>

**Note 8 - Contingent Liabilities**

***Litigation***

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

***Federal and State Grants***

The City participates in several Federal and State assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2012, the audits of certain of these programs have not been completed. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2012

**Note 9 - Capital Assets**

Capital asset activity for the year ended December 31, 2012, was as follows:

	Balance 12/31/11	Additions	Deductions	Balance 12/31/12
<b>Governmental Activities</b>				
Capital Assets, not being depreciated:				
Land	\$2,512,207	\$0	(\$261,139)	\$2,251,068
Construction in Progress	1,170,771	48,215	0	1,218,986
Total Capital Assets, not being Depreciated	<u>3,682,978</u>	<u>48,215</u>	<u>(261,139)</u>	<u>3,470,054</u>
Capital Assets, being Depreciated				
Buildings and Improvements	7,472,572	85,938	0	7,558,510
Equipment	2,779,814	129,618	(293,324)	2,616,108
Vehicles	3,043,253	158,208	0	3,201,461
Infrastructure	53,276,189	1,389,407	0	54,665,596
Total Capital Assets, being Depreciated	<u>66,571,828</u>	<u>1,763,171</u>	<u>(293,324)</u>	<u>68,041,675</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(4,017,793)	(174,554)	0	(4,192,347)
Equipment	(2,220,428)	(130,794)	292,283	(2,058,939)
Vehicles	(2,196,613)	(130,578)	0	(2,327,191)
Infrastructure	(18,414,518)	(959,401)	0	(19,373,919)
Total Accumulated Depreciation	<u>(26,849,352)</u>	<u>(1,395,327) *</u>	<u>292,283</u>	<u>(27,952,396)</u>
Total Capital Assets, being Depreciated, net	<u>39,722,476</u>	<u>367,844</u>	<u>(1,041)</u>	<u>40,089,279</u>
Governmental Activities Capital Assets, Net	<u><u>\$43,405,454</u></u>	<u><u>\$416,059</u></u>	<u><u>(\$262,180)</u></u>	<u><u>\$43,559,333</u></u>
<b>Business-Type Activities</b>				
Capital Assets, not being depreciated:				
Land	\$1,386,307	\$67,000	(\$135,000)	\$1,318,307
Construction In Progress	230,117	77,437	(307,554)	0
Total Capital Assets, not being depreciated	<u>1,616,424</u>	<u>144,437</u>	<u>(442,554)</u>	<u>1,318,307</u>
Capital Assets, being Depreciated				
Buildings and Improvements	21,821,303	36,609	0	21,857,912
Equipment	12,040,737	1,311,766	(825,505)	12,526,998
Vehicles	2,013,573	73,518	(45,987)	2,041,104
Electric - Generation/Transmission/Distribution	63,875,222	300,040	0	64,175,262
Infrastructure	27,627,236	314,313	0	27,941,549
Total Capital Assets, being Depreciated	<u>127,378,071</u>	<u>2,036,246</u>	<u>(871,492)</u>	<u>128,542,825</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(11,641,424)	(687,976)	0	(12,329,400)
Equipment	(7,917,466)	(863,460)	825,505	(7,955,421)
Vehicles	(1,498,613)	(72,101)	45,987	(1,524,727)
Electric - Generation/Transmission/Distribution	(48,113,458)	(1,152,971)	0	(49,266,429)
Infrastructure	(16,717,234)	(696,198)	0	(17,413,432)
Total Accumulated Depreciation	<u>(85,888,195)</u>	<u>(3,472,706)</u>	<u>871,492</u>	<u>(88,489,409)</u>
Total Capital Assets, being Depreciated, net	<u>41,489,876</u>	<u>(1,436,460)</u>	<u>0</u>	<u>40,053,416</u>
Business-Type Activities Capital Assets, Net	<u><u>\$43,106,300</u></u>	<u><u>(\$1,292,023)</u></u>	<u><u>(\$442,554)</u></u>	<u><u>\$41,371,723</u></u>

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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

General Government	\$79,746
Security of Persons and Property:	
Police	30,419
Fire	149,386
Transportation	1,058,630
Public Health and Welfare	20,042
Leisure Time Activities	57,104
Total Depreciation Expense	<u>\$1,395,327</u>

**Note 10 - 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 2012, 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	\$151,777,073
	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	143,848,836
Scottsdale Insurance	Police Professional Liability	5,000	1,000,000
	Public Officials Liability	3,500	2,000,000
Selective Insurance	Commercial Property	500	14,512,700

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

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

**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 \$1395.86/\$898.86/\$428.36 for medical and \$100.00/\$64.00/\$31.00 for dental, respectively. AultCare charges the City a medical administration fee of \$29.75/\$18.90/\$9.10 per family/employee plus one/single per month and a dental administration fee of \$3.28/\$2.08/\$1.04 per family/employee plus one/single per month.

The claims liability of \$229,731 reported in the self-insurance fund at December 31, 2012, is estimated by the third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustments expenses and does not include other allocated or unallocated claim adjustment expenses. Management's expectation is the claims liabilities will be paid within one year.

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

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2011	\$126,217	\$1,696,172	\$1,714,376	\$108,013
2012	108,013	1,876,128	1,754,410	229,731

**Note 11 - Long-Term Debt**

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
<b>Governmental Activities</b>			
Street Improvement Special Assessment - 2000	6.75%	\$95,170	December 1, 2015
<b>Business-Type Activities</b>			
OPWC Water System Improvement Loan - 1999	0.00	1,208,853	July 1, 2018
OPWC Water System Improvement Loan - 2007 A	0.00	500,000	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 - 2011	1.30	1,400,000	April 20, 2012
Water Utility Project Note - 2012	0.65	1,300,000	April 18, 2013
Water System Refunding Revenue Bonds - 2002	1.90-4.75	8,135,000	December 1, 2018

**City of Orrville, Ohio**  
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A schedule of changes in bonds and other long-term obligations of the City during 2012 follows:

	Amount Outstanding 12/31/11	Additions	Deletions	Amount Outstanding 12/31/12	Amounts Due in One Year
<b>Governmental Activities</b>					
<u>Special Assessment Bonds</u>					
<u>with Governmental Commitment</u>					
2000 Street Improvement	\$35,040	\$0	\$7,920	\$27,120	\$8,460
Compensated Absences	161,465	51,289	6,163	206,591	47,874
Total Governmental Activities	<u>\$196,505</u>	<u>\$51,289</u>	<u>\$14,083</u>	<u>\$233,711</u>	<u>\$56,334</u>
<b>Business-Type Activities</b>					
<u>OPWC Water System</u>					
Improvement Loan - 1999	\$423,096	\$0	\$60,443	\$362,653	\$60,443
Improvement Loan - 2007 A	453,333	0	5,000	448,333	5,000
Improvement Loan - 2007 B	70,833	0	16,667	54,166	16,667
Total OPWC Water System	<u>947,262</u>	<u>0</u>	<u>82,110</u>	<u>865,152</u>	<u>82,110</u>
OWDA Water Pollution Control Loan	518,964	0	518,964	0	0
OWDA Sewer Improvement Loan	18,243	0	8,635	9,608	9,608
Total OWDA Loans	<u>537,207</u>	<u>0</u>	<u>527,599</u>	<u>9,608</u>	<u>9,608</u>
Water Utility Project Note 1.3%	1,300,000	0	1,300,000	0	0
Water Utility Project Note .65%	0	1,300,000	0	1,300,000	0
Total Long-Term Notes	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,300,000</u>	<u>0</u>
<u>Mortgage Revenue Bonds</u>					
Water System Refunding Revenue Bonds	4,095,000	0	515,000	3,580,000	535,000
Compensated Absences	534,406	43,787	190,643	387,550	112,656
Total Business-Type Activities	<u>\$7,413,875</u>	<u>\$1,343,787</u>	<u>\$2,615,352</u>	<u>\$6,142,310</u>	<u>\$739,374</u>

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

On April 18, 2012, the City issued Water Utility Project Notes to retire the 2011 Water Utility Project Notes. The notes mature on April 18, 2013. The notes are bond anticipation notes and are backed by the full faith and credit of the City.

The City has pledged future revenues to repay the Ohio Water Development Authority Sewer Improvement Loan. The loan is payable solely from net revenues and is payable through 2013. Annual principal and interest payments on the loan are expected to require less than 27 percent of total revenues and 88 percent of net revenues. The total principal and interest remaining to be paid on the loans is \$10,129. Principal and interest paid for the current year were \$542,768 total net revenues were \$615,088 and total revenues were \$2,074,359.

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

***Revenue Bonds***

In 2002, the City issued \$8,135,000 in Water System Refunding Revenue Bonds. The refunded bonds are considered defeased. The serial bonds were issued with interest rates varying from 1.90 percent to 4.75 percent. The bonds maturing after December 1, 2013 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, 2012, were as follows:

Restricted Assets Held by City	
Replacement and Improvement	\$800,000
Restricted Assets Held by the Trustee	
Mortgage Revenue Bond Debt Service	\$760,679

The City has pledged future revenues to repay the Water System Refunding Revenue Bonds and the Ohio Public Works Commission Water Systems Loans. The bonds and loans are payable solely from net revenues and are payable through 2038. Annual principal and interest payments on the bonds and loans are expected to require less than 76 percent of net revenues and less than 26 percent of total revenues. The total principal and interest remaining to be paid on the bonds and loan is \$5,040,655. Principal and interest paid for the current year were \$741,307, total net revenues were \$985,159 and total revenues were \$2,951,639.

As of December 31, 2012, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$17,442,878 and the unvoted legal debt margin was \$9,136,746. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2012 are as follows:

Year Ending December 31	Governmental Activities	
	Special	
	Assessment Bonds	
	Principal	Interest
2013	\$8,460	\$1,830
2014	9,030	1,260
2015	9,630	650
Total	\$27,120	\$3,740

**City of Orrville, Ohio**  
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Year Ending December 31	Business-Type Activities				
	Ohio Public	OWDA Sewer		Water System	
	Works Commission	Improvement Loan		Refunding	
	Principal	Principal	Interest	Principal	Interest
2013	\$82,110	\$9,608	\$521	\$535,000	\$161,510
2014	82,109	0	0	555,000	138,773
2015	82,109	0	0	580,000	114,353
2016	82,109	0	0	605,000	88,252
2017	82,109	0	0	640,000	61,028
2018-2022	168,772	0	0	665,000	31,588
2023-2027	108,330	0	0	0	0
2028-2032	85,830	0	0	0	0
2033-2037	83,330	0	0	0	0
2038	8,344	0	0	0	0
Total	\$865,152	\$9,608	\$521	\$3,580,000	\$595,504

***Industrial Revenue Bonds***

The City authorized the issuance of industrial development revenue bonds for two commercial entities. The aggregate outstanding principal amount was \$6,146,069 at December 31, 2012. The City is not obligated in any way to pay debt charges on the bonds from any of its funds, and therefore they have been excluded entirely from the City’s debt presentation. There has not been and is not any condition of default under the bonds or the related financing documents.

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

The City of Orrville is a member of American Municipal Power (AMP) and is a participant in the American Municipal Power Generating Station Project (AMPGS). This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The City executed a take-or-pay contract on November 1, 2007 in order to participate in the AMPGS Project. The City’s share was 6,000 kW of a total of 666,679 kW, giving the City a 0.90 percent share.

The Plant was estimated to be a \$3 billion project, but the project’s targeted capital costs increased by 37 percent and the engineer, procure and construct (“EPC”) contractor could not guarantee that the costs would not continue to escalate. In November 2009, the participants voted to terminate the development of the pulverized coal power plant in Meigs County, Ohio.

The executed take or pay contract requires that participants of the project are obligated to pay any costs incurred for this project. To date it has not been determined what those total final costs are for the project participants. At December 31, 2012 AMP has a regulatory asset for the recovery of the abandoned construction costs. Based on an allocation to Orrville of 6,000 kW and the allocation methodology, both approved as the same by the AMP Board of Trustees, as of December 31, 2012 the City of Orrville has a potential stranded cost obligation of \$1,016,763 for the AMPGS Project.

At the same time the participants voted to terminate the coal power plant they voted to pursue conversion of the project to a Natural Gas Combined Cycle Plant (NGCC Plant). The NGCC Plant was planned to be developed on the Meigs County site previously planned for the AMPGS project. In February 2011, development of the NGCC Plant was suspended due to the availability of purchasing the AMP Fremont Energy Center (AFEC) at a favorable price. AMP intends to develop the former AMPGS site for the construction of a generating asset; however, as of December 31, 2012, the type of generating asset has not been determined.

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Along with the purchase of AFEC a Development Fee was established. AFEC participants are a separate group of AMP members that obtained financing for expertise in engineering, consulting and other development costs obtained by AMP for Natural Gas Combined Cycle power plants. This amount is financed by AMP, Inc. and is to be collected through debt service from AFEC participants. The Development Fee paid by all AFEC Participants is credited to the potential AMPGS costs of each AFEC participant that is also an AMPGS participant in proportion to their relative percentage of AFEC (*but not less than zero*) as approved by the AMP Board. The City is a participant in the AFEC project and has received a credit to reduce its share of AMPGS potential stranded costs as noted below.

Based on the allocation methodology approved by the AMP Board of Trustees as mentioned above, the City receives a credit of \$1,844,223 for being a participant in both projects. This credit is proportionate to its AFEC allocation kW share of 17,615 and the total kW share of those participating in both projects. The credit is legally enforceable up to the obligation as per AMP Board resolution 1601A (dated May 3, 2011). Thus, the City is not reporting a liability related to the AMPGS Project.

**Note 12 - Notes Payable**

A summary of the note transactions for the year ended December 31, 2012, follows:

	Outstanding 12/31/11	Issued	Retired	Outstanding 12/31/12
Enterprise Funds:				
1.30% Water Utility Project Note	\$100,000	\$0	(\$100,000)	\$0

The notes matured on April 20, 2012.

**Note 13 - 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 position.

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 14 – Defined Benefit Pension Plans**

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

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions and 12 percent for law enforcement and public safety members. For the year ended December 31, 2012, members in state and local divisions contributed 10 percent of covered payroll while public safety and law enforcement members contributed 11.5 percent and 12.1 percent, respectively. Effective January 1, 2013, the member contribution rates for public safety and law enforcement increased to 12 percent and 12.6 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2012, member and employer contribution rates were consistent across all three plans.

The City's 2012 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.10 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.00 percent for 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2012. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$810,859, \$793,551, and \$728,347, respectively. For 2012, 84.12 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010. Contributions to the Member-Directed Plan for 2012 were \$36,075 made by the City and \$25,768 made by plan members.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
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***Ohio Police and Fire Pension Fund***

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

Funding Policy – The Ohio Revised Code requires plan members to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters.

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters pension were \$116,448 and \$14,753 for the year ended December 31, 2012, \$112,028 and \$13,802 for the year ended December 31, 2011, and \$108,945 and \$13,515 for the year ended December 31, 2010, respectively. For 2012, 69.51 percent for police and 57.69 percent for firefighters has been contributed with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

***Social Security***

As of December 31, 2012, 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 15 – Postemployment Benefits**

***Ohio Public Employees Retirement System***

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

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent for 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2012. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was lowered to 1 percent for both plans, as recommended by the OPERS Actuary.

