



City of Orrville, Ohio Comprehensive Annual Financial Report

For the Year Ended December 31, 2020

OHIO AUDITOR OF STATE
KEITH FABER



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Members of Council
City of Orrville
207 North Main Street
P.O. Box 61
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We have reviewed the *Independent Auditor's Report* of the City of Orrville, Wayne County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2020 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Orrville is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

September 02, 2021

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CITY OF ORRVILLE, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2020

Janet L. Strimlan
Finance Director

Prepared by the City Finance Department



Introductory Section

City of Orrville, Ohio
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July 27, 2021

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. Either the Auditor of State of Ohio or, if the Auditor permits, an independent public accounting firm conducts these audits. The City selected James G. Zupka, CPA, to perform these services for the year ended December 31, 2020. 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 protection, emergency medical service, parks and recreation, building inspection, street maintenance and repairs, water, electric, internet, sewer, and refuse collection.

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

Local Economy

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

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

Air service is easily accessible to both residents and industry through the Wayne County Airport, the Holmes County Airport, and the Wadsworth Municipal Airport (Medina County). All are easily reached and able to handle small aircraft traffic. Commercial passenger and air freight services are available through the Akron-Canton Regional Airport and the Cleveland Hopkins International Airport. Cleveland Hopkins Airport is located 50 miles from Orrville. It is the largest airport in Ohio and the 41st largest in the United States. The airport handles nearly 10 million passengers annually from nearly 200 thousand operations (takeoffs and landings). The airport handles 156 daily nonstop flights to over 60 destinations. A total of nine carriers provide service to Cleveland Hopkins, including Air Canada, Allegiant, American Airlines, Delta, Frontier Airlines, Southwest, Spirit, United, and Jet Blue.

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

Orrville offers companies a number of competitive advantages including a skilled workforce with a heritage of a substantial work ethic, perhaps passed down from the pioneering generations who started their farms and small businesses in the area more than 170 years ago and built the City into a prosperous center for commerce. Other advantages include the excellent Orrville City 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, Incorporated (1897), The Smith Dairy Products Company (1909), Schantz Organ Company (1873), The Will-Burt Company (1918), and The Quality Castings Company, Incorporated (1933).

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

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

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

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

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

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

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

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

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

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

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

Utilities

Wastewater

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

The wastewater department consists of nine employees. Seven are State Certified Wastewater Plant Operators. The staff operates the wastewater plant, maintains the collection system, and performs a wide variety of laboratory duties. The employees have a combined total of over 165 years in the wastewater field.

The sewer facility treated 843 million gallons of wastewater during 2020. 445 dry tons of residual solids were land applied in 2020 to agricultural fields, returning their nutrients to the soil.

Electric

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

In 2020, the power plant generated 7 percent of the energy required for our customers. The Fremont gas plant delivered 27 percent, the open market 40 percent, Prairie State 9 percent, and hydro projects with 17 percent. At the end of 2020, 16 percent of our energy came from renewables, with the most coming from the hydro projects at 13.9 percent. In the future, the plant will generate a small percentage of our customers' requirements due to EPA restrictions. However, the plant is capable of providing additional energy required during peak times or on an emergency basis. We will continue to explore new generation and/or power purchase agreements to meet base load and peaking requirements for the long-term needs. We will also begin work on the addition of a second interconnection to the grid to enhance reliability due to the operational changes at the plant.

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

The generation department is supported by 23 professional, technical, skilled maintenance, and operating personnel. In the distribution department, 16 highly trained employees are responsible for maintaining over 300 miles of overhead and underground lines and safely handling voltage systems up to 13,800 volts.

The electric utility operated at 5.9 percent of its capacity this year. The power plant burned 10,501 tons of coal in 2020.

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 water treatment facility was upgraded in 1997. The plant is capable of treating 3.7 million gallons per day (MGD), with current usage of 1.4 MGD. The department is frequently recognized for its safe and high-quality water and programs.

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

Education

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

Through the combined efforts of parents, teachers, students, and business and community leaders, Orrville's public schools continually attain excellent levels of academic performance and achievement. In the fall of 1991, the Heartland Education Community, Incorporated 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 has been designated as a BEST (Building Excellent Schools for Today and the 21st Century) Community.

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

To complement the diverse range of advanced programming and early college placement opportunities with a number of local colleges, the Wayne County Schools Career Center in Smithville offers students 25 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. A mission of the the University of Akron Wayne College is to prepare students to pursue and complete Bachelor Degrees at the the University of Akron's main campus. Wayne College also has six associate degrees and two Bachelor Degrees, awarded by main campus, that allow for all coursework can be completed at the Wayne College Branch.

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

Recreational Facilities

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

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

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

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

Cultural Opportunities

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

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

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

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

The City's area is 6.13 square miles. Based on assessed valuation information provided by the County Auditor, 60 percent of the total assessed valuation is residential property and 40 percent is commercial and industrial property.

City Employees

The City has 116 full-time employees, 26 volunteer firemen (who are paid on a per-call basis), and 22 part-time positions (including City Council, Utility Board, and Civil Service Commission). The number of full-time employees has remained relatively constant over the past several years. A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining. Some full-time employees are represented by the following bargaining units:

| <u>Bargaining Unit</u> | <u>Expiration Date of Current Agreement</u> | <u>Number of Employees</u> |
|---|--|-----------------------------------|
| United City Workers | December 31, 2020 | 46 |
| Ohio Patrolmen's Benevolent Association | December 31, 2020 | 14 |

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

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

Long-Term Financial Planning

The City prefers to pay for its capital items from the capital improvement fund. However, in November of 2006, an increase of ¼ percent in the municipal income tax rate was defeated by the voters, thus restricting the amount of receipts into the capital improvement fund. The plan at present is to fund major capital expenditures by issuing debt. Economic Development Bonds were issued in 2007 to provide monies for the purchase of land and the development of a new industrial park. These bonds were retired in 2015. The only debt issued since then was the 2015 OPWC Concrete Streets Loan.

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

Relevant Financial Policies

The City has ordinances in place that determine the split of the revenue received from the municipal income tax. The current split is 30 percent to the capital improvement fund and 70 percent to the general fund.

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

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

Major Initiatives

The City completed a number of projects in 2020. The Safety Services Department, in partnership with Wayne County resurfaced Burton City Road/Orr Street. In addition, City capital proceeds and grant monies from the Ohio Public Works Commission (OPWC) were utilized to resurface Smucker Road, West Chestnut Street, South Crownhill Street, South Walnut Street, and South Elm.

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, 2019. This was the ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

A sincere thank you also to the Local Government Services Section of Auditor of State Keith Faber's Office for their assistance in the organization and final review of our 2020 Comprehensive Annual Financial Report.

Respectfully submitted,

Janet L. Strimlan

Janet L. Strimlan
Director of Finance

City of Orrville, Ohio

City Officials

ELECTED OFFICIALS

MayorDavid T. Handwerk
President of Council..... Paul Vance
Council Member Rick Aspiras, Jr.
Council Member Carrie Foy
Council MemberC.J. Handwerk
Council MemberJohn Lorson
Council MemberDarrell Mosley II
Council MemberLisa Widmer
Council Member Travis Wilson

APPOINTED OFFICIALS

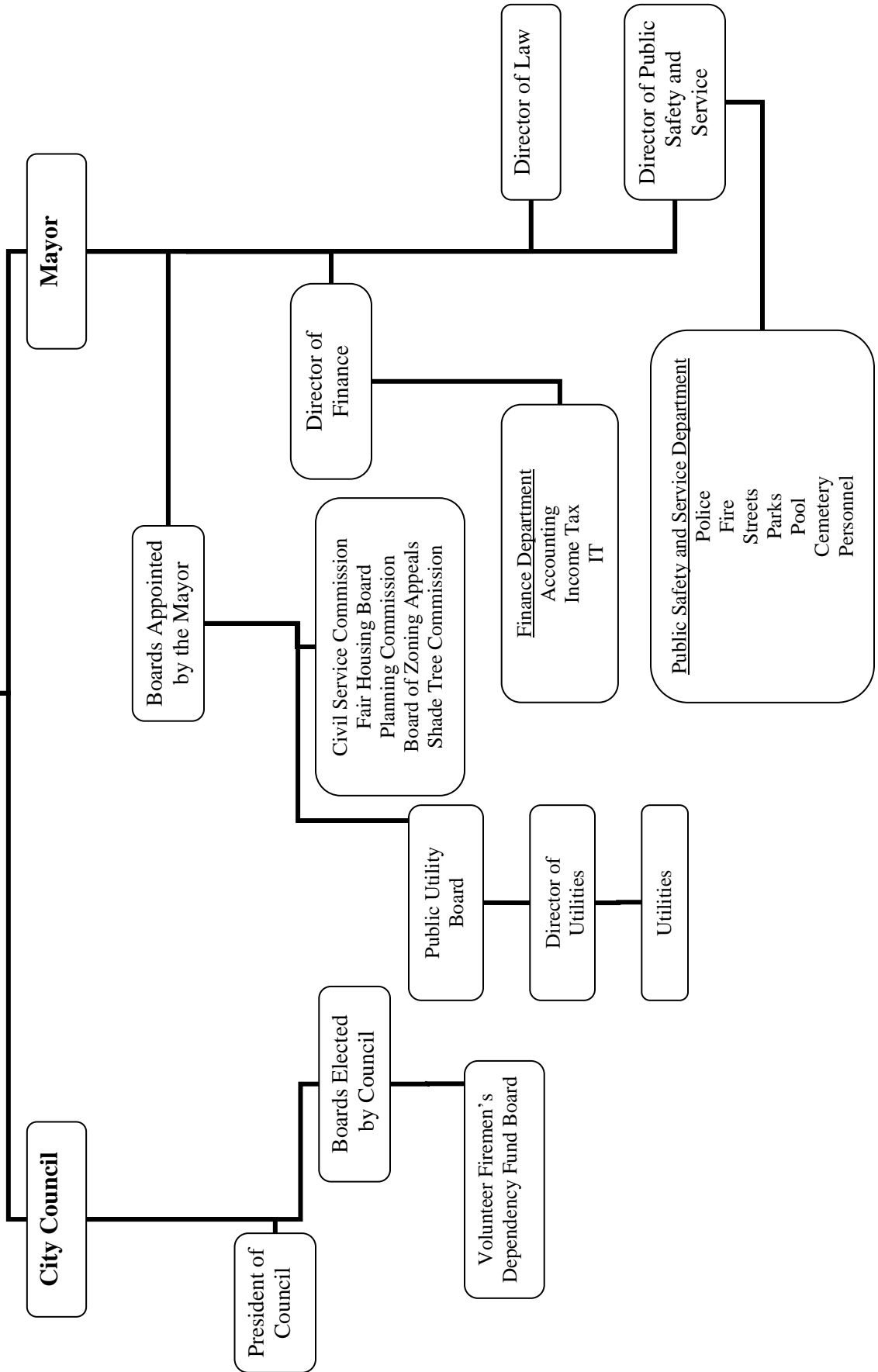
Director of Finance Janet L. Strimlan
Director of LawCheryl M. Kirkbride
Director of Public Safety and Service.....Steven M. Wheeler
Director of UtilitiesJeff Brediger
Clerk of Council.....Jeanne Gault

UTILITY BOARD MEMBERS

President of Board.....Michele Abel
Board Member Steve Combs
Board Member Rich Corfman
Board Member Don McFarlin
Board MemberRussell Miller

December 31, 2020

**Citizens of Orrville
(Voters)**





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Orrville
Ohio**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

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Financial Section

JAMES G. ZUPKA, C.P.A., INC.

*Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of City Council
City of Orrville
Orrville, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

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, 2020, 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orrville as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 21 to the basic financial statements, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. Also, as described in Note 3 to the basic financial statements, the City restated its net position of the business-type activities and the Electric Fund as of December 31, 2019 due to a depreciation adjustment. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension and Postemployment Benefit Liabilities and Pension and Postemployment Benefit Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such 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, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion 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.



James G. Zupka, CPA, Inc.
Certified Public Accountants

July 27, 2021

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City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

The discussion and analysis for the City of Orrville's financial statements provides an overall review of the financial activity of the City for the twelve months ended December 31, 2020. 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 2020 are as follows:

- The total assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of 2020 by \$147,487,291. Of this amount, the unrestricted balance is \$57,594,403. The unrestricted net position of the City's business-type activities is \$52,764,636 and may be used to meet the on-going obligations of business-type activities, including sanitary sewer, electricity, and water.
- The City's total net position increased by \$4,849,199. Net position of the governmental activities increased by \$1,176,735. Net position of the business-type activities increased by \$3,672,464, which combined with governmental, represented a 3 percent increase from 2019.
- The total cost of the City's programs increased by \$1,721,148, or a 4 percent increase. The cost of governmental activities increased by \$1,608,969, while the cost of business-type activities increased by \$112,179. The increase in governmental expenses was mostly driven by a change in benefit terms for the OPEB plan that occurred in the prior year. The business-type activities expenses increase was driven by a prior year depreciation adjustment, offset by a decrease in personal services, overall, and a large decrease in materials and supplies expense in the electric fund.
- At the close of the current year, the City's governmental funds reported a combined ending fund balance of \$13,471,402. The combined governmental funds balance increased by \$2,756,148 from the prior year's ending fund balance. Approximately 37 percent of this amount, \$4,921,116, is considered unassigned at December 31, 2020, and is available for spending at the City's discretion.
- The general fund reported an unassigned fund balance of \$4,921,116 at the end of 2020. This balance for the general fund was approximately 92 percent of total general fund expenditures.

Using this Annual Financial Report

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

The statement of net position and the statement of activities provide summarized information showing the effects of the operations for the year 2020 and how they effected the operations of the City as a whole.

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

City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

Reporting the City of Orrville as a Whole

Statement of Net Position and Statement of Activities

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

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

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

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

Reporting on the Most Significant Funds of the City of Orrville

Fund Financial Statements

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

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

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

City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

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

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

The City of Orrville as a Whole

The statement of net position provides an overall view of the City. Table 1 shows a summary of the City's net position for 2020 as it compares to 2019.

Table 1
Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2020 | 2019 | 2020 | Restated 2019 | 2020 | Restated 2019 |
| Assets | | | | | | |
| Current and Other Assets | \$16,719,238 | \$15,210,305 | \$69,504,543 | \$64,745,853 | \$86,223,781 | \$79,956,158 |
| Net Pension Asset | 44,069 | 22,754 | 132,203 | 72,055 | 176,272 | 94,809 |
| Capital Assets, Net | 54,173,918 | 54,045,113 | 34,817,646 | 35,513,631 | 88,991,564 | 89,558,744 |
| <i>Total Assets</i> | <u>70,937,225</u> | <u>69,278,172</u> | <u>104,454,392</u> | <u>100,331,539</u> | <u>175,391,617</u> | <u>169,609,711</u> |
| Deferred Outflows of Resources | | | | | | |
| Pension | 963,396 | 2,091,063 | 1,135,009 | 3,141,027 | 2,097,302 | 5,231,748 |
| OPEB | 631,728 | 441,347 | 849,518 | 424,706 | 1,481,246 | 866,053 |
| <i>Total Deferred Outflows of Resources</i> | <u>1,595,124</u> | <u>2,532,410</u> | <u>1,984,527</u> | <u>3,565,733</u> | <u>3,578,548</u> | <u>6,097,801</u> |
| Liabilities | | | | | | |
| Current Liabilities | 1,309,880 | 1,429,548 | 2,684,986 | 2,502,103 | 3,994,866 | 3,931,651 |
| Long-Term Liabilities: | | | | | | |
| Due Within One Year | 238,860 | 149,674 | 478,300 | 279,447 | 717,160 | 429,121 |
| Due in More Than One Year: | | | | | | |
| Other Amounts | 468,583 | 532,030 | 782,781 | 1,089,103 | 1,251,364 | 1,621,133 |
| Net Pension Liability | 5,814,664 | 7,386,325 | 7,170,656 | 10,514,907 | 12,985,320 | 17,901,232 |
| Net OPEB Liability | 2,259,405 | 2,101,797 | 5,271,922 | 5,219,360 | 7,531,327 | 7,321,157 |
| <i>Total Liabilities</i> | <u>10,091,392</u> | <u>11,599,374</u> | <u>16,388,645</u> | <u>19,604,920</u> | <u>26,480,037</u> | <u>31,204,294</u> |
| Deferred Inflows of Resources | | | | | | |
| Property Taxes | 519,999 | 514,900 | 0 | 0 | 519,999 | 514,900 |
| Pension | 952,328 | 176,095 | 2,024,177 | 641,506 | 2,975,402 | 817,259 |
| OPEB | 493,621 | 221,939 | 1,013,815 | 311,028 | 1,507,436 | 532,967 |
| <i>Total Deferred Inflows of Resources</i> | <u>1,965,948</u> | <u>912,934</u> | <u>3,037,992</u> | <u>952,534</u> | <u>5,002,837</u> | <u>1,865,126</u> |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 53,657,045 | 52,790,227 | 34,247,646 | 34,817,797 | 87,904,691 | 87,608,024 |
| Restricted for: | | | | | | |
| Debt Service | 217,893 | 216,939 | 0 | 0 | 217,893 | 216,939 |
| Capital Projects | 351,574 | 569,590 | 0 | 0 | 351,574 | 569,590 |
| Street Repair and Maintenance | 1,078,659 | 1,077,857 | 0 | 0 | 1,078,659 | 1,077,857 |
| Law Enforcement and Education | 19,911 | 22,026 | 0 | 0 | 19,911 | 22,026 |
| Cemetery Maintenance | 315,560 | 294,586 | 0 | 0 | 315,560 | 294,586 |
| Other Purposes | 4,600 | 5,460 | 0 | 0 | 4,600 | 5,460 |
| Unrestricted | 4,829,767 | 4,321,589 | 52,764,636 | 48,522,021 | 57,594,403 | 52,843,610 |
| <i>Total Net Position</i> | <u>\$60,475,009</u> | <u>\$59,298,274</u> | <u>\$87,012,282</u> | <u>\$83,339,818</u> | <u>\$147,487,291</u> | <u>\$142,638,092</u> |

City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

The net pension liability (NPL) is the largest single liabilities reported by the City at December 31, 2020. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange; however, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Total assets increased over 2020 due to a large increase in current assets. The increase in current assets was mainly a result of a significant increase in equity in pooled cash and cash equivalents. Capital assets increased due to additions, mainly electric generation and equipment, outpacing deletions and depreciation, overall.

The City also works hard to increase net position through its investment program. Investment earnings for the City were lower than 2019. This decrease reflects the fair market valuation of the City's investments at December 31, 2020.

Table 2 shows the changes in net position for the years ended December 31, 2020 and 2019, for both our governmental activities and our business-type activities.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

Table 2
Change in Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|----------------------------|---------------------|-----------------------------|---------------------|----------------------|----------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services and Operating Assessments | \$1,068,815 | \$1,093,565 | \$36,925,429 | \$37,824,448 | \$37,994,244 | \$38,918,013 |
| Operating Grants and Contributions | 1,191,789 | 567,734 | 0 | 0 | 1,191,789 | 567,734 |
| Capital Grants and Contributions | 569,905 | 1,566,742 | 4,113 | 370,553 | 574,018 | 1,937,295 |
| Total Program Revenues | 2,830,509 | 3,228,041 | 36,929,542 | 38,195,001 | 39,760,051 | 41,423,042 |
| General Revenues: | | | | | | |
| Property Taxes | 488,958 | 486,041 | 0 | 0 | 488,958 | 486,041 |
| Kilowatt Per Hour Tax | 858,760 | 911,934 | 0 | 0 | 858,760 | 911,934 |
| Income Taxes | 5,970,166 | 8,761,814 | 0 | 0 | 5,970,166 | 8,761,814 |
| Grants and Entitlements | 297,684 | 301,720 | 0 | 0 | 297,684 | 301,720 |
| Unrestricted Contributions | 6,500 | 30,025 | 0 | 0 | 6,500 | 30,025 |
| Investment Earnings | 567,591 | 578,761 | 586,058 | 806,454 | 1,153,649 | 1,385,215 |
| Other | 305,006 | 138,206 | 863,847 | 671,483 | 1,168,853 | 809,689 |
| Total General Revenues | 8,494,665 | 11,208,501 | 1,449,905 | 1,477,937 | 9,944,570 | 12,686,438 |
| Total Revenues | 11,325,174 | 14,436,542 | 38,379,447 | 39,672,938 | 49,704,621 | 54,109,480 |
| Program Expenses | | | | | | |
| General Government | 1,964,057 | 1,741,446 | 0 | 0 | 1,964,057 | 1,741,446 |
| Security of Persons and Property: | | | | | | |
| Police | 2,786,501 | 716,168 | 0 | 0 | 2,786,501 | 716,168 |
| Fire | 582,112 | 405,203 | 0 | 0 | 582,112 | 405,203 |
| Transportation | 2,761,440 | 3,478,029 | 0 | 0 | 2,761,440 | 3,478,029 |
| Public Health and Welfare | 275,055 | 397,117 | 0 | 0 | 275,055 | 397,117 |
| Leisure Time Activities | 289,767 | 461,524 | 0 | 0 | 289,767 | 461,524 |
| Basic Utility Service | 630,747 | 481,223 | 0 | 0 | 630,747 | 481,223 |
| Enterprise Operations | 0 | 0 | 35,565,743 | 35,453,564 | 35,565,743 | 35,453,564 |
| Total Program Expenses | 9,289,679 | 7,680,710 | 35,565,743 | 35,453,564 | 44,855,422 | 43,134,274 |
| Increase in Net Position Before Transfers | 2,035,495 | 6,755,832 | 2,813,704 | 4,219,374 | 4,849,199 | 10,975,206 |
| Transfers | (858,760) | (911,934) | 858,760 | 911,934 | 0 | 0 |
| Increase in Net Position | 1,176,735 | 5,843,898 | 3,672,464 | 5,131,308 | 4,849,199 | 10,975,206 |
| Net Position Beginning of Year - Restated | 59,298,274 | 53,454,376 | 83,339,818 | 78,208,510 | 142,638,092 | 131,662,886 |
| Net Position End of Year | \$60,475,009 | \$59,298,274 | \$87,012,282 | \$83,339,818 | \$147,487,291 | \$142,638,092 |

Governmental Activities

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

General revenues decreased in 2020 mainly due to a decrease in income tax revenue. The decline in income tax revenue is attributable to the COVID-19 pandemic and its immediate impact on local businesses and industries.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

The City's income tax was established by ordinance to be effective January 1, 1961, at a rate of 0.6 percent. The rate was later increased by resolution to 1 percent effective October 1, 1970. The rate has remained at that level since then. This rate is much lower than the State average for municipalities that have an income tax. The income tax accounted for revenues of \$5,970,166 in 2020. These revenues were split between the general fund and the capital improvements fund with an allocation of 70 percent to the general fund and 30 percent to the capital improvements fund. The allocation percentage is set by resolution and historically has changed from time to time depending on the balances in the two aforementioned funds. The allocation has been 80 - 20 percent, 75 - 25 percent, 65 - 35 percent, as well as 60 - 40 percent. This practice of putting a percentage of income tax revenue into the capital improvements fund has been an excellent tool for the City in making capital improvements without the need to issue debt. In the last several years some major projects have been accomplished with monies from the capital improvements fund, such as the repaving and concrete reconstruction of multiple streets and the purchase of police and fire vehicles, and trailhead projects.

Program revenues for governmental activities decreased in 2020 mainly due to decreases in capital grants and contributions. The decrease was due to less capital grants and contributions related to fewer transportation projects.

General government expenses for 2020 increased over 2019, mainly due to higher personal services and contractual services expenses.

The Police Department is funded through the general fund. The department is a full-time 24-hours a day, 365-days a year department. These expenses are the largest of the City. The expenses for the department for 2020 increased from the prior year due to a change in benefit terms for the OPEB plan that significantly decreased these expenses in the prior year. For 2019, OP&F recognized a change in benefit terms for their OPEB plan. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years. These changes contributed to a negative overall OPEB expense of (\$1,773,054) in 2019.

The 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 department primarily increased from the prior year due to the same OPEB change in benefit terms as the Police Department.

Transportation represents the second largest expense of the governmental activities. These funds are used to maintain the streets and the equipment used for the streets. Transportation expenses decreased in 2020, mainly due to decreased personal services and contractual services.

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 mainly natural gas and coal-fired generation plant and distribution system that serves the City and surrounding area with reliable and competitively priced power. In 2020, the electric utility sold 281,158,261 KWH of electricity to generate \$30,889,745 in charges for services revenue. The utility burned 10,501 tons of coal. The plant produced 7 percent of the community's energy requirements, with 9 percent coming from our participation in the Prairie State Project and 27 percent coming from our participation in the Fremont Gas Project. Participation in wind, solar, and

City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

hydro projects generated 17 of the power requirements, leaving 40 percent of power needs to open market purchases. All projects are through our association with American Municipal Power (AMP). Rates continued to be stable. The 2017 rate freeze remained in effect for 2020. The City continues to monitor and participate in federal legislative efforts to mitigate the increasing transmission cost trends that impact all US electric consumers.

The water utility treated an average of 1.4 million gallons of water per day in 2020. The water plant is the newest of the utility facilities. It was put into service in 1996. The raw water is supplied from various wells and the water plant continued to produce a high quality of water while meeting or exceeding all EPA requirements. The plant currently serves approximately 3,200 residential customers and over 350 industrial and commercial customers.

The sewer facility treated 843 million gallons of sewage during 2020. Four hundred and forty-five dry tons of residual solids were land applied in 2020 to agricultural fields, returning their nutrients to the soil. The facility is currently operating at approximately 60 percent of its rated capacity and continues to maintain its operations to assure reliable wastewater collection and treatment for Orrville's residents, businesses, and industries.

The revenues and expenses for all three of these utilities are reported under the business-type activities on Table 2. This table shows that the majority of the City's revenues and expenses flow through the Utility Department. The revenues for the Utility Department come primarily from charges for services. In 2020, this amount accounted for approximately 96 percent of the revenues. The decrease in the revenues in the utility funds during 2020 was primarily the result of fewer charges for services during the year as a result of a decrease in electric usage for commercial and industrial customers due to the pandemic. Although overall revenues were lower than the prior year, expenses were considerably lower in utility costs and personal services in all departments and significantly lower materials and supplies expense for the electric utility. As a result, net position increased by \$3,672,464 for business-type activities.

The City's Funds

Information about the City's governmental funds begins on page 18. These funds are accounted for using the modified accrual method of accounting. The general fund revenues of \$7,972,280 decreased from 2019 revenues, primarily for income tax and charges for services revenues. Expenditures of \$5,341,332 are also lower than 2019 expenditures, mainly due to decreases in expenditures for police, fire, and leisure time activities. Both decreases were directly related to the COVID-19 pandemic. Although this shows a surplus of \$2,630,948 for the general fund, the true picture is somewhat different. Some of the revenue collected in the general fund is from the collection of the Kilowatt-hour tax that is then passed back through the electric fund by way of a transfer. The general fund also provides transfers for gas tax motor vehicle license fund and solid waste fund operations. When these transfers are factored in, the net change in fund balance is an increase of \$1,549,930. The capital improvements fund revenues of \$2,280,555 are less than 2019, mainly due to decreased intergovernmental revenues. The expenditures of \$1,185,570 are lower than 2019 expenditures, due primarily to a decrease in contractual services for streets.

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 \$2,449,251 and operating expenses of \$2,521,992; the electric fund had operating revenues of \$31,616,110 and operating expenses of \$30,148,135; and the water fund had operating revenues of \$3,594,515 and operating expenses of \$2,827,176. Only the sewer fund had an operating loss.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

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 \$6,007,800 and \$6,639,200, respectively. The actual revenues were \$7,460,446. The \$821,246 difference between final budgeted and actual revenues was primarily due to higher than anticipated income tax and other revenues. The actual expenditures of \$5,823,463 compare favorably with the final budget figure of \$6,955,570. The final budget was higher than actual expenditures in every department due to conservative budgeting by the City's administration.

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

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

Capital Assets and Debt Administration

Capital Assets

Total City capital assets decreased in 2020 due to additions of new assets being lower than annual depreciation and disposals of assets during the year. Several projects were begun during 2020 and continued into 2021. Outstanding projects at year end mainly consisted of paving projects and the Heartland Trail project. These projects are reflected as construction in progress.

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

Debt Administration

The Governmental Activities' only debt outstanding at December 31, 2020, is an Ohio Public Works Commission (OPWC) Loan, which was incurred to help finance the concrete streets improvement project begun in 2015. Principal payments for governmental activities totaled \$12,011 for 2020.

The Utility Department carries the vast majority of the debt, which is in the water fund. The water utility had an outstanding bond anticipation general obligation note. The water utility carries two kinds of debt. Water System Improvement Revenue Bonds were issued in 1994 for the construction of a new treatment plant and then refunded in 2002. These bonds were refunded again in 2013 and are now general obligation bonds. The water utility also has two interest-free loans from the OPWC. These two loans, which were issued in 2007, are scheduled to be paid off in 2027 and 2037, respectively. Principal payments for the water utility totaled \$125,834 in 2020.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

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

Current Financial Issues

The City's financial position in 2020 reflected a positive outcome despite the COVID-19 pandemic. This is attributable to the strong, diverse industrial base located within the City coupled with Council and the Administration's commitment to conservatively estimating revenue and expenditures in our annual budget process.

The fallout from COVID-19 continues to have a significant impact on the way employers conduct business. Many employees of local businesses continue to work on a remote basis. As the consequences of long-term remote work continue to grow in prominence across the country, many states and localities continue to issue guidance regarding the income tax treatment of teleworking employees. Ohio is no exception to this matter. Several controversial policies have invited lawsuits at the State level as Ohio municipalities contemplate the long-term effects of a remote workforce. The outcome of this situation could have a significant impact on future income tax collections.

The Safety Services Department operates under a comprehensive plan. This plan is updated every ten years and provides a structure for development within the City. The plan will be updated in 2022. During the planning process, the Safety Service Director, the Mayor, City Council, and the citizens spend a great deal of time working with a planning consultant to develop the plan for the next ten years. The plan deals with land use, economic development, transportation, and community facilities/parks and recreation.

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

The Mayor, Directors, and Council work very hard to keep the City's debt low; however, debt may have to be incurred in the future. The majority of routine capital expenditures will continue to come from reserve funds. To complete special projects, the City may need to explore the possibility of debt financing. The City watches its funds closely and makes sure monies are budgeted to provide for proper maintenance of its equipment and facilities. The City's Superintendents, Managers, and Directors are all involved in the budget process. The 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.

Basic Financial Statements

City of Orrville, Ohio
Statement of Net Position
December 31, 2020

| | Governmental Activities | Business-Type Activities * | Total * |
|---|----------------------------|-------------------------------|----------------------|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$13,083,793 | \$61,604,561 | \$74,688,354 |
| Materials and Supplies Inventory | 99,668 | 3,963,647 | 4,063,315 |
| Accrued Interest Receivable | 17,533 | 94,064 | 111,597 |
| Accounts Receivable | 168,233 | 3,982,580 | 4,150,813 |
| Internal Balances | 188,375 | (188,375) | 0 |
| Intergovernmental Receivable | 591,835 | 0 | 591,835 |
| Prepaid Items | 21,659 | 48,066 | 69,725 |
| Income Taxes Receivable | 1,996,822 | 0 | 1,996,822 |
| Property Taxes Receivable | 531,251 | 0 | 531,251 |
| Special Assessments Receivable | 20,069 | 0 | 20,069 |
| Net Pension Asset | 44,069 | 132,203 | 176,272 |
| Nondepreciable Capital Assets | 7,237,784 | 1,594,739 | 8,832,523 |
| Depreciable Capital Assets, Net | 46,936,134 | 33,222,907 | 80,159,041 |
| <i>Total Assets</i> | <u>70,937,225</u> | <u>104,454,392</u> | <u>175,391,617</u> |
| Deferred Outflows of Resources | | | |
| Pension | 963,396 | 1,135,009 | 2,097,302 |
| OPEB | 631,728 | 849,518 | 1,481,246 |
| <i>Total Deferred Outflows of Resources</i> | <u>1,595,124</u> | <u>1,984,527</u> | <u>3,578,548</u> |
| Liabilities | | | |
| Accounts Payable | 509,136 | 1,930,863 | 2,439,999 |
| Accrued Wages | 184,515 | 294,558 | 479,073 |
| Contracts Payable | 16,184 | 0 | 16,184 |
| Intergovernmental Payable | 203,437 | 144,477 | 347,914 |
| Deposits Held Payable | 73,447 | 0 | 73,447 |
| Accrued Interest Payable | 0 | 1,195 | 1,195 |
| Vacation Benefits Payable | 148,931 | 313,893 | 462,824 |
| Unearned Revenue | 174,230 | 0 | 174,230 |
| Long-Term Liabilities: | | | |
| Due Within One Year | 238,860 | 478,300 | 717,160 |
| Due in More Than One Year: | | | |
| Other Amounts | 468,583 | 782,781 | 1,251,364 |
| Net Pension Liability (See Note 14) | 5,814,664 | 7,170,656 | 12,985,320 |
| Net OPEB Liability (See Note 15) | 2,259,405 | 5,271,922 | 7,531,327 |
| <i>Total Liabilities</i> | <u>10,091,392</u> | <u>16,388,645</u> | <u>26,480,037</u> |
| Deferred Inflows of Resources | | | |
| Property Taxes | 519,999 | 0 | 519,999 |
| Pension | 952,328 | 2,024,177 | 2,975,402 |
| OPEB | 493,621 | 1,013,815 | 1,507,436 |
| <i>Total Deferred Inflows of Resources</i> | <u>1,965,948</u> | <u>3,037,992</u> | <u>5,002,837</u> |
| Net Position | | | |
| Net Investment in Capital Assets | 53,657,045 | 34,247,646 | 87,904,691 |
| Restricted for: | | | |
| Debt Service | 217,893 | 0 | 217,893 |
| Capital Projects | 351,574 | 0 | 351,574 |
| Street Repair and Maintenance | 1,078,659 | 0 | 1,078,659 |
| Law Enforcement and Education | 19,911 | 0 | 19,911 |
| Cemetery Maintenance | 315,560 | 0 | 315,560 |
| Other Purposes | 4,600 | 0 | 4,600 |
| Unrestricted | 4,829,767 | 52,764,636 | 57,594,403 |
| <i>Total Net Position</i> | <u>\$60,475,009</u> | <u>\$87,012,282</u> | <u>\$147,487,291</u> |

See accompanying notes to the basic financial statements

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

City of Orrville, Ohio
Statement of Activities
For the Year Ended December 31, 2020

| | Program Revenues | | | |
|---------------------------------------|----------------------------|---|--|--|
| | Expenses | Charges for Services and Operating Assessments | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities: | | | | |
| General Government | \$1,964,057 | \$118,989 | \$164,864 | \$0 |
| Security of Persons and Property: | | | | |
| Police | 2,786,501 | 179,439 | 150,855 | 0 |
| Fire | 582,112 | 24,926 | 126,127 | 0 |
| Transportation | 2,761,440 | 109,723 | 614,207 | 568,913 |
| Public Health and Welfare | 275,055 | 140,329 | 0 | 0 |
| Leisure Time Activities | 289,767 | 19,903 | 15,549 | 992 |
| Basic Utility Service | 630,747 | 475,506 | 120,187 | 0 |
| <i>Total Governmental Activities</i> | <u>9,289,679</u> | <u>1,068,815</u> | <u>1,191,789</u> | <u>569,905</u> |
| Business-Type Activities: | | | | |
| Sewer | 2,523,654 | 2,397,948 | 0 | 0 |
| Electric | 30,192,642 | 30,973,855 | 0 | 0 |
| Water | 2,849,447 | 3,553,626 | 0 | 4,113 |
| <i>Total Business-Type Activities</i> | <u>35,565,743</u> | <u>36,925,429</u> | <u>0</u> | <u>4,113</u> |
| <i>Total - Primary Government</i> | <u><u>\$44,855,422</u></u> | <u><u>\$37,994,244</u></u> | <u><u>\$1,191,789</u></u> | <u><u>\$574,018</u></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
Unrestricted Contributions
Investment Earnings
Other

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year - Restated (See Note 3)

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 |
| (\$1,680,204) | \$0 | (\$1,680,204) |
| (2,456,207) | 0 | (2,456,207) |
| (431,059) | 0 | (431,059) |
| (1,468,597) | 0 | (1,468,597) |
| (134,726) | 0 | (134,726) |
| (253,323) | 0 | (253,323) |
| (35,054) | 0 | (35,054) |
| (6,459,170) | 0 | (6,459,170) |
| 0 | (125,706) | (125,706) |
| 0 | 781,213 | 781,213 |
| 0 | 708,292 | 708,292 |
| 0 | 1,363,799 | 1,363,799 |
| (6,459,170) | 1,363,799 | (5,095,371) |
| 488,958 | 0 | 488,958 |
| 858,760 | 0 | 858,760 |
| 4,213,767 | 0 | 4,213,767 |
| 1,756,399 | 0 | 1,756,399 |
| 297,684 | 0 | 297,684 |
| 6,500 | 0 | 6,500 |
| 567,591 | 586,058 | 1,153,649 |
| 305,006 | 863,847 | 1,168,853 |
| 8,494,665 | 1,449,905 | 9,944,570 |
| (858,760) | 858,760 | 0 |
| 7,635,905 | 2,308,665 | 9,944,570 |
| 1,176,735 | 3,672,464 | 4,849,199 |
| 59,298,274 | 83,339,818 | 142,638,092 |
| \$60,475,009 | \$87,012,282 | \$147,487,291 |

City of Orrville, Ohio

*Balance Sheet
Governmental Funds
December 31, 2020*

| | General | Capital Improvements | Other Governmental Funds | Total Governmental Funds |
|---|--------------------|-------------------------|--------------------------------|--------------------------------|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$7,518,165 | \$3,146,170 | \$2,346,011 | \$13,010,346 |
| Materials and Supplies Inventory | 99,668 | 0 | 0 | 99,668 |
| Accrued Interest Receivable | 16,297 | 0 | 1,236 | 17,533 |
| Accounts Receivable | 68,628 | 0 | 99,605 | 168,233 |
| Intergovernmental Receivable | 143,142 | 0 | 448,693 | 591,835 |
| Prepaid Items | 21,659 | 0 | 0 | 21,659 |
| Income Taxes Receivable | 1,397,775 | 599,047 | 0 | 1,996,822 |
| Property Taxes Receivable | 531,251 | 0 | 0 | 531,251 |
| Special Assessments Receivable | 0 | 0 | 20,069 | 20,069 |
| Restricted Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | 73,447 | 0 | 0 | 73,447 |
| <i>Total Assets</i> | <u>\$9,870,032</u> | <u>\$3,745,217</u> | <u>\$2,915,614</u> | <u>\$16,530,863</u> |
| Liabilities | | | | |
| Accounts Payable | \$104,972 | \$289,509 | \$114,655 | \$509,136 |
| Accrued Wages | 150,283 | 0 | 34,232 | 184,515 |
| Contracts Payable | 0 | 0 | 16,184 | 16,184 |
| Intergovernmental Payable | 67,447 | 0 | 135,990 | 203,437 |
| Unearned Revenue | 0 | 0 | 174,230 | 174,230 |
| Deposits Held Payable From Restricted Assets | 73,447 | 0 | 0 | 73,447 |
| <i>Total Liabilities</i> | <u>396,149</u> | <u>289,509</u> | <u>475,291</u> | <u>1,160,949</u> |
| Deferred Inflows of Resources | | | | |
| Property Taxes | 519,999 | 0 | 0 | 519,999 |
| Unavailable Revenue | 786,730 | 293,603 | 298,180 | 1,378,513 |
| <i>Total Deferred Inflows of Resources</i> | <u>1,306,729</u> | <u>293,603</u> | <u>298,180</u> | <u>1,898,512</u> |
| Fund Balances | | | | |
| Nonspendable | 121,327 | 0 | 0 | 121,327 |
| Restricted | 0 | 0 | 1,653,591 | 1,653,591 |
| Committed | 0 | 3,162,105 | 448,622 | 3,610,727 |
| Assigned | 3,124,711 | 0 | 39,930 | 3,164,641 |
| Unassigned | 4,921,116 | 0 | 0 | 4,921,116 |
| <i>Total Fund Balances</i> | <u>8,167,154</u> | <u>3,162,105</u> | <u>2,142,143</u> | <u>13,471,402</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$9,870,032</u> | <u>\$3,745,217</u> | <u>\$2,915,614</u> | <u>\$16,530,863</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, 2020*

Total Governmental Fund Balance \$13,471,402

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 54,173,918

Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable revenues in the funds:

| | | |
|--------------------------------|-----------|-----------|
| Delinquent Property Taxes | 11,251 | |
| Income Taxes | 978,676 | |
| Delinquent Special Assessments | 20,069 | |
| Intergovernmental | 345,085 | |
| Fines, Licenses and Permits | 18,838 | |
| Charges for Services | 4,594 | |
| Total | 1,378,513 | 1,378,513 |

The accumulated overpayments to the internal service fund. 188,375

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. (148,931)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

| | | |
|----------------------|-----------|-----------|
| Compensated Absences | (311,076) | |
| OPWC Loan | (396,367) | |
| Total | (707,443) | (707,443) |

The net pension asset, net pension liability and net OPEB liability are not due and payable in the current period; therefore, the asset, liabilities and related deferred inflows/outflows are not reported in the funds:

| | | |
|-----------------------------|-------------|-------------|
| Net Pension Asset | 44,069 | |
| Deferred Outflows - Pension | 963,396 | |
| Deferred Outflows - OPEB | 631,728 | |
| Net Pension Liability | (5,814,664) | |
| Net OPEB Liability | (2,259,405) | |
| Deferred Inflows - Pension | (952,328) | |
| Deferred Inflows - OPEB | (493,621) | |
| Total | (7,880,825) | (7,880,825) |

Net Position of Governmental Activities \$60,475,009

See accompanying notes to the basic financial statement

City of Orrville, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

| | General | Capital Improvements | Other Governmental Funds | Total Governmental Funds |
|---|---------------------------|---------------------------|--------------------------------|--------------------------------|
| Revenues | | | | |
| Property Taxes | \$490,172 | \$0 | \$0 | \$490,172 |
| Income Taxes | 5,069,591 | 2,123,181 | 0 | 7,192,772 |
| Kilowatt Per Hour Tax | 858,760 | 0 | 0 | 858,760 |
| Special Assessments | 0 | 0 | 2,094 | 2,094 |
| Intergovernmental | 314,576 | 156,724 | 1,483,812 | 1,955,112 |
| Interest | 564,087 | 0 | 3,504 | 567,591 |
| Fines, Licenses and Permits | 43,551 | 0 | 65,735 | 109,286 |
| Rentals | 595 | 0 | 0 | 595 |
| Charges for Services | 362,350 | 650 | 598,325 | 961,325 |
| Contributions and Donations | 6,500 | 0 | 26,198 | 32,698 |
| Other | 262,098 | 0 | 42,908 | 305,006 |
| <i>Total Revenues</i> | <u>7,972,280</u> | <u>2,280,555</u> | <u>2,222,576</u> | <u>12,475,411</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 1,563,875 | 0 | 157,797 | 1,721,672 |
| Security of Persons and Property: | | | | |
| Police | 2,285,734 | 0 | 155,237 | 2,440,971 |
| Fire | 327,665 | 0 | 126,356 | 454,021 |
| Transportation | 682,711 | 0 | 799,604 | 1,482,315 |
| Public Health and Welfare | 216,009 | 0 | 24,160 | 240,169 |
| Leisure Time Activities | 253,327 | 0 | 16,209 | 269,536 |
| Basic Utility Service | 0 | 0 | 630,747 | 630,747 |
| Capital Outlay | 0 | 1,185,570 | 428,373 | 1,613,943 |
| Debt Service: | | | | |
| Principal Retirement | 12,011 | 0 | 0 | 12,011 |
| <i>Total Expenditures</i> | <u>5,341,332</u> | <u>1,185,570</u> | <u>2,338,483</u> | <u>8,865,385</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>2,630,948</u> | <u>1,094,985</u> | <u>(115,907)</u> | <u>3,610,026</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 4,882 | 0 | 0 | 4,882 |
| Transfers In | 0 | 0 | 227,140 | 227,140 |
| Transfers Out | (1,085,900) | 0 | 0 | (1,085,900) |
| <i>Total Other Financing Sources (Uses)</i> | <u>(1,081,018)</u> | <u>0</u> | <u>227,140</u> | <u>(853,878)</u> |
| <i>Net Change in Fund Balances</i> | 1,549,930 | 1,094,985 | 111,233 | 2,756,148 |
| <i>Fund Balances Beginning of Year</i> | <u>6,617,224</u> | <u>2,067,120</u> | <u>2,030,910</u> | <u>10,715,254</u> |
| <i>Fund Balances End of Year</i> | <u><u>\$8,167,154</u></u> | <u><u>\$3,162,105</u></u> | <u><u>\$2,142,143</u></u> | <u><u>\$13,471,402</u></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, 2020*

Net Change in Fund Balances - Total Governmental Funds \$2,756,148

*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 outlay exceeded depreciation in the current period:

| | | |
|---------------------------|--------------------|---------|
| Capital Asset Additions | 1,888,651 | |
| Current Year Depreciation | <u>(1,698,548)</u> | |
| Total | | 190,103 |

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. (61,298)

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

| | | |
|--------------------------------|-------------|-------------|
| Delinquent Property Taxes | (1,214) | |
| Income Taxes | (1,222,606) | |
| Delinquent Special Assessments | (1,041) | |
| Intergovernmental | 78,068 | |
| Fines, Licenses and Permits | (3,759) | |
| Charges for Services | <u>315</u> | |
| Total | | (1,150,237) |

Repayment of loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 12,011

The change in the accumulated overpayments to the internal service fund for governmental funds is reported for the year. 36,783

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 | (37,750) | |
| Vacation Benefits Payable | <u>(19,192)</u> | |
| Total | | (56,942) |

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

| | | |
|---------|---------------|---------|
| Pension | 512,787 | |
| OPEB | <u>11,893</u> | |
| Total | | 524,680 |

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liabilities are reported as pension/OPEB expense in the statement of activities:

| | | |
|---------|------------------|--------------------|
| Pension | (823,711) | |
| OPEB | <u>(250,802)</u> | |
| Total | | <u>(1,074,513)</u> |

Change in Net Position of Governmental Activities \$1,176,735

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, 2020*

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Property Taxes | \$470,000 | \$470,000 | \$490,172 | \$20,172 |
| Income Taxes | 3,670,000 | 4,274,000 | 5,050,645 | 776,645 |
| Kilowatt Per Hour Tax | 1,185,000 | 1,185,000 | 858,760 | (326,240) |
| Intergovernmental | 251,500 | 251,500 | 311,598 | 60,098 |
| Interest | 68,100 | 85,500 | 103,462 | 17,962 |
| Fines, Licenses and Permits | 27,500 | 27,500 | 43,642 | 16,142 |
| Rentals | 200 | 200 | 595 | 395 |
| Charges for Services | 323,500 | 333,500 | 332,974 | (526) |
| Contributions and Donations | 11,000 | 11,000 | 6,500 | (4,500) |
| Other | 1,000 | 1,000 | 262,098 | 261,098 |
| <i>Total Revenues</i> | <u>6,007,800</u> | <u>6,639,200</u> | <u>7,460,446</u> | <u>821,246</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 1,720,101 | 1,703,209 | 1,570,782 | 132,427 |
| Security of Persons and Property: | | | | |
| Police | 2,656,244 | 2,696,044 | 2,359,121 | 336,923 |
| Fire | 563,993 | 863,093 | 697,327 | 165,766 |
| Transportation | 889,685 | 966,485 | 691,967 | 274,518 |
| Public Health and Welfare | 284,056 | 286,056 | 225,965 | 60,091 |
| Leisure Time Activities | 404,733 | 415,683 | 266,290 | 149,393 |
| Debt Service: | | | | |
| Principal | 25,000 | 25,000 | 12,011 | 12,989 |
| <i>Total Expenditures</i> | <u>6,543,812</u> | <u>6,955,570</u> | <u>5,823,463</u> | <u>1,132,107</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(536,012)</u> | <u>(316,370)</u> | <u>1,636,983</u> | <u>1,953,353</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 0 | 0 | 4,882 | 4,882 |
| Transfers Out | (2,260,000) | (1,760,000) | (1,085,900) | 674,100 |
| <i>Total Other Financing Sources (Uses)</i> | <u>(2,260,000)</u> | <u>(1,760,000)</u> | <u>(1,081,018)</u> | <u>678,982</u> |
| <i>Net Change in Fund Balance</i> | (2,796,012) | (2,076,370) | 555,965 | 2,632,335 |
| <i>Fund Balance Beginning of Year</i> | 5,553,720 | 5,553,720 | 5,553,720 | 0 |
| Prior Year Encumbrances Appropriated | 255,035 | 255,035 | 255,035 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$3,012,743</u> | <u>\$3,732,385</u> | <u>\$6,364,720</u> | <u>\$2,632,335</u> |