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

The City’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010 were \$324,344, \$317,420, and \$415,183, respectively. For 2012, 84.12 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

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

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

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

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2012, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$61,649 and \$5,773 for the year ended December 31, 2012, \$59,309 and \$5,401 for the year ended December 31, 2011, and \$57,677 and \$5,288 for the year ended December 31, 2010. For 2012, 69.51 percent has been contributed for police and 57.69 percent has been contributed for firefighters with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

## **Note 16 - Interfund Transfers and Balances**

### ***Interfund Transfers***

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

\$406,233 and \$13,791 was transferred from the general fund to the gas tax motor vehicle license and solid waste services special revenue funds to supplement the funds available for maintaining City streets and for solid waste services. \$916,239 was transferred from the general fund, giving the electric enterprise fund the kilowatt per hour taxes.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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***Interfund Balances***

The capital improvements major capital projects fund had an interfund payable balance of \$840,000 and the sewer major enterprise fund had an interfund receivable balance in the amount of \$840,000 due to the issuance of manuscript bonds.

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

**Note 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 \$225 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 – Significant Commitments**

***Encumbrances***

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

General	\$61,508
Capital Improvements	441,537
Sewer	97,088
Electric	1,997,423
Water	77,969
Nonmajor funds	61,753
Total	<u><u>\$2,737,278</u></u>

**Note 19 – Subsequent Event**

On April 18, 2013, the City issued \$1,300,000 in bond anticipation notes to retire the 2011 Water Utilities Project Notes. The notes mature on April 18, 2014 and have an interest rate of .65 percent.

On April 17, 2013, the City exercised its call option on the 2002 Water System Refunding Revenue Bonds and issued Water System Refunding Bonds Series 2013A and 2013B in the amount of \$3,035,000. The bonds mature on December 1, 2022 and have an interest rate of 2.125 percent.

**Combining and Individual  
Fund Statements and Schedules**

## Fund Descriptions – Nonmajor Governmental Funds

### *Nonmajor Special Revenue Funds*

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

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

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

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

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

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

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

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

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

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

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

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

***Federal Emergency Management Assistance Grant Fund*** - To account for and report grant monies which are restricted for emergency management services.

(continued)

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

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

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

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

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

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

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

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

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

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

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

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

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2012*

	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	\$891,647	\$141,176	\$177,252	\$1,210,075
Accrued Interest Receivable	54	95	2	151
Accounts Receivable	69,594	0	0	69,594
Intergovernmental Receivable	219,114	0	47,789	266,903
Special Assessments Receivable	0	37,159	0	37,159
<i>Total Assets</i>	<u>\$1,180,409</u>	<u>\$178,430</u>	<u>\$225,043</u>	<u>\$1,583,882</u>
<b>Liabilities</b>				
Accounts Payable	\$42,481	\$0	\$47,955	\$90,436
Accrued Wages	11,749	0	0	11,749
Intergovernmental Payable	20,311	0	0	20,311
<i>Total Liabilities</i>	<u>74,541</u>	<u>0</u>	<u>47,955</u>	<u>122,496</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	157,049	37,159	0	194,208
<b>Fund Balances</b>				
Restricted	766,971	141,271	147,186	1,055,428
Committed	181,848	0	0	181,848
Assigned	0	0	29,902	29,902
<i>Total Fund Balances</i>	<u>948,819</u>	<u>141,271</u>	<u>177,088</u>	<u>1,267,178</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,180,409</u>	<u>\$178,430</u>	<u>\$225,043</u>	<u>\$1,583,882</u>

**City of Orrville, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2012*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Special Assessments	\$0	\$11,314	\$0	\$11,314
Intergovernmental	458,095	0	393,956	852,051
Interest	209	369	5	583
Fines, Licenses and Permits	3,533	0	300	3,833
Charges for Services	506,329	0	0	506,329
Contributions and Donations	6,526	0	0	6,526
<i>Total Revenues</i>	<u>974,692</u>	<u>11,683</u>	<u>394,261</u>	<u>1,380,636</u>
<b>Expenditures</b>				
Current:				
General Government	0	456	0	456
Security of Persons and Property:				
Police	6,809	0	0	6,809
Transportation	816,583	0	0	816,583
Public Health and Welfare	136,680	0	0	136,680
Leisure Time Activities	6,738	0	0	6,738
Basic Utility Service	434,596	0	0	434,596
Capital Outlay	0	0	395,286	395,286
Debt Service:				
Principal Retirement	0	7,920	0	7,920
Interest and Fiscal Charges	0	2,365	0	2,365
<i>Total Expenditures</i>	<u>1,401,406</u>	<u>10,741</u>	<u>395,286</u>	<u>1,807,433</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(426,714)	942	(1,025)	(426,797)
<b>Other Financing Sources</b>				
Transfers In	420,024	0	0	420,024
<i>Net Change in Fund Balances</i>	(6,690)	942	(1,025)	(6,773)
<i>Fund Balances Beginning of Year</i>	<u>955,509</u>	<u>140,329</u>	<u>178,113</u>	<u>1,273,951</u>
<i>Fund Balances End of Year</i>	<u>\$948,819</u>	<u>\$141,271</u>	<u>\$177,088</u>	<u>\$1,267,178</u>

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2012*

	<u>Gas Tax Motor Vehicle License</u>	<u>State Highway</u>	<u>Permissive Motor Vehicle License</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$11,817	\$82,838	\$59,753
Accrued Interest Receivable	0	51	0
Accounts Receivable	0	0	0
Intergovernmental Receivable	198,151	16,067	0
<i>Total Assets</i>	<u>\$209,968</u>	<u>\$98,956</u>	<u>\$59,753</u>
<b>Liabilities</b>			
Accounts Payable	\$6,239	\$0	\$0
Accrued Wages	11,749	0	0
Intergovernmental Payable	20,311	0	0
<i>Total Liabilities</i>	<u>38,299</u>	<u>0</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	145,270	11,779	0
<b>Fund Balances</b>			
Restricted	26,399	87,177	59,753
Committed	0	0	0
<i>Total Fund Balances</i>	<u>26,399</u>	<u>87,177</u>	<u>59,753</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$209,968</u>	<u>\$98,956</u>	<u>\$59,753</u>

Solid Waste	Law Enforcement	Enforcement and Education	Cemetery Maintenance
\$23,541	\$8,588	\$9,045	\$353,402
0	0	0	0
56,832	66	100	0
0	0	0	0
<u>\$80,373</u>	<u>\$8,654</u>	<u>\$9,145</u>	<u>\$353,402</u>
\$36,242	\$0	\$0	\$0
0	0	0	0
0	0	0	0
<u>36,242</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	8,654	9,145	353,402
<u>44,131</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>44,131</u>	<u>8,654</u>	<u>9,145</u>	<u>353,402</u>
<u>\$80,373</u>	<u>\$8,654</u>	<u>\$9,145</u>	<u>\$353,402</u>

(continued)

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2012*

	Permissive	Emergency Medical Service Equipment	Performing Arts
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$216,270	\$119,990	\$5,128
Accrued Interest Receivable	0	0	3
Accounts Receivable	0	12,596	0
Intergovernmental Receivable	4,896	0	0
<i>Total Assets</i>	<u>\$221,166</u>	<u>\$132,586</u>	<u>\$5,131</u>
<b>Liabilities</b>			
Accounts Payable	\$0	\$0	\$0
Accrued Wages	0	0	0
Intergovernmental Payable	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	0	0
<b>Fund Balances</b>			
Restricted	221,166	0	0
Committed	0	132,586	5,131
<i>Total Fund Balances</i>	<u>221,166</u>	<u>132,586</u>	<u>5,131</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$221,166</u>	<u>\$132,586</u>	<u>\$5,131</u>

Continuing Professional Training Grant	Total Nonmajor Special Revenue Funds
\$1,275	\$891,647
0	54
0	69,594
0	219,114
<u>\$1,275</u>	<u>\$1,180,409</u>
\$0	\$42,481
0	11,749
0	20,311
<u>0</u>	<u>74,541</u>
<u>0</u>	<u>157,049</u>
1,275	766,971
<u>0</u>	<u>181,848</u>
<u>1,275</u>	<u>948,819</u>
<u>\$1,275</u>	<u>\$1,180,409</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, 2012*

	Gas Tax Motor Vehicle License	State Highway	Permissive Motor Vehicle License
<b>Revenues</b>			
Intergovernmental	\$365,777	\$29,662	\$0
Interest	0	194	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>365,777</u>	<u>29,856</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Police	0	0	0
Transportation	792,729	18,410	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>792,729</u>	<u>18,410</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(426,952)	11,446	0
<b>Other Financing Sources</b>			
Transfers In	406,233	0	0
<i>Net Change in Fund Balances</i>	(20,719)	11,446	0
<i>Fund Balances Beginning of Year</i>	<u>47,118</u>	<u>75,731</u>	<u>59,753</u>
<i>Fund Balances End of Year</i>	<u><u>\$26,399</u></u>	<u><u>\$87,177</u></u>	<u><u>\$59,753</u></u>

Solid Waste	Law Enforcement	Enforcement and Education	Cemetery Maintenance
\$0	\$0	\$0	\$0
0	0	0	0
0	2,750	783	0
418,811	0	0	19,358
0	0	0	0
418,811	2,750	783	19,358
0	2,726	4,083	0
0	0	0	0
0	0	0	0
0	0	0	0
434,596	0	0	0
434,596	2,726	4,083	0
(15,785)	24	(3,300)	19,358
13,791	0	0	0
(1,994)	24	(3,300)	19,358
46,125	8,630	12,445	334,044
\$44,131	\$8,654	\$9,145	\$353,402

(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, 2012*

	Permissive	Emergency Medical Service Equipment	Performing Arts
<b>Revenues</b>			
Intergovernmental	\$62,656	\$0	\$0
Interest	0	0	15
Fines, Licenses and Permits	0	0	0
Charges for Services	0	68,160	0
Contributions and Donations	0	0	6,526
<i>Total Revenues</i>	<u>62,656</u>	<u>68,160</u>	<u>6,541</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Police	0	0	0
Transportation	5,444	0	0
Public Health and Welfare	0	136,680	0
Leisure Time Activities	0	0	6,738
Basic Utility Service	0	0	0
<i>Total Expenditures</i>	<u>5,444</u>	<u>136,680</u>	<u>6,738</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	57,212	(68,520)	(197)
<b>Other Financing Sources</b>			
Transfers In	0	0	0
<i>Net Change in Fund Balances</i>	57,212	(68,520)	(197)
<i>Fund Balances Beginning of Year</i>	<u>163,954</u>	<u>201,106</u>	<u>5,328</u>
<i>Fund Balances End of Year</i>	<u><u>\$221,166</u></u>	<u><u>\$132,586</u></u>	<u><u>\$5,131</u></u>

Continuing Professional Training Grant	Total Nonmajor Special Revenue Funds
\$0	\$458,095
0	209
0	3,533
0	506,329
0	6,526
0	974,692
0	6,809
0	816,583
0	136,680
0	6,738
0	434,596
0	1,401,406
0	(426,714)
0	420,024
0	(6,690)
1,275	955,509
<u>\$1,275</u>	<u>\$948,819</u>

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Debt Service Funds*  
*December 31, 2012*

	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	\$137,024	\$141,176
Accrued Interest Receivable	0	95	95
Special Assessments Receivable	0	37,159	37,159
<i>Total Assets</i>	<u>\$4,152</u>	<u>\$174,278</u>	<u>\$178,430</u>
<b>Liabilities</b>			
	\$0	\$0	\$0
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	37,159	37,159
<b>Fund Balances</b>			
Restricted	4,152	137,119	141,271
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$4,152</u>	<u>\$174,278</u>	<u>\$178,430</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, 2012*

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
<b>Revenues</b>			
Special Assessments	\$0	\$11,314	\$11,314
Interest	0	369	369
<i>Total Revenues</i>	<u>0</u>	<u>11,683</u>	<u>11,683</u>
<b>Expenditures</b>			
Current:			
General Government	0	456	456
Debt Service:			
Principal Retirement	0	7,920	7,920
Interest and Fiscal Charges	0	2,365	2,365
<i>Total Expenditures</i>	<u>0</u>	<u>10,741</u>	<u>10,741</u>
<i>Net Change in Fund Balances</i>	0	942	942
<i>Fund Balances Beginning of Year</i>	<u>4,152</u>	<u>136,177</u>	<u>140,329</u>
<i>Fund Balances End of Year</i>	<u><u>\$4,152</u></u>	<u><u>\$137,119</u></u>	<u><u>\$141,271</u></u>

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2012*

	<u>Park Improvement</u>	<u>Recreation and Park</u>	<u>Grants</u>	<u>Community Development Block Grant</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$2,265	\$27,635	\$33,484	\$113,868	\$177,252
Accrued Interest Receivable	2	0	0	0	2
Intergovernmental Receivable	0	0	47,789	0	47,789
<i>Total Assets</i>	<u>\$2,267</u>	<u>\$27,635</u>	<u>\$81,273</u>	<u>\$113,868</u>	<u>\$225,043</u>
<b>Liabilities</b>					
Accounts Payable	\$0	\$0	\$47,955	\$0	\$47,955
<b>Fund Balances</b>					
Restricted	0	0	33,318	113,868	147,186
Assigned	2,267	27,635	0	0	29,902
<i>Total Fund Balances</i>	<u>2,267</u>	<u>27,635</u>	<u>33,318</u>	<u>113,868</u>	<u>177,088</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,267</u>	<u>\$27,635</u>	<u>\$81,273</u>	<u>\$113,868</u>	<u>\$225,043</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, 2012*

	Park Improvement	Recreation and Park	Grants	Community Development Block Grant	Total Nonmajor Capital Projects Funds
<b>Revenues</b>					
Intergovernmental	\$0	\$0	\$393,956	\$0	\$393,956
Interest	5	0	0	0	5
Fines, Licenses and Permits	0	300	0	0	300
<i>Total Revenues</i>	5	300	393,956	0	394,261
<b>Expenditures</b>					
Capital Outlay	0	0	395,286	0	395,286
<i>Net Change in Fund Balances</i>	5	300	(1,330)	0	(1,025)
<i>Fund Balances Beginning of Year</i>	2,262	27,335	34,648	113,868	178,113
<i>Fund Balances End of Year</i>	<u>\$2,267</u>	<u>\$27,635</u>	<u>\$33,318</u>	<u>\$113,868</u>	<u>\$177,088</u>

## **Fund Descriptions - Fiduciary Funds**

### ***Fiduciary Funds***

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

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

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

### ***Agency Fund***

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

**City of Orrville, Ohio**  
*Statement of Changes in Assets and Liabilities*  
*Agency Fund*  
*For the Fiscal Year Ended December 31, 2012*