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2020

| | Business-Type Activities | | | | Business-Type Activity - Internal Service Fund |
|--|--------------------------|---------------------|---------------------|---------------------|---|
| | Sewer | Electric | Water | Total | |
| Assets | | | | | |
| <i>Current Assets:</i> | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$4,538,520 | \$50,950,244 | \$5,488,796 | \$60,977,560 | \$627,001 |
| Receivables: | | | | | |
| Accounts | 296,717 | 3,282,656 | 403,207 | 3,982,580 | 0 |
| Accrued Interest | 7,297 | 77,671 | 8,181 | 93,149 | 915 |
| Materials and Supplies Inventory | 178,653 | 3,526,160 | 258,834 | 3,963,647 | 0 |
| Prepaid Items | 9,613 | 28,840 | 9,613 | 48,066 | 0 |
| Interfund Receivable | 222,500 | 222,500 | 0 | 445,000 | 0 |
| <i>Total Current Assets</i> | <u>5,253,300</u> | <u>58,088,071</u> | <u>6,168,631</u> | <u>69,510,002</u> | <u>627,916</u> |
| <i>Non-Current Assets:</i> | | | | | |
| Net Pension Asset | 22,916 | 88,135 | 21,152 | 132,203 | 0 |
| Nondepreciable Assets | 199,849 | 586,357 | 808,533 | 1,594,739 | 0 |
| Depreciable Capital Assets, Net | 3,090,886 | 18,724,464 | 11,407,557 | 33,222,907 | 0 |
| <i>Total Non-Current Assets</i> | <u>3,313,651</u> | <u>19,398,956</u> | <u>12,237,242</u> | <u>34,949,849</u> | <u>0</u> |
| <i>Total Assets</i> | <u>8,566,951</u> | <u>77,487,027</u> | <u>18,405,873</u> | <u>104,459,851</u> | <u>627,916</u> |
| Deferred Outflows of Resources | | | | | |
| Pension | 200,382 | 758,618 | 213,969 | 1,172,969 | 0 |
| OPEB | 151,615 | 566,346 | 159,577 | 877,538 | 0 |
| <i>Total Deferred Outflows of Resources</i> | <u>351,997</u> | <u>1,324,964</u> | <u>373,546</u> | <u>2,050,507</u> | <u>0</u> |
| Liabilities | | | | | |
| <i>Current Liabilities:</i> | | | | | |
| Accounts Payable | 18,791 | 1,863,554 | 48,518 | 1,930,863 | 0 |
| Accrued Wages | 52,518 | 195,026 | 47,014 | 294,558 | 0 |
| Intergovernmental Payable | 25,509 | 96,144 | 22,824 | 144,477 | 0 |
| Interfund Payable | 0 | 0 | 445,000 | 445,000 | 0 |
| Accrued Interest Payable | 0 | 0 | 1,195 | 1,195 | 0 |
| Vacation Benefits Payable | 65,927 | 198,125 | 49,841 | 313,893 | 0 |
| Compensated Absences Payable | 58,603 | 252,146 | 20,051 | 330,800 | 0 |
| General Obligation Bonds Payable | 0 | 0 | 115,000 | 115,000 | 0 |
| Loans Payable | 0 | 0 | 32,500 | 32,500 | 0 |
| <i>Total Current Liabilities</i> | <u>221,348</u> | <u>2,604,995</u> | <u>781,943</u> | <u>3,608,286</u> | <u>0</u> |
| <i>Long-Term Liabilities (net of current portion):</i> | | | | | |
| Compensated Absences Payable | 67,160 | 237,573 | 55,548 | 360,281 | 0 |
| General Obligation Bonds Payable | 0 | 0 | 115,000 | 115,000 | 0 |
| Loans Payable | 0 | 0 | 307,500 | 307,500 | 0 |
| Net Pension Liability | 1,242,917 | 4,780,432 | 1,147,307 | 7,170,656 | 0 |
| Net OPEB Liability | 913,802 | 3,514,613 | 843,507 | 5,271,922 | 0 |
| <i>Total Long-Term Liabilities</i> | <u>2,223,879</u> | <u>8,532,618</u> | <u>2,468,862</u> | <u>13,225,359</u> | <u>0</u> |
| <i>Total Liabilities</i> | <u>2,445,227</u> | <u>11,137,613</u> | <u>3,250,805</u> | <u>16,833,645</u> | <u>0</u> |
| Deferred Inflows of Resources | | | | | |
| Pension | 309,242 | 1,479,628 | 273,267 | 2,062,137 | 0 |
| OPEB | 148,278 | 759,055 | 134,502 | 1,041,835 | 0 |
| <i>Total Deferred Inflows of Resources</i> | <u>457,520</u> | <u>2,238,683</u> | <u>407,769</u> | <u>3,103,972</u> | <u>0</u> |
| Net Position | | | | | |
| Net Investment in Capital Assets | 3,290,735 | 19,310,821 | 11,646,090 | 34,247,646 | 0 |
| Unrestricted | 2,725,466 | 46,124,874 | 3,474,755 | 52,325,095 | 627,916 |
| <i>Total Net Position</i> | <u>\$6,016,201</u> | <u>\$65,435,695</u> | <u>\$15,120,845</u> | <u>\$86,572,741</u> | <u>\$627,916</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.

| | |
|--|--------------|
| | 439,541 |
| Net position of business-type activities | \$87,012,282 |

City of Orrville, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2020*

| | Business-Type Activities | | | | Business-Type Activity - Internal Service Fund |
|---|---------------------------|----------------------------|----------------------------|-------------------|---|
| | Sewer | Electric | Water | Total | |
| Operating Revenues | | | | | |
| Charges for Services | \$2,377,244 | \$30,889,745 | \$3,529,040 | \$36,796,029 | \$184,858 |
| Other | 72,007 | 726,365 | 65,475 | 863,847 | 0 |
| <i>Total Operating Revenues</i> | <u>2,449,251</u> | <u>31,616,110</u> | <u>3,594,515</u> | <u>37,659,876</u> | <u>184,858</u> |
| Operating Expenses | | | | | |
| Personal Services | 1,610,915 | 5,645,186 | 1,360,097 | 8,616,198 | 0 |
| Purchased Services | 215,426 | 2,197,001 | 200,657 | 2,613,084 | 5,714 |
| Materials and Supplies | 228,468 | 19,671,705 | 255,770 | 20,155,943 | 0 |
| Utilities | 125,846 | 945,920 | 237,094 | 1,308,860 | 0 |
| Depreciation | 341,337 | 1,688,323 | 773,558 | 2,803,218 | 0 |
| Claims | 0 | 0 | 0 | 0 | 62,246 |
| <i>Total Operating Expenses</i> | <u>2,521,992</u> | <u>30,148,135</u> | <u>2,827,176</u> | <u>35,497,303</u> | <u>67,960</u> |
| <i>Operating Income (Loss)</i> | <u>(72,741)</u> | <u>1,467,975</u> | <u>767,339</u> | <u>2,162,573</u> | <u>116,898</u> |
| Non-Operating Revenues (Expenses) | | | | | |
| Interest | 46,169 | 487,382 | 48,508 | 582,059 | 5,712 |
| Interest and Fiscal Charges | 0 | 0 | (20,868) | (20,868) | 0 |
| <i>Total Non-Operating Revenues (Expenses)</i> | <u>46,169</u> | <u>487,382</u> | <u>27,640</u> | <u>561,191</u> | <u>5,712</u> |
| <i>Income (Loss) Before Capital Contributions and Transfers</i> | <u>(26,572)</u> | <u>1,955,357</u> | <u>794,979</u> | <u>2,723,764</u> | <u>122,610</u> |
| Capital Contributions | 0 | 0 | 4,113 | 4,113 | 0 |
| Transfers In | 0 | 858,760 | 0 | 858,760 | 0 |
| <i>Change in Net Position</i> | <u>(26,572)</u> | <u>2,814,117</u> | <u>799,092</u> | <u>3,586,637</u> | <u>122,610</u> |
| <i>Net Position Beginning of Year - Restated (See Note 3)</i> | <u>6,042,773</u> | <u>62,621,578</u> | <u>14,321,753</u> | | <u>505,306</u> |
| <i>Net Position End of Year</i> | <u><u>\$6,016,201</u></u> | <u><u>\$65,435,695</u></u> | <u><u>\$15,120,845</u></u> | | <u><u>\$627,916</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.

85,827

Change in net position of business-type activities

\$3,672,464

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

| | Business-Type Activities | | | | Business-Type Activities - Internal Service Fund |
|--|--------------------------|---------------------|--------------------|---------------------|---|
| | Sewer | Electric | Water | Total | |
| Increase (Decrease) in Cash and Cash Equivalents | | | | | |
| Cash Flows from Operating Activities | | | | | |
| Cash Received from Customers | \$2,356,810 | \$31,098,784 | \$3,530,706 | \$36,986,300 | \$0 |
| Cash Received from Transactions with Other Funds | 0 | 0 | 0 | 0 | 184,858 |
| Other Cash Receipts | 72,007 | 726,365 | 65,475 | 863,847 | 0 |
| Cash Payments to Employees for Services | (1,394,991) | (5,487,172) | (1,313,938) | (8,196,101) | 0 |
| Cash Payments for Goods and Services | (575,428) | (22,703,937) | (734,928) | (24,014,293) | (5,714) |
| Cash Payments for Claims | 0 | 0 | 0 | 0 | (62,246) |
| <i>Net Cash Provided by Operating Activities</i> | <u>458,398</u> | <u>3,634,040</u> | <u>1,547,315</u> | <u>5,639,753</u> | <u>116,898</u> |
| Cash Flows from Noncapital Financing Activities | | | | | |
| Transfers In | 0 | 858,760 | 0 | 858,760 | 0 |
| Cash Flows from Capital and Related Financing Activities | | | | | |
| Capital Contributions | 0 | 0 | 4,113 | 4,113 | 0 |
| Interfund Activity - Manuscript Bonds - Water | 110,000 | 110,000 | (220,000) | 0 | 0 |
| Interest Paid on Manuscript Bonds - Water | 0 | 0 | (14,131) | (14,131) | 0 |
| Principal Paid on Refunding GO Bonds | 0 | 0 | (115,000) | (115,000) | 0 |
| Interest Paid on Refunding GO Bonds | 0 | 0 | (7,331) | (7,331) | 0 |
| Principal Paid on OPWC Loan | 0 | 0 | (10,834) | (10,834) | 0 |
| Payments for Capital Acquisitions | (21,034) | (1,639,807) | (446,392) | (2,107,233) | 0 |
| <i>Net Cash Provided by (Used in) Capital and Related Financing Activities</i> | <u>88,966</u> | <u>(1,529,807)</u> | <u>(809,575)</u> | <u>(2,250,416)</u> | <u>0</u> |
| Cash Flows from Investing Activities | | | | | |
| Interest on Investments | 50,909 | 546,026 | 53,744 | 650,679 | 6,274 |
| <i>Net Increase in Cash and Cash Equivalents</i> | <u>598,273</u> | <u>3,509,019</u> | <u>791,484</u> | <u>4,898,776</u> | <u>123,172</u> |
| <i>Cash and Cash Equivalents Beginning of Year</i> | <u>3,940,247</u> | <u>47,441,225</u> | <u>4,697,312</u> | <u>56,078,784</u> | <u>503,829</u> |
| <i>Cash and Cash Equivalents End of Year</i> | <u>\$4,538,520</u> | <u>\$50,950,244</u> | <u>\$5,488,796</u> | <u>\$60,977,560</u> | <u>\$627,001</u> |

(continued)

City of Orrville, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2020

| | Business-Type Activities | | | | Business-Type Activities - Internal Service Fund |
|---|--------------------------|--------------------|--------------------|--------------------|---|
| | Sewer | Electric | Water | Total | |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities | | | | | |
| Operating Income (Loss) | (\$72,741) | \$1,467,975 | \$767,339 | \$2,162,573 | \$116,898 |
| Adjustments: | | | | | |
| Depreciation | 341,337 | 1,688,323 | 773,558 | 2,803,218 | 0 |
| (Increase) Decrease in Assets: | | | | | |
| Accounts Receivable | (20,434) | 209,039 | 1,666 | 190,271 | 0 |
| Materials and Supplies Inventory | 6,606 | (7,949) | (30,999) | (32,342) | 0 |
| Prepaid Items | (127) | (382) | (127) | (636) | 0 |
| Net Pension Asset | (3,334) | (12,820) | (3,077) | (19,231) | 0 |
| (Increase) Decrease in Deferred Outflows of Resources: | | | | | |
| Pension | 275,264 | 1,059,589 | 261,013 | 1,595,866 | 0 |
| OPEB | 133,895 | 499,089 | 133,492 | 766,476 | 0 |
| Increase (Decrease) in Liabilities: | | | | | |
| Accounts Payable | (12,167) | 119,020 | (10,281) | 96,572 | 0 |
| Accrued Wages | 10,240 | 16,124 | 8,974 | 35,338 | 0 |
| Intergovernmental Payable | (6,680) | (39,564) | (6,170) | (52,414) | 0 |
| Vacation Benefits Payable | 25,453 | 62,473 | 16,055 | 103,981 | 0 |
| Compensated Absences Payable | 48,230 | 81,888 | (111,753) | 18,365 | 0 |
| Net Pension Liability | 28,159 | 108,304 | 25,992 | 162,455 | 0 |
| Net OPEB Liability | 55,606 | 213,867 | 51,329 | 320,802 | 0 |
| Increase (Decrease) in Deferred Inflows of Resources | | | | | |
| Pension | (250,595) | (1,270,895) | (233,310) | (1,754,800) | 0 |
| OPEB | (100,314) | (560,041) | (96,386) | (756,741) | 0 |
| <i>Net Cash Provided by Operating Activities</i> | <u>\$458,398</u> | <u>\$3,634,040</u> | <u>\$1,547,315</u> | <u>\$5,639,753</u> | <u>\$116,898</u> |

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Fiduciary Net Position
Private-Purpose Trust Fund
December 31, 2020

| | Private-Purpose Trust |
|--|--------------------------|
| | Cemetery Memorial |
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | \$4,279 |
| Accrued Interest Receivable | 6 |
| <i>Total Assets</i> | 4,285 |
| Net Position | |
| Restricted for Individuals: | |
| Expendable | 260 |
| Non-Expendable | 4,025 |
| <i>Total Net Position</i> | \$4,285 |

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Fund
For the Year Ended December 31, 2020

| | Private-Purpose Trust |
|---------------------------------------|--------------------------|
| | Cemetery Memorial |
| Additions | |
| Interest | \$38 |
| Deductions | 0 |
| <i>Change in Net Position</i> | 38 |
| <i>Net Position Beginning of Year</i> | 4,247 |
| <i>Net Position End of Year</i> | \$4,285 |

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

The City participates in one joint venture, the Wooster-Ashland Regional Council of Governments. This organization is described in Note 19 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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

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

Fund Accounting

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

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

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

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

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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

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

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

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

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

Internal Service Fund The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund reports on a self-insurance program for employee dental benefits and on claims dated prior to February 1, 2014, for a self-insurance program for dental health benefits. For additional information, see Note 10.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. 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. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City has no custodial funds.

Measurement Focus

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

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
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Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, the statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from investment trust, private purpose trust, and custodial funds.

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 and the statements presented for proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

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

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

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 14 and 15.

City of Orrville, Ohio
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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, unavailable revenue, pension, and OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2020, but which were levied to finance 2021 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, income taxes, delinquent special assessments, intergovernmental revenue, fines, licenses and permits, and charges for services. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities found on page 19. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 14 and 15).

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 2020, investments were limited to a money market mutual fund, a United States Treasury note, commercial paper, negotiable certificates of deposit, federal farm credit bank bonds, federal home loan bank bonds, federal home loan mortgage corporation bonds, federal national mortgage association bonds, and STAR Ohio, the State Treasurer’s Investment Pool.

Except for STAR Ohio and commercial paper, investments are reported at fair value which is based on quoted market prices. The fair value of the money market fund is determined by the fund’s current share price. The City’s commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

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

For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates; however, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transactions to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the general fund, gas tax motor vehicle license, state highway, coronavirus relief, 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 2020 amounted to \$564,087, which includes \$448,171 assigned from other City funds.

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

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

Inventory

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

Restricted Assets

Assets are reported as restricted when limitations on their use change in 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 imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent amounts held on deposit.

Capital Assets

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

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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 | 10 years |
| Electric - Generation/Transmission/Distribution | N/A | 30-65 years |
| Infrastructure | 60 years | 30-65 years |

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

Interfund Balances

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

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

Compensated Absences

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

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

The entire compensated absences liability is reported on the government-wide financial statements. On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. The noncurrent portion of the liability is not reported. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

City of Orrville, Ohio
Notes to the Basic Financial Statements
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Pensions/Other Postemployment Benefits (OPEB)

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. 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 liabilities in the fund financial statements only to the extent that they are due for payment during the current year. Net pension/OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plans' fiduciary net position is not sufficient for payment of those benefits.

Fund Balance

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

The classifications are as follows:

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

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

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

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter, ordinance or State statute. State statute authorizes the Director of Finance to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance primarily for parking meters, safety services, recreation, and public health services and to cover a gap between estimated revenues and appropriations for 2021 operations.

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

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

Net Position

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

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

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

Operating Revenues and Expenses

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

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The City recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Internal Activity

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

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

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

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

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 3 – Change in Accounting Principle and Restatement of Net Position

Change in Accounting Principle

For 2020, the City implemented the Governmental Accounting Standard Board’s (GASB) Statement No. 83, *Certain Asset Retirement Obligations*. GASB Statement 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The implementation of GASB Statement No. 83 had no effect on net position as of December 31, 2019.

Restatement of Net Position

During 2020, the City determined that depreciation for several electric utility assets needed to be adjusted for a change in their useful lives. The adjustment had the following effect on net position at December 31, 2019:

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|---------------|
| Net Position at December 31, 2019 | \$59,298,274 | \$81,589,346 | \$140,887,620 |
| Depreciation Adjustment | 0 | 1,750,472 | 1,750,472 |
| Restated Net Position at December 31, 2019 | \$59,298,274 | \$83,339,818 | \$142,638,092 |

The adjustment had the following effect on fund balances at December 31, 2019:

| | Business-Type Activities | | | Total | Business-Type Activity - Internal Service |
|--|--------------------------|--------------|--|--------------|---|
| | Sewer | Electric | Water | | Fund |
| Net Position at December 31, 2019 | \$6,042,773 | \$60,871,106 | \$14,321,753 | \$81,235,632 | \$505,306 |
| Depreciation Adjustment | 0 | 1,750,472 | 0 | 1,750,472 | 0 |
| Restated Net Position at December 31, 2019 | \$6,042,773 | \$62,621,578 | \$14,321,753 | 82,986,104 | \$505,306 |
| | | | Internal Activity | 353,714 | |
| | | | Restated Net Position at December 31, 2019 | \$83,339,818 | |

Note 4 – Asset Retirement Obligations

The Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the City may be responsible to address any public safety issues associated with their lift stations, requiring the City to record an asset retirement obligation (ARO). There may be additional AROs related to public safety issues; however, these amounts are not reasonably estimable. Currently, there is significant uncertainty as to what items would need to be addressed; therefore, a reliable estimated amount could not be determined.

Note 5 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government funds.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

| Fund Balances | General | Capital Improvements | Other Governmental Funds | Total |
|----------------------------|---------------------------|---------------------------|--------------------------------|----------------------------|
| <u>Nonspendable:</u> | | | | |
| Inventory | \$99,668 | \$0 | \$0 | \$99,668 |
| Prepays | 21,659 | 0 | 0 | 21,659 |
| <i>Total Nonspendable</i> | <u>121,327</u> | <u>0</u> | <u>0</u> | <u>121,327</u> |
| <u>Restricted for:</u> | | | | |
| Police Department | 0 | 0 | 19,911 | 19,911 |
| Cemetery Maintenance | 0 | 0 | 313,045 | 313,045 |
| Debt Service | 0 | 0 | 197,824 | 197,824 |
| Street Maintenance | 0 | 0 | 1,004,343 | 1,004,343 |
| Community Development | 0 | 0 | 118,468 | 118,468 |
| <i>Total Restricted</i> | <u>0</u> | <u>0</u> | <u>1,653,591</u> | <u>1,653,591</u> |
| <u>Committed to:</u> | | | | |
| Capital Improvements | 0 | 3,162,105 | 0 | 3,162,105 |
| Solid Waste Management | 0 | 0 | 86,693 | 86,693 |
| First Responders Program | 0 | 0 | 25,849 | 25,849 |
| Fire and EMS Department | 0 | 0 | 327,580 | 327,580 |
| Performing Arts | 0 | 0 | 8,500 | 8,500 |
| <i>Total Committed</i> | <u>0</u> | <u>3,162,105</u> | <u>448,622</u> | <u>3,610,727</u> |
| <u>Assigned to:</u> | | | | |
| 2021 Operations | 2,703,635 | 0 | 0 | 2,703,635 |
| Parking Meters | 312 | 0 | 0 | 312 |
| <u>Purchases on Order:</u> | | | | |
| City Administration | 1,987 | 0 | 0 | 1,987 |
| Police Department | 44,936 | 0 | 0 | 44,936 |
| Fire Department | 352,339 | 0 | 0 | 352,339 |
| Street Maintenance | 3,129 | 0 | 0 | 3,129 |
| Recreation Department | 10,539 | 0 | 39,930 | 50,469 |
| Public Health | 7,834 | 0 | 0 | 7,834 |
| <i>Total Assigned</i> | <u>3,124,711</u> | <u>0</u> | <u>39,930</u> | <u>3,164,641</u> |
| Unassigned | 4,921,116 | 0 | 0 | 4,921,116 |
| Total Fund Balances | <u><u>\$8,167,154</u></u> | <u><u>\$3,162,105</u></u> | <u><u>\$2,142,143</u></u> | <u><u>\$13,471,402</u></u> |

Note 6 – Budgetary Basis of Accounting

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

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Investments are reported at fair value (GAAP) rather than cost (budget).
3. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
4. Encumbrances are treated as expenditures (budget) rather than restricted, committed, or assigned fund balance (GAAP).

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

| Net Change in Fund Balance | |
|--|-------------------------|
| GAAP Basis | \$1,549,930 |
| Net Adjustment for Revenue Accruals | (41,712) |
| Beginning Fair Value Adjustments for Investments | 231,298 |
| Ending Fair Value Adjustments for Investments | (701,420) |
| Net Adjustment for Expenditure Accruals | 43,032 |
| Encumbrances | <u>(525,163)</u> |
| Budget Basis | <u><u>\$555,965</u></u> |

Note 7 – Deposits and Investments

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

Active deposits are public deposits determined to be necessary to meet current demands upon the City treasury. Active 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 public deposits that Council has 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 deposits are deposits of interim monies. 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 deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the City can be deposited or invested in the following securities:

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

City of Orrville, Ohio
Notes to the Basic Financial Statements
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4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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.

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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The City has passed an ordinance allowing the City to invest 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 there is no default of principal, interest or coupons; and
3. Obligations of the City.

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2020, \$1,649,253 of the City's total bank balance of \$29,512,438 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the City's financial institutions participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent, resulting in the uninsured and uncollateralized balance.

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

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

City of Orrville, Ohio
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For the Year Ended December 31, 2020

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

Investments

Investments are reported at fair value. As of December 31, 2020, the City had the following investments:

| Measurement/Investment | Measurement Amount | Maturity | Standard & Poor's Rating | Percent of Total Investments |
|--|-----------------------|-----------------------|--------------------------------|------------------------------------|
| Amortized Cost: | | | | |
| Commercial Paper | \$7,762,809 | Less Than One Year | A-1 - A-1+ | 17.32 % |
| Net Asset Value Per Share: | | | | |
| STAR Ohio | 2,288 | 55.8 Days | AAAm | 0.01 |
| Fair Value - Level 1 Inputs: | | | | |
| Money Market Mutual Fund | 73,838 | Less Than One Year | AAA | 0.16 |
| Fair Value - Level 2 Inputs: | | | | |
| United States Treasury Note | 1,230,020 | Less Than Three Years | N/A | 2.74 |
| Negotiable Certificates of Deposit | 7,007,637 | Less Than Five Years | N/A | 15.63 |
| Federal Farm Credit Bank Bonds | 10,872,341 | Less Than Five Years | AA+ | 24.26 |
| Federal Home Loan Bank Bonds | 3,058,397 | Less Than Five Years | AA+ | 6.82 |
| Federal Home Loan Mortgage Corporation Bonds | 9,307,014 | Less Than Five Years | AA+ | 20.76 |
| Federal National Mortgage Association Bonds | 5,510,456 | Less Than Five Years | AA+ | 12.29 |
| Total Investments | <u>\$44,824,800</u> | | | <u>100.00 %</u> |

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The preceding chart identifies the City's recurring fair value measurements as of December 31, 2020. The money market account is measured at fair value and is valued using quoted market prices (Level 1 inputs). The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

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

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

Custodial Credit Risk for an investment is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The federal farm credit bank bonds, federal home loan bank bonds, federal home loan mortgage corporation bonds, federal national mortgage association bonds are exposed to

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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

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

Note 8 – Receivables

Receivables at December 31, 2020, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from grants, entitlements and shared revenues, special assessments, accrued interest on investments and accounts (billings for refuse and utility services). All allowances for uncollectibles represent estimates of uncollectible receivables in the accounts receivable classification. Taxes, intergovernmental, special assessments and interest receivable are deemed collectible in full. All receivables except property taxes and special assessments that are addressed as follows, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

| | Accounts Receivable | Allowance for Uncollectibles | Net Accounts Receivable |
|---------------|------------------------|---------------------------------|----------------------------|
| Governmental | \$169,072 | \$839 | \$168,233 |
| Business-Type | 4,000,444 | 17,864 | 3,982,580 |
| Total | \$4,169,516 | \$18,703 | \$4,150,813 |

The amount of delinquent special assessments outstanding at year-end is \$20,069. Special assessments, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2020 for real and public utility property taxes represents collections of 2019 taxes.

2020 real property taxes were levied after October 1, 2020, on the assessed value as of January 1, 2020, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2020 real property taxes are collected in and intended to finance 2021.

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. 2019 public utility property taxes, which became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes.

City of Orrville, Ohio
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For the Year Ended December 31, 2020

The full tax rate for all City operations for the year ended December 31, 2020, was \$2.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2020 property tax receipts were based are as follows:

| | |
|-------------------------|-----------------------------|
| Real Property | \$192,476,740 |
| Public Utility Property | <u>938,050</u> |
| Total | <u><u>\$193,414,790</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, 2020, and for which there was an enforceable legal claim. In governmental funds, the portion of receivable not levied to finance 2020 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

| | Amount |
|---|-------------------------|
| Governmental Activities | |
| Gasoline Tax | \$233,397 |
| Ohio Public Works Commission Grants | 120,506 |
| Local Government | 107,267 |
| Auto Regulation | 65,494 |
| Permissive Tax | 28,971 |
| Homestead and Rollback | 24,775 |
| Stark-Tuscarawas-Wayne Joint Solid Waste District Grant | 5,163 |
| Other | 4,825 |
| Lodging Tax | <u>1,437</u> |
| Total | <u><u>\$591,835</u></u> |

Income Taxes

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

The City's income tax ordinance requires thirty percent of the income tax revenues to be used to finance governmental and business-type capital improvements. As a result, this portion of the revenue is allocated to the capital improvements capital projects fund each year. The remaining income tax proceeds are to be used to pay the cost of administering the tax, general fund operations, capital improvements, debt service and other governmental functions when needed, as determined by Council. In 2020, the proceeds were allocated to the general fund and the capital improvements fund.

Note 9 – Tax Abatements

As of December 31, 2020, the City provides tax abatements through three programs: The Community Reinvestment Area Tax Abatements (CRA), Local Job Creation Tax Credit (JCTC), and Enterprise Zone Tax Exemptions (EZ).

Community Reinvestment Area Tax Abatements (CRA)

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

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

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

Local Job Creation Tax Credit (JCTC)

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

City of Orrville, Ohio
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Enterprise Zone Tax Exemptions (EZ)

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

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

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

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

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

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

Information relevant to the disclosure of these programs for the year ended December 31, 2020, is as follows:

| Tax Abatement Program | Amount of 2020 Taxes Abated |
|---|--|
| <i>Community Reinvestment Area (CRA):</i> | |
| Retail | \$167,070 |
| Professional | 3,119 |
| <i>Local Job Creation Tax Credit (JCTC):</i> | |
| Manufacturing | 358,029 |
| <i>Enterprise Zone Tax Exemptions (EZ):</i> | |
| Manufacturing | 564,372 |
| Total | \$1,092,590 |

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 10 – Risk Management

Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2020, the City contracted with several companies for various types of insurance as follows:

| <u>Company</u> | <u>Type of Coverage</u> | <u>Coverage</u> |
|--|---|-----------------|
| EMC Insurance: | Commercial Property | \$183,202,265 |
| | Auto Liability | 1,000,000 |
| | General Liability | 1,000,000 |
| | Umbrella Liability | 10,000,000 |
| | Public Officials Liability | 1,000,000 |
| | Boiler and Machinery | 66,092,627 |
| Selective Insurance: | Commercial Property (\$500 deductible) | 18,066,305 |
| | Commercial General Liability: | |
| | General Aggregate Limit (Other Than Products) | 2,000,000 |
| | Products - Completed Operations (Aggregate) | 2,000,000 |
| | Personal and Advertising Injury Limit | 1,000,000 |
| | Damage to Rented Premises | 1,000,000 |
| | Each Occurrence Limit | 1,000,000 |
| | Business Automobile Liability | 1,000,000 |
| | Employer's Liability (Stop-Gap) | 1,000,000 |
| | Employee Benefits: | |
| | Aggregate Limit | 2,000,000 |
| Per Claim Limit (\$1,000 deductible each employee) | 1,000,000 | |
| Commercial Umbrella Liability Coverage (Aggregate) | 10,000,000 | |
| Scottsdale Insurance: | Police Professional Liability | 1,000,000 |
| Travelers Insurance: | Computer Fraud - Single Loss (\$25,000 retention) | 1,000,000 |
| | Funds Transfer Fraud - Single Loss (\$25,000 retention) | 1,000,000 |
| | Employee Theft - Single Loss (\$25,000 retention) | 1,000,000 |

During 2020, the boiler and machinery coverage decreased significantly due to the insurance industry's shift in position regarding coal fired power plants when considering the potential social and environmental impact coal fired power facilities may have on climate change. This shift in position resulted in a reduction in insurance coverage available for purchase.

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 four years.

Workers' Compensation

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Self-Insurance

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

The claims liability of \$0 reported in the self-insurance fund at December 31, 2020, is estimated by the third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustments expenses and does not include other allocated or unallocated claim adjustment expenses.

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

| Year | Balance at Beginning of Year | Current Year Claims | Claim Payments | Balance at End of Year |
|------|------------------------------------|---------------------------|-------------------|------------------------------|
| 2019 | \$0 | \$88,672 | \$88,672 | \$0 |
| 2020 | 0 | 62,246 | 62,246 | 0 |

Note 11 – Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

| | Balance 12/31/19 | Additions | Deductions | Balance 12/31/20 |
|--|---------------------|---------------|---------------|---------------------|
| Governmental Activities: | | | | |
| Capital Assets, not being Depreciated: | | | | |
| Land | \$1,799,203 | \$74,631 | \$0 | \$1,873,834 |
| Construction in Progress | 5,199,001 | 1,176,725 | (1,011,776) | 5,363,950 |
| Total Capital Assets, not being Depreciated | 6,998,204 | 1,251,356 | (1,011,776) | 7,237,784 |
| Capital Assets, being Depreciated | | | | |
| Buildings and Improvements | 8,681,540 | 42,559 | 0 | 8,724,099 |
| Equipment | 3,875,682 | 181,620 | (32,836) | 4,024,466 |
| Vehicles | 3,503,575 | 146,893 | (83,965) | 3,566,503 |
| Infrastructure | 69,276,729 | 1,277,999 | (33,851) | 70,520,877 |
| Total Capital Assets, being Depreciated | 85,337,526 | 1,649,071 | (150,652) | 86,835,945 |
| Less Accumulated Depreciation: | | | | |
| Buildings and Improvements | (5,455,305) | (143,828) | 0 | (5,599,133) |
| Equipment | (2,901,444) | (205,248) | 29,336 | (3,077,356) |
| Vehicles | (2,922,973) | (112,503) | 31,598 | (3,003,878) |
| Infrastructure | (27,010,895) | (1,236,969) | 28,420 | (28,219,444) |
| Total Accumulated Depreciation | (38,290,617) | (1,698,548) * | 89,354 | (39,899,811) |
| Total Capital Assets, being Depreciated, net | 47,046,909 | (49,477) | (61,298) | 46,936,134 |
| Governmental Activities Capital Assets, Net | \$54,045,113 | \$1,201,879 | (\$1,073,074) | \$54,173,918 |

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

* Depreciation expense was charged to governmental activities as follows:

| | |
|-----------------------------------|-------------|
| General Government | \$157,302 |
| Security of Persons and Property: | |
| Police | 66,303 |
| Fire | 122,141 |
| Transportation | 1,253,161 |
| Public Health and Welfare | 24,960 |
| Leisure Time Activities | 74,681 |
| Total Depreciation Expense | \$1,698,548 |

| | Restated Balance 12/31/19 | Additions | Deductions | Balance 12/31/20 |
|---|---------------------------------|-------------|------------|---------------------|
| Business-Type Activities: | | | | |
| Capital Assets, not being Depreciated: | | | | |
| Land | \$1,139,783 | \$0 | \$0 | \$1,139,783 |
| Construction In Progress | 279,176 | 175,780 | 0 | 454,956 |
| Total Capital Assets, not being Depreciated | 1,418,959 | 175,780 | 0 | 1,594,739 |
| Capital Assets, being Depreciated | | | | |
| Buildings and Improvements | 24,594,713 | 396,992 | 0 | 24,991,705 |
| Equipment | 18,387,704 | 1,147,798 | (1,323) | 19,534,179 |
| Vehicles | 2,521,096 | 277,664 | (101,463) | 2,697,297 |
| Electric - Generation/Transmission/Distribution | 68,117,792 | 0 | 0 | 68,117,792 |
| Infrastructure | 30,705,534 | 108,999 | 0 | 30,814,533 |
| Total Capital Assets, being Depreciated | 144,326,839 | 1,931,453 | (102,786) | 146,155,506 |
| Less Accumulated Depreciation: | | | | |
| Buildings and Improvements | (16,965,898) | (637,830) | 0 | (17,603,728) |
| Equipment | (14,521,559) | (880,992) | 1,323 | (15,401,228) |
| Vehicles | (1,790,242) | (132,386) | 101,463 | (1,821,165) |
| Electric - Generation/Transmission/Distribution | (54,810,646) | (674,826) | 0 | (55,485,472) |
| Infrastructure | (22,143,822) | (477,184) | 0 | (22,621,006) |
| Total Accumulated Depreciation | (110,232,167) | (2,803,218) | 102,786 | (112,932,599) |
| Total Capital Assets, being Depreciated, net | 34,094,672 | (871,765) | 0 | 33,222,907 |
| Business-Type Activities Capital Assets, Net | \$35,513,631 | (\$695,985) | \$0 | \$34,817,646 |

Note 12 – Long-Term Debt

| Debt Issue | Interest Rate | Original Issue Amount |
|--|------------------|--------------------------|
| Governmental Activities: | | |
| <i>Loan from Direct Borrowing:</i> | | |
| OPWC Concrete Streets Loan - 2015 | 0.00 % | \$480,445 |
| Business-Type Activities: | | |
| Water System Refunding General Obligation Bonds - 2013 | 2.125 | 1,035,000 |
| <i>Loans from Direct Borrowing:</i> | | |
| OPWC Water System Improvement Loan - 2007 A | 0.00 | 500,000 |
| OPWC Water System Improvement Loan - 2007 B | 0.00 | 100,000 |

City of Orrville, Ohio
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A schedule of changes in bonds and other long-term obligations of the City during 2020 follows:

| | Amount Outstanding 12/31/19 | Additions | Deletions | Amount Outstanding 12/31/20 | Amounts Due in One Year |
|---|-----------------------------------|-----------|-------------|-----------------------------------|-------------------------------|
| Governmental Activities: | | | | | |
| OPWC Loan from Direct Borrowing: | | | | | |
| Concrete Streets Loan - 2015 | \$408,378 | \$0 | \$12,011 | \$396,367 | \$36,033 |
| Compensated Absences | 273,326 | 175,413 | 137,663 | 311,076 | 202,827 |
| Net Pension Liability: | | | | | |
| OPERS | 3,320,674 | 0 | 930,274 | 2,390,400 | 0 |
| OP&F | 4,065,651 | 0 | 641,387 | 3,424,264 | 0 |
| Total Net Pension Liability | 7,386,325 | 0 | 1,571,661 | 5,814,664 | 0 |
| Net OPEB Liability: | | | | | |
| OPERS | 1,648,218 | 109,091 | 0 | 1,757,309 | 0 |
| OP&F | 453,579 | 48,517 | 0 | 502,096 | 0 |
| Total Net OPEB Liability | 2,101,797 | 157,608 | 0 | 2,259,405 | 0 |
| Total Governmental Activities | \$10,169,826 | \$333,021 | \$1,721,335 | \$8,781,512 | \$238,860 |
| Business-Type Activities: | | | | | |
| Water System Refunding General Obligation Bonds - 2013 | \$345,000 | \$0 | \$115,000 | \$230,000 | \$115,000 |
| OPWC Loans from Direct Borrowing: | | | | | |
| Water System Improvement Loan - 2007 A | 308,334 | 0 | 8,334 | 300,000 | 25,000 |
| Water System Improvement Loan - 2007 B | 42,500 | 0 | 2,500 | 40,000 | 7,500 |
| Total OPWC Loans from Direct Borrowing | 350,834 | 0 | 10,834 | 340,000 | 32,500 |
| Compensated Absences | 672,716 | 171,979 | 153,614 | 691,081 | 330,800 |
| Net Pension Liability - OPERS: | | | | | |
| Sewer | 1,798,605 | 0 | 555,688 | 1,242,917 | 0 |
| Electric | 7,194,410 | 0 | 2,413,978 | 4,780,432 | 0 |
| Water | 1,521,892 | 0 | 374,585 | 1,147,307 | 0 |
| Total Net Pension Liability - OPERS | 10,514,907 | 0 | 3,344,251 | 7,170,656 | 0 |
| Net OPEB Liability - OPERS: | | | | | |
| Sewer | 892,788 | 21,014 | 0 | 913,802 | 0 |
| Electric | 3,571,140 | 0 | 56,527 | 3,514,613 | 0 |
| Water | 755,432 | 88,075 | 0 | 843,507 | 0 |
| Total Net OPEB Liability - OPERS | 5,219,360 | 109,089 | 56,527 | 5,271,922 | 0 |
| Total Business-Type Activities | \$17,102,817 | \$281,068 | \$3,680,226 | \$13,703,659 | \$478,300 |

The City pays obligations related to employee compensation from the fund benefitting from their service. There is no repayment schedule for the net pension/OPEB liabilities; however, employer pension, OPEB, and compensated absences will be paid from the general fund, the gas tax motor vehicle license special revenue fund and the sewer, electric, and water enterprise funds. For additional information related to the net pension liability and net OPEB liability, see Notes 14 and 15.

City of Orrville, Ohio
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The City has entered into contractual agreements for construction loans from the Ohio Public Works Commission (OPWC). Under the terms of these agreements, the OPWC will reimburse, advance or directly pay the construction costs of approved projects. The OPWC loans are interest free. These loans from direct borrowing of \$396,367 related to governmental activities and \$340,000 related to business-type activities contain provisions that in the event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General’s office for collection, and as provided by law, OPWC may require that such payment be taken from the City’s share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC’s option, become immediately due and payable.

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

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

The City has pledged future water customer revenues to repay the Ohio Public Works Commission Water Systems Loans. The loans are payable solely from net revenues and are payable through 2038. Proceeds of these loans provided financing for various water projects. Annual principal payments on the loans are expected to require less than 1 percent of net revenues and less than 1 percent of total revenues. The total principal remaining to be paid on the loans is \$340,000. Principal paid for the current year was \$10,834, total net revenues were \$1,589,405, and total revenues were \$3,643,023.

As of December 31, 2020, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$20,078,553 and the unvoted legal debt margin was \$10,407,813. Principal and interest requirements to retire the City’s long-term obligations outstanding at December 31, 2020, are as follows:

| Year Ending December 31 | Governmental Activities | Business-Type Activities | | |
|----------------------------|--|--|----------------|--|
| | OPWC Loans from Direct Borrowing | Water System General Obligation Refunding | | OPWC Loans from Direct Borrowing |
| | Principal | Principal | Interest | Principal |
| | Principal | Principal | Interest | Principal |
| 2021 | \$36,033 | \$115,000 | \$4,887 | \$32,500 |
| 2022 | 24,022 | 115,000 | 2,444 | 21,666 |
| 2023 | 24,022 | 0 | 0 | 21,666 |
| 2024 | 24,022 | 0 | 0 | 21,666 |
| 2025 | 24,022 | 0 | 0 | 21,666 |
| 2026-2030 | 120,110 | 0 | 0 | 95,830 |
| 2031-2035 | 120,110 | 0 | 0 | 83,330 |
| 2036-2038 | 24,026 | 0 | 0 | 41,676 |
| Total | <u>\$396,367</u> | <u>\$230,000</u> | <u>\$7,331</u> | <u>\$340,000</u> |

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Industrial Revenue Bonds

The City authorized the issuance of industrial development revenue bonds for two commercial entities. The aggregate outstanding principal amount was \$1,496,267 at December 31, 2020. The City is not obligated in any way to pay debt charges on the bonds from any of its funds, and therefore they have been excluded entirely from the City's debt presentation. There has not been and is not any condition of default under the bonds or the related financing documents.

Note 13 – Contingent Liabilities

Litigation

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

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, 2020, the audits of certain of these programs have not been completed. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Note 14 – Defined Benefit Pension Plans

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/(Asset)/Net OPEB Liability

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

The net pension/OPEB liabilities/(asset) represent the City's proportionate share of each pension/OPEB plans' collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plans' fiduciary net position. The net pension/OPEB liabilities/(asset) calculations are dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

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GASB 68/75 assume the liabilities are solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liabilities/(asset). Resulting adjustments to the net pension/OPEB liabilities/(asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net pension asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 15 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

City employees, other than full-time police and firefighters, participate in the OPERS. OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. 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 plan.

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

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

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| Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013 | Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013 | Group C Members not in other Groups and members hired on or after January 7, 2013 |
|--|--|--|
| State and Local | State and Local | State and Local |
| Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit |
| Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |
| Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30 | Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30 | Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35 |

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a COLA on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the COLA is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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Beginning in 2022, the combined plan will be consolidated under the traditional pension plan (defined benefit plan) and the combined plan option will no longer be available for new hires.

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

| | State and Local |
|--|--------------------|
| 2020 Statutory Maximum Contribution Rates | |
| Employer | 14.0 % |
| Employee * | 10.0 % |
| 2020 Actual Contribution Rates | |
| Employer: | |
| Pension ** | 14.0 % |
| Post-employment Health Care Benefits ** | 0.0 |
| Total Employer | 14.0 % |
| Employee | 10.0 % |

- * Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- ** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2020, the City’s contractually required contribution was \$932,573 for the traditional plan, \$48,537 for the combined plan and \$49,625 for the member-directed plan. Of these amounts, \$168,281 is reported as an intergovernmental payable for the traditional plan, \$8,758 for the combined plan, and \$8,951 for the member-directed plan.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

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

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

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

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

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for an annual cost of living adjustment (COLA). The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the Consumer Price Index over the 12 month period ending on September 30th of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.

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

| | Police | Firefighters |
|--|---------|--------------|
| 2020 Statutory Maximum Contribution Rates | | |
| Employer | 19.50 % | 24.00 % |
| Employee | 12.25 % | 12.25 % |
| 2020 Actual Contribution Rates | | |
| Employer: | | |
| Pension | 19.00 % | 23.50 % |
| Post-employment Health Care Benefits | 0.50 | 0.50 |
| Total Employer | 19.50 % | 24.00 % |
| Employee | 12.25 % | 12.25 % |

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Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$267,510 for 2020. Of this amount, \$30,466 is reported as an intergovernmental payable.

Pension Liabilities/(Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability/(asset) for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability/(asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the City's defined benefit pension plans:

| | OPERS Traditional Plan | OPERS Combined Plan | OP&F | Total |
|--|------------------------------|---------------------------|--------------------|--------------|
| Proportion of the Net Pension Liability/Asset: | | | | |
| Current Measurement Date | 0.04837200% | 0.08453300% | 0.05083120% | |
| Prior Measurement Date | 0.05051700% | 0.08478500% | 0.04980800% | |
| Change in Proportionate Share | <u>-0.00214500%</u> | <u>-0.00025200%</u> | <u>0.00102320%</u> | |
| Proportionate Share of the: | | | | |
| Net Pension Liability | \$9,561,056 | \$0 | \$3,424,264 | \$12,985,320 |
| Net Pension Asset | 0 | 176,272 | 0 | 176,272 |
| Pension Expense | \$1,067,909 | \$19,980 | \$455,945 | \$1,543,834 |

2020 pension expense for the member-directed defined contribution plan was \$50,603. The aggregate pension expense for all pension plans was \$1,594,437 for 2020.

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At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

| | OPERS Traditional Plan | OPERS Combined Plan | OP&F | Total |
|---|------------------------------|---------------------------|------------------|--------------------|
| Deferred Outflows of Resources | | | | |
| Differences between expected and actual experience | \$0 | \$0 | \$129,620 | \$129,620 |
| Changes of assumptions | 510,672 | 18,175 | 84,057 | 612,904 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 0 | 1,436 | 104,722 | 106,158 |
| City contributions subsequent to the measurement date | 932,573 | 48,537 | 267,510 | 1,248,620 |
| <i>Total Deferred Outflows of Resources</i> | <u>\$1,443,245</u> | <u>\$68,148</u> | <u>\$585,909</u> | <u>\$2,097,302</u> |
| Deferred Inflows of Resources | | | | |
| Differences between expected and actual experience | \$120,886 | \$41,383 | \$176,602 | \$338,871 |
| Net difference between projected and actual earnings on pension plan investments | 1,907,215 | 22,863 | 165,419 | 2,095,497 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 476,096 | 588 | 64,350 | 541,034 |
| <i>Total Deferred Inflows of Resources</i> | <u>\$2,504,197</u> | <u>\$64,834</u> | <u>\$406,371</u> | <u>\$2,975,402</u> |

\$1,248,620 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| | OPERS Traditional Plan | OPERS Combined Plan | OP&F | Total |
|--------------------------|------------------------------|---------------------------|-------------------|----------------------|
| Year Ending December 31: | | | | |
| 2021 | (\$598,336) | (\$11,128) | (\$18,293) | (\$627,757) |
| 2022 | (716,877) | (10,699) | (948) | (728,524) |
| 2023 | 78,974 | (4,325) | 78,370 | 153,019 |
| 2024 | (757,286) | (12,694) | (136,707) | (906,687) |
| 2025 | 0 | (2,284) | (10,394) | (12,678) |
| Thereafter | 0 | (4,093) | 0 | (4,093) |
| Total | <u>(\$1,993,525)</u> | <u>(\$45,223)</u> | <u>(\$87,972)</u> | <u>(\$2,126,720)</u> |

Actuarial Assumptions – OPERS

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

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Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019, are presented as follows:

| | OPERS Traditional Plan | OPERS Combined Plan |
|---|--|--|
| Wage Inflation | 3.25 percent | 3.25 percent |
| Future Salary Increases, including inflation | 3.25 to 10.75 percent including wage inflation | 3.25 to 8.25 percent including wage inflation |
| COLA or Ad Hoc COLA: | | |
| Pre-January 7, 2013 Retirees | 3 percent, simple | 3 percent, simple |
| Post-January 7, 2013 Retirees | 1.4 percent, simple through 2020, then 2.15 percent, simple | 1.4 percent, simple through 2020, then 2.15 percent, simple |
| Investment Rate of Return | 7.2 percent | 7.2 percent |
| Actuarial Cost Method | Individual Entry Age | Individual Entry Age |

In October 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 3 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 then 2.15 percent simple.

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the previously described tables.

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

OPERS manages three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the traditional pension plan, the defined benefit component of the combined plan and the annuitized accounts of the member-directed plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.23 percent for 2019.

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The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------|----------------------|---|
| Fixed Income | 25.00 % | 1.83 % |
| Domestic Equities | 19.00 | 5.75 |
| Real Estate | 10.00 | 5.20 |
| Private Equity | 12.00 | 10.70 |
| International Equities | 21.00 | 7.66 |
| Other investments | 13.00 | 4.98 |
| Total | 100.00 % | 5.61 % |

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability/(asset) calculated using the current period discount rate assumption of 7.2 percent, as well as what the City's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower (6.2 percent) or one percentage point higher (8.2 percent) than the current rate:

| | 1% Decrease (6.20%) | Current Discount Rate (7.20%) | 1% Increase (8.20%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net pension liability (asset): | | | |
| OPERS Traditional Plan | \$15,769,272 | \$9,561,056 | \$3,980,048 |
| OPERS Combined Plan | (106,512) | (176,272) | (226,548) |

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Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2019, are presented as follows:

| | |
|----------------------------|---|
| Valuation Date | January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019 |
| Actuarial Cost Method | Entry Age Normal |
| Investment Rate of Return | 8.0 percent |
| Projected Salary Increases | 3.75 percent to 10.5 percent |
| Payroll Growth | 3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent |
| Cost of Living Adjustments | 3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent |

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

| Age | Police | Fire |
|------------|--------|------|
| 67 or less | 77 % | 68 % |
| 68-77 | 105 | 87 |
| 78 and up | 115 | 120 |

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

| Age | Police | Fire |
|------------|--------|------|
| 59 or less | 35 % | 35 % |
| 60-69 | 60 | 45 |
| 70-79 | 75 | 70 |
| 80 and up | 100 | 90 |

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The most recent experience study was completed for the five year period ended December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized as follows:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|------------------------------|----------------------|---|
| Cash and Cash Equivalents | 0.00 % | 1.00 % |
| Domestic Equity | 16.00 | 5.40 |
| Non-US Equity | 16.00 | 5.80 |
| Private Markets | 8.00 | 8.00 |
| Core Fixed Income * | 23.00 | 2.70 |
| High Yield Fixed Income | 7.00 | 4.70 |
| Private Credit | 5.00 | 5.50 |
| U.S. Inflation Linked Bonds* | 17.00 | 2.50 |
| Master Limited Partnerships | 8.00 | 6.60 |
| Real Assets | 8.00 | 7.40 |
| Private Real Estate | 12.00 | 6.40 |
| Total | <u>120.00 %</u> | |

Note: Assumptions are geometric.

* levered 2x

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

Discount Rate The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return of 8.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the City's proportionate share of net pension liability calculated using the discount rate of 8.00 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

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| | 1% Decrease (7.00%) | Current Discount Rate (8.00%) | 1% Increase (9.00%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net pension liability | \$4,745,907 | \$3,424,264 | \$2,318,836 |

Note 15 – Defined Benefit OPEB Plans

See Note 14 for a description of the net OPEB liability

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Comprehensive Annual Financial Report referenced later for additional information.