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	<u>Beginning Balance 12/31/11</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 12/31/12</u>
<b>Deposits in Escrow</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$60,946</u>	<u>\$5,492</u>	<u>\$4,992</u>	<u>\$61,446</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	<u>\$60,946</u>	<u>\$5,492</u>	<u>\$4,992</u>	<u>\$61,446</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, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$390,000	\$396,500	\$408,163	\$11,663
Income Taxes	2,590,000	2,590,000	4,060,957	1,470,957
Kilowatt Per Hour Tax	890,000	1,170,000	916,240	(253,760)
Intergovernmental	473,500	374,000	540,706	166,706
Interest	45,300	28,000	16,876	(11,124)
Fines, Licenses and Permits	24,500	25,500	38,897	13,397
Rentals	30,000	30,000	34,809	4,809
Charges for Services	219,100	233,700	367,785	134,085
Contributions and Donations	4,000	5,000	23,467	18,467
Other	1,000	1,000	383,026	382,026
<i>Total Revenues</i>	4,667,400	4,853,700	6,790,926	1,937,226
<b>Expenditures</b>				
Current:				
General Government:				
City Council:				
Personal Services	36,300	36,300	31,906	4,394
City Hall:				
Personal Services	185,225	210,225	201,669	8,556
Purchased Services	22,377	22,377	14,742	7,635
Utilities	9,905	9,905	8,166	1,739
Materials and Supplies	10,303	10,303	7,543	2,760
Total City Hall	227,810	252,810	232,120	20,690
Finance Department:				
Personal Services	92,300	92,300	74,403	17,897
Purchased Services	46,560	46,252	37,563	8,689
Materials and Supplies	2,920	2,920	2,847	73
Utilities	18	326	326	0
Total Finance Department	141,798	141,798	115,139	26,659
Personnel:				
Personal Services	98,600	104,100	100,838	3,262
Purchased Services	7,915	15,700	15,700	0
Utilities	1,368	1,368	1,017	351
Materials and Supplies	6,273	6,273	3,453	2,820
Total Personnel	114,156	127,441	121,008	6,433
Data Processing:				
Personal Services	24,960	20,529	14,034	6,495
Purchased Services	19,050	19,050	13,592	5,458
Utilities	2,239	2,239	1,997	242
Materials and Supplies	7,425	21,793	21,793	0
Total Data Processing	\$53,674	\$63,611	\$51,416	\$12,195

(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, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Income Tax:				
Personal Services	\$66,260	\$70,691	\$70,691	\$0
Purchased Services	550	550	108	442
Utilities	776	776	619	157
Materials and Supplies	7,849	7,849	6,121	1,728
<b>Total Income Tax</b>	<b>75,435</b>	<b>79,866</b>	<b>77,539</b>	<b>2,327</b>
Law Department:				
Personal Services	36,550	39,700	38,072	1,628
Purchased Services	16,130	16,130	13,082	3,048
<b>Total Law Department</b>	<b>52,680</b>	<b>55,830</b>	<b>51,154</b>	<b>4,676</b>
Mayor's Office:				
Personal Services	22,550	24,050	23,176	874
Purchased Services	400	400	0	400
Materials and Supplies	50	50	0	50
Utilities	497	497	264	233
<b>Total Mayor's Office</b>	<b>23,497</b>	<b>24,997</b>	<b>23,440</b>	<b>1,557</b>
Administrative:				
Personal Services	230,950	251,450	250,855	595
Purchased Services	294,415	248,123	234,251	13,872
Materials and Supplies	18,473	15,973	11,727	4,246
Utilities	0	139	139	0
<b>Total Administrative</b>	<b>543,838</b>	<b>515,685</b>	<b>496,972</b>	<b>18,713</b>
<b>Total General Government</b>	<b>1,269,188</b>	<b>1,298,338</b>	<b>1,200,694</b>	<b>97,644</b>
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	1,753,125	1,832,125	1,790,241	41,884
Purchased Services	79,415	74,415	59,903	14,512
Utilities	21,484	21,484	15,474	6,010
Materials and Supplies	106,800	101,800	99,831	1,969
<b>Total Police</b>	<b>1,960,824</b>	<b>2,029,824</b>	<b>1,965,449</b>	<b>64,375</b>
Fire:				
Fire Department:				
Personal Services	394,550	394,550	346,930	47,620
Purchased Services	60,052	62,370	62,370	0
Utilities	17,483	12,165	11,024	1,141
Materials and Supplies	89,126	76,126	52,652	23,474
<b>Total Fire</b>	<b>561,211</b>	<b>545,211</b>	<b>472,976</b>	<b>72,235</b>
<b>Total Security of Persons and Property</b>	<b>\$2,522,035</b>	<b>\$2,575,035</b>	<b>\$2,438,425</b>	<b>\$136,610</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, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Transportation:				
Street:				
Personal Services	\$285,300	\$285,300	\$266,296	\$19,004
Purchased Services	104,377	101,377	70,491	30,886
Materials and Supplies	223,777	205,777	195,007	10,770
Total Transportation	613,454	592,454	531,794	60,660
Public Health and Welfare:				
Animal Control:				
Purchased Services	800	800	625	175
Materials and Supplies	17,457	17,457	13,066	4,391
Total Animal Control	18,257	18,257	13,691	4,566
Cemetery:				
Personal Services	130,550	158,050	145,781	12,269
Purchased Services	6,495	11,789	11,789	0
Utilities	6,372	6,372	3,757	2,615
Materials and Supplies	33,555	27,261	26,609	652
Total Cemetery	176,972	203,472	187,936	15,536
Total Public Health and Welfare	195,229	221,729	201,627	20,102
Leisure Time Activities:				
Park:				
Personal Services	177,400	177,400	171,693	5,707
Purchased Services	9,275	9,275	8,671	604
Utilities	7,581	5,826	5,100	726
Materials and Supplies	36,593	34,426	33,111	1,315
Total Park	230,849	226,927	218,575	8,352
Pool:				
Personal Services	85,600	85,600	83,368	2,232
Purchased Services	7,632	2,632	1,507	1,125
Utilities	13,101	8,856	8,856	0
Materials and Supplies	18,634	19,801	19,801	0
Total Pool	124,967	116,889	113,532	3,357
Recreation:				
Materials and Supplies	2,500	2,500	2,500	0
Total Leisure Time Activities	358,316	346,316	334,607	11,709
Debt Service:				
Principal	145,000	145,000	145,000	0
Interest and Fiscal Charges	49,250	49,250	49,250	0
Total Debt Service	194,250	194,250	194,250	0
<i>Total Expenditures</i>	<u>\$5,152,472</u>	<u>\$5,228,122</u>	<u>\$4,901,397</u>	<u>\$326,725</u> (continued)

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 General Fund (continued)  
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Excess of Revenues Over (Under) Expenditures</i>	(\$485,072)	(\$374,422)	\$1,889,529	\$2,263,951
<b>Other Financing Uses</b>				
Transfers Out	(1,505,000)	(1,429,350)	(1,336,263)	93,087
<i>Net Change in Fund Balance</i>	(1,990,072)	(1,803,772)	553,266	2,357,038
<i>Fund Balance Beginning of Year</i>	2,916,607	2,916,607	2,916,607	0
Prior Year Encumbrances Appropriated	205,712	205,712	205,712	0
<i>Fund Balance End of Year</i>	<u>\$1,132,247</u>	<u>\$1,318,547</u>	<u>\$3,675,585</u>	<u>\$2,357,038</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, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Income Taxes	\$662,500	\$662,500	\$1,327,818	\$665,318
Intergovernmental	660,000	1,050,000	38,328	(1,011,672)
Other	<u>0</u>	<u>0</u>	<u>600</u>	<u>600</u>
<i>Total Revenues</i>	1,322,500	1,712,500	1,366,746	(345,754)
<b>Expenditures</b>				
Capital Outlay	<u>2,325,678</u>	<u>2,325,678</u>	<u>1,692,168</u>	<u>633,510</u>
<i>Net Change in Fund Balance</i>	(1,003,178)	(613,178)	(325,422)	287,756
<i>Fund Balance Beginning of Year</i>	1,220,045	1,220,045	1,220,045	0
Prior Year Encumbrances Appropriated	<u>242,678</u>	<u>242,678</u>	<u>242,678</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$459,545</u></u>	<u><u>\$849,545</u></u>	<u><u>\$1,137,301</u></u>	<u><u>\$287,756</u></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, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$72,300	\$72,300	\$54,678	(\$17,622)
Charges for Services	2,048,000	2,048,000	1,951,828	(96,172)
Fees, Licenses and Permits	100	100	52	(48)
Other	1,800	1,800	40,392	38,592
<i>Total Revenues</i>	<u>2,122,200</u>	<u>2,122,200</u>	<u>2,046,950</u>	<u>(75,250)</u>
<b>Expenses</b>				
Personal Services	1,047,750	1,097,750	1,032,295	65,455
Purchased Services	260,233	260,383	84,524	175,859
Materials and Supplies	190,736	215,112	215,111	1
Utilities	51,988	34,112	22,425	11,687
Capital Outlay	824,633	824,633	306,481	518,152
Debt Service:				
Principal Retirement	528,000	528,000	527,599	401
Interest and Fiscal Charges	16,400	16,400	15,169	1,231
<i>Total Expenses</i>	<u>2,919,740</u>	<u>2,976,390</u>	<u>2,203,604</u>	<u>772,786</u>
<i>Net Change in Fund Equity</i>	(797,540)	(854,190)	(156,654)	697,536
<i>Fund Equity Beginning of Year</i>	3,352,232	3,352,232	3,352,232	0
Prior Year Encumbrances Appropriated	107,290	107,290	107,290	0
<i>Fund Equity End of Year</i>	<u>\$2,661,982</u>	<u>\$2,605,332</u>	<u>\$3,302,868</u>	<u>\$697,536</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interest	\$103,900	\$103,900	\$39,599	(\$64,301)
Charges for Services	37,491,000	37,491,000	31,268,118	(6,222,882)
Other	482,200	482,200	824,928	342,728
<i>Total Revenues</i>	<u>38,077,100</u>	<u>38,077,100</u>	<u>32,132,645</u>	<u>(5,944,455)</u>
<b>Expenses</b>				
Personal Services	7,023,650	7,024,150	6,625,823	398,327
Purchased Services	3,615,847	3,615,997	2,656,582	959,415
Materials and Supplies	29,969,620	29,906,255	22,459,935	7,446,320
Utilities	1,033,362	1,096,727	1,096,726	1
Capital Outlay	2,078,626	2,118,626	1,522,840	595,786
<i>Total Expenses</i>	<u>43,721,105</u>	<u>43,761,755</u>	<u>34,361,906</u>	<u>9,399,849</u>
<i>Excess of Revenues Under Expenses Before Transfers</i>	(5,644,005)	(5,684,655)	(2,229,261)	3,455,394
Transfers In	910,000	910,000	916,239	6,239
<i>Net Change in Fund Equity</i>	(4,734,005)	(4,774,655)	(1,313,022)	3,461,633
<i>Fund Equity Beginning of Year</i>	14,812,811	14,812,811	14,812,811	0
Prior Year Encumbrances Appropriated	1,975,855	1,975,855	1,975,855	0
<i>Fund Equity End of Year</i>	<u>\$12,054,661</u>	<u>\$12,014,011</u>	<u>\$15,475,644</u>	<u>\$3,461,633</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interest	\$14,000	\$6,395	\$4,162	(\$2,233)
Charges for Services	2,956,500	2,930,700	2,803,423	(127,277)
Capital Grants	0	0	108,701	108,701
Other	2,600	3,350	33,045	29,695
Notes Issued	1,400,000	1,300,000	1,300,000	0
<i>Total Revenues</i>	<u>4,373,100</u>	<u>4,240,445</u>	<u>4,249,331</u>	<u>8,886</u>
<b>Expenses</b>				
Personal Services	1,294,550	1,294,550	1,091,904	202,646
Purchased Services	383,645	383,795	118,388	265,407
Materials and Supplies	466,842	466,842	397,777	69,065
Utilities	26,242	26,242	14,021	12,221
Capital Outlay	631,391	566,884	513,508	53,376
Debt Service:				
Principal Retirement	1,875,000	1,997,110	1,997,110	0
Interest and Fiscal Charges	220,000	162,397	162,397	0
<i>Total Expenses</i>	<u>4,897,670</u>	<u>4,897,820</u>	<u>4,295,105</u>	<u>602,715</u>
<i>Excess of Revenues Under Expenses before Transfers</i>	(524,570)	(657,375)	(45,774)	611,601
Transfers In	378,000	425,900	0	(425,900)
<i>Net Change in Fund Equity</i>	(146,570)	(231,475)	(45,774)	185,701
<i>Fund Equity Beginning of Year</i>	1,694,055	1,694,055	1,694,055	0
Prior Year Encumbrances Appropriated	177,418	177,418	177,418	0
<i>Fund Equity End of Year</i>	<u>\$1,724,903</u>	<u>\$1,639,998</u>	<u>\$1,825,699</u>	<u>\$185,701</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, 2012*

	<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	\$367,855	(\$32,145)
Interest	100	100	0	(100)
Other	0	16,000	0	(16,000)
<i>Total Revenues</i>	<u>400,100</u>	<u>416,100</u>	<u>367,855</u>	<u>(48,245)</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Repair and Maintenance:				
Personal Services	683,250	698,250	665,020	33,230
Contractual Services	8,600	12,283	12,283	0
Materials and Supplies	121,286	121,286	100,876	20,410
Utilities	22,802	19,119	17,383	1,736
<i>Total Expenditures</i>	<u>835,938</u>	<u>850,938</u>	<u>795,562</u>	<u>55,376</u>
<i>Excess of Revenues Under Expenditures</i>	(435,838)	(434,838)	(427,707)	7,131
<b>Other Financing Sources</b>				
Transfers In	410,000	410,000	406,233	(3,767)
<i>Net Change in Fund Balance</i>	(25,838)	(24,838)	(21,474)	3,364
<i>Fund Balance Beginning of Year</i>	7,069	7,069	7,069	0
Prior Year Encumbrances Appropriated	18,962	18,962	18,962	0
<i>Fund Balance End of Year</i>	<u>\$193</u>	<u>\$1,193</u>	<u>\$4,557</u>	<u>\$3,364</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$32,000	\$32,000	\$29,830	(\$2,170)
Interest	1,500	1,500	172	(1,328)
<i>Total Revenues</i>	<u>33,500</u>	<u>33,500</u>	<u>30,002</u>	<u>(3,498)</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	20,000	20,000	18,410	1,590
Materials and Supplies	5,000	5,000	0	5,000
<i>Total Expenditures</i>	<u>25,000</u>	<u>25,000</u>	<u>18,410</u>	<u>6,590</u>
<i>Net Change in Fund Balance</i>	8,500	8,500	11,592	3,092
<i>Fund Balance Beginning of Year</i>	<u>71,247</u>	<u>71,247</u>	<u>71,247</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$79,747</u>	<u>\$79,747</u>	<u>\$82,839</u>	<u>\$3,092</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$25,000	\$25,000	\$3,400	(\$21,600)
<b>Expenditures</b>				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	30,000	30,000	5,000	25,000
Materials and Supplies	5,000	5,000	0	5,000
Total Transportation	35,000	35,000	5,000	30,000
<i>Net Change in Fund Balance</i>	(10,000)	(10,000)	(1,600)	8,400
<i>Fund Balance Beginning of Year</i>	56,353	56,353	56,353	0
<i>Fund Balance End of Year</i>	<u>\$46,353</u>	<u>\$46,353</u>	<u>\$54,753</u>	<u>\$8,400</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$445,000	\$445,000	\$415,856	(\$29,144)
<b>Expenditures</b>				
Current:				
Basic Utility Service:				
Solid Waste Services:				
Purchased Services	<u>444,057</u>	<u>444,057</u>	<u>432,625</u>	<u>11,432</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	943	943	(16,769)	(17,712)
<b>Other Financing Sources</b>				
Transfers In	<u>0</u>	<u>0</u>	<u>13,791</u>	<u>13,791</u>
<i>Net Change in Fund Balance</i>	943	943	(2,978)	(3,921)
<i>Fund Balance Beginning of Year</i>	26,397	26,397	26,397	0
Prior Year Encumbrances Appropriated	<u>57</u>	<u>57</u>	<u>57</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$27,397</u></u>	<u><u>\$27,397</u></u>	<u><u>\$23,476</u></u>	<u><u>(\$3,921)</u></u>

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Law Enforcement Fund  
 For the Year Ended December 31, 2012*

	<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	\$2,853	\$1,353
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Materials and Supplies	<u>4,000</u>	<u>4,000</u>	<u>2,726</u>	<u>1,274</u>
<i>Net Change in Fund Balance</i>	(2,500)	(2,500)	127	2,627
<i>Fund Balance Beginning of Year</i>	<u>8,461</u>	<u>8,461</u>	<u>8,461</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,961</u></u>	<u><u>\$5,961</u></u>	<u><u>\$8,588</u></u>	<u><u>\$2,627</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, 2012*

	<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	\$800	\$800	\$743	(\$57)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Materials and Supplies	<u>5,500</u>	<u>5,500</u>	<u>4,104</u>	<u>1,396</u>
<i>Net Change in Fund Balance</i>	(4,700)	(4,700)	(3,361)	1,339
<i>Fund Balance Beginning of Year</i>	<u>12,385</u>	<u>12,385</u>	<u>12,385</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,685</u></u>	<u><u>\$7,685</u></u>	<u><u>\$9,024</u></u>	<u><u>\$1,339</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, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$15,000	\$15,000	\$19,358	\$4,358
<b>Expenditures</b>	0	0	0	0
<i>Net Change in Fund Balance</i>	15,000	15,000	19,358	4,358
<i>Fund Balance Beginning of Year</i>	334,044	334,044	334,044	0
<i>Fund Balance End of Year</i>	<u>\$349,044</u>	<u>\$349,044</u>	<u>\$353,402</u>	<u>\$4,358</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	<u>\$64,000</u>	<u>\$64,000</u>	<u>\$62,285</u>	<u>(\$1,715)</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	39,630	39,630	14,630	25,000
Materials and Supplies	<u>26,877</u>	<u>26,877</u>	<u>5,444</u>	<u>21,433</u>
<i>Total Expenditures</i>	<u>66,507</u>	<u>66,507</u>	<u>20,074</u>	<u>46,433</u>
<i>Net Change in Fund Balance</i>	(2,507)	(2,507)	42,211	44,718
<i>Fund Balance Beginning of Year</i>	157,552	157,552	157,552	0
Prior Year Encumbrances Appropriated	<u>16,507</u>	<u>16,507</u>	<u>16,507</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$171,552</u>	<u>\$171,552</u>	<u>\$216,270</u>	<u>\$44,718</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$40,000	\$40,000	\$64,287	\$24,287
<b>Expenditures</b>				
Current:				
Public Health and Welfare:				
Emergency Medical Service:				
Materials and Supplies	<u>150,000</u>	<u>150,000</u>	<u>136,680</u>	<u>13,320</u>
<i>Net Change in Fund Balance</i>	(110,000)	(110,000)	(72,393)	37,607
<i>Fund Balance Beginning of Year</i>	<u>192,383</u>	<u>192,383</u>	<u>192,383</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$82,383</u></u>	<u><u>\$82,383</u></u>	<u><u>\$119,990</u></u>	<u><u>\$37,607</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, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$0	\$0	\$14	\$14
Contributions and Donations	8,500	8,500	6,526	(1,974)
<i>Total Revenues</i>	<u>8,500</u>	<u>8,500</u>	<u>6,540</u>	<u>(1,960)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Performing Arts:				
Purchased Services	8,500	7,862	5,350	2,512
Materials and Supplies	750	1,388	1,388	0
<i>Total Expenditures</i>	<u>9,250</u>	<u>9,250</u>	<u>6,738</u>	<u>2,512</u>
<i>Net Change in Fund Balance</i>	(750)	(750)	(198)	552
<i>Fund Balance Beginning of Year</i>	<u>5,326</u>	<u>5,326</u>	<u>5,326</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$4,576</u>	<u>\$4,576</u>	<u>\$5,128</u>	<u>\$552</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, 2012*

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

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Federal Emergency Management Assistance Grant Fund  
 For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$16,000	\$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>	16,000	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>\$16,000</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*  
*Parking Meter Fund*  
*For the Year Ended December 31, 2012*

	<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>8,972</u>	<u>8,972</u>	<u>8,972</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$6,472</u></u>	<u><u>\$6,472</u></u>	<u><u>\$6,472</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  
 General Obligation Bond Retirement Fund  
 For the Year Ended December 31, 2012*

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

**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, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Special Assessments	\$12,000	\$12,000	\$11,314	(\$686)
Interest	1,000	1,000	327	(673)
<i>Total Revenues</i>	<u>13,000</u>	<u>13,000</u>	<u>11,641</u>	<u>(1,359)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Contractual Services	1,000	1,000	456	544
Debt Service:				
Principal Retirement	18,000	18,000	7,920	10,080
Interest and Fiscal Charges	4,000	4,000	2,365	1,635
<i>Total Expenditures</i>	<u>23,000</u>	<u>23,000</u>	<u>10,741</u>	<u>12,259</u>
<i>Net Change in Fund Balance</i>	(10,000)	(10,000)	900	10,900
<i>Fund Balance Beginning of Year</i>	<u>136,125</u>	<u>136,125</u>	<u>136,125</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$126,125</u>	<u>\$126,125</u>	<u>\$137,025</u>	<u>\$10,900</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, 2012*

	<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	\$4	(\$46)
<b>Expenditures</b>				
Capital Outlay	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
<i>Net Change in Fund Balance</i>	(950)	(950)	4	954
<i>Fund Balance Beginning of Year</i>	<u>2,261</u>	<u>2,261</u>	<u>2,261</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,311</u></u>	<u><u>\$1,311</u></u>	<u><u>\$2,265</u></u>	<u><u>\$954</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines, Licenses and Permits	\$0	\$0	\$300	\$300
<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)	300	800
<i>Fund Balance Beginning of Year</i>	<u>27,335</u>	<u>27,335</u>	<u>27,335</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$26,835</u></u>	<u><u>\$26,835</u></u>	<u><u>\$27,635</u></u>	<u><u>\$800</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$1,434,000	\$1,350,517	\$353,542	(\$996,975)
<b>Expenditures</b>				
Contractual Services	<u>1,384,000</u>	<u>1,384,000</u>	<u>401,497</u>	<u>982,503</u>
<i>Net Change in Fund Balance</i>	50,000	(33,483)	(47,955)	(14,472)
<i>Fund Balance (Deficit) Beginning of Year</i>	(13,872)	(13,872)	(13,872)	0
Prior Year Encumbrances Appropriated	<u>47,356</u>	<u>47,356</u>	<u>47,356</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$83,484</u></u>	<u><u>\$1</u></u>	<u><u>(\$14,471)</u></u>	<u><u>(\$14,472)</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, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$15,000	\$15,000	\$0	(\$15,000)
<b>Expenditures</b>				
Capital Outlay	<u>36,307</u>	<u>36,307</u>	<u>0</u>	<u>36,307</u>
<i>Net Change in Fund Balance</i>	(21,307)	(21,307)	0	21,307
<i>Fund Balance Beginning of Year</i>	77,561	77,561	77,561	0
Prior Year Encumbrances Appropriated	<u>36,307</u>	<u>36,307</u>	<u>36,307</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$92,561</u></u>	<u><u>\$92,561</u></u>	<u><u>\$113,868</u></u>	<u><u>\$21,307</u></u>

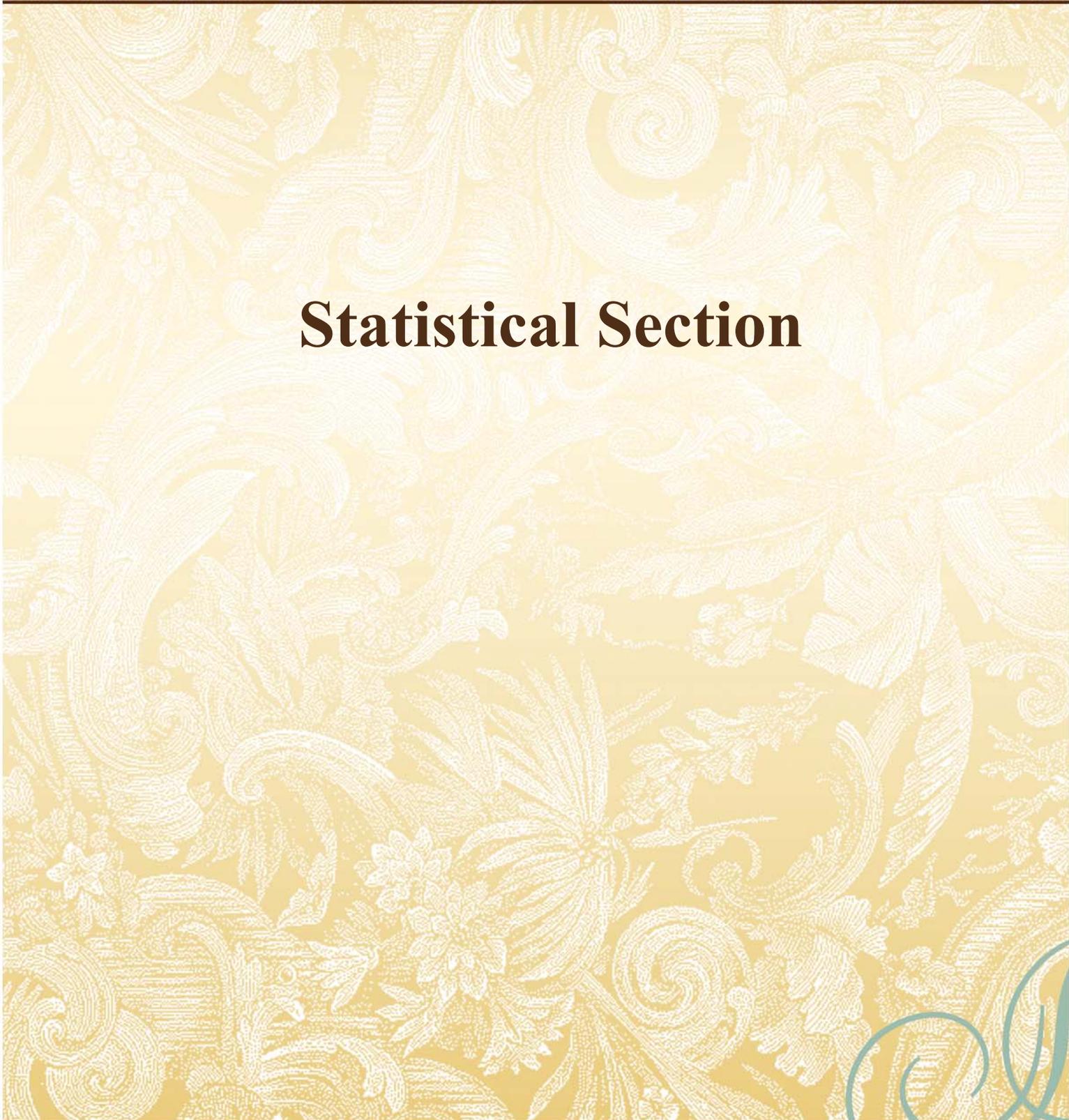
**City of Orrville, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Employee Health Insurance Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$7,500	\$1,500	\$289	(\$1,211)
Charges for Services	<u>1,595,000</u>	<u>1,998,223</u>	<u>2,007,374</u>	<u>9,151</u>
<i>Total Revenues</i>	<u>1,602,500</u>	<u>1,999,723</u>	<u>2,007,663</u>	<u>7,940</u>
<b>Expenses</b>				
Purchased Services	19,090	291,090	167,917	123,173
Claims	<u>1,754,410</u>	<u>1,754,410</u>	<u>1,754,410</u>	<u>0</u>
<i>Total Expenses</i>	<u>1,773,500</u>	<u>2,045,500</u>	<u>1,922,327</u>	<u>123,173</u>
<i>Net Change in Fund Equity</i>	(171,000)	(45,777)	85,336	131,113
<i>Fund Equity Beginning of Year</i>	<u>66,761</u>	<u>66,761</u>	<u>66,761</u>	<u>0</u>
<i>Fund Equity (Deficit) End of Year</i>	<u>(\$104,239)</u>	<u>\$20,984</u>	<u>\$152,097</u>	<u>\$131,113</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, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$0	\$0	\$9	\$9
<b>Expenses</b>				
Materials and Supplies	<u>100</u>	<u>100</u>	<u>100</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	(100)	(100)	(91)	9
<i>Fund Equity Beginning of Year</i>	<u>4,340</u>	<u>4,340</u>	<u>4,340</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$4,240</u></u>	<u><u>\$4,240</u></u>	<u><u>\$4,249</u></u>	<u><u>\$9</u></u>

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# Statistical Section



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## Statistical Section

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

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

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

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

	2012	2011	2010	2009
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$43,532,213	\$43,370,414	\$43,589,853	\$43,659,336
Restricted:				
Capital Projects	147,186	148,516	587,129	300,589
Debt Service	178,275	188,601	210,504	230,546
Street Repair and Maintenance	491,854	449,189	428,875	415,535
Solid Waste Services	0	0	0	38,048
Law Enforcement and Education	17,799	21,075	19,377	20,975
Cemetery Maintenance	353,402	334,225	315,730	298,620
EMS Equipment	0	0	0	240,929
Performing Arts	0	0	0	3,073
Other Purposes	0	0	0	0
Unrestricted	6,866,788	5,332,158	4,549,471	3,869,743
<i>Total Governmental Activities Net Position</i>	<u>51,587,517</u>	<u>49,844,178</u>	<u>49,700,939</u>	<u>49,077,394</u>
<b>Business Type - Activities</b>				
Net Investment in Capital Assets	35,863,973	36,501,762	36,065,932	34,525,664
Restricted:				
Debt Service	760,679	757,162	758,544	2,715,024
Replacement and Improvement	800,000	800,000	800,000	2,300,000
Unrestricted	28,627,694	26,940,593	26,661,899	23,987,800
<i>Total Business-Type Activities Net Position</i>	<u>66,052,346</u>	<u>64,999,517</u>	<u>64,286,375</u>	<u>63,528,488</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	79,396,186	79,872,176	79,655,785	78,185,000
Restricted	2,749,195	2,698,768	3,120,159	6,563,339
Unrestricted	35,494,482	32,272,751	31,211,370	27,857,543
<i>Total Primary Government Net Position</i>	<u>\$117,639,863</u>	<u>\$114,843,695</u>	<u>\$113,987,314</u>	<u>\$112,605,882</u>