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

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

Funding Policy – The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

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Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020, OPERS did not allocate any employer contribution to health care for members in the traditional pension plan and combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution was \$19,850 for 2020. Of this amount, \$3,580 is reported as an intergovernmental payable.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$6,931 for 2020. Of this amount, \$790 is reported as an intergovernmental payable.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--|----------------------------|---------------------------|--------------|
| Proportion of the Net OPEB Liability: | | | |
| Current Measurement Date | 0.05089000% | 0.05083120% | |
| Prior Measurement Date | <u>0.05267500%</u> | <u>0.04980800%</u> | |
| Change in Proportionate Share | <u><u>-0.00178500%</u></u> | <u><u>0.00102320%</u></u> | |
| Proportionate Share of the Net OPEB Liability | \$7,029,231 | \$502,096 | \$7,531,327 |
| OPEB Expense | \$546,886 | \$49,341 | \$596,227 |

City of Orrville, Ohio
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At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | OPERS | OP&F | Total |
|---|--------------------|------------------|--------------------|
| Deferred Outflows of Resources | | | |
| Differences between expected and actual experience | \$189 | \$0 | \$189 |
| Changes of assumptions | 1,112,653 | 293,545 | 1,406,198 |
| Net difference between projected and actual earnings on OPEB plan investments | 0 | 0 | 0 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 0 | 48,078 | 48,078 |
| City contributions subsequent to the measurement date | 19,850 | 6,931 | 26,781 |
| <i>Total Deferred Outflows of Resources</i> | <u>\$1,132,692</u> | <u>\$348,554</u> | <u>\$1,481,246</u> |
| Deferred Inflows of Resources | | | |
| Differences between expected and actual experience | \$642,855 | \$53,996 | \$696,851 |
| Changes of assumptions | 0 | 107,005 | 107,005 |
| Net difference between projected and actual earnings on OPEB plan investments | 357,927 | 23,105 | 381,032 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 266,057 | 56,491 | 322,548 |
| <i>Total Deferred Inflows of Resources</i> | <u>\$1,266,839</u> | <u>\$240,597</u> | <u>\$1,507,436</u> |

\$26,781 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | OPERS | OP&F | Total |
|--------------------------|--------------------|------------------|-------------------|
| Year Ending December 31: | | | |
| 2021 | (\$26,965) | \$17,750 | (\$9,215) |
| 2022 | 25,628 | 17,750 | 43,378 |
| 2023 | 284 | 22,489 | 22,773 |
| 2024 | (152,944) | 15,017 | (137,927) |
| 2025 | 0 | 16,419 | 16,419 |
| Thereafter | 0 | 11,601 | 11,601 |
| Total | <u>(\$153,997)</u> | <u>\$101,026</u> | <u>(\$52,971)</u> |

Actuarial Assumptions – OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

City of Orrville, Ohio
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| | |
|--|--|
| Wage Inflation | 3.25 percent |
| Projected Salary Increases, including inflation | 3.25 to 10.75 percent including wage inflation |
| Single Discount Rate: | |
| Current measurement date | 3.16 percent |
| Prior measurement date | 3.96 percent |
| Investment Rate of Return | 6.00 percent |
| Municipal Bond Rate: | |
| Current measurement date | 2.75 percent |
| Prior measurement date | 3.71 percent |
| Health Care Cost Trend Rate: | |
| Current measurement date | 10.50 percent, initial 3.50 percent, ultimate in 2030 |
| Prior measurement date | 10.00 percent, initial 3.25 percent, ultimate in 2029 |
| Actuarial Cost Method | Individual Entry Age Normal |

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the previously described tables.

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the traditional pension plan, combined plan and member-directed plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.7 percent for 2019.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return

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by the target asset allocation percentage, adjusted for inflation. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------------|----------------------|---|
| Fixed Income | 36.00 % | 1.53 % |
| Domestic Equities | 21.00 | 5.75 |
| Real Estate Investment Trust | 6.00 | 5.69 |
| International Equities | 23.00 | 7.66 |
| Other investments | 14.00 | 4.90 |
| Total | 100.00 % | 4.55 % |

Discount Rate A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.75 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.16 percent) or one percentage point higher (4.16 percent) than the current rate:

| | 1% Decrease (2.16%) | Current Discount Rate (3.16%) | 1% Increase (4.16%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net OPEB liability | \$9,198,876 | \$7,029,231 | \$5,292,051 |

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the City's proportionate share of the net OPEB liability calculated using the assumed trend rates, and the City's proportionate share of the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

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Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

| | 1% Decrease | Current Health Care Cost Trend Rate Assumption | 1% Increase |
|--|-------------|--|-------------|
| City's proportionate share of the net OPEB liability | \$6,821,805 | \$7,029,231 | \$7,234,014 |

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

City of Orrville, Ohio
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Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented as follows:

| | |
|----------------------------|--|
| Valuation Date | January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019 |
| Actuarial Cost Method | Entry Age Normal |
| Investment Rate of Return | 8.0 percent |
| Projected Salary Increases | 3.75 percent to 10.5 percent |
| Payroll Growth | 3.25 percent |
| Single discount rate: | |
| Current measurement date | 3.56 percent |
| Prior measurement date | 4.66 percent |
| Cost of Living Adjustments | 3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent |

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

| Age | Police | Fire |
|------------|--------|------|
| 67 or less | 77 % | 68 % |
| 68-77 | 105 | 87 |
| 78 and up | 115 | 120 |

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

| Age | Police | Fire |
|------------|--------|------|
| 59 or less | 35 % | 35 % |
| 60-69 | 60 | 45 |
| 70-79 | 75 | 70 |
| 80 and up | 100 | 90 |

The most recent experience study was completed for the five year period ended December 31, 2016.

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 14.

Discount Rate For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. For 2018, the total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75 percent at December 31, 2019 and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to

City of Orrville, Ohio
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make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 3.56 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

| | 1% Decrease (2.56%) | Current Discount Rate (3.56%) | 1% Increase (4.56%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net OPEB liability | \$622,568 | \$502,096 | \$401,994 |

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

Note 16 – Other Employee Benefits

Compensated Absences

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

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

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

Insurance Benefits

For 2020, the City provided medical insurance to its employees through AultCare. The City's portions of the monthly premiums for employee, employee plus one, and family are \$521.13, \$1,073.29, and \$1,653.60. The City's premium share for the plan made available to the members of the OPBA had monthly premiums for employee, employee plus one, and family were \$507.04, \$1,040.39, and \$1,602.79.

City of Orrville, Ohio
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Note 17 – Interfund Transfers and Balances

Interfund Transfers

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

The general fund made transfers of \$212,278 and \$14,862 to the gas tax motor vehicle license and solid waste special revenue funds, respectively, to supplement the funds available for maintaining City streets and for solid waste services. The general fund also made a transfer of \$858,760 to give the electric enterprise fund the kilowatt per hour taxes.

Interfund Balances

The water major enterprise fund had an interfund payable balance of \$445,000 and the sewer and electric major enterprise funds had interfund receivable balances of \$222,500 and \$222,500, respectively, due to the issuance of manuscript bonds and notes.

The \$445,000 in manuscript bonds are utility refunding bonds that were issued on April 17, 2013, at an original issue amount of \$1,880,000 at 2.125 percent. These bonds are due on December 1, 2022, and were used to refund a portion of the water system refunding revenue bonds that had been issued in 2002. These manuscript bonds were issued by the water fund and purchased by the sewer and electric funds as investments. Principal of \$220,000 was retired during 2020. Principal and interest requirements to retire the utility refunding manuscript bonds outstanding at December 31, 2020, are as follows:

| Year | Utility Refunding Bonds | |
|-------|-------------------------|----------|
| | Principal | Interest |
| 2021 | \$220,000 | \$9,456 |
| 2022 | 225,000 | 4,782 |
| Total | \$445,000 | \$14,238 |

Internal Balances – Change in Proportionate Share

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Balances related to the internal proportionate share for pension at December 31, 2020, were as follows:

| | <u>Deferred Outflows</u> | <u>Deferred Inflows</u> |
|--------------------------------|--------------------------|-------------------------|
| Governmental Activities | \$0 | \$1,103 |
| Business-Type Activities: | | |
| Sewer | 4,053 | 428 |
| Electric | 2,366 | 36,697 |
| Water | 32,644 | 835 |
| Total Business-Type Activities | 39,063 | 37,960 |
| Total | \$39,063 | \$39,063 |

Balances related to the internal proportionate share for OPEB at December 31, 2020, were as follows:

| | <u>Deferred Outflows</u> | <u>Deferred Inflows</u> |
|---------------------------|--------------------------|-------------------------|
| Business-Type Activities: | | |
| Sewer | \$4,366 | \$0 |
| Electric | 0 | 28,020 |
| Water | 23,654 | 0 |
| Total | \$28,020 | \$28,020 |

Note 18 – Donor Restricted Endowments

The City’s private-purpose trust fund includes donor restricted endowments. Non-expendable net position, in the amount of \$4,025, represents the principal portion. The amount of interest on donor restricted investments that is available for expenditures by the City is \$260 and is included as expendable net position. 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 19 – Joint Venture

The City participates in the Wooster-Ashland Regional Council of Governments (the Council) which is a statutorily created political subdivision of the State. The Council is a joint venture between the City of Orrville, the City of Wooster and the City of Ashland. The Council is controlled by a Board of Directors which is composed of at least one elected public official of each municipal corporation which is a founding member (for a municipal corporation this is the mayor). Two additional directors are appointed by each founding member, plus an additional director appointed in alternate years beginning first with the City of Wooster, then the City of Ashland, and then the City of Orrville. There are three additional Directors, with one each appointed by the respective Presidents of the Council of the cities of Wooster, Orrville, and Ashland. Officers of the Council include a President, at least one Vice-President, a Secretary, a Treasurer and such other officers as the Directors deem advisable and appoint. Officers are chosen by the Directors. Each member’s control over the operation of the Council is limited to its representation on the board. The Council was formed to plan for, create, and operate a joint dispatching system for police, fire, emergency medical services, and other related public safety services, and receive and expend funds, grants, or other contributions. Continued existence of the Council is dependent on the City’s continued participation; however, the City does not have an equity interest in the Council. The Council is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. In 2020, the City did not make any contributions to the Council.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 20 – Significant Commitments

Contractual Commitments

At December 31, 2020, the City had a contractual commitment with Northstar Asphalt with a contract amount of \$887,203. The amount paid to date was \$494,780, with \$392,423 remaining on the contract.

Remaining commitment amounts were encumbered at year end.

Encumbrances

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

| <i>Governmental Funds:</i> | | <i>Proprietary Funds:</i> | |
|-----------------------------------|--------------------|----------------------------------|--------------------|
| General | \$525,163 | Sewer | \$106,857 |
| Capital Improvements | 681,784 | Electric | 935,695 |
| Other Governmental Funds | 811,094 | Water | 342,932 |
| Total | <u>\$2,018,041</u> | Total | <u>\$1,385,484</u> |

Note 21 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. The City's investment portfolio and the investments of the pension and other employee benefits plans, in which the City participates, fluctuate with market conditions, and due to market volatility, the amount of gains or losses that may be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. Additional funding will be available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

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Required Supplementary Information

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

| | 2020 | 2019 | 2018 |
|--|-------------|--------------|-------------|
| City's Proportion of the Net Pension Liability | 0.04837200% | 0.05051700% | 0.05410100% |
| City's Proportionate Share of the Net Pension Liability | \$9,561,056 | \$13,835,581 | \$8,487,398 |
| City's Covered Payroll | \$6,810,693 | \$6,823,100 | \$7,149,454 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 140.38% | 202.78% | 118.71% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 82.17% | 74.70% | 84.66% |

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

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

See accompanying notes to the required supplementary information

| 2017 | 2016 | 2015 | 2014 |
|--------------|--------------|-------------|-------------|
| 0.05573600% | 0.05926100% | 0.06203000% | 0.06203000% |
| \$12,656,878 | \$10,264,754 | \$7,481,513 | \$7,312,530 |
| \$7,201,433 | \$7,375,667 | \$7,605,008 | \$7,443,362 |
| 175.75% | 139.17% | 98.38% | 98.24% |
| 77.25% | 81.08% | 86.45% | 86.36% |

City of Orrville, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Asset
Ohio Public Employees Retirement System - Combined Plan
*Last Three Years (1) **

| | 2020 | 2019 | 2018 |
|---|-------------|-------------|-------------|
| City's Proportion of the Net Pension Asset | 0.08453300% | 0.08478500% | 0.08653800% |
| City's Proportionate Share of the Net Pension Asset | \$176,272 | \$94,809 | \$117,805 |
| City's Covered Payroll | \$376,300 | \$362,621 | \$354,415 |
| City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll | -46.84% | -26.15% | -33.24% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 145.28% | 126.64% | 137.28% |

(1) Amounts for the Combined Plan are not presented prior to 2018 as the City's participation in this plan was considered immaterial in previous years.

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

See accompanying notes to the required supplementary information

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

| | 2020 | 2019 | 2018 |
|--|-------------|-------------|-------------|
| City's Proportion of the Net Pension Liability | 0.05083120% | 0.04980800% | 0.05134300% |
| City's Proportionate Share of the Net Pension Liability | \$3,424,264 | \$4,065,651 | \$3,151,152 |
| City's Covered Payroll | \$1,324,168 | \$1,262,592 | \$1,188,680 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 258.60% | 322.01% | 265.10% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 69.89% | 63.07% | 70.91% |

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

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

See accompanying notes to the required supplementary information

| 2017 | 2016 | 2015 | 2014 |
|-------------|-------------|-------------|-------------|
| 0.04985000% | 0.05046300% | 0.04987180% | 0.04987180% |
| \$3,157,449 | \$3,246,319 | \$2,583,567 | \$2,428,913 |
| \$1,169,147 | \$1,104,590 | \$1,076,865 | \$1,074,614 |
| 270.06% | 293.89% | 239.92% | 226.03% |
| 68.36% | 66.77% | 71.71% | 73.00% |

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

| | 2020 | 2019 | 2018 | 2017 |
|--|-------------|-------------|-------------|-------------|
| City's Proportion of the Net OPEB Liability | 0.05089000% | 0.05267500% | 0.05608000% | 0.05779000% |
| City's Proportionate Share of the Net OPEB Liability | \$7,029,231 | \$6,867,578 | \$6,089,873 | \$5,836,985 |
| City's Covered Payroll | \$7,693,018 | \$7,640,396 | \$7,944,294 | \$7,983,000 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 91.37% | 89.89% | 76.66% | 73.12% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 47.80% | 46.33% | 54.14% | 54.04% |

(1) Although this schedule is intended to show information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

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

| | 2020 | 2019 | 2018 | 2017 |
|--|-------------|-------------|-------------|-------------|
| City's Proportion of the Net OPEB Liability | 0.05083120% | 0.04980800% | 0.05134300% | 0.04985000% |
| City's Proportionate Share of the Net OPEB Liability | \$502,096 | \$453,579 | \$2,909,024 | \$2,366,267 |
| City's Covered Payroll | \$1,324,168 | \$1,262,592 | \$1,188,680 | \$1,169,147 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 37.92% | 35.92% | 244.73% | 202.39% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 47.08% | 46.57% | 14.13% | 15.96% |

(1) Although this schedule is intended to show information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

City of Orrville, Ohio
Required Supplementary Information
Schedule of the City's Contributions
Ohio Public Employees Retirement System
Last Eight Years (1)

| | 2020 | 2019 | 2018 |
|---|-------------|-------------|-------------|
| Net Pension Liability - Traditional Plan | | | |
| Contractually Required Contribution | \$932,573 | \$953,497 | \$955,234 |
| Contributions in Relation to the Contractually Required Contribution | (932,573) | (953,497) | (955,234) |
| Contribution Deficiency (Excess) | \$0 | \$0 | \$0 |
| City Covered Payroll | \$6,661,236 | \$6,810,693 | \$6,823,100 |
| Contributions as a Percentage of Covered Payroll | 14.00% | 14.00% | 14.00% |
| Net Pension Asset - Combined Plan (3) | | | |
| Contractually Required Contribution | \$48,537 | \$52,682 | \$50,767 |
| Contributions in Relation to the Contractually Required Contribution | (48,537) | (52,682) | (50,767) |
| Contribution Deficiency (Excess) | \$0 | \$0 | \$0 |
| City Covered Payroll | \$346,693 | \$376,300 | \$362,621 |
| Pension Contributions as a Percentage of Covered Payroll | 14.00% | 14.00% | 14.00% |
| Net OPEB Liability - OPEB Plan (4) | | | |
| Contractually Required Contribution | \$19,850 | \$20,241 | \$18,187 |
| Contributions in Relation to the Contractually Required Contribution | (19,850) | (20,241) | (18,187) |
| Contribution Deficiency (Excess) | \$0 | \$0 | \$0 |
| City Covered Payroll (2) | \$7,504,179 | \$7,693,018 | \$7,640,396 |
| OPEB Contributions as a Percentage of Covered Payroll | 0.26% | 0.26% | 0.24% |

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

(2) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

(3) Information prior to 2017 is not available.

(4) Information prior to 2016 is not available.

See accompanying notes to the required supplementary information

| 2017 | 2016 | 2015 | 2014 | 2013 |
|-------------|-------------|-------------|-------------|-------------|
| \$929,429 | \$864,172 | \$885,080 | \$912,601 | \$967,637 |
| (929,429) | (864,172) | (885,080) | (912,601) | (967,637) |
| \$0 | \$0 | \$0 | \$0 | \$0 |
| \$7,149,454 | \$7,201,433 | \$7,375,667 | \$7,605,008 | \$7,443,364 |
| 13.00% | 12.00% | 12.00% | 12.00% | 13.00% |

\$46,074

(46,074)

\$0

\$354,415

13.00%

\$92,656

\$168,679

(92,656)

(168,679)

\$0

\$0

\$7,944,294

\$7,983,000

1.17%

2.11%

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

| | 2020 | 2019 | 2018 |
|---|------------------|------------------|------------------|
| Net Pension Liability | | | |
| Contractually Required Contribution | \$267,510 | \$255,476 | \$243,654 |
| Contributions in Relation to the Contractually Required Contribution | <u>(267,510)</u> | <u>(255,476)</u> | <u>(243,654)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City Covered Payroll | \$1,386,158 | \$1,324,168 | \$1,262,592 |
| Contributions as a Percentage of Covered Payroll | <u>19.30%</u> | <u>19.29%</u> | <u>19.30%</u> |
| Net OPEB Liability | | | |
| Contractually Required Contribution | \$6,931 | \$6,621 | \$6,313 |
| Contributions in Relation to the Contractually Required Contribution | <u>(6,931)</u> | <u>(6,621)</u> | <u>(6,313)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| OPEB Contributions as a Percentage of Covered Payroll | <u>0.50%</u> | <u>0.50%</u> | <u>0.50%</u> |
| Total Contributions as a Percentage of Covered Payroll | <u>19.80%</u> | <u>19.79%</u> | <u>19.80%</u> |

(1) The City's covered payroll is the same for pension and OPEB.

See accompanying notes to the required supplementary information

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|-------------|-------------|-------------|-------------|-------------|-----------|-----------|
| \$229,748 | \$226,450 | \$214,063 | \$208,710 | \$174,718 | \$131,201 | \$125,830 |
| (229,748) | (226,450) | (214,063) | (208,710) | (174,718) | (131,201) | (125,830) |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$1,188,680 | \$1,169,147 | \$1,104,590 | \$1,076,865 | \$1,074,614 | \$998,842 | \$958,663 |
| 19.33% | 19.37% | 19.38% | 19.38% | 16.26% | 13.14% | 13.13% |
| \$5,943 | \$5,846 | \$5,523 | \$5,384 | \$38,865 | \$67,422 | \$64,710 |
| (5,943) | (5,846) | (5,523) | (5,384) | (38,865) | (67,422) | (64,710) |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 0.50% | 0.50% | 0.50% | 0.50% | 3.62% | 6.75% | 6.75% |
| 19.83% | 19.87% | 19.88% | 19.88% | 19.88% | 19.89% | 19.88% |

City of Orrville, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2020

Changes in Assumptions – OPERS Pension – Traditional Plan

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented as follows:

| | 2019 | 2018 and 2017 | 2016 and prior |
|--|--|--|--|
| Wage Inflation | 3.25 percent | 3.25 percent | 3.75 percent |
| Future Salary Increases, including inflation | 3.25 to 10.75 percent including wage inflation | 3.25 to 10.75 percent including wage inflation | 4.25 to 10.05 percent including wage inflation |
| COLA or Ad Hoc COLA: | | | |
| Pre-January 7, 2013 Retirees | 3 percent, simple | 3 percent, simple | 3 percent, simple |
| Post-January 7, 2013 Retirees | see below | see below | see below |
| Investment Rate of Return | 7.2 percent | 7.5 percent | 8 percent |
| Actuarial Cost Method | Individual Entry Age | Individual Entry Age | Individual Entry Age |

The assumptions related COLA or Ad Hoc COLA for Post-January 7, 2013 Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

| | |
|-------------------|---|
| 2020 | 1.4 percent, simple through 2020 then 2.15 percent, simple |
| 2017 through 2019 | 3.0 percent, simple through 2018 then 2.15 percent, simple |
| 2016 and prior | 3.0 percent, simple through 2018 then 2.80 percent, simple |

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

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

City of Orrville, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2020

Changes in Assumptions – OPERS Pension – Combined Plan

For 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013 retirees as the Traditional Plan. For 2019, the investment rate of return changed from 7.5 percent to 7.2 percent.

Changes in Assumptions – OP&F Pension

Amounts reported beginning in 2018 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and prior are presented as follows:

| | Beginning in 2018 | 2017 and Prior |
|----------------------------|--|--|
| Valuation Date | January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017 | January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016 |
| Actuarial Cost Method | Entry Age Normal | Entry Age Normal |
| Investment Rate of Return | 8.0 percent | 8.25 percent |
| Projected Salary Increases | 3.75 percent to 10.5 percent | 4.25 percent to 11 percent |
| Payroll Growth | Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent | Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent |
| Cost of Living Adjustments | 3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent | 3.00 percent simple; 2.6 percent simple for increased based on the lesser of the increase in CPI and 3 percent |

Amounts reported beginning in 2018 use valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

| Age | Police | Fire |
|------------|--------|------|
| 67 or less | 77 % | 68 % |
| 68-77 | 105 | 87 |
| 78 and up | 115 | 120 |

Amounts reported beginning in 2018 use valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale.

| Age | Police | Fire |
|------------|--------|------|
| 59 or less | 35 % | 35 % |
| 60-69 | 60 | 45 |
| 70-79 | 75 | 70 |
| 80 and up | 100 | 90 |

City of Orrville, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2020

Amounts reported for 2017 and prior use valuation, rates of death were based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

Changes in Assumptions – OPERS OPEB

| | |
|-------------------------------|--|
| Investment Return Assumption: | |
| Beginning in 2019 | 6.00 percent |
| 2018 | 6.50 percent |
| Municipal Bond Rate: | |
| 2020 | 2.75 percent |
| 2019 | 3.71 percent |
| 2018 | 3.31 percent |
| Single Discount Rate: | |
| 2020 | 3.16 percent |
| 2019 | 3.96 percent |
| 2018 | 3.85 percent |
| Health Care Cost Trend Rate: | |
| 2020 | 10.50 percent, initial 3.50 percent, ultimate in 2030 |
| 2019 | 10.00 percent, initial 3.25 percent, ultimate in 2029 |
| 2018 | 7.50 percent, initial 3.25 percent, ultimate in 2028 |

Changes in Assumptions – OP&F OPEB

| | |
|-----------------------|--------------|
| Single Discount Rate: | |
| 2020 | 3.56 percent |
| 2019 | 4.66 percent |
| 2018 | 3.24 percent |

Changes in Benefit Terms – OP&F OPEB

For 2019, OP&F recognized a change in benefit terms. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years.

**Combining and Individual
Fund Statements and Schedules**

Combining and Individual Fund Statements and Schedules

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

Blooming Orrville Fund – To account for and report restricted contributions and donations for the purpose of beautifying downtown with sponsored planters and flowers.

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.

(continued)

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds (continued)

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.

Coronavirus Relief Fund – This fund accounts for and reports restricted Federal and State grant monies to assist the City in areas affected by the impact of COVID-19.

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. The fund did not have any budgetary activity in 2020; therefore, budgetary information is not provided.

Nonmajor Debt Service Funds

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

General Obligation Bond Retirement Fund – To account for and report tax levies that are restricted for the repayment of general obligation bonds of the City. The fund did not have any budgetary activity in 2020; therefore, budgetary information is not provided.

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

Nonmajor Capital Projects Funds

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

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

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

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

Community Development Block Grant Fund – To account for and report federal grant monies restricted for various capital projects of the City. The fund did not have any budgetary activity in 2020; therefore, budgetary information is not provided.

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|--------------------------------------|--|--|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$1,861,301 | \$197,533 | \$287,177 | \$2,346,011 |
| Accrued Interest Receivable | 940 | 291 | 5 | 1,236 |
| Accounts Receivable | 99,605 | 0 | 0 | 99,605 |
| Intergovernmental Receivable | 328,187 | 0 | 120,506 | 448,693 |
| Special Assessments Receivable | 0 | 20,069 | 0 | 20,069 |
| <i>Total Assets</i> | <u>\$2,290,033</u> | <u>\$217,893</u> | <u>\$407,688</u> | <u>\$2,915,614</u> |
| Liabilities | | | | |
| Accounts Payable | \$114,655 | \$0 | \$0 | \$114,655 |
| Accrued Wages | 34,232 | 0 | 0 | 34,232 |
| Contracts Payable | 0 | 0 | 16,184 | 16,184 |
| Intergovernmental Payable | 15,484 | 0 | 120,506 | 135,990 |
| Unearned Revenue | 174,230 | 0 | 0 | 174,230 |
| <i>Total Liabilities</i> | <u>338,601</u> | <u>0</u> | <u>136,690</u> | <u>475,291</u> |
| Deferred Inflows of Resources | | | | |
| Unavailable Revenue | 231,298 | 20,069 | 46,813 | 298,180 |
| Fund Balances | | | | |
| Restricted | 1,271,512 | 197,824 | 184,255 | 1,653,591 |
| Committed | 448,622 | 0 | 0 | 448,622 |
| Assigned | 0 | 0 | 39,930 | 39,930 |
| <i>Total Fund Balances</i> | <u>1,720,134</u> | <u>197,824</u> | <u>224,185</u> | <u>2,142,143</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$2,290,033</u> | <u>\$217,893</u> | <u>\$407,688</u> | <u>\$2,915,614</u> |

City of Orrville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|--------------------------------------|--|--|
| Revenues | | | | |
| Special Assessments | \$0 | \$2,094 | \$0 | \$2,094 |
| Intergovernmental | 1,118,436 | 0 | 365,376 | 1,483,812 |
| Interest | 3,479 | 0 | 25 | 3,504 |
| Fines, Licenses and Permits | 65,035 | 0 | 700 | 65,735 |
| Charges for Services | 598,325 | 0 | 0 | 598,325 |
| Contributions and Donations | 25,206 | 0 | 992 | 26,198 |
| Other | 42,908 | 0 | 0 | 42,908 |
| <i>Total Revenues</i> | <u>1,853,389</u> | <u>2,094</u> | <u>367,093</u> | <u>2,222,576</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 157,698 | 99 | 0 | 157,797 |
| Security of Persons and Property: | | | | |
| Police | 155,237 | 0 | 0 | 155,237 |
| Fire | 126,356 | 0 | 0 | 126,356 |
| Transportation | 799,604 | 0 | 0 | 799,604 |
| Public Health and Welfare | 24,160 | 0 | 0 | 24,160 |
| Leisure Time Activities | 16,209 | 0 | 0 | 16,209 |
| Basic Utility Service | 630,747 | 0 | 0 | 630,747 |
| Capital Outlay | 0 | 0 | 428,373 | 428,373 |
| <i>Total Expenditures</i> | <u>1,910,011</u> | <u>99</u> | <u>428,373</u> | <u>2,338,483</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (56,622) | 1,995 | (61,280) | (115,907) |
| Other Financing Sources | | | | |
| Transfers In | 227,140 | 0 | 0 | 227,140 |
| <i>Net Change in Fund Balances</i> | 170,518 | 1,995 | (61,280) | 111,233 |
| <i>Fund Balances Beginning of Year</i> | <u>1,549,616</u> | <u>195,829</u> | <u>285,465</u> | <u>2,030,910</u> |
| <i>Fund Balances End of Year</i> | <u>\$1,720,134</u> | <u>\$197,824</u> | <u>\$224,185</u> | <u>\$2,142,143</u> |

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020

| | Gas Tax Motor Vehicle License | State Highway | Permissive Motor Vehicle License | Solid Waste |
|---|-------------------------------------|------------------|--|------------------|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$66,921 | \$241,915 | \$63,003 | \$91,140 |
| Accrued Interest Receivable | 14 | 358 | 0 | 0 |
| Accounts Receivable | 0 | 0 | 0 | 80,519 |
| Intergovernmental Receivable | 265,342 | 33,549 | 0 | 0 |
| <i>Total Assets</i> | <u>\$332,277</u> | <u>\$275,822</u> | <u>\$63,003</u> | <u>\$171,659</u> |
| Liabilities | | | | |
| Accounts Payable | \$5,133 | \$0 | \$0 | \$84,966 |
| Accrued Wages | 34,232 | 0 | 0 | 0 |
| Intergovernmental Payable | 15,484 | 0 | 0 | 0 |
| Unearned Revenue | 0 | 0 | 0 | 0 |
| <i>Total Liabilities</i> | <u>54,849</u> | <u>0</u> | <u>0</u> | <u>84,966</u> |
| Deferred Inflows of Resources | | | | |
| Unavailable Revenue | 183,066 | 26,879 | 0 | 0 |
| Fund Balances | | | | |
| Restricted | 94,362 | 248,943 | 63,003 | 0 |
| Committed | 0 | 0 | 0 | 86,693 |
| <i>Total Fund Balances</i> | <u>94,362</u> | <u>248,943</u> | <u>63,003</u> | <u>86,693</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$332,277</u> | <u>\$275,822</u> | <u>\$63,003</u> | <u>\$171,659</u> |

| Law Enforcement | Enforcement and Education | Cemetery Maintenance | Permissive | First Responders | Blooming Orrville | Emergency Medical Service Equipment |
|-----------------|---------------------------|----------------------|------------------|------------------|-------------------|-------------------------------------|
| \$5,041 | \$5,998 | \$312,895 | \$517,515 | \$28,060 | \$4,600 | \$316,413 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 2,665 | 0 | 0 | 0 | 16,421 |
| 300 | 25 | 0 | 28,971 | 0 | 0 | 0 |
| <u>\$5,341</u> | <u>\$6,023</u> | <u>\$315,560</u> | <u>\$546,486</u> | <u>\$28,060</u> | <u>\$4,600</u> | <u>\$332,834</u> |
| \$0 | \$592 | \$0 | \$0 | \$2,211 | \$0 | \$5,254 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 592 | 0 | 0 | 2,211 | 0 | 5,254 |
| 0 | 0 | 2,515 | 18,838 | 0 | 0 | 0 |
| 5,341 | 5,431 | 313,045 | 527,648 | 0 | 4,600 | 0 |
| 0 | 0 | 0 | 0 | 25,849 | 0 | 327,580 |
| <u>5,341</u> | <u>5,431</u> | <u>313,045</u> | <u>527,648</u> | <u>25,849</u> | <u>4,600</u> | <u>327,580</u> |
| <u>\$5,341</u> | <u>\$6,023</u> | <u>\$315,560</u> | <u>\$546,486</u> | <u>\$28,060</u> | <u>\$4,600</u> | <u>\$332,834</u> |

(continued)

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2020

| | Performing Arts | Continuing Professional Training Grant | Coronavirus Relief | Total Nonmajor Special Revenue Funds |
|---|--------------------|--|-----------------------|---|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$8,487 | \$9,139 | \$190,174 | \$1,861,301 |
| Accrued Interest Receivable | 13 | 0 | 555 | 940 |
| Accounts Receivable | 0 | 0 | 0 | 99,605 |
| Intergovernmental Receivable | 0 | 0 | 0 | 328,187 |
| <i>Total Assets</i> | <u>\$8,500</u> | <u>\$9,139</u> | <u>\$190,729</u> | <u>\$2,290,033</u> |
| Liabilities | | | | |
| Accounts Payable | \$0 | \$0 | \$16,499 | \$114,655 |
| Accrued Wages | 0 | 0 | 0 | 34,232 |
| Intergovernmental Payable | 0 | 0 | 0 | 15,484 |
| Unearned Revenue | 0 | 0 | 174,230 | 174,230 |
| <i>Total Liabilities</i> | <u>0</u> | <u>0</u> | <u>190,729</u> | <u>338,601</u> |
| Deferred Inflows of Resources | | | | |
| Unavailable Revenue | 0 | 0 | 0 | 231,298 |
| Fund Balances | | | | |
| Restricted | 0 | 9,139 | 0 | 1,271,512 |
| Committed | 8,500 | 0 | 0 | 448,622 |
| <i>Total Fund Balances</i> | <u>8,500</u> | <u>9,139</u> | <u>0</u> | <u>1,720,134</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$8,500</u> | <u>\$9,139</u> | <u>\$190,729</u> | <u>\$2,290,033</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, 2020

| | Gas Tax Motor Vehicle License | State Highway | Permissive Motor Vehicle License | Solid Waste |
|---|-------------------------------------|------------------|--|-----------------|
| Revenues | | | | |
| Intergovernmental | \$523,751 | \$42,309 | \$0 | \$0 |
| Interest | 60 | 2,334 | 0 | 0 |
| Fines, Licenses and Permits | 0 | 0 | 0 | 0 |
| Charges for Services | 0 | 0 | 0 | 475,506 |
| Contributions and Donations | 0 | 0 | 0 | 0 |
| Other | 42,908 | 0 | 0 | 0 |
| <i>Total Revenues</i> | <u>566,719</u> | <u>44,643</u> | <u>0</u> | <u>475,506</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 0 | 0 | 0 | 0 |
| Security of Persons and Property: | | | | |
| Police | 0 | 0 | 0 | 0 |
| Fire | 0 | 0 | 0 | 0 |
| Transportation | 794,290 | 5,314 | 0 | 0 |
| Public Health and Welfare | 0 | 0 | 0 | 0 |
| Leisure Time Activities | 0 | 0 | 0 | 0 |
| Basic Utility Service | 0 | 0 | 0 | 510,342 |
| <i>Total Expenditures</i> | <u>794,290</u> | <u>5,314</u> | <u>0</u> | <u>510,342</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (227,571) | 39,329 | 0 | (34,836) |
| Other Financing Sources | | | | |
| Transfers In | 212,278 | 0 | 0 | 14,862 |
| <i>Net Change in Fund Balances</i> | (15,293) | 39,329 | 0 | (19,974) |
| <i>Fund Balances Beginning of Year</i> | <u>109,655</u> | <u>209,614</u> | <u>63,003</u> | <u>106,667</u> |
| <i>Fund Balances End of Year</i> | <u>\$94,362</u> | <u>\$248,943</u> | <u>\$63,003</u> | <u>\$86,693</u> |

(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, 2020

| | Law Enforcement | Enforcement and Education | Cemetery Maintenance | Permissive |
|---|--------------------|------------------------------|-------------------------|------------------|
| Revenues | | | | |
| Intergovernmental | \$0 | \$0 | \$0 | \$0 |
| Interest | 0 | 0 | 0 | 0 |
| Fines, Licenses and Permits | 1,766 | 227 | 0 | 63,042 |
| Charges for Services | 0 | 0 | 30,358 | 0 |
| Contributions and Donations | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| <i>Total Revenues</i> | <u>1,766</u> | <u>227</u> | <u>30,358</u> | <u>63,042</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 0 | 0 | 0 | 0 |
| Security of Persons and Property: | | | | |
| Police | 2,264 | 740 | 0 | 0 |
| Fire | 0 | 0 | 0 | 0 |
| Transportation | 0 | 0 | 0 | 0 |
| Public Health and Welfare | 0 | 0 | 10,495 | 0 |
| Leisure Time Activities | 0 | 0 | 0 | 0 |
| Basic Utility Service | 0 | 0 | 0 | 0 |
| <i>Total Expenditures</i> | <u>2,264</u> | <u>740</u> | <u>10,495</u> | <u>0</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (498) | (513) | 19,863 | 63,042 |
| Other Financing Sources | | | | |
| Transfers In | 0 | 0 | 0 | 0 |
| <i>Net Change in Fund Balances</i> | (498) | (513) | 19,863 | 63,042 |
| <i>Fund Balances Beginning of Year</i> | <u>5,839</u> | <u>5,944</u> | <u>293,182</u> | <u>464,606</u> |
| <i>Fund Balances End of Year</i> | <u>\$5,341</u> | <u>\$5,431</u> | <u>\$313,045</u> | <u>\$527,648</u> |

| First Responders | Blooming Orrville | Emergency Medical Service Equipment | Performing Arts | Continuing Professional Training Grant | Coronavirus Relief | Total Nonmajor Special Revenue Funds |
|------------------|-------------------|-------------------------------------|-----------------|--|--------------------|--------------------------------------|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$552,376 | \$1,118,436 |
| 0 | 0 | 0 | 83 | 0 | 1,002 | 3,479 |
| 0 | 0 | 0 | 0 | 0 | 0 | 65,035 |
| 0 | 0 | 92,461 | 0 | 0 | 0 | 598,325 |
| 9,657 | 15,249 | 0 | 300 | 0 | 0 | 25,206 |
| 0 | 0 | 0 | 0 | 0 | 0 | 42,908 |
| 9,657 | 15,249 | 92,461 | 383 | 0 | 553,378 | 1,853,389 |
| 2,210 | 0 | 0 | 0 | 0 | 155,488 | 157,698 |
| 0 | 0 | 0 | 0 | 1,104 | 151,129 | 155,237 |
| 0 | 0 | 0 | 0 | 0 | 126,356 | 126,356 |
| 0 | 0 | 0 | 0 | 0 | 0 | 799,604 |
| 0 | 0 | 13,665 | 0 | 0 | 0 | 24,160 |
| 0 | 16,109 | 0 | 100 | 0 | 0 | 16,209 |
| 0 | 0 | 0 | 0 | 0 | 120,405 | 630,747 |
| 2,210 | 16,109 | 13,665 | 100 | 1,104 | 553,378 | 1,910,011 |
| 7,447 | (860) | 78,796 | 283 | (1,104) | 0 | (56,622) |
| 0 | 0 | 0 | 0 | 0 | 0 | 227,140 |
| 7,447 | (860) | 78,796 | 283 | (1,104) | 0 | 170,518 |
| 18,402 | 5,460 | 248,784 | 8,217 | 10,243 | 0 | 1,549,616 |
| \$25,849 | \$4,600 | \$327,580 | \$8,500 | \$9,139 | \$0 | \$1,720,134 |

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2020

| | General Obligation Bond Retirement | Special Assessment Bond Retirement | Total Nonmajor Debt Service Funds |
|--|---|---|--|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$4,152 | \$193,381 | \$197,533 |
| Accrued Interest Receivable | 0 | 291 | 291 |
| Special Assessments Receivable | 0 | 20,069 | 20,069 |
| <i>Total Assets</i> | <u>\$4,152</u> | <u>\$213,741</u> | <u>\$217,893</u> |
| Deferred Inflows of Resources | | | |
| Unavailable Revenue | \$0 | \$20,069 | \$20,069 |
| Fund Balances | | | |
| Restricted | <u>4,152</u> | <u>193,672</u> | <u>197,824</u> |
| <i>Total Deferred Inflows of Resources and Fund Balances</i> | <u>\$4,152</u> | <u>\$213,741</u> | <u>\$217,893</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, 2020

| | General Obligation Bond Retirement | Special Assessment Bond Retirement | Total Nonmajor Debt Service Funds |
|--|---|---|--|
| Revenues | | | |
| Special Assessments | \$0 | \$2,094 | \$2,094 |
| Expenditures | | | |
| Current: | | | |
| General Government | 0 | 99 | 99 |
| <i>Net Change in Fund Balances</i> | 0 | 1,995 | 1,995 |
| <i>Fund Balances Beginning of Year</i> | 4,152 | 191,677 | 195,829 |
| <i>Fund Balances End of Year</i> | <u>\$4,152</u> | <u>\$193,672</u> | <u>\$197,824</u> |

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2020

| | Park Improvement | Recreation and Park | Grants | Community Development Block Grant | Total Nonmajor Capital Projects Funds |
|--|---------------------|------------------------|------------------|---|--|
| Assets | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$3,390 | \$36,535 | \$133,384 | \$113,868 | \$287,177 |
| Accrued Interest Receivable | 5 | 0 | 0 | 0 | 5 |
| Intergovernmental Receivable | 0 | 0 | 120,506 | 0 | 120,506 |
| <i>Total Assets</i> | <u>\$3,395</u> | <u>\$36,535</u> | <u>\$253,890</u> | <u>\$113,868</u> | <u>\$407,688</u> |
| Liabilities | | | | | |
| Contracts Payable | \$0 | \$0 | \$16,184 | \$0 | \$16,184 |
| Intergovernmental Payable | 0 | 0 | 120,506 | 0 | 120,506 |
| <i>Total Liabilities</i> | <u>0</u> | <u>0</u> | <u>136,690</u> | <u>0</u> | <u>136,690</u> |
| Deferred Inflows of Resources | | | | | |
| Unavailable Revenue | 0 | 0 | 46,813 | 0 | 46,813 |
| Fund Balances | | | | | |
| Restricted | 0 | 0 | 70,387 | 113,868 | 184,255 |
| Assigned | 3,395 | 36,535 | 0 | 0 | 39,930 |
| <i>Total Fund Balances</i> | <u>3,395</u> | <u>36,535</u> | <u>70,387</u> | <u>113,868</u> | <u>224,185</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$3,395</u> | <u>\$36,535</u> | <u>\$253,890</u> | <u>\$113,868</u> | <u>\$407,688</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, 2020

| | Park Improvement | Recreation and Park | Grants | Community Development Block Grant | Total Nonmajor Capital Projects Funds |
|--|---------------------|------------------------|-----------|---|--|
| Revenues | | | | | |
| Intergovernmental | \$0 | \$0 | \$365,376 | \$0 | \$365,376 |
| Interest | 25 | 0 | 0 | 0 | 25 |
| Fines, Licenses and Permits | 0 | 700 | 0 | 0 | 700 |
| Contributions and Donations | 992 | 0 | 0 | 0 | 992 |
| <i>Total Revenues</i> | 1,017 | 700 | 365,376 | 0 | 367,093 |
| Expenditures | | | | | |
| Capital Outlay | 0 | 0 | 428,373 | 0 | 428,373 |
| <i>Net Change in Fund Balances</i> | 1,017 | 700 | (62,997) | 0 | (61,280) |
| <i>Fund Balances Beginning of Year</i> | 2,378 | 35,835 | 133,384 | 113,868 | 285,465 |
| <i>Fund Balances End of Year</i> | \$3,395 | \$36,535 | \$70,387 | \$113,868 | \$224,185 |

**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, 2020

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---------------------------------|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Property Taxes | \$470,000 | \$470,000 | \$490,172 | \$20,172 |
| Income Taxes | 3,670,000 | 4,274,000 | 5,050,645 | 776,645 |
| Kilowatt Per Hour Tax | 1,185,000 | 1,185,000 | 858,760 | (326,240) |
| Intergovernmental | 251,500 | 251,500 | 311,598 | 60,098 |
| Interest | 68,100 | 85,500 | 103,462 | 17,962 |
| Fines, Licenses and Permits | 27,500 | 27,500 | 43,642 | 16,142 |
| Rentals | 200 | 200 | 595 | 395 |
| Charges for Services | 323,500 | 333,500 | 332,974 | (526) |
| Contributions and Donations | 11,000 | 11,000 | 6,500 | (4,500) |
| Other | 1,000 | 1,000 | 262,098 | 261,098 |
| <i>Total Revenues</i> | <u>6,007,800</u> | <u>6,639,200</u> | <u>7,460,446</u> | <u>821,246</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| City Council: | | | | |
| Personal Services | 43,617 | 43,617 | 43,617 | 0 |
| City Hall: | | | | |
| Personal Services | 194,555 | 196,855 | 196,855 | 0 |
| Purchased Services | 46,243 | 47,743 | 25,319 | 22,424 |
| Materials and Supplies | 9,380 | 10,380 | 3,833 | 6,547 |
| Utilities | 8,782 | 9,082 | 7,561 | 1,521 |
| Total City Hall | <u>258,960</u> | <u>264,060</u> | <u>233,568</u> | <u>30,492</u> |
| Finance Department: | | | | |
| Personal Services | 95,026 | 103,462 | 103,462 | 0 |
| Purchased Services | 50,067 | 50,127 | 42,329 | 7,798 |
| Materials and Supplies | 3,716 | 3,716 | 2,042 | 1,674 |
| Utilities | 347 | 347 | 264 | 83 |
| Total Finance Department | <u>149,156</u> | <u>157,652</u> | <u>148,097</u> | <u>9,555</u> |
| Personnel: | | | | |
| Personal Services | 125,638 | 125,738 | 125,738 | 0 |
| Purchased Services | 9,177 | 9,177 | 6,172 | 3,005 |
| Materials and Supplies | 5,858 | 5,858 | 1,859 | 3,999 |
| Utilities | 1,320 | 1,320 | 1,121 | 199 |
| Total Personnel | <u>\$141,993</u> | <u>\$142,093</u> | <u>\$134,890</u> | <u>\$7,203</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, 2020

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|--------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Data Processing: | | | | |
| Personal Services | \$25,684 | \$25,778 | \$25,778 | \$0 |
| Purchased Services | 22,000 | 22,000 | 20,760 | 1,240 |
| Materials and Supplies | 12,674 | 15,674 | 9,197 | 6,477 |
| Utilities | 9,255 | 9,255 | 9,255 | 0 |
| Total Data Processing | 69,613 | 72,707 | 64,990 | 7,717 |
| Income Tax: | | | | |
| Personal Services | 76,196 | 87,624 | 87,624 | 0 |
| Purchased Services | 850 | 1,850 | 766 | 1,084 |
| Materials and Supplies | 4,484 | 4,484 | 4,029 | 455 |
| Utilities | 828 | 828 | 574 | 254 |
| Total Income Tax | 82,358 | 94,786 | 92,993 | 1,793 |
| Law Department: | | | | |
| Personal Services | 42,381 | 43,421 | 43,421 | 0 |
| Purchased Services | 66,086 | 66,086 | 30,143 | 35,943 |
| Total Law Department | 108,467 | 109,507 | 73,564 | 35,943 |
| Mayor's Office: | | | | |
| Personal Services | 46,760 | 35,360 | 35,360 | 0 |
| Purchased Services | 350 | 350 | 0 | 350 |
| Utilities | 621 | 621 | 386 | 235 |
| Total Mayor's Office | 47,731 | 36,331 | 35,746 | 585 |
| Administrative: | | | | |
| Personal Services | 443,532 | 445,032 | 445,032 | 0 |
| Purchased Services | 331,911 | 292,361 | 268,358 | 24,003 |
| Materials and Supplies | 22,762 | 25,062 | 15,281 | 9,781 |
| Other | 20,001 | 20,001 | 14,646 | 5,355 |
| Total Administrative | 818,206 | 782,456 | 743,317 | 39,139 |
| Total General Government | 1,720,101 | 1,703,209 | 1,570,782 | 132,427 |
| Security of Persons and Property: | | | | |
| Police: | | | | |
| Law Enforcement: | | | | |
| Personal Services | 2,165,493 | 2,200,393 | 1,913,627 | 286,766 |
| Purchased Services | 332,932 | 332,932 | 313,999 | 18,933 |
| Materials and Supplies | 115,555 | 118,455 | 90,804 | 27,651 |
| Utilities | 42,264 | 44,264 | 40,691 | 3,573 |
| Total Police | \$2,656,244 | \$2,696,044 | \$2,359,121 | \$336,923 |

(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, 2020

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Fire: | | | | |
| Fire Department: | | | | |
| Personal Services | \$358,450 | \$354,450 | \$231,491 | \$122,959 |
| Purchased Services | 84,653 | 384,653 | 361,743 | 22,910 |
| Materials and Supplies | 103,309 | 106,409 | 94,484 | 11,925 |
| Utilities | 17,581 | 17,581 | 9,609 | 7,972 |
| Total Fire | <u>563,993</u> | <u>863,093</u> | <u>697,327</u> | <u>165,766</u> |
| Total Security of Persons and Property | <u>3,220,237</u> | <u>3,559,137</u> | <u>3,056,448</u> | <u>502,689</u> |
| Transportation: | | | | |
| Street: | | | | |
| Personal Services | 514,435 | 606,235 | 495,978 | 110,257 |
| Purchased Services | 47,882 | 47,882 | 24,770 | 23,112 |
| Materials and Supplies | 327,368 | 312,368 | 171,219 | 141,149 |
| Total Transportation | <u>889,685</u> | <u>966,485</u> | <u>691,967</u> | <u>274,518</u> |
| Public Health and Welfare: | | | | |
| Animal Control: | | | | |
| Purchased Services | 13,767 | 13,767 | 11,320 | 2,447 |
| Materials and Supplies | 27,723 | 27,723 | 27,723 | 0 |
| Total Animal Control | <u>41,490</u> | <u>41,490</u> | <u>39,043</u> | <u>2,447</u> |
| Cemetery: | | | | |
| Personal Services | 149,364 | 150,464 | 150,464 | 0 |
| Purchased Services | 8,241 | 9,141 | 8,208 | 933 |
| Materials and Supplies | 79,926 | 79,926 | 25,404 | 54,522 |
| Utilities | 5,035 | 5,035 | 2,846 | 2,189 |
| Total Cemetery | <u>242,566</u> | <u>244,566</u> | <u>186,922</u> | <u>57,644</u> |
| Total Public Health and Welfare | <u>284,056</u> | <u>286,056</u> | <u>225,965</u> | <u>60,091</u> |
| Leisure Time Activities: | | | | |
| Park: | | | | |
| Personal Services | 191,000 | 191,000 | 122,496 | 68,504 |
| Purchased Services | 19,452 | 21,452 | 15,645 | 5,807 |
| Materials and Supplies | 49,242 | 50,742 | 29,561 | 21,181 |
| Utilities | 5,969 | 6,469 | 6,469 | 0 |
| Total Park | <u>\$265,663</u> | <u>\$269,663</u> | <u>\$174,171</u> | <u>\$95,492</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, 2020*