2008	2007	2006	2005	2004	2003
\$43,619,685	\$41,910,539	\$41,706,949	\$42,058,605	\$42,024,483	\$41,548,787
215,741	1,484,362	1,613,790	2,050,035	1,913,814	2,626,487
243,223	215,007	240,462	240,691	247,391	254,609
462,630	470,584	424,442	370,016	431,651	457,891
80,955	54,643	68,355	43,100	42,187	38,324
19,651	20,024	19,951	19,323	23,157	25,870
285,788	263,763	236,639	220,720	203,195	177,957
194,363	162,903	134,874	107,040	74,640	151,004
1,070	5,354	5,859	7,475	7,195	7,035
0	0	0	0	0	0
2,976,958	3,225,688	2,114,835	2,060,999	1,658,350	1,828,711
48,100,064	47,812,867	46,566,156	47,178,004	46,626,063	47,116,675
31,936,125	30,554,543	29,057,655	27,780,982	26,780,181	25,498,301
3,016,575	3,022,749	2,949,687	2,891,452	3,347,240	0
2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000
25,849,607	20,099,892	19,065,639	17,395,231	16,059,704	20,711,414
63,102,307	55,977,184	53,372,981	50,367,665	48,487,125	48,509,715
75,555,810	72,465,082	70,764,604	69,839,587	68,804,664	67,047,088
6,819,996	7,999,389	7,994,059	8,249,852	8,590,470	6,039,177
28,826,565	23,325,580	21,180,474	19,456,230	17,718,054	22,540,125
\$111,202,371	\$103,790,051	\$99,939,137	\$97,545,669	\$95,113,188	\$95,626,390

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

	2012	2011	2010	2009
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$223,260	\$113,485	\$150,200	\$207,225
Security of Persons and Property:				
Police	27,483	20,247	21,428	21,878
Fire	87,585	69,197	68,219	63,973
Transportation	0	0	0	634
Public Health and Welfare	135,591	118,407	118,637	101,345
Leisure Time Activities	69,579	68,057	65,857	59,572
Basic Utility Service	418,811	404,260	416,442	439,532
Subtotal - Charges for Services	<u>962,309</u>	<u>793,653</u>	<u>840,783</u>	<u>894,159</u>
Operating Grants and Contributions:				
General Government	18,150	26,440	14,670	16,996
Security of Persons and Property:				
Police	0	300	320	1,520
Fire	0	0	0	0
Transportation	464,131	494,700	471,099	516,773
Public Health and Welfare	0	0	0	0
Leisure Time Activities	29,993	38,542	13,033	13,698
Basic Utility Service	0	0	0	52
Subtotal - Operating Grants and Contributions	<u>512,274</u>	<u>559,982</u>	<u>499,122</u>	<u>549,039</u>
Capital Grants and Contributions:				
General Government	0	0	98,755	341,100
Transportation	432,284	184,461	440,681	438,166
Subtotal - Capital Grants and Contributions	<u>432,284</u>	<u>184,461</u>	<u>539,436</u>	<u>779,266</u>
<i>Total Governmental Activities Program Revenues</i>	<u>1,906,867</u>	<u>1,538,096</u>	<u>1,879,341</u>	<u>2,222,464</u>
Business-Type Activities:				
Charges for Services:				
Sewer	1,984,559	1,983,158	2,057,237	1,871,276
Electric	32,256,760	26,613,199	24,448,148	21,309,884
Water	2,865,074	2,776,324	2,862,194	2,605,185
Subtotal - Charges for Services	<u>37,106,393</u>	<u>31,372,681</u>	<u>29,367,579</u>	<u>25,786,345</u>
Capital Grants and Contributions				
Water	18,596	249,780	0	631,711
<i>Total Business-Type Activities Program Revenues</i>	<u>37,124,989</u>	<u>31,622,461</u>	<u>29,367,579</u>	<u>26,418,056</u>
<i>Total Primary Government Program Revenues</i>	<u>39,031,856</u>	<u>33,160,557</u>	<u>31,246,920</u>	<u>28,640,520</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	1,524,270	1,113,080	1,000,403	1,298,794
Security of Persons and Property:				
Police	2,035,706	1,741,290	1,761,008	1,756,470
Fire	583,869	727,641	513,253	601,035
Transportation	2,178,927	2,120,596	2,657,883	2,632,557
Public Health and Welfare	355,785	193,614	358,574	166,552
Leisure Time Activities	388,379	395,350	382,833	430,143
Basic Utility Service	434,596	418,618	407,762	444,941
Interest and Fiscal Charges	48,529	56,842	64,704	72,104
<i>Total Governmental Activities Expenses</i>	<u>\$7,550,061</u>	<u>\$6,767,031</u>	<u>\$7,146,420</u>	<u>\$7,402,596</u>

2008	2007	2006	2005	2004	2003
\$113,285	\$158,784	\$111,390	\$113,000	\$120,248	\$74,858
18,697	14,367	15,276	14,506	26,054	7,712
23,280	52,225	46,025	46,024	36,290	30,843
264	11,843	11,581	30,141	300	8,876
92,782	116,240	105,827	100,576	128,734	101,730
24,855	65,720	62,139	72,621	56,284	62,010
430,026	280,368	285,636	269,752	256,665	251,735
703,189	699,547	637,874	646,620	624,575	537,764
76,851	61,468	15,600	16,205	14,092	13,699
0	0	0	0	0	0
2,500	0	0	0	2,125	2,900
526,802	599,351	562,367	540,752	445,050	401,629
0	0	0	0	0	2,300
36,919	12,503	9,823	10,290	9,900	8,062
13,633	0	0	0	0	0
656,705	673,322	587,790	567,247	471,167	428,590
140,552	406,576	13,017	95,944	0	0
1,048,529	444,137	280,843	186,662	819,983	678,138
1,189,081	850,713	293,860	282,606	819,983	678,138
2,548,975	2,223,582	1,519,524	1,496,473	1,915,725	1,644,492
2,048,402	1,948,555	2,009,263	1,980,067	1,905,641	1,910,975
28,780,366	25,460,273	26,606,260	25,220,891	21,615,342	19,509,574
3,081,340	2,908,869	2,933,631	2,591,906	2,512,014	2,403,171
33,910,108	30,317,697	31,549,154	29,792,864	26,032,997	23,823,720
41,402	301,273	0	0	0	0
33,951,510	30,618,970	31,549,154	29,792,864	26,032,997	23,823,720
36,500,485	32,842,552	33,068,678	31,289,337	27,948,722	25,468,212
1,276,806	1,323,894	1,151,757	1,075,509	970,814	968,370
1,631,577	1,538,833	1,565,658	1,360,423	1,425,870	1,421,121
617,200	614,516	601,531	531,847	357,766	541,831
2,474,540	2,289,247	2,229,194	1,590,642	2,478,398	2,007,903
199,238	187,718	142,615	118,376	179,941	192,459
395,062	348,947	318,858	252,386	308,917	357,372
417,347	307,678	273,951	282,403	279,895	274,386
79,296	39,260	8,877	9,706	10,726	11,013
\$7,091,066	\$6,650,093	\$6,292,441	\$5,221,292	\$6,012,327	\$5,774,455

(continued)

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

	2012	2011	2010	2009
<b>Business-Type Activities:</b>				
Sewer	\$2,087,164	\$2,126,667	\$2,190,719	\$2,123,983
Electric	32,778,792	27,678,178	25,515,336	22,870,541
Water	3,169,501	2,816,039	2,608,973	3,211,725
<i>Total Business-Type Activities Expenses</i>	<u>38,035,457</u>	<u>32,620,884</u>	<u>30,315,028</u>	<u>28,206,249</u>
<i>Total Primary Government Program Expenses</i>	<u>45,585,518</u>	<u>39,387,915</u>	<u>37,461,448</u>	<u>35,608,845</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(5,643,194)	(5,228,935)	(5,267,079)	(5,180,132)
Business-Type Activities	(910,468)	(998,423)	(947,449)	(1,788,193)
<i>Total Primary Government Net Expense</i>	<u>(6,553,662)</u>	<u>(6,227,358)</u>	<u>(6,214,528)</u>	<u>(6,968,325)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Taxes:				
Property and Other Local Taxes Levied for:				
General Purposes	407,917	445,836	477,264	495,460
Kilowatt per Hour Taxes Levied for:				
General Purposes	916,240	884,285	880,337	847,907
Municipal Income Taxes Levied for:				
General Purposes	4,344,025	3,271,841	3,474,663	3,485,477
Capital Outlay	1,788,870	1,043,939	1,092,418	1,097,066
Grants and Entitlements not Restricted to				
Specific Programs	437,914	540,040	722,404	965,243
Investment Income	24,179	27,685	49,763	77,420
Gain on Sale of Capital Assets	0	0	0	0
Transfers	(916,239)	(884,285)	(880,337)	(847,907)
Other	383,627	42,833	74,112	36,796
<i>Total Governmental Activities</i>	<u>7,386,533</u>	<u>5,372,174</u>	<u>5,890,624</u>	<u>6,157,462</u>
Business-Type Activities:				
Investment Income	148,673	166,028	202,507	783,010
Transfers	916,239	884,285	880,337	847,907
Gain on Sale of Capital Assets	0	0	0	0
Other	898,385	661,252	622,492	583,457
<i>Total Business-Type Activities</i>	<u>1,963,297</u>	<u>1,711,565</u>	<u>1,705,336</u>	<u>2,214,374</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>9,349,830</u>	<u>7,083,739</u>	<u>7,595,960</u>	<u>8,371,836</u>
<b>Change in Net Position</b>				
Governmental Activities	1,743,339	143,239	623,545	977,330
Business-Type Activities	1,052,829	713,142	757,887	426,181
<i>Total Primary Government Change in Net Position</i>	<u>\$2,796,168</u>	<u>\$856,381</u>	<u>\$1,381,432</u>	<u>\$1,403,511</u>

2008	2007	2006	2005	2004	2003
\$2,165,950	\$2,235,400	\$2,064,871	\$1,942,249	\$2,035,090	\$1,957,912
24,122,241	25,725,633	25,754,322	25,247,053	23,143,664	21,681,059
2,792,044	2,712,945	2,874,257	2,425,269	2,682,953	2,554,952
29,080,235	30,673,978	30,693,450	29,614,571	27,861,707	26,193,923
36,171,301	37,324,071	36,985,891	34,835,863	33,874,034	31,968,378
(4,542,091)	(4,426,511)	(4,772,917)	(3,724,819)	(4,096,602)	(4,129,963)
4,871,275	(55,008)	855,704	178,293	(1,828,710)	(2,370,203)
329,184	(4,481,519)	(3,917,213)	(3,546,526)	(5,925,312)	(6,500,166)
505,320	485,053	469,385	524,516	536,388	476,914
881,904	897,363	851,218	837,438	802,505	782,502
2,319,038	3,490,470	2,299,733	2,195,463	2,013,058	2,088,233
806,910	858,389	560,677	534,765	365,734	872,403
816,394	514,543	579,014	717,533	497,937	631,092
171,859	236,379	217,144	139,056	80,061	81,948
0	0	0	0	0	0
(881,904)	(897,363)	(851,218)	(837,438)	(802,505)	(782,502)
209,767	88,388	35,116	165,427	112,812	127,254
4,829,288	5,673,222	4,161,069	4,276,760	3,605,990	4,277,844
838,914	1,138,233	965,009	325,135	292,975	357,932
881,904	897,363	851,218	837,438	802,505	782,502
0	0	0	0	17,131	1,754
533,030	623,615	333,385	539,674	693,509	327,772
2,253,848	2,659,211	2,149,612	1,702,247	1,806,120	1,469,960
7,083,136	8,332,433	6,310,681	5,979,007	5,412,110	5,747,804
287,197	1,246,711	(611,848)	551,941	(490,612)	147,881
7,125,123	2,604,203	3,005,316	1,880,540	(22,590)	(900,243)
\$7,412,320	\$3,850,914	\$2,393,468	\$2,432,481	(\$513,202)	(\$752,362)

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

	2012	2011	2010	2009
<b>General Fund</b>				
Nonspendable	\$93,934	\$105,065	\$99,349	N/A
Assigned	1,776,606	130,210	9,612	N/A
Unassigned	2,704,525	3,739,250	3,568,240	N/A
Reserved	N/A	N/A	N/A	\$149,410
Unreserved	N/A	N/A	N/A	3,287,216
Total General Fund	<u>4,575,065</u>	<u>3,974,525</u>	<u>3,677,201</u>	<u>3,436,626</u>
<b>All Other Governmental Funds</b>				
Nonspendable	\$0	\$0	\$0	N/A
Restricted	1,055,428	991,795	927,139	N/A
Committed	1,214,063	882,927	463,431	N/A
Assigned	29,902	29,597	29,487	N/A
Unassigned	0	0	0	N/A
Reserved	N/A	N/A	N/A	429,198
Unreserved, Undesignated, Reported in:				
Special Revenue funds	N/A	N/A	N/A	857,617
Debt Service funds	N/A	N/A	N/A	139,179
Capital Projects funds (Deficit)	N/A	N/A	N/A	(201,417)
Total All Other Governmental Funds	<u>2,299,393</u>	<u>1,904,319</u>	<u>1,420,057</u>	<u>1,224,577</u>
<b>Total Governmental Funds</b>	<u><u>\$6,874,458</u></u>	<u><u>\$5,878,844</u></u>	<u><u>\$5,097,258</u></u>	<u><u>\$4,661,203</u></u>

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

2008	2007	2006	2005	2004	2003
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
\$139,093	\$92,442	\$80,051	\$56,479	\$34,228	\$25,157
2,721,157	2,531,395	1,736,936	1,653,693	1,408,511	1,506,925
2,860,250	2,623,837	1,816,987	1,710,172	1,442,739	1,532,082
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
990,796	342,543	273,104	408,775	258,006	991,349
839,287	786,946	732,225	474,957	636,263	734,105
138,584	131,907	124,544	117,076	113,349	108,004
(753,701)	25,698	1,305,906	1,562,445	1,626,555	1,533,720
1,214,966	1,287,094	2,435,779	2,563,253	2,634,173	3,367,178
\$4,075,216	\$3,910,931	\$4,252,766	\$4,273,425	\$4,076,912	\$4,899,260