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Pool: | | | | |
| Personal Services | \$92,500 | \$98,000 | \$60,656 | \$37,344 |
| Purchased Services | 5,103 | 5,653 | 5,653 | 0 |
| Materials and Supplies | 23,639 | 23,639 | 15,517 | 8,122 |
| Utilities | 15,328 | 16,228 | 7,830 | 8,398 |
| Total Pool | 136,570 | 143,520 | 89,656 | 53,864 |
| Recreation: | | | | |
| Materials and Supplies | 2,500 | 2,500 | 2,463 | 37 |
| Total Leisure Time Activities | 404,733 | 415,683 | 266,290 | 149,393 |
| Debt Service: | | | | |
| Principal | 25,000 | 25,000 | 12,011 | 12,989 |
| Total Expenditures | 6,543,812 | 6,955,570 | 5,823,463 | 1,132,107 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <i>(536,012)</i> | <i>(316,370)</i> | <i>1,636,983</i> | <i>1,953,353</i> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 0 | 0 | 4,882 | 4,882 |
| Transfers Out | (2,260,000) | (1,760,000) | (1,085,900) | 674,100 |
| Total Other Financing Sources (Uses) | (2,260,000) | (1,760,000) | (1,081,018) | 678,982 |
| Net Change in Fund Balance | (2,796,012) | (2,076,370) | 555,965 | 2,632,335 |
| Fund Balance Beginning of Year | 5,553,720 | 5,553,720 | 5,553,720 | 0 |
| Prior Year Encumbrances Appropriated | 255,035 | 255,035 | 255,035 | 0 |
| Fund Balance End of Year | \$3,012,743 | \$3,732,385 | \$6,364,720 | \$2,632,335 |

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, 2020*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|--------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Income Taxes | \$1,800,000 | \$1,950,000 | \$2,115,061 | \$165,061 |
| Intergovernmental | 0 | 0 | 225,316 | 225,316 |
| Charges for Services | 0 | 0 | 650 | 650 |
| Other | 500,000 | 594,000 | 0 | (594,000) |
| <i>Total Revenues</i> | 2,300,000 | 2,544,000 | 2,341,027 | (202,973) |
| Expenditures | | | | |
| Capital Outlay | 2,821,010 | 2,881,160 | 1,957,733 | 923,427 |
| <i>Net Change in Fund Balance</i> | (521,010) | (337,160) | 383,294 | 720,454 |
| <i>Fund Balance Beginning of Year</i> | 1,444,931 | 1,444,931 | 1,444,931 | 0 |
| Prior Year Encumbrances Appropriated | 636,160 | 636,160 | 636,160 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$1,560,081</u> | <u>\$1,743,931</u> | <u>\$2,464,385</u> | <u>\$720,454</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, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--------------------------------------|-------------------------|--------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Interest | \$27,800 | \$39,900 | \$50,909 | \$11,009 |
| Charges for Services | 2,442,000 | 2,362,000 | 2,356,810 | (5,190) |
| Other | 400 | 400 | 72,007 | 71,607 |
| <i>Total Revenues</i> | <u>2,470,200</u> | <u>2,402,300</u> | <u>2,479,726</u> | <u>77,426</u> |
| Expenses | | | | |
| Personal Services | 1,615,651 | 1,619,951 | 1,394,991 | 224,960 |
| Purchased Services | 400,050 | 400,050 | 278,451 | 121,599 |
| Materials and Supplies | 383,200 | 383,200 | 244,961 | 138,239 |
| Utilities | 178,638 | 178,638 | 143,543 | 35,095 |
| Capital Outlay | 514,712 | 524,712 | 36,364 | 488,348 |
| <i>Total Expenses</i> | <u>3,092,251</u> | <u>3,106,551</u> | <u>2,098,310</u> | <u>1,008,241</u> |
| <i>Net Change in Fund Equity</i> | (622,051) | (704,251) | 381,416 | 1,085,667 |
| <i>Fund Equity Beginning of Year</i> | 4,083,994 | 4,083,994 | 4,083,994 | 0 |
| Prior Year Encumbrances Appropriated | <u>188,750</u> | <u>188,750</u> | <u>188,750</u> | <u>0</u> |
| <i>Fund Equity End of Year</i> | <u>\$3,650,693</u> | <u>\$3,568,493</u> | <u>\$4,654,160</u> | <u>\$1,085,667</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, 2020

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Interest | \$466,600 | \$466,600 | \$546,026 | \$79,426 |
| Charges for Services | 31,933,000 | 31,933,000 | 31,098,784 | (834,216) |
| Other | 471,750 | 471,750 | 726,365 | 254,615 |
| <i>Total Revenues</i> | <u>32,871,350</u> | <u>32,871,350</u> | <u>32,371,175</u> | <u>(500,175)</u> |
| Expenses | | | | |
| Personal Services | 6,221,786 | 6,277,186 | 5,487,172 | 790,014 |
| Purchased Services | 2,663,471 | 2,769,571 | 2,310,495 | 459,076 |
| Materials and Supplies | 23,481,996 | 21,118,196 | 19,821,383 | 1,296,813 |
| Utilities | 1,588,331 | 1,205,332 | 1,205,332 | 0 |
| Capital Outlay | 2,755,743 | 6,967,743 | 1,942,230 | 5,025,513 |
| <i>Total Expenses</i> | <u>36,711,327</u> | <u>38,338,028</u> | <u>30,766,612</u> | <u>7,571,416</u> |
| <i>Excess of Revenues Over (Under) Expenses before Transfers</i> | (3,839,977) | (5,466,678) | 1,604,563 | 7,071,241 |
| Transfers In | 910,000 | 910,000 | 858,760 | (51,240) |
| <i>Net Change in Fund Equity</i> | (2,929,977) | (4,556,678) | 2,463,323 | 7,020,001 |
| <i>Fund Equity Beginning of Year</i> | 46,784,697 | 46,784,697 | 46,784,697 | 0 |
| Prior Year Encumbrances Appropriated | 988,629 | 988,629 | 988,629 | 0 |
| <i>Fund Equity End of Year</i> | <u>\$44,843,349</u> | <u>\$43,216,648</u> | <u>\$50,236,649</u> | <u>\$7,020,001</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, 2020

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--------------------------------------|-------------------------|--------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Interest | \$35,500 | \$48,900 | \$53,744 | \$4,844 |
| Charges for Services | 3,622,000 | 3,539,000 | 3,530,706 | (8,294) |
| Capital Grants | 0 | 0 | 4,113 | 4,113 |
| Other | 7,200 | 4,500 | 65,475 | 60,975 |
| Sale of Capital Assets | 20,000 | 0 | 0 | 0 |
| <i>Total Revenues</i> | <u>3,684,700</u> | <u>3,592,400</u> | <u>3,654,038</u> | <u>61,638</u> |
| Expenses | | | | |
| Personal Services | 1,626,601 | 1,631,601 | 1,313,938 | 317,663 |
| Purchased Services | 327,390 | 358,890 | 301,150 | 57,740 |
| Materials and Supplies | 545,341 | 545,841 | 315,612 | 230,229 |
| Utilities | 317,912 | 317,912 | 249,293 | 68,619 |
| Capital Outlay | 1,880,101 | 1,750,101 | 658,197 | 1,091,904 |
| Debt Service: | | | | |
| Principal Retirement | 367,834 | 345,834 | 345,834 | 0 |
| Interest and Fiscal Charges | 26,462 | 21,462 | 21,462 | 0 |
| <i>Total Expenses</i> | <u>5,091,641</u> | <u>4,971,641</u> | <u>3,205,486</u> | <u>1,766,155</u> |
| <i>Net Change in Fund Equity</i> | (1,406,941) | (1,379,241) | 448,552 | 1,827,793 |
| <i>Fund Equity Beginning of Year</i> | 3,963,972 | 3,963,972 | 3,963,972 | 0 |
| Prior Year Encumbrances Appropriated | 733,340 | 733,340 | 733,340 | 0 |
| <i>Fund Equity End of Year</i> | <u>\$3,290,371</u> | <u>\$3,318,071</u> | <u>\$5,145,864</u> | <u>\$1,827,793</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, 2020*

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Intergovernmental | \$383,500 | \$483,500 | \$528,400 | \$44,900 |
| Interest | 0 | 0 | 111 | 111 |
| Other | 0 | 0 | 42,908 | 42,908 |
| <i>Total Revenues</i> | <u>383,500</u> | <u>483,500</u> | <u>571,419</u> | <u>87,919</u> |
| Expenditures | | | | |
| Current: | | | | |
| Transportation: | | | | |
| Street Repair and Maintenance: | | | | |
| Personal Services | 921,850 | 999,950 | 728,914 | 271,036 |
| Purchased Services | 9,068 | 9,068 | 2,768 | 6,300 |
| Materials and Supplies | 111,546 | 111,146 | 85,982 | 25,164 |
| Utilities | 19,830 | 19,830 | 12,984 | 6,846 |
| <i>Total Expenditures</i> | <u>1,062,294</u> | <u>1,139,994</u> | <u>830,648</u> | <u>309,346</u> |
| <i>Excess of Revenues Under Expenditures</i> | (678,794) | (656,494) | (259,229) | 397,265 |
| Other Financing Sources | | | | |
| Transfers In | 615,000 | 615,000 | 212,278 | (402,722) |
| <i>Net Change in Fund Balance</i> | (63,794) | (41,494) | (46,951) | (5,457) |
| <i>Fund Balance Beginning of Year</i> | 58,381 | 58,381 | 58,381 | 0 |
| Prior Year Encumbrances Appropriated | 21,945 | 21,945 | 21,945 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$16,532</u> | <u>\$38,832</u> | <u>\$33,375</u> | <u>(\$5,457)</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, 2020*

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|-------------------------|-------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental | \$30,500 | \$30,500 | \$42,687 | \$12,187 |
| Interest | 1,630 | 2,600 | 2,802 | 202 |
| <i>Total Revenues</i> | <u>32,130</u> | <u>33,100</u> | <u>45,489</u> | <u>12,389</u> |
| Expenditures | | | | |
| Current: | | | | |
| Transportation: | | | | |
| Street Repair and Maintenance: | | | | |
| Purchased Services | 100,000 | 100,000 | 100,000 | 0 |
| Materials and Supplies | 5,000 | 5,000 | 0 | 5,000 |
| <i>Total Expenditures</i> | <u>105,000</u> | <u>105,000</u> | <u>100,000</u> | <u>5,000</u> |
| <i>Net Change in Fund Balance</i> | (72,870) | (71,900) | (54,511) | 17,389 |
| <i>Fund Balance Beginning of Year</i> | 196,424 | 196,424 | 196,424 | 0 |
| Prior Year Encumbrances Appropriated | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$223,554</u></u> | <u><u>\$224,524</u></u> | <u><u>\$241,913</u></u> | <u><u>\$17,389</u></u> |

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Motor Vehicle License Fund
For the Year Ended December 31, 2020*

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|------------------------|------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Intergovernmental | \$0 | \$0 | \$0 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Transportation: | | | | |
| Street Repair and Maintenance: | | | | |
| Materials and Supplies | <u>5,000</u> | <u>5,000</u> | <u>0</u> | <u>5,000</u> |
| <i>Net Change in Fund Balance</i> | (5,000) | (5,000) | 0 | 5,000 |
| <i>Fund Balance Beginning of Year</i> | <u>63,003</u> | <u>63,003</u> | <u>63,003</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$58,003</u></u> | <u><u>\$58,003</u></u> | <u><u>\$63,003</u></u> | <u><u>\$5,000</u></u> |

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Solid Waste Fund
For the Year Ended December 31, 2020*

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------------|------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Charges for Services | \$439,000 | \$439,000 | \$457,489 | \$18,489 |
| Expenditures | | | | |
| Current: | | | | |
| Basic Utility Service: | | | | |
| Solid Waste Services: | | | | |
| Purchased Services | <u>451,044</u> | <u>524,044</u> | <u>464,326</u> | <u>59,718</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (12,044) | (85,044) | (6,837) | 78,207 |
| Other Financing Sources | | | | |
| Transfers In | <u>14,000</u> | <u>14,000</u> | <u>14,862</u> | <u>862</u> |
| <i>Net Change in Fund Balance</i> | 1,956 | (71,044) | 8,025 | 79,069 |
| <i>Fund Balance Beginning of Year</i> | 83,038 | 83,038 | 83,038 | 0 |
| Prior Year Encumbrances Appropriated | <u>45</u> | <u>45</u> | <u>45</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$85,039</u></u> | <u><u>\$12,039</u></u> | <u><u>\$91,108</u></u> | <u><u>\$79,069</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, 2020*

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|-----------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Fines, Licenses and Permits | \$2,500 | \$2,500 | \$1,606 | (\$894) |
| Expenditures | | | | |
| Current: | | | | |
| Security of Persons and Property: | | | | |
| Police: | | | | |
| Law Enforcement: | | | | |
| Materials and Supplies | <u>3,000</u> | <u>5,000</u> | <u>2,264</u> | <u>2,736</u> |
| <i>Net Change in Fund Balance</i> | (500) | (2,500) | (658) | 1,842 |
| <i>Fund Balance Beginning of Year</i> | <u>5,699</u> | <u>5,699</u> | <u>5,699</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$5,199</u></u> | <u><u>\$3,199</u></u> | <u><u>\$5,041</u></u> | <u><u>\$1,842</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, 2020*

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|-----------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Fines, Licenses and Permits | \$350 | \$350 | \$202 | (\$148) |
| Expenditures | | | | |
| Current: | | | | |
| Security of Persons and Property: | | | | |
| Police: | | | | |
| Law Enforcement: | | | | |
| Materials and Supplies | <u>3,000</u> | <u>3,000</u> | <u>740</u> | <u>2,260</u> |
| <i>Net Change in Fund Balance</i> | (2,650) | (2,650) | (538) | 2,112 |
| <i>Fund Balance Beginning of Year</i> | <u>5,944</u> | <u>5,944</u> | <u>5,944</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$3,294</u></u> | <u><u>\$3,294</u></u> | <u><u>\$5,406</u></u> | <u><u>\$2,112</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, 2020*

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|-------------------------|-------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Charges for Services | \$18,000 | \$18,000 | \$31,008 | \$13,008 |
| Expenditures | | | | |
| Current: | | | | |
| Public Health and Welfare: | | | | |
| Cemetery Maintenance: | | | | |
| Materials and Supplies | <u>100,000</u> | <u>125,000</u> | <u>10,495</u> | <u>114,505</u> |
| <i>Net Change in Fund Balance</i> | (82,000) | (107,000) | 20,513 | 127,513 |
| <i>Fund Balance Beginning of Year</i> | <u>292,382</u> | <u>292,382</u> | <u>292,382</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$210,382</u></u> | <u><u>\$185,382</u></u> | <u><u>\$312,895</u></u> | <u><u>\$127,513</u></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, 2020*

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|-------------------------|-------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Fines, Licenses and Permits | <u>\$59,000</u> | <u>\$60,000</u> | <u>\$63,608</u> | <u>\$3,608</u> |
| Expenditures | | | | |
| Current: | | | | |
| Transportation: | | | | |
| Street Repair and Maintenance: | | | | |
| Purchased Services | 54,339 | 54,339 | 54,339 | 0 |
| Materials and Supplies | <u>25,000</u> | <u>25,000</u> | <u>0</u> | <u>25,000</u> |
| <i>Total Expenditures</i> | <u>79,339</u> | <u>79,339</u> | <u>54,339</u> | <u>25,000</u> |
| <i>Net Change in Fund Balance</i> | (20,339) | (19,339) | 9,269 | 28,608 |
| <i>Fund Balance Beginning of Year</i> | 453,907 | 453,907 | 453,907 | 0 |
| Prior Year Encumbrances Appropriated | <u>54,339</u> | <u>54,339</u> | <u>54,339</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$487,907</u></u> | <u><u>\$488,907</u></u> | <u><u>\$517,515</u></u> | <u><u>\$28,608</u></u> |

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
First Responders Fund
For the Year Ended December 31, 2020*

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|------------------------|------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Contributions and Donations | <u>\$3,500</u> | <u>\$3,500</u> | <u>\$9,657</u> | <u>\$6,157</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Administrative: | | | | |
| Purchased Services | 100 | 100 | 0 | 100 |
| Materials and Supplies | <u>7,216</u> | <u>7,216</u> | <u>2,437</u> | <u>4,779</u> |
| <i>Total Expenditures</i> | <u>7,316</u> | <u>7,316</u> | <u>2,437</u> | <u>4,879</u> |
| <i>Net Change in Fund Balance</i> | (3,816) | (3,816) | 7,220 | 11,036 |
| <i>Fund Balance Beginning of Year</i> | 18,390 | 18,390 | 18,390 | 0 |
| Prior Year Encumbrances Appropriated | <u>216</u> | <u>216</u> | <u>216</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$14,790</u></u> | <u><u>\$14,790</u></u> | <u><u>\$25,826</u></u> | <u><u>\$11,036</u></u> |

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Blooming Orrville Fund
For the Year Ended December 31, 2020*

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|------------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Contributions and Donations | \$30,000 | \$30,000 | \$15,249 | (\$14,751) |
| Expenditures | | | | |
| Current: | | | | |
| Leisure Time Activity: | | | | |
| Street Repair and Maintenance: | | | | |
| Purchased Services | <u>25,000</u> | <u>25,000</u> | <u>16,109</u> | <u>8,891</u> |
| <i>Net Change in Fund Balance</i> | 5,000 | 5,000 | (860) | (5,860) |
| <i>Fund Balance Beginning of Year</i> | <u>5,460</u> | <u>5,460</u> | <u>5,460</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$10,460</u></u> | <u><u>\$10,460</u></u> | <u><u>\$4,600</u></u> | <u><u>(\$5,860)</u></u> |

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Medical Service Equipment Fund
For the Year Ended December 31, 2020*

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|---------------------|------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Charges for Services | \$90,000 | \$105,000 | \$87,182 | (\$17,818) |
| Expenditures | | | | |
| Current: | | | | |
| Public Health and Welfare: | | | | |
| Emergency Medical Service: | | | | |
| Materials and Supplies | <u>45,725</u> | <u>345,725</u> | <u>314,499</u> | <u>31,226</u> |
| <i>Net Change in Fund Balance</i> | 44,275 | (240,725) | (227,317) | 13,408 |
| <i>Fund Balance Beginning of Year</i> | 235,447 | 235,447 | 235,447 | 0 |
| Prior Year Encumbrances Appropriated | <u>5,725</u> | <u>5,725</u> | <u>5,725</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$285,447</u></u> | <u><u>\$447</u></u> | <u><u>\$13,855</u></u> | <u><u>\$13,408</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, 2020*

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|----------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Interest | \$35 | \$50 | \$94 | \$44 |
| Contributions and Donations | 4,750 | 4,950 | 300 | (4,650) |
| <i>Total Revenues</i> | <u>4,785</u> | <u>5,000</u> | <u>394</u> | <u>(4,606)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Leisure Time Activities: | | | | |
| Performing Arts: | | | | |
| Purchased Services | 6,000 | 6,000 | 0 | 6,000 |
| Materials and Supplies | 750 | 750 | 100 | 650 |
| <i>Total Expenditures</i> | <u>6,750</u> | <u>6,750</u> | <u>100</u> | <u>6,650</u> |
| <i>Net Change in Fund Balance</i> | (1,965) | (1,750) | 294 | 2,044 |
| <i>Fund Balance Beginning of Year</i> | <u>8,193</u> | <u>8,193</u> | <u>8,193</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$6,228</u> | <u>\$6,443</u> | <u>\$8,487</u> | <u>\$2,044</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, 2020*

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|-----------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | \$0 | \$0 | \$0 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Security of Persons and Property: | | | | |
| Police: | | | | |
| Purchased Services | <u>3,000</u> | <u>3,000</u> | <u>2,208</u> | <u>792</u> |
| <i>Net Change in Fund Balance</i> | (3,000) | (3,000) | (2,208) | 792 |
| <i>Fund Balance Beginning of Year</i> | <u>11,347</u> | <u>11,347</u> | <u>11,347</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$8,347</u></u> | <u><u>\$8,347</u></u> | <u><u>\$9,139</u></u> | <u><u>\$792</u></u> |

City of Orrville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Coronavirus Relief Fund
For the Year Ended December 31, 2020

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Intergovernmental | \$510,000 | \$1,000,000 | \$726,606 | (\$273,394) |
| Interest | 0 | 0 | 447 | 447 |
| <i>Total Revenues</i> | <u>510,000</u> | <u>1,000,000</u> | <u>727,053</u> | <u>(272,947)</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Administration: | | | | |
| Purchased Services | 61,560 | 135,000 | 124,622 | 10,378 |
| Materials and Supplies | 87,552 | 192,000 | 112,254 | 79,746 |
| Total General Government | <u>149,112</u> | <u>327,000</u> | <u>236,876</u> | <u>90,124</u> |
| Security of Persons and Property: | | | | |
| Police: | | | | |
| Law Enforcement: | | | | |
| Personal Services | 91,656 | 201,000 | 132,469 | 68,531 |
| Purchased Services | 38,760 | 85,000 | 63,718 | 21,282 |
| Materials and Supplies | 1,824 | 4,000 | 2,018 | 1,982 |
| Total Police | <u>132,240</u> | <u>290,000</u> | <u>198,205</u> | <u>91,795</u> |
| Fire: | | | | |
| Fire Department: | | | | |
| Personal Services | 46,968 | 103,000 | 74,626 | 28,374 |
| Purchased Services | 20,520 | 45,000 | 38,120 | 6,880 |
| Materials and Supplies | 13,680 | 30,000 | 22,048 | 7,952 |
| Total Fire | <u>81,168</u> | <u>178,000</u> | <u>134,794</u> | <u>43,206</u> |
| Total Security of Persons and Property | <u>213,408</u> | <u>468,000</u> | <u>332,999</u> | <u>135,001</u> |
| Basic Utility Service: | | | | |
| Administration: | | | | |
| Purchased Services | 57,000 | 125,000 | 96,396 | 28,604 |
| Materials and Supplies | 36,480 | 80,000 | 29,149 | 50,851 |
| Total Basic Utility Service | <u>93,480</u> | <u>205,000</u> | <u>125,545</u> | <u>79,455</u> |
| <i>Total Expenditures</i> | <u>456,000</u> | <u>1,000,000</u> | <u>695,420</u> | <u>304,580</u> |
| <i>Net Change in Fund Balance</i> | 54,000 | 0 | 31,633 | 31,633 |
| <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>\$54,000</u> | <u>\$0</u> | <u>\$31,633</u> | <u>\$31,633</u> |

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2020*

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Special Assessments | \$8,100 | \$8,100 | \$2,094 | (\$6,006) |
| Interest | 1,500 | 2,100 | 257 | (1,843) |
| <i>Total Revenues</i> | 9,600 | 10,200 | 2,351 | (7,849) |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Purchased Services | 1,000 | 1,000 | 99 | 901 |
| <i>Net Change in Fund Balance</i> | 8,600 | 9,200 | 2,252 | (6,948) |
| <i>Fund Balance Beginning of Year</i> | 191,129 | 191,129 | 191,129 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$199,729</u> | <u>\$200,329</u> | <u>\$193,381</u> | <u>(\$6,948)</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, 2020*

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|----------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Interest | \$20 | \$20 | \$27 | \$7 |
| Contributions and Donations | 0 | 0 | 992 | 992 |
| <i>Total Revenues</i> | 20 | 20 | 1,019 | 999 |
| Expenditures | | | | |
| Capital Outlay | 1,000 | 1,000 | 0 | 1,000 |
| <i>Net Change in Fund Balance</i> | (980) | (980) | 1,019 | 1,999 |
| <i>Fund Balance Beginning of Year</i> | 2,371 | 2,371 | 2,371 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$1,391</u> | <u>\$1,391</u> | <u>\$3,390</u> | <u>\$1,999</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, 2020*

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Fines, Licenses and Permits | \$200 | \$200 | \$700 | \$500 |
| Expenditures | | | | |
| Capital Outlay | 500 | 500 | 0 | 500 |
| <i>Net Change in Fund Balance</i> | (300) | (300) | 700 | 1,000 |
| <i>Fund Balance Beginning of Year</i> | 35,835 | 35,835 | 35,835 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$35,535</u> | <u>\$35,535</u> | <u>\$36,535</u> | <u>\$1,000</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, 2020

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Intergovernmental | \$1,000,000 | \$1,000,000 | \$614,021 | (\$385,979) |
| Expenditures | | | | |
| Capital Outlay | <u>1,051,374</u> | <u>1,051,374</u> | <u>927,613</u> | <u>123,761</u> |
| <i>Net Change in Fund Balance</i> | (51,374) | (51,374) | (313,592) | (262,218) |
| <i>Fund Deficit Beginning of Year</i> | (417,990) | (417,990) | (417,990) | 0 |
| Prior Year Encumbrances Appropriated | <u>551,374</u> | <u>551,374</u> | <u>551,374</u> | <u>0</u> |
| <i>Fund Balance (Deficit) End of Year</i> | <u><u>\$82,010</u></u> | <u><u>\$82,010</u></u> | <u><u>(\$180,208)</u></u> | <u><u>(\$262,218)</u></u> |

City of Orrville, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Dental Health Insurance Fund
For the Year Ended December 31, 2020