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

	2012	2011	2010	2009
<b>Revenues</b>				
Property Taxes	\$408,163	\$422,801	\$500,638	\$491,616
Income Taxes	5,437,544	4,677,933	4,313,286	4,208,090
Kilowatt Per Hour Tax	916,240	884,285	880,337	847,907
Special Assessments	11,314	21,502	21,765	19,048
Intergovernmental	1,384,685	1,224,738	1,653,659	2,215,934
Interest	24,179	27,685	49,763	77,420
Fines, Licenses and Permits	41,678	37,724	36,122	42,816
Rentals	34,809	31,424	37,865	36,981
Charges for Services	886,410	724,087	767,133	810,187
Contributions and Donations	29,993	38,542	13,033	98,698
Other	383,627	42,833	74,112	36,796
<i>Total Revenues</i>	<u>9,558,642</u>	<u>8,133,554</u>	<u>8,347,713</u>	<u>8,885,493</u>
<b>Expenditures</b>				
Current:				
General Government	1,178,901	1,063,944	971,591	1,194,191
Security of Persons and Property:				
Police	1,967,615	1,724,404	1,707,584	1,660,958
Fire	450,488	544,662	492,705	421,343
Transportation	1,310,272	1,257,749	1,405,313	1,457,344
Public Health and Welfare	335,701	179,071	340,315	140,300
Leisure Time Activities	332,224	333,811	297,717	318,017
Basic Utility Service	434,596	418,618	407,762	444,941
Capital Outlay	1,580,497	871,072	1,327,598	1,727,815
Debt Service:				
Principal Retirement	7,920	17,420	15,950	14,510
Interest and Fiscal Charges	48,575	56,932	64,786	72,180
<i>Total Expenditures</i>	<u>7,646,789</u>	<u>6,467,683</u>	<u>7,031,321</u>	<u>7,451,599</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,911,853</u>	<u>1,665,871</u>	<u>1,316,392</u>	<u>1,433,894</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0
Transfers In	420,024	338,014	332,787	327,310
Transfers Out	(1,336,263)	(1,222,299)	(1,213,124)	(1,175,217)
<i>Total Other Financing Sources (Uses)</i>	<u>(916,239)</u>	<u>(884,285)</u>	<u>(880,337)</u>	<u>(847,907)</u>
<i>Net Change in Fund Balances</i>	<u>\$995,614</u>	<u>\$781,586</u>	<u>\$436,055</u>	<u>\$585,987</u>
Debt Service as a Percentage of Noncapital Expenditures	0.97%	1.42%	1.42%	1.46%

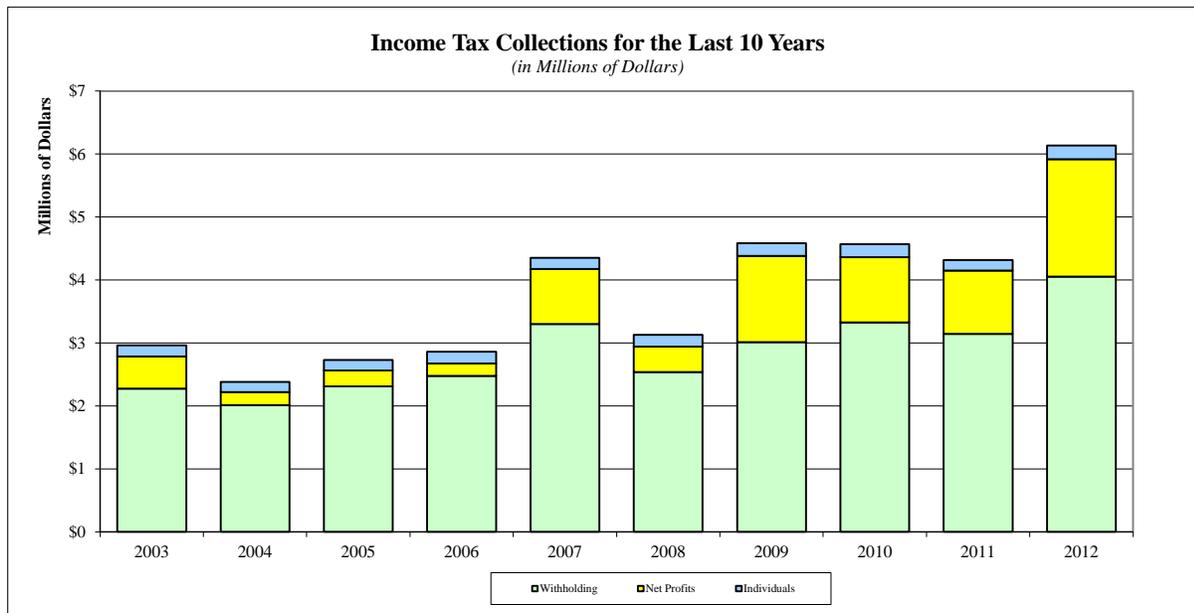
2008	2007	2006	2005	2004	2003
\$483,819	\$479,755	\$492,470	\$485,085	\$580,710	\$442,911
3,735,209	3,879,196	2,780,220	2,700,645	2,575,080	2,910,735
881,904	897,363	851,218	837,438	802,505	782,502
25,148	22,759	12,822	12,518	12,129	8,961
2,469,813	2,036,256	1,598,760	1,359,658	1,708,192	1,733,338
171,859	236,379	217,144	139,056	81,999	81,948
31,464	40,170	134,415	130,687	40,277	27,812
39,239	31,200	31,200	31,600	31,500	0
617,368	609,929	556,639	484,450	553,287	499,551
158,919	20,503	9,823	10,290	9,900	8,062
209,767	88,388	35,116	165,427	112,812	127,254
<u>8,824,509</u>	<u>8,341,898</u>	<u>6,719,827</u>	<u>6,356,854</u>	<u>6,508,391</u>	<u>6,623,074</u>
1,125,756	1,034,771	954,490	1,000,293	859,525	877,044
1,602,155	1,476,049	1,525,428	1,378,888	1,370,432	1,366,492
400,868	413,333	386,844	374,293	393,870	381,581
1,347,487	1,222,942	1,058,560	1,226,957	1,167,448	1,139,246
177,486	159,007	116,383	118,486	255,971	205,711
291,169	268,548	236,039	218,033	214,635	273,331
417,347	307,678	273,951	282,403	279,895	274,386
2,320,788	2,850,305	1,314,669	701,247	1,963,528	1,247,979
15,870	14,388	13,941	12,518	12,129	10,400
79,394	39,349	8,963	9,785	10,801	10,956
<u>7,778,320</u>	<u>7,786,370</u>	<u>5,889,268</u>	<u>5,322,903</u>	<u>6,528,234</u>	<u>5,787,126</u>
1,046,189	555,528	830,559	1,033,951	(19,843)	835,948
0	0	0	0	0	1,605
0	0	0	0	0	7,976
272,848	214,970	163,570	213,564	307,093	340,974
<u>(1,154,752)</u>	<u>(1,112,333)</u>	<u>(1,014,788)</u>	<u>(1,051,002)</u>	<u>(1,109,598)</u>	<u>(1,123,476)</u>
<u>(881,904)</u>	<u>(897,363)</u>	<u>(851,218)</u>	<u>(837,438)</u>	<u>(802,505)</u>	<u>(772,921)</u>
<u>\$164,285</u>	<u>(\$341,835)</u>	<u>(\$20,659)</u>	<u>\$196,513</u>	<u>(\$822,348)</u>	<u>\$63,027</u>
1.69%	1.03%	0.48%	0.48%	0.50%	0.47%

**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
2012	1.00%	\$6,132,895	\$4,051,390	66.06%	\$1,863,787	30.39%	\$217,718	3.55%
2011	1.00	4,315,780	3,142,751	72.82	1,004,282	23.27	168,747	3.91
2010	1.00	4,567,081	3,324,378	72.79	1,038,098	22.73	204,605	4.48
2009	1.00	4,582,543	3,010,960	65.70	1,371,928	29.94	199,655	4.36
2008	1.00	3,125,948	2,534,831	81.09	404,498	12.94	186,619	5.97
2007	1.00	4,348,859	3,299,393	75.87	873,005	20.07	176,461	4.06
2006	1.00	2,860,410	2,474,541	86.51	200,229	7.00	185,641	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

(1) Accrual Basis

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



**City of Orrville, Ohio**  
*Income Tax Filers by Income Level*  
*Tax Years 2012 and 2003*

Tax Year 2012				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	240	6.16 %	\$172,120,783	66.41 %
75,001-100,000	256	6.58	21,862,935	8.43
50,001-75,000	444	11.41	27,248,128	10.51
25,000-50,000	683	17.54	25,052,573	9.66
Under 25,000	1,333	34.24	12,939,089	4.99
Zero File	937	24.07	-	0.00
<b>Total</b>	<b>3,893</b>	<b>100%</b>	<b>\$259,223,508</b>	<b>100%</b>

Tax Year 2003				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	75	4.80 %	\$23,757,174	48.07 %
75,001-100,000	49	3.14	4,108,447	8.32
50,001-75,000	122	7.82	7,474,550	15.13
25,000-50,000	255	16.34	9,159,223	18.54
Under 25,000	638	40.87	4,909,916	9.94
Zero File	422	27.03	-	0.00
<b>Total</b>	<b>1,561</b>	<b>100%</b>	<b>\$49,409,310</b>	<b>100%</b>

Source: City Income Tax Department

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

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

Type of Customer:	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Residential	\$7,574,562	\$6,651,550	\$6,399,821	\$5,818,091	\$6,483,030	\$5,752,018	\$5,309,598	\$5,455,605	\$4,676,994	\$4,457,499
Industrial (1)	16,269,834	12,768,572	11,256,053	9,208,190	14,909,191	13,379,497	16,079,431	14,621,760	12,550,867	10,716,879
Commercial	8,105,393	6,919,881	6,569,498	6,089,237	7,133,605	6,091,331	5,001,317	4,930,071	4,196,891	4,141,717
Government	306,971	273,197	222,776	189,372	254,540	237,427	215,914	213,455	190,590	193,479
<b>Total</b>	<b>\$32,256,760</b>	<b>\$26,613,199</b>	<b>\$24,448,148</b>	<b>\$21,304,890</b>	<b>\$28,780,366</b>	<b>\$25,460,273</b>	<b>\$26,606,260</b>	<b>\$25,220,891</b>	<b>\$21,615,342</b>	<b>\$19,509,574</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*  
 2012 and 2003

<i>2012</i>		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
Quality Castings Company	\$4,694,851	14.55 %
J M Smucker Company	3,322,156	10.30
Smith Dairy	1,554,816	4.82
Bekaert - Formerly Contours	1,204,811	3.74
JLG	670,924	2.08
Marshallville Corporation	635,367	1.97
Will-Burt	498,417	1.55
Orrvilon	398,536	1.24
Aultman Orrville Hospital	379,779	1.18
Buehlers	251,148	0.78
<b>Total</b>	<b>\$13,610,805</b>	<b>42.20 %</b>
<b>Total Electric Charges for Services</b>	<b>\$32,256,760</b>	

<i>2003</i>		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
Quality Castings Company	\$2,042,392	10.47 %
J M Smucker Company	1,067,456	5.47
Technocast	1,089,313	5.58
Smith Dairy	795,223	4.08
Contours	654,582	3.36
Marshallville Corporation	381,860	1.96
WillBurt	241,742	1.24
American Weather Seal	169,041	0.87
Caraustar	165,302	0.85
Purina Mills	156,422	0.80
<b>Total</b>	<b>\$6,763,333</b>	<b>34.66 %</b>
<b>Total Electric Charges for Services</b>	<b>\$19,509,574</b>	

Source: City Records

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

	2012	2011	2010
<b>Residential:</b>			
First 50 KWH	\$8.2400	\$6.4300	\$6.4300
Next 250 KWH - per KWH	0.1004	0.0633	0.0633
Next 750 KWH - per KWH	0.0936	0.0565	0.0565
All Over 1050 KWH - per KWH	0.0877	0.0506	0.0506
<b>General Service:</b>			
<b>Small:</b>			
Minimum Charge	13.3700	9.6600	9.6600
First 100 KWH - per KWH	0.1334	0.0965	0.0965
Next 200 KWH - per KWH	0.1123	0.0753	0.0753
All Over 300 KWH - per KWH	0.1013	0.0642	0.0642
<b>Medium (per KVA):</b>			
Minimum Charge - per KVA	1.7600	1.7600	1.7600
First 60 KWH Block - per KWH	0.1422	0.1053	0.1053
Second 60 KWH Block - per KWH	0.1182	0.0812	0.0812
Third 80 KWH Block - per KWH	0.0936	0.0565	0.0565
Fourth 100 KWH Block - per KWH	0.0861	0.0490	0.0490
All Over 300 KWH - per KWH	0.0805	0.0434	0.0434
<b>Large (per KVA):</b>			
Minimum Charge - per KVA	1.6200	1.6200	1.6200
First 50 KWH Block - per KWH	0.1383	0.1014	0.1014
Second 50 KWH Block - per KWH	0.0984	0.0614	0.0614
Over 100 KWH Block but not Exceeding 100,000 KWH - per KWH	0.0822	0.0452	0.0452
All Over Sum of Prior Amounts - per KWH	0.0774	0.0403	0.0403
<b>Industrial (per KVA):</b>			
Minimum Charge - per KVA	3.2000	3.2000	3.2000
First 30 KWH Block - per KWH	0.1622	0.1254	0.1254
<b>Second 170 KWH Block per KVA:</b>			
2,000 KWH - per KWH	0.1148	0.0805	0.0805
8,000 KWH - per KWH	0.1054	0.0684	0.0684
90,000 KWH - per KWH	0.0936	0.0565	0.0565
Over 100,000 KWH - per KWH	0.0811	0.0441	0.0441
Third Block Over 200,000 KWH - per KWH	0.0741	0.0370	0.0370
All Over Sum of Prior Amounts - per KWH	0.0733	0.0362	0.0362

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

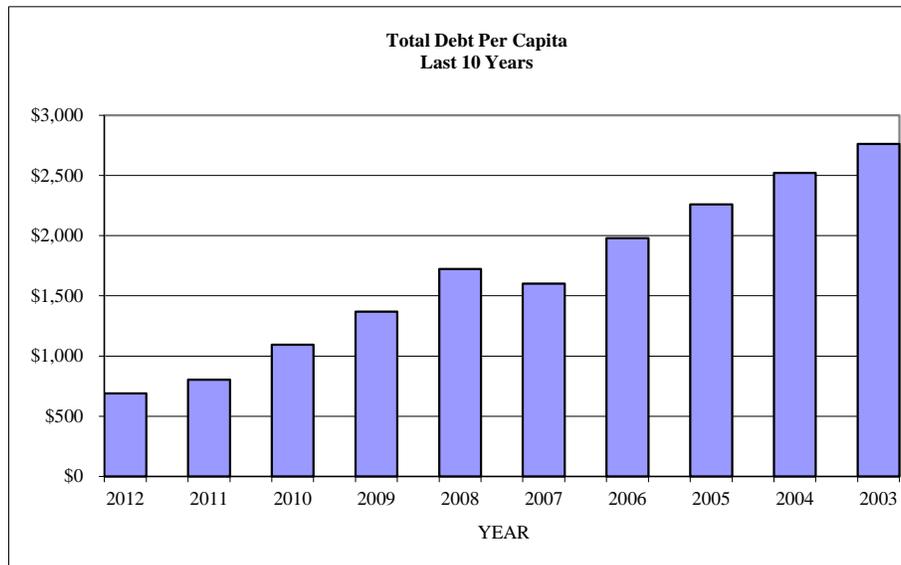
Source: City Records

2009	2008	2007	2006	2005	2004	2003
\$6.4300	\$6.4300	\$6.4300	\$6.4300	\$6.3700	\$6.1300	\$6.1300
0.0633	0.0633	0.0633	0.0633	0.0627	0.0603	0.0603
0.0565	0.0565	0.0565	0.0565	0.0559	0.0537	0.0537
0.0506	0.0506	0.0506	0.0506	0.0501	0.0481	0.0481
9.6600	9.6600	9.6600	9.6600	9.5600	9.1900	9.1900
0.0965	0.0965	0.0965	0.0965	0.0955	0.0918	0.0918
0.0753	0.0753	0.0753	0.0753	0.0746	0.0717	0.0717
0.0642	0.0642	0.0642	0.0642	0.0636	0.0612	0.0612
1.7600	1.7600	1.7600	1.7600	1.7400	1.6800	1.6800
0.1053	0.1053	0.1053	0.1053	0.1043	0.1003	0.1003
0.0812	0.0812	0.0812	0.0812	0.0804	0.0773	0.0773
0.0565	0.0565	0.0565	0.0565	0.0559	0.0537	0.0537
0.0490	0.0490	0.0490	0.0490	0.0485	0.0466	0.0466
0.0434	0.0434	0.0434	0.0434	0.0430	0.0414	0.0414
1.6200	1.6200	1.6200	1.6200	1.6000	1.5400	1.5400
0.1014	0.1014	0.1014	0.1014	0.1004	0.0965	0.0965
0.0614	0.0614	0.0614	0.0614	0.0608	0.0584	0.0584
0.0452	0.0452	0.0452	0.0452	0.0448	0.0430	0.0430
0.0403	0.0403	0.0403	0.0403	0.0399	0.0383	0.0383
3.2000	3.2000	3.2000	3.2000	3.1700	3.0500	3.0500
0.1254	0.1254	0.1254	0.1254	0.0124	0.1194	0.1194
0.0805	0.0805	0.0805	0.0805	0.0797	0.0766	0.0766
0.0684	0.0684	0.0684	0.0684	0.0677	0.0651	0.0651
0.0565	0.0565	0.0565	0.0565	0.0559	0.0537	0.0537
0.0441	0.0441	0.0441	0.0441	0.0437	0.0420	0.0420
0.0370	0.0370	0.0370	0.0370	0.0366	0.0352	0.0352
0.0362	0.0362	0.0362	0.0362	0.0358	0.0344	0.0344

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

Year	Governmental Activities		Business-Type	
	Special Assessment Bonds	Notes	Revenue Bonds	Mortgage Revenue Bonds
2012	\$27,120	\$1,300,000	\$3,580,000	\$0
2011	35,040	1,400,000	3,806,822	0
2010	52,460	2,770,000	4,260,654	0
2009	68,410	3,170,000	4,694,486	1,777,103
2008	82,920	3,570,000	5,108,318	3,498,722
2007	98,790	0	5,507,150	5,072,004
2006	113,178	0	5,890,982	8,130,290
2005	127,119	0	6,264,814	9,563,576
2004	139,637	0	6,623,646	10,941,862
2003	151,766	0	6,977,478	12,255,148

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



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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>
\$9,608	\$865,152	\$5,781,880	3.38%	\$690
537,207	947,262	6,726,331	3.93	803
1,046,999	1,029,372	9,159,485	6.27	1,093
1,477,014	1,111,482	12,298,495	7.87	1,370
1,889,701	1,193,592	15,343,253	9.63	1,722
2,285,881	1,264,868	14,228,693	10.60	1,601
2,666,132	725,311	17,525,893	11.37	1,981
3,031,009	785,754	19,772,272	12.97	2,259
3,381,049	846,197	21,932,391	14.48	2,522
3,716,768	906,639	24,007,799	15.85	2,761

**City of Orrville, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2012*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
<b>Direct - City of Orrville</b>			
Special Assessment Bonds	\$27,120	100.00 %	\$27,120
<b>Overlapping</b>			
Orrville City School District			
General Obligation Bonds	16,377,779	80.39	13,166,097
School Facilities Construction and Improvement Note	917,000	80.39	737,176
Capital Lease	12,002,000	80.39	9,648,408
Wayne County			
General Obligation Bonds	7,023,052	8.74	613,815
OPWC Loan	168,369	8.74	14,715
<i>Total Overlapping Debt</i>	<u>36,488,200</u>		<u>24,180,211</u>
<b>Total</b>	<u><u>\$36,515,320</u></u>		<u><u>\$24,207,331</u></u>

Source: County Auditor

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

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

Water						
Year	Water Operating Revenues (2)	Water Operating Expenses (3)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2012	\$2,951,639	\$1,966,480	\$985,159	\$597,110	\$144,197	1.33
2011	2,841,526	1,617,014	1,224,512	577,110	202,930	1.57
2010	2,983,759	1,346,924	1,636,835	557,110	221,930	2.10
2009	2,721,322	2,035,920	685,402	537,110	135,466	1.02
2008	3,241,088	1,622,561	1,618,527	511,276	200,191	2.27
2007	3,363,974	1,670,713	1,693,261	485,443	221,712	2.39
2006	3,090,791	1,741,923	1,348,868	475,443	242,379	1.88
2005	2,694,596	1,390,760	1,303,836	460,443	259,292	1.81
2004	2,590,025	1,619,417	970,608	455,442	304,307	1.28
2003	2,459,971	1,484,096	975,875	445,443	298,947	1.31
Sewer						
Year	Sewer Operating Revenues (2)	Sewer Operating Expenses (3)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2012	\$2,074,359	\$1,459,271	\$615,088	\$527,599	\$15,169	1.13
2011	2,044,338	1,477,147	567,191	509,792	32,975	1.04
2010	2,133,390	1,405,974	727,416	492,056	50,711	1.34
2009	1,961,833	1,309,116	652,717	474,728	68,039	1.20
2008	2,202,452	1,369,875	832,577	458,221	84,545	1.53
2007	2,169,523	1,483,668	685,855	442,292	100,476	1.26
2006	2,219,958	1,284,094	935,864	426,918	115,849	1.72
2005	2,114,431	1,175,672	938,759	412,081	130,685	1.73
2004	1,965,223	1,266,850	698,373	397,760	145,008	1.29
2003	1,967,270	1,185,668	781,602	384,341	158,426	1.44

- (1) Includes water revenue bonds and OPWC and OWDA loans.  
(2) Operating Revenues include transfers in and interest revenue, in accordance with the bond indenture agreements.  
(3) Operating expenses do not include depreciation.

**City of Orrville, Ohio**  
*Legal Debt Margin*  
*Last Ten Years*

	2012	2011	2010	2009
Total Assessed Property Value	<u>\$166,122,650</u>	<u>\$166,803,490</u>	<u>\$165,160,006</u>	<u>\$165,434,340</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>17,442,878</u>	<u>17,514,366</u>	<u>17,341,801</u>	<u>17,370,606</u>
Debt Outstanding:				
Revenue Bonds	\$3,580,000	\$4,095,000	\$4,590,000	\$5,065,000
Mortgage Revenue Bonds	0	0	0	1,805,000
Special Assessment Bonds	27,120	35,040	52,460	68,410
Bond Anticipation Notes	1,300,000	1,400,000	2,770,000	3,170,000
OPWC Loans	865,152	947,262	1,029,372	1,111,482
OWDA Loans	9,608	537,207	1,046,999	1,539,055
Total Gross Indebtedness	5,781,880	7,014,509	9,488,831	12,758,947
Less:				
Revenue Bonds	(3,580,000)	(4,095,000)	(4,590,000)	(5,065,000)
Mortgage Revenue Bonds	0	0	0	(1,805,000)
Special Assessment Bonds	(27,120)	(35,040)	(52,460)	(68,410)
Bond Anticipation Notes	(1,300,000)	(1,400,000)	(2,770,000)	(3,170,000)
OPWC Loans	(865,152)	(947,262)	(1,029,372)	(1,111,482)
OWDA Loans	(9,608)	(537,207)	(1,046,999)	(1,539,055)
Total Net Debt Applicable to Debt Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$17,442,878</u>	<u>\$17,514,366</u>	<u>\$17,341,801</u>	<u>\$17,370,606</u>
Legal Debt Margin as a Percentage of the Debt Limit	100%	100%	100%	100%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$9,136,746</u>	<u>\$9,174,192</u>	<u>\$9,083,800</u>	<u>\$9,098,889</u>
Total Gross Indebtedness	5,781,880	7,014,509	9,488,831	12,758,947
Less:				
Revenue Bonds	(3,580,000)	(4,095,000)	(4,590,000)	(5,065,000)
Mortgage Revenue Bonds	0	0	0	(1,805,000)
Special Assessment Bonds	(27,120)	(35,040)	(52,460)	(68,410)
Bond Anticipation Notes	(1,300,000)	(1,400,000)	(2,770,000)	(3,170,000)
OPWC Loans	(865,152)	(947,262)	(1,029,372)	(1,111,482)
OWDA Loans	(9,608)	(537,207)	(1,046,999)	(1,539,055)
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>\$9,136,746</u>	<u>\$9,174,192</u>	<u>\$9,083,800</u>	<u>\$9,098,889</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

2008	2007	2006	2005	2004	2003
<u>\$172,083,580</u>	<u>\$172,706,200</u>	<u>\$179,868,790</u>	<u>\$174,782,986</u>	<u>\$175,391,238</u>	<u>\$186,133,520</u>
18,068,776	18,134,151	18,886,223	18,352,214	18,416,080	19,544,020
\$5,520,000	\$5,960,000	\$6,385,000	\$6,800,000	\$7,200,000	\$7,595,000
3,530,000	5,165,000	8,285,000	9,780,000	11,220,000	12,595,000
82,920	98,790	113,178	127,119	139,637	151,766
3,570,000	2,180,000	700,000	800,000	900,000	1,000,000
1,193,592	1,264,868	725,311	785,754	846,197	906,639
2,013,783	2,472,004	2,914,296	3,341,214	3,753,295	4,151,055
15,910,295	17,140,662	19,122,785	21,634,087	24,059,129	26,399,460
(5,520,000)	(5,960,000)	(6,385,000)	(6,800,000)	(7,200,000)	(7,595,000)
(3,530,000)	(5,165,000)	(8,285,000)	(9,780,000)	(11,220,000)	(12,595,000)
(82,920)	(98,790)	(113,178)	(127,119)	(139,637)	(151,766)
(3,570,000)	(2,180,000)	(700,000)	(800,000)	(900,000)	(1,000,000)
(1,193,592)	(1,264,868)	(725,311)	(785,754)	(846,197)	(906,639)
(2,013,783)	(2,472,004)	(2,914,296)	(3,341,214)	(3,753,295)	(4,151,055)
0	0	0	0	0	0
<u>\$18,068,776</u>	<u>\$18,134,151</u>	<u>\$18,886,223</u>	<u>\$18,352,214</u>	<u>\$18,416,080</u>	<u>\$19,544,020</u>
100%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>\$9,464,597</u>	<u>\$9,498,841</u>	<u>\$9,892,783</u>	<u>\$9,613,064</u>	<u>\$9,646,518</u>	<u>\$10,237,344</u>
15,910,295	17,140,662	19,122,785	21,634,087	24,059,129	26,399,460
(5,520,000)	(5,960,000)	(6,385,000)	(6,800,000)	(7,200,000)	(7,595,000)
(3,530,000)	(5,165,000)	(8,285,000)	(9,780,000)	(11,220,000)	(12,595,000)
(82,920)	(98,790)	(113,178)	(127,119)	(139,637)	(151,766)
(3,570,000)	(2,180,000)	(700,000)	(800,000)	(900,000)	(1,000,000)
(1,193,592)	(1,264,868)	(725,311)	(785,754)	(846,197)	(906,639)
(2,013,783)	(2,472,004)	(2,914,296)	(3,341,214)	(3,753,295)	(4,151,055)
0	0	0	0	0	0
<u>\$9,464,597</u>	<u>\$9,498,841</u>	<u>\$9,892,783</u>	<u>\$9,613,064</u>	<u>\$9,646,518</u>	<u>\$10,237,344</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

<b>2012</b>	
Employer	Employees
J.M. Smucker Company	1,600
JLG, Incorporated	518
Quality Castings Company	345
Smith Dairy Products Company	271
Will-Burt Company, Incorporated	351
Aultman Orrville Hospital	221
Contours Bekaert, Incorporated	219
Orrville City Schools	198
City of Orrville/Orrville Utilities (1)	141
Scott Industries	115
<b>Total</b>	<b>3,979</b>
<b>Total Employment within the City</b>	<b>n/a</b>

<b>2003</b>	
Employer	Employees
J.M. Smucker Company	700
Will-Burt Company, Incorporated	275
Quality Castings Company	250
Smith Dairy Products Company	220
University of Akron - Wayne College	200
Contours, Incorporated	180
Dunlap Hospital	175
Orrville City Schools	170
City of Orrville/Orrville Utilities (1)	156
Schantz Organ Company	101
<b>Total</b>	<b>2,427</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.

**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>
2012	8,380	\$170,952,000	\$20,400	\$39,565	40.1	6.1%
2011	8,380	170,952,000	20,400	39,565	40.1	6.6
2010	8,380	170,952,000	20,400	39,565	40.1	9.4
2009	8,975	156,335,525	17,419	36,500	35.5	10.5
2008	8,908	155,168,452	17,419	36,500	35.5	5.6
2007	8,886	154,785,234	17,419	36,500	35.5	5.0
2006	8,847	154,105,893	17,419	36,500	35.5	4.5
2005	8,751	152,433,669	17,419	36,500	35.5	5.0
2004	8,695	151,458,205	17,419	36,500	35.5	5.3
2003	8,695	151,458,205	17,419	36,500	35.5	5.1

(1) Sources:

(a) Years 2010 through 2012 - 2010 Federal Census

(b) Years 2003 through 2009 - Orrville Safety Service Department Estimates

(2) Source: U.S. Census Bureau

(a) Years 2010 - 2012 - 2010 Federal Census

(b) Years 2003 - 2009 - 2000 Federal Census

(3) U.S. Bureau of Labor Statistics

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

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

Function/Program	2012	2011	2010	2009
<b>General Government</b>				
City Council	9.00	9.00	9.00	9.00
Finance	3.00	4.00	4.00	4.00
Tax	1.00	1.00	1.00	1.00
Law	1.00	1.00	1.00	1.00
Administration	18.00	19.00	19.00	18.00
Custodial	2.00	2.00	2.00	2.00
Civil Service	3.00	3.00	3.00	3.00
Utility Board	5.00	5.00	5.00	5.00
<b>Security of Persons and Property</b>				
Police	16.00	15.00	15.00	15.00
Police - Dispatchers	6.00	6.00	6.00	7.00
School Crossing Guards	4.00	4.00	4.00	4.00
Fire	44.00	41.00	39.00	37.00
<b>Community Development</b>				
Economic Development	1.00	1.00	1.00	1.00
<b>Transportation</b>				
Street, Park & Cemetery	14.00	15.00	15.00	16.00
<b>Basic Utility Services</b>				
Electric - Meter Readers	1.00	1.00	1.00	3.00
Electric - Operations	19.00	19.00	18.00	18.00
Electric - Maintenance	25.00	26.00	25.00	25.00
Electric - Distribution	20.00	20.00	21.00	21.00
Electric - Fiber Optics	3.00	3.00	3.00	3.00
Water - Operations	5.00	6.00	6.00	6.00
Water - Maintenance	3.00	3.00	3.00	3.00
Sewer - Operations	7.00	7.00	7.00	8.00
Sewer - Maintenance	1.00	1.00	1.00	1.00
<b>Totals:</b>	<u>211.00</u>	<u>212.00</u>	<u>209.00</u>	<u>211.00</u>

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

2008	2007	2006	2005	2004	2003
9.00	9.00	9.00	9.00	9.00	9.00
4.00	4.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
19.00	19.00	21.00	19.00	19.00	21.00
2.00	2.00	2.00	2.00	2.00	2.00
3.00	3.00	3.00	3.00	3.00	3.00
5.00	5.00	5.00	5.00	5.00	5.00
16.00	14.00	17.00	17.00	16.00	16.00
7.00	7.00	5.00	5.00	5.00	5.00
5.00	5.00	4.00	4.00	5.00	5.00
39.00	38.00	39.00	32.00	33.00	44.00
1.00	1.00	1.00	1.00	1.00	1.00
16.00	17.00	15.00	16.00	16.00	18.00
3.00	3.00	3.00	3.00	3.00	2.00
18.00	18.00	18.00	18.00	19.00	20.00
24.00	26.00	25.00	24.00	24.00	25.00
21.00	20.00	19.00	19.00	21.00	20.00
3.00	3.00	3.00	3.00	3.00	3.00
8.00	8.00	8.00	8.00	8.00	7.00
4.00	5.00	3.00	3.00	3.00	3.00
9.00	7.00	7.00	7.00	7.00	7.00
2.00	3.00	3.00	2.00	2.00	2.00
<u>220.00</u>	<u>219.00</u>	<u>216.00</u>	<u>206.00</u>	<u>210.00</u>	<u>224.00</u>

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

Function/Program	2012	2011	2010
<b>General Government</b>			
<i>Council and Clerk</i>			
Number of Ordinances Passed	24	10	14
Number of Resolutions Passed	44	50	39
Number of Planning Commission docket items	48	38	39
Zoning Board of Appeals docket items	3	8	8
<i>Finance Department</i>			
Number of checks/ vouchers issued	5,204	5,154	5,206
Amount of checks written	\$49,804,831	\$35,806,210	\$34,575,112
Interest earnings for fiscal year (cash basis)	\$140,238	\$150,653	\$241,517
Number of Receipts issued	2,028	2,025	2,028
Number of Journal Entries issued	553	608	638
Number of Budget Adjustments issued	0	4	1
<i>Income Tax Department</i>			
Number of Individual Returns (1)	3,370	3,418	3,375
Number of Business Returns	567	576	560
Number of business withholding accounts	552	544	528
Amount of Penalties and Interest Collected	\$1,324	\$831	\$745
Annual number of Corporate withholding forms processed	2,681	2,705	2,748
Annual number of balance due statements forms processed	403	454	232
Annual number of estimated payment forms processed	486	558	586
Annual number of reconciliations of withholdings processed	571	579	549
<i>Civil Service</i>			
Number of police entry tests administered	1	0	1
Number of police promotional tests administered	0	0	0
Number of hires of Police Officers from certified lists	0	1	0
Number of promotions from police certified lists	0	0	0
<i>Building Department Indicators</i>			
New Construction Permits Issued	51	45	43
Estimated Value of Construction	\$11,460,110	\$19,536,492	\$60,218,940
Number of permits issued	126	129	111
Amount of Revenue generated from permits	\$2,869	\$3,905	\$2,805
<b>Security of Persons and Property</b>			
<i>Police</i>			
Total Calls for Services	N/A	N/A	N/A
Number of traffic citations issued	1,116	1,335	1,043
Number of parking citations issued	N/A	N/A	N/A
Number of criminal arrests	267	319	378
Number of accident reports completed	188	177	227
Part 1 Offenses (major offenses)	169	197	188
DUI Arrests	29	42	50
Motor Vehicle Accidents	188	177	227
<i>Fire</i>			
EMS Calls	513	418	395
Ambulance Billing Collections (net)	\$130,470	\$108,209	\$97,951
Fire Calls	155	235	116
Fires with Loss	19	16	26
Fire Losses	\$305,900	\$1,775,425	\$106,570
Fire Safety Inspections	63	80	42
Number of times Mutual Aid given to Fire and EMS	42	41	42
Number of times Mutual Aid received for Fire and EMS	11	11	8
<b>Public Health and Welfare</b>			
Cemetery burials	63	67	67
Cemetery sale of lots	57	56	33
Cemetery receipts	\$47,557	\$46,217	\$51,425

2009	2008	2007	2006	2005	2004	2003
19	20	22	64	54	40	45
49	65	76	16	22	17	26
41	44	51	67	62	55	56
10	7	6	10	10	12	10
5,756	5,746	5,810	5,568	5,398	5,404	5,297
\$43,032,027	\$52,403,383	\$49,109,112	\$48,792,992	\$73,789,581	\$53,607,377	\$81,763,807
\$511,210	\$848,247	\$1,162,009	\$976,168	\$583,131	\$270,030	\$310,961
2,101	1,944	1,815	1,824	1,837	1,865	1,912
683	687	653	616	560	739	801
4	2	8	3	5	5	0
2,875	3,504	1,065	1,089	1,084	1,148	1,118
560	520	509	494	439	434	486
532	408	489	448	467	464	452
\$61	\$34	\$123	\$125	\$315	\$267	\$212
2,694	2,627	2,109	1,973	1,858	1,856	1,833
371	286	49	34	40	28	45
630	634	594	611	643	641	639
567	531	493	486	431	501	517
0	1	1	0	1	0	0
0	2	0	1	1	0	0
0	2	1	0	1	0	0
0	1	0	2	0	0	0
99	53	54	96	65	72	83
\$31,299,126	\$16,792,395	\$15,170,164	\$30,392,960	\$9,503,390	\$11,745,253	\$10,704,259
160	113	166	173	182	163	164
\$4,335	\$2,783	\$3,290	\$4,972	\$5,195	\$5,164	\$5,461
N/A	N/A	N/A	N/A	N/A	9,928	10,841
1,282	740	705	1,839	1,903	1,018	1,021
N/A	N/A	N/A	N/A	N/A	117	175
450	359	320	361	316	445	489
182	226	225	197	231	205	239
181	229	247	258	236	218	211
90	43	42	53	36	54	72
182	226	225	197	231	205	239
341	435	353	326	302	277	231
\$75,286	\$73,658	\$101,496	\$63,970	\$63,927	\$56,548	\$42,435
172	104	219	144	154	178	160
18	22	19	37	50	52	68
\$858,650	\$632,450	\$496,560	\$143,400	\$366,000	\$130,000	\$1,354,464
42	52	68	60	48	47	60
31	32	37	31	39	42	35
9	13	6	7	8	5	4
65	82	70	64	86	79	79
42	66	79	25	27	47	17
\$46,351	\$67,911	\$78,112	\$45,236	\$56,711	\$63,104	\$50,633

(continued)

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

Function/Program	2012	2011	2010
<b>Leisure Time Activities</b>			
<i>Recreation</i>			
Recreation Swimming pool receipts	\$54,056	\$49,136	\$46,041
<b>Economic Development</b>			
Grant amounts received due to Economic Development Dept.	\$484,230	\$261,941	\$547,956
<b>Basic Utility Services</b>			
Refuse disposal per year (in tons)	2,659	2,845	2,963
Refuse disposal costs per year	\$422,615	\$413,744	\$404,635
Annual recycling tonnage (excluding leaf, and compost items)	403	452	462
Percentage of waste recycled	13.17%	13.70%	13.60%
<b>Transportation</b>			
Street Improvements - asphalt overlay (linear feet)	4,350	11,045	15,475
Street Repair (Curbs, aprons, berms, asphalt) (hours)	2,245	1,176	2,589
Paint Striping (hours)	0	3	132
Street Sweeper (hours)	342	354	278
Cold Patch (hours)	4	213	177
Snow & Ice Removal regular hours	453	613	853
Snow & Ice Removal overtime hours	301	436	385
Sewer Crew (hours)	330	710	1,239
Sewer jet, Vac-all, other services (hours)	301	333	331
Landscaping Stump-Chipper service (hours)	1,473	1,369	1,032
Leaf collection (hours)	1,205	1,286	937
Holiday lights setup (hours)	111	94	90
Equipment repair/body shop (hours)	2,014	1,137	1,359
Sign department (hours)	439	382	162
Number of Trees Planted per year	2	2	40
Tons of snow melting salt purchased (Nov-Mar)	884	1,089	1,290
Cost of salt purchased	\$44,417	\$56,601	\$66,656
Vehicle repair/body shop (hours)	3,029	1,975	1,986
<b>Water Department</b>			
Water Rates per 1st 100 Cu ft of water used	\$2.87	\$2.71	\$2.71
Avg. number of water accounts billed monthly (Cu. Ft.)	85,820	109,594	100,193
Total Water Collections Annually (Including P&I)	\$2,803,423	\$2,819,716	\$2,831,193
<b>Sewer Department</b>			
Sewer Rates per 1st 100 Cu ft of water used	\$2.64	\$2.64	\$2.64
Total flow of sewer treatment plant (Billions of Gallons)	0.697	0.850	0.730
Average daily flow (Millions of gallons per day)	1.910	2.330	2.000
Tons of dry sludge removed	192	181	186

Source: City Records

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

2009	2008	2007	2006	2005	2004	2003
\$39,459	\$44,964	\$41,963	\$42,854	\$49,730	\$37,947	\$41,751
\$1,217,337	\$1,171,324	\$1,350,126	\$292,053	\$344,679	\$581,799	\$1,183,125
2,881	3,106	3,229	2,966	3,108	3,835	3,391
\$443,454	\$423,010	\$306,670	\$299,057	\$282,402	\$280,861	\$273,066
374	329	368	334	364	393	345
11.48%	11.86%	11.39%	11.30%	11.70%	10.33%	10.00%
14,604	5,020	15,797	500	610	761	827
1,916	1,949	2,463	1,210	1,058	692	481
222	351	340	247	347	256	169
306	279	471	340	207	376	382
189	22	66	243	343	290	426
784	788	707	109	216	481	155
504	454	386	48	359	53	248
1,293	1,707	815	1,269	768	1,317	1,312
444	187	142	307	88	79	421
1,255	1,608	1,099	183	N/A	N/A	N/A
918	756	933	803	684	621	544
85	64	66	50	47	22	46
1,256	933	808	1,110	788	1,061	884
318	378	173	157	85	67	393
40	31	27	117	73	93	73
600	475	332	305	1,154	835	350
\$55,725	\$31,327	\$13,334	\$11,236	\$24,348	\$19,475	\$8,636
2,249	2,107	1,821	1,765	1,574	1,374	1,219
\$2.71	\$2.71	\$2.71	\$2.63	\$2.56	\$2.48	\$2.41
73,120	107,405	103,533	204,347	224,383	112,465	105,356
\$2,734,271	\$3,049,297	\$2,973,543	\$2,902,394	\$2,681,687	\$2,541,640	\$2,433,893
\$2.64	\$2.64	\$2.64	\$2.64	\$2.64	\$2.64	\$2.64
0.686	0.785	0.795	0.777	0.717	0.790	0.743
1.880	2.150	2.163	2.130	2.040	2.250	2.110
222	369	338	178	395	377	133

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

Function/Program	2012	2011	2010	2009
<b>General Government</b>				
Square Footage Occupied	71,554	71,554	71,554	71,554
Administrative Vehicles	4	4	4	4
Inspection Vehicles	1	1	1	1
<b>Police</b>				
Stations	1	1	1	1
Square Footage of Building	11,700	11,700	11,700	11,700
Vehicles	10	10	10	10
<b>Fire</b>				
Stations	2	2	2	2
Square Footage of Building	10,900	10,900	10,900	10,900
Vehicles	12	12	12	12
<b>Recreation</b>				
Number of Parks	6	6	6	6
Number of Pools	1	1	1	1
Number of Tennis Courts	6	6	6	6
Number of Baseball Diamonds	7	7	7	7
Vehicles	1	1	1	1
<b>Transportation</b>				
Streets (miles)	47	47	47	47
Storm Sewers (miles)	151	151	151	151
Service Vehicles	23	23	22	22
<b>Sewer Department</b>				
Sanitary Sewers (miles)	42	42	42	42
Vehicles	6	6	6	6
<b>Water Department</b>				
Water Lines (miles)	61	61	61	61
Vehicles	10	10	10	10
<b>Electric Department</b>				
Electric Lines (miles)	300	300	300	300
Vehicles	24	24	24	24

Source: City Records

2008	2007	2006	2005	2004	2003
71,554	71,554	71,554	71,554	71,554	71,554
4	4	4	4	3	3
1	1	1	1	1	1
1	1	1	1	1	1
11,700	11,700	11,700	11,700	11,700	11,700
9	9	9	9	9	9
2	2	2	2	2	2
10,900	10,900	10,900	10,900	10,900	10,900
12	12	12	12	12	11
6	6	6	6	6	6
1	1	1	1	1	1
6	6	6	6	6	6
7	7	7	7	7	7
1	1	1	1	1	1
46	46	46	46	46	46
150	150	150	150	150	150
22	22	22	22	22	22
42	42	42	42	42	42
7	7	7	7	7	7
57	57	57	57	57	57
12	12	12	12	12	12
300	300	260	260	260	260
23	23	23	23	23	23

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**City of Orrville**

**Mayor**

**David T. Handwerk**

**City Council President**

**Lyle Baker**

**City Council Members**

**Ricardo Aspiras**

**Rich Corfman**

**Mike Hamsher**

**Julia Leathers**

**Denny Miller**

**Arthur Shupp**

**Paul Vance**

**Public Utility Board President**

**Jon McGuire**

**Public Utility Board Members**

**Gary Gossard**

**Robert Maglio**

**Russell Miller**

**Brad Strausbaugh**



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# Dave Yost • Auditor of State

CITY OF ORRVILLE

WAYNE COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
AUGUST 1, 2013