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--------------------------------------|-------------------------|-------------------------|-------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Interest | \$3,500 | \$5,000 | \$6,274 | \$1,274 |
| Charges for Services | 386,708 | 386,708 | 184,858 | (201,850) |
| <i>Total Revenues</i> | <u>390,208</u> | <u>391,708</u> | <u>191,132</u> | <u>(200,576)</u> |
| Expenses | | | | |
| Purchased Services | 79,710 | 79,710 | 5,714 | 73,996 |
| Claims | 156,998 | 156,998 | 62,246 | 94,752 |
| <i>Total Expenses</i> | <u>236,708</u> | <u>236,708</u> | <u>67,960</u> | <u>168,748</u> |
| <i>Net Change in Fund Equity</i> | 153,500 | 155,000 | 123,172 | (31,828) |
| <i>Fund Equity Beginning of Year</i> | <u>503,829</u> | <u>503,829</u> | <u>503,829</u> | <u>0</u> |
| <i>Fund Equity End of Year</i> | <u><u>\$657,329</u></u> | <u><u>\$658,829</u></u> | <u><u>\$627,001</u></u> | <u><u>(\$31,828)</u></u> |

City of Orrville, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Cemetery Memorial Fund
For the Year Ended December 31, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--------------------------------------|-------------------------|----------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Interest | \$20 | \$20 | \$44 | \$24 |
| Expenses | | | | |
| Materials and Supplies | 100 | 100 | 0 | 100 |
| <i>Net Change in Fund Equity</i> | (80) | (80) | 44 | 124 |
| <i>Fund Equity Beginning of Year</i> | 4,236 | 4,236 | 4,236 | 0 |
| <i>Fund Equity End of Year</i> | <u>\$4,156</u> | <u>\$4,156</u> | <u>\$4,280</u> | <u>\$124</u> |



Statistical Section

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Statistical Section

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

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

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

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

| | 2020 | 2019 | 2018 | 2017 (1) |
|--|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities | | | | |
| Net Investment in Capital Assets | \$53,657,045 | \$52,790,227 | \$51,484,576 | \$51,042,719 |
| Restricted: | | | | |
| Debt Service | 217,893 | 216,939 | 211,619 | 200,513 |
| Capital Projects | 351,574 | 569,590 | 406,222 | 246,852 |
| Street Repair and Maintenance | 1,078,659 | 1,077,857 | 1,182,095 | 1,018,093 |
| Law Enforcement and Education | 19,911 | 22,026 | 20,666 | 23,167 |
| Cemetery Maintenance | 315,560 | 294,586 | 335,285 | 363,798 |
| Other Purposes | 4,600 | 5,460 | 0 | 0 |
| Unrestricted (1) | 4,829,767 | 4,321,589 | (186,087) | (1,123,311) |
| <i>Total Governmental Activities Net Position</i> | <u>60,475,009</u> | <u>59,298,274</u> | <u>53,454,376</u> | <u>51,771,831</u> |
| Business Type - Activities | | | | |
| Net Investment in Capital Assets | 34,247,646 | 34,817,797 | 33,609,805 | 35,568,935 |
| Restricted: | | | | |
| Debt Service | 0 | 0 | 0 | 0 |
| Replacement and Improvement | 0 | 0 | 0 | 0 |
| Unrestricted (1) | 52,764,636 | 48,522,021 | 44,598,705 | 40,562,421 |
| <i>Total Business-Type Activities Net Position</i> | <u>87,012,282</u> | <u>83,339,818</u> | <u>78,208,510</u> | <u>76,131,356</u> |
| Primary Government | | | | |
| Net Investment in Capital Assets | 87,904,691 | 87,608,024 | 85,094,381 | 86,611,654 |
| Restricted | 1,988,197 | 2,186,458 | 2,155,887 | 1,852,423 |
| Unrestricted (1) | 57,594,403 | 52,843,610 | 44,412,618 | 39,439,110 |
| <i>Total Primary Government Net Position</i> | <u>\$147,487,291</u> | <u>\$142,638,092</u> | <u>\$131,662,886</u> | <u>\$127,903,187</u> |

(1) The City reported the impact of GASB Statement No. 68 and 75 beginning in 2014 and 2017, respectively.

| 2016 | 2015 | 2014 (1) | 2013 | 2012 | 2011 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$50,035,165 | \$47,803,815 | \$46,651,815 | \$44,596,582 | \$43,532,213 | \$43,370,414 |
| 210,411 | 201,248 | 206,850 | 167,998 | 178,275 | 188,601 |
| 264,380 | 340,136 | 234,932 | 145,022 | 147,186 | 148,516 |
| 1,026,796 | 865,725 | 699,840 | 606,354 | 491,854 | 449,189 |
| 16,112 | 13,410 | 15,242 | 18,368 | 17,799 | 21,075 |
| 420,852 | 402,807 | 387,038 | 374,477 | 353,402 | 334,225 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 2,895,418 | 4,708,457 | 3,763,350 | 7,934,606 | 6,866,788 | 5,332,158 |
| 54,869,134 | 54,335,598 | 51,959,067 | 53,843,407 | 51,587,517 | 49,844,178 |
| 36,134,763 | 33,514,348 | 34,331,464 | 35,995,830 | 35,863,973 | 36,501,762 |
| 0 | 0 | 0 | 0 | 760,679 | 757,162 |
| 0 | 0 | 0 | 0 | 800,000 | 800,000 |
| 40,625,054 | 38,787,351 | 34,747,551 | 32,108,900 | 28,627,694 | 26,940,593 |
| 76,759,817 | 72,301,699 | 69,079,015 | 68,104,730 | 66,052,346 | 64,999,517 |
| 86,169,928 | 81,318,163 | 80,983,279 | 80,592,412 | 79,396,186 | 79,872,176 |
| 1,938,551 | 1,823,326 | 1,543,902 | 1,312,219 | 2,749,195 | 2,698,768 |
| 43,520,472 | 43,495,808 | 38,510,901 | 40,043,506 | 35,494,482 | 32,272,751 |
| \$131,628,951 | \$126,637,297 | \$121,038,082 | \$121,948,137 | \$117,639,863 | \$114,843,695 |

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

| | 2020 | 2019 | 2018 (1) | 2017 |
|--|--------------------|--------------------|--------------------|--------------------|
| Program Revenues | | | | |
| Governmental Activities: | | | | |
| Charges for Services: | | | | |
| General Government | \$118,989 | \$147,141 | \$105,259 | \$165,112 |
| Security of Persons and Property: | | | | |
| Police | 179,439 | 74,401 | 30,096 | 8,015 |
| Fire | 24,926 | 125,406 | 109,507 | 92,475 |
| Transportation | 109,723 | 62,436 | 66,071 | 65,313 |
| Public Health and Welfare | 140,329 | 149,269 | 173,486 | 158,260 |
| Leisure Time Activities | 19,903 | 84,459 | 86,157 | 101,221 |
| Basic Utility Service | 475,506 | 450,453 | 444,561 | 440,163 |
| Subtotal - Charges for Services | <u>1,068,815</u> | <u>1,093,565</u> | <u>1,015,137</u> | <u>1,030,559</u> |
| Operating Grants and Contributions: | | | | |
| General Government | 164,864 | 18,274 | 26,631 | 17,457 |
| Security of Persons and Property: | | | | |
| Police | 150,855 | 0 | 0 | 8,929 |
| Fire | 126,127 | 4,210 | 590 | 6,700 |
| Transportation | 614,207 | 516,071 | 454,235 | 445,373 |
| Leisure Time Activities | 15,549 | 29,179 | 6,417 | 4,520 |
| Basic Utility Service | 120,187 | 0 | 0 | 0 |
| Subtotal - Operating Grants and Contributions | <u>1,191,789</u> | <u>567,734</u> | <u>487,873</u> | <u>482,979</u> |
| Capital Grants and Contributions: | | | | |
| General Government | 0 | 0 | 0 | 0 |
| Transportation | 568,913 | 1,566,742 | 903,100 | 452,870 |
| Leisure Time Activities | 992 | 0 | 0 | 0 |
| Subtotal - Capital Grants and Contributions | <u>569,905</u> | <u>1,566,742</u> | <u>903,100</u> | <u>452,870</u> |
| <i>Total Governmental Activities Program Revenues</i> | <u>2,830,509</u> | <u>3,228,041</u> | <u>2,406,110</u> | <u>1,966,408</u> |
| Business-Type Activities: | | | | |
| Charges for Services: | | | | |
| Sewer | 2,397,948 | 2,357,134 | 2,314,263 | 2,116,127 |
| Electric | 30,973,855 | 32,105,319 | 33,132,516 | 34,017,923 |
| Water | 3,553,626 | 3,361,995 | 3,252,082 | 2,954,895 |
| Subtotal - Charges for Services | <u>36,925,429</u> | <u>37,824,448</u> | <u>38,698,861</u> | <u>39,088,945</u> |
| Capital Grants and Contributions | | | | |
| Water | 4,113 | 370,553 | 82,023 | 0 |
| <i>Total Business-Type Activities Program Revenues</i> | <u>36,929,542</u> | <u>38,195,001</u> | <u>38,780,884</u> | <u>39,088,945</u> |
| <i>Total Primary Government Program Revenues</i> | <u>39,760,051</u> | <u>41,423,042</u> | <u>41,186,994</u> | <u>41,055,353</u> |
| Expenses | | | | |
| Governmental Activities: | | | | |
| General Government | 1,964,057 | 1,741,446 | 1,591,910 | 1,455,297 |
| Security of Persons and Property: | | | | |
| Police | 2,786,501 | 716,168 | 2,686,829 | 2,376,973 |
| Fire | 582,112 | 405,203 | 516,725 | 620,786 |
| Transportation | 2,761,440 | 3,478,029 | 2,792,254 | 2,650,728 |
| Public Health and Welfare | 275,055 | 397,117 | 367,466 | 313,670 |
| Leisure Time Activities | 289,767 | 461,524 | 379,058 | 400,247 |
| Basic Utility Service | 630,747 | 481,223 | 460,069 | 446,518 |
| Interest and Fiscal Charges | 0 | 0 | 0 | 0 |
| <i>Total Governmental Activities Expenses</i> | <u>\$9,289,679</u> | <u>\$7,680,710</u> | <u>\$8,794,311</u> | <u>\$8,264,219</u> |

| 2016 | 2015 (1) | 2014 | 2013 | 2012 | 2011 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$75,424 | \$122,519 | \$161,761 | \$145,721 | \$223,260 | \$113,485 |
| 11,255 | 9,414 | 11,473 | 17,514 | 27,483 | 20,247 |
| 85,579 | 62,813 | 59,193 | 77,582 | 87,585 | 69,197 |
| 96,369 | 168,085 | 673,483 | 590,096 | 0 | 0 |
| 144,051 | 114,464 | 114,070 | 141,024 | 135,591 | 118,407 |
| 72,747 | 77,883 | 77,503 | 74,946 | 69,579 | 68,057 |
| 437,097 | 424,502 | 425,837 | 416,782 | 418,811 | 404,260 |
| 922,522 | 979,680 | 1,523,320 | 1,463,665 | 962,309 | 793,653 |
| 22,453 | 36,606 | 20,923 | 22,141 | 18,150 | 26,440 |
| 0 | 2,120 | 1,676 | 0 | 0 | 300 |
| 0 | 21,516 | 21,483 | 15,000 | 0 | 0 |
| 480,954 | 616,218 | 412,876 | 499,012 | 464,131 | 494,700 |
| 4,963 | 5,012 | 6,235 | 6,897 | 29,993 | 38,542 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 508,370 | 681,472 | 463,193 | 543,050 | 512,274 | 559,982 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 1,289,750 | 877,275 | 968,753 | 911,860 | 432,284 | 184,461 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 1,289,750 | 877,275 | 968,753 | 911,860 | 432,284 | 184,461 |
| 2,720,642 | 2,538,427 | 2,955,266 | 2,918,575 | 1,906,867 | 1,538,096 |
| 2,370,897 | 2,242,742 | 2,022,412 | 2,197,638 | 1,984,559 | 1,983,158 |
| 34,171,289 | 32,203,765 | 35,801,650 | 32,232,307 | 32,256,760 | 26,613,199 |
| 3,228,704 | 3,229,736 | 3,294,770 | 3,153,951 | 2,865,074 | 2,776,324 |
| 39,770,890 | 37,676,243 | 41,118,832 | 37,583,896 | 37,106,393 | 31,372,681 |
| 0 | 0 | 0 | 0 | 18,596 | 249,780 |
| 39,770,890 | 37,676,243 | 41,118,832 | 37,583,896 | 37,124,989 | 31,622,461 |
| 42,491,532 | 40,214,670 | 44,074,098 | 40,502,471 | 39,031,856 | 33,160,557 |
| 1,415,466 | 1,235,682 | 1,284,010 | 1,256,080 | 1,524,270 | 1,113,080 |
| 2,395,000 | 2,137,154 | 2,168,366 | 2,057,208 | 2,035,706 | 1,741,290 |
| 613,209 | 534,086 | 607,537 | 601,627 | 583,869 | 727,641 |
| 1,915,963 | 2,464,622 | 2,737,924 | 2,359,161 | 2,178,927 | 2,120,596 |
| 334,538 | 238,586 | 199,487 | 201,826 | 355,785 | 193,614 |
| 1,130,301 | 359,038 | 389,909 | 357,702 | 388,379 | 395,350 |
| 418,166 | 400,247 | 436,292 | 432,964 | 434,596 | 418,618 |
| 0 | 23,532 | 32,354 | 40,640 | 48,529 | 56,842 |
| \$8,222,643 | \$7,392,947 | \$7,855,879 | \$7,307,208 | \$7,550,061 | \$6,767,031 |

(continued)

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

| | 2020 | 2019 | 2018 (1) | 2017 |
|--|--------------------|---------------------|--------------------|--------------------|
| Business-Type Activities: | | | | |
| Sewer | \$2,523,654 | \$2,845,543 | \$2,554,122 | \$2,653,891 |
| Electric | 30,192,642 | 29,679,207 | 33,553,708 | 34,648,875 |
| Water | 2,849,447 | 2,928,814 | 2,825,115 | 3,011,661 |
| <i>Total Business-Type Activities Expenses</i> | <u>35,565,743</u> | <u>35,453,564</u> | <u>38,932,945</u> | <u>40,314,427</u> |
| <i>Total Primary Government Program Expenses</i> | <u>44,855,422</u> | <u>43,134,274</u> | <u>47,727,256</u> | <u>48,578,646</u> |
| Net (Expense)/Revenue | | | | |
| Governmental Activities | (6,459,170) | (4,452,669) | (6,388,201) | (6,297,811) |
| Business-Type Activities | 1,363,799 | 2,741,437 | (152,061) | (1,225,482) |
| <i>Total Primary Government Net Expense</i> | <u>(5,095,371)</u> | <u>(1,711,232)</u> | <u>(6,540,262)</u> | <u>(7,523,293)</u> |
| General Revenues and Other Changes in Net Position | | | | |
| Governmental Activities: | | | | |
| Taxes: | | | | |
| Property and Other Local Taxes Levied for: | | | | |
| General Purposes | 488,958 | 486,041 | 483,583 | 459,213 |
| Kilowatt per Hour Taxes Levied for: | | | | |
| General Purposes | 858,760 | 911,934 | 861,307 | 916,592 |
| Municipal Income Taxes Levied for: | | | | |
| General Purposes | 4,213,767 | 6,172,655 | 5,002,790 | 4,251,620 |
| Capital Outlay | 1,756,399 | 2,589,159 | 2,092,900 | 1,790,831 |
| Grants and Entitlements not Restricted to | | | | |
| Specific Programs | 297,684 | 301,720 | 247,738 | 258,486 |
| Gain on Sale of Capital Assets | 0 | 0 | 0 | 62,503 |
| Unrestricted Contributions | 6,500 | 30,025 | 0 | 600 |
| Investment Income | 567,591 | 578,761 | 72,186 | (26,698) |
| Transfers | (858,760) | (911,934) | (861,307) | (916,592) |
| Other | 305,006 | 138,206 | 171,549 | 28,029 |
| <i>Total Governmental Activities</i> | <u>7,635,905</u> | <u>10,296,567</u> | <u>8,070,746</u> | <u>6,824,584</u> |
| Business-Type Activities: | | | | |
| Gain on Sale of Capital Assets | 0 | 0 | 0 | 104,381 |
| Investment Income | 586,058 | 806,454 | 596,511 | 396,252 |
| Transfers | 858,760 | 911,934 | 861,307 | 916,592 |
| Other | 863,847 | 671,483 | 771,397 | 597,386 |
| Extraordinary Items | 0 | 0 | 0 | 3,062,987 |
| <i>Total Business-Type Activities</i> | <u>2,308,665</u> | <u>2,389,871</u> | <u>2,229,215</u> | <u>5,077,598</u> |
| <i>Total Primary Government General Revenues and Other Changes in Net Position</i> | <u>9,944,570</u> | <u>12,686,438</u> | <u>10,299,961</u> | <u>11,902,182</u> |
| Change in Net Position | | | | |
| Governmental Activities | 1,176,735 | 5,843,898 | 1,682,545 | 526,773 |
| Business-Type Activities | 3,672,464 | 5,131,308 | 2,077,154 | 3,852,116 |
| <i>Total Primary Government Change in Net Position</i> | <u>\$4,849,199</u> | <u>\$10,975,206</u> | <u>\$3,759,699</u> | <u>\$4,378,889</u> |

(1) Expenses are first impacted by the implementation of GASB Statement No. 68 and 75 beginning in 2015 and 2018, respectively.

| 2016 | 2015 (1) | 2014 | 2013 | 2012 | 2011 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$2,210,618 | \$2,712,050 | \$2,516,612 | \$2,301,197 | \$2,087,164 | \$2,126,667 |
| 32,019,658 | 30,796,025 | 31,828,365 | 31,893,556 | 32,778,792 | 27,678,178 |
| 2,803,493 | 2,831,465 | 2,656,914 | 3,161,055 | 3,169,501 | 2,816,039 |
| 37,033,769 | 36,339,540 | 37,001,891 | 37,355,808 | 38,035,457 | 32,620,884 |
| 45,256,412 | 43,732,487 | 44,857,770 | 44,663,016 | 45,585,518 | 39,387,915 |
| (5,502,001) | (4,854,520) | (4,900,613) | (4,388,633) | (5,643,194) | (5,228,935) |
| 2,737,121 | 1,336,703 | 4,116,941 | 228,088 | (910,468) | (998,423) |
| (2,764,880) | (3,517,817) | (783,672) | (4,160,545) | (6,553,662) | (6,227,358) |
| 447,328 | 440,314 | 433,672 | 397,725 | 407,917 | 445,836 |
| 920,114 | 988,499 | 917,051 | 915,131 | 916,240 | 884,285 |
| 3,695,374 | 3,985,729 | 3,884,203 | 4,214,928 | 4,344,025 | 3,271,841 |
| 1,555,310 | 2,469,190 | 2,081,797 | 1,634,785 | 1,788,870 | 1,043,939 |
| 212,873 | 262,761 | 266,350 | 261,887 | 437,914 | 540,040 |
| 31,859 | 0 | 0 | 0 | 0 | 0 |
| 280 | 500 | 600 | 0 | 0 | 0 |
| (45,800) | 17,964 | 16,398 | 4,341 | 24,179 | 27,685 |
| (920,114) | (988,499) | (917,052) | (915,131) | (916,239) | (884,285) |
| 138,313 | 54,593 | 89,440 | 130,857 | 383,627 | 42,833 |
| 6,035,537 | 7,231,051 | 6,772,459 | 6,644,523 | 7,386,533 | 5,372,174 |
| 14,715 | 0 | 0 | 194,281 | 0 | 0 |
| 227,924 | 209,879 | 162,258 | 106,958 | 148,673 | 166,028 |
| 920,114 | 988,499 | 917,052 | 915,131 | 916,239 | 884,285 |
| 558,244 | 687,603 | 641,980 | 607,926 | 898,385 | 661,252 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 1,720,997 | 1,885,981 | 1,721,290 | 1,824,296 | 1,963,297 | 1,711,565 |
| 7,756,534 | 9,117,032 | 8,493,749 | 8,468,819 | 9,349,830 | 7,083,739 |
| 533,536 | 2,376,531 | 1,871,846 | 2,255,890 | 1,743,339 | 143,239 |
| 4,458,118 | 3,222,684 | 5,838,231 | 2,052,384 | 1,052,829 | 713,142 |
| \$4,991,654 | \$5,599,215 | \$7,710,077 | \$4,308,274 | \$2,796,168 | \$856,381 |

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

| | 2020 | 2019 | 2018 | 2017 |
|-------------------------------------|----------------------------|----------------------------|---------------------------|---------------------------|
| General Fund | | | | |
| Nonspendable | \$121,327 | \$115,351 | \$117,682 | \$91,153 |
| Assigned | 3,124,711 | 2,374,560 | 1,941,612 | 1,861,536 |
| Unassigned | 4,921,116 | 4,127,313 | 3,167,371 | 2,723,467 |
| Total General Fund | <u>8,167,154</u> | <u>6,617,224</u> | <u>5,226,665</u> | <u>4,676,156</u> |
| All Other Governmental Funds | | | | |
| Restricted | \$1,653,591 | \$1,610,627 | \$1,905,049 | \$1,759,580 |
| Committed | 3,610,727 | 2,449,190 | 2,063,371 | 1,885,288 |
| Assigned | 39,930 | 38,213 | 36,929 | 36,251 |
| Total All Other Governmental Funds | <u>5,304,248</u> | <u>4,098,030</u> | <u>4,005,349</u> | <u>3,681,119</u> |
| Total Governmental Funds | <u><u>\$13,471,402</u></u> | <u><u>\$10,715,254</u></u> | <u><u>\$9,232,014</u></u> | <u><u>\$8,357,275</u></u> |

| 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$111,330 | \$104,828 | \$97,710 | \$96,812 | \$93,934 | \$105,065 |
| 1,566,460 | 1,898,352 | 2,486,039 | 1,860,961 | 1,776,606 | 130,210 |
| 2,898,898 | 2,598,193 | 2,134,860 | 3,188,229 | 2,704,525 | 3,739,250 |
| 4,576,688 | 4,601,373 | 4,718,609 | 5,146,002 | 4,575,065 | 3,974,525 |
| \$1,766,139 | \$1,673,767 | \$1,410,482 | \$1,183,988 | \$1,055,428 | \$991,795 |
| 1,925,192 | 2,951,029 | 2,043,936 | 1,830,120 | 1,214,063 | 882,927 |
| 31,783 | 31,471 | 30,660 | 30,103 | 29,902 | 29,597 |
| 3,723,114 | 4,656,267 | 3,485,078 | 3,044,211 | 2,299,393 | 1,904,319 |
| \$8,299,802 | \$9,257,640 | \$8,203,687 | \$8,190,213 | \$6,874,458 | \$5,878,844 |

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

| | 2020 | 2019 | 2018 | 2017 |
|---|--------------------|--------------------|-------------------|------------------|
| Revenues | | | | |
| Property Taxes | \$490,172 | \$488,361 | \$479,207 | \$460,007 |
| Income Taxes | 7,192,772 | 7,497,519 | 6,566,266 | 5,978,951 |
| Kilowatt Per Hour Tax | 858,760 | 911,934 | 861,307 | 916,592 |
| Special Assessments | 2,094 | 214 | 8,030 | 19,309 |
| Intergovernmental | 1,955,112 | 2,375,680 | 1,606,577 | 1,155,382 |
| Interest | 567,591 | 578,761 | 72,186 | (26,698) |
| Fines, Licenses and Permits | 109,286 | 92,549 | 92,392 | 96,194 |
| Rentals | 595 | 165 | 399 | 552 |
| Charges for Services | 961,325 | 1,001,462 | 912,438 | 932,886 |
| Contributions and Donations | 32,698 | 76,092 | 23,452 | 20,580 |
| Other | 305,006 | 138,206 | 171,549 | 28,029 |
| <i>Total Revenues</i> | <u>12,475,411</u> | <u>13,160,943</u> | <u>10,793,803</u> | <u>9,581,784</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 1,721,672 | 1,347,530 | 1,319,706 | 1,230,154 |
| Security of Persons and Property: | | | | |
| Police | 2,440,971 | 2,451,829 | 2,302,573 | 2,186,585 |
| Fire | 454,021 | 412,049 | 373,975 | 564,278 |
| Transportation | 1,482,315 | 1,931,984 | 1,530,995 | 1,407,662 |
| Public Health and Welfare | 240,169 | 349,568 | 333,674 | 291,842 |
| Leisure Time Activities | 269,536 | 370,586 | 315,011 | 335,684 |
| Basic Utility Service | 630,747 | 481,223 | 460,069 | 446,518 |
| Capital Outlay | 1,613,943 | 3,396,978 | 2,751,052 | 2,321,686 |
| Debt Service: | | | | |
| Principal Retirement | 12,011 | 24,022 | 24,022 | 24,023 |
| Interest and Fiscal Charges | 0 | 0 | 0 | 0 |
| <i>Total Expenditures</i> | <u>8,865,385</u> | <u>10,765,769</u> | <u>9,411,077</u> | <u>8,808,432</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>3,610,026</u> | <u>2,395,174</u> | <u>1,382,726</u> | <u>773,352</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 4,882 | 0 | 353,320 | 200,713 |
| OPWC Loan Issued | 0 | 0 | 0 | 0 |
| Transfers In | 227,140 | 496,279 | 580,737 | 475,360 |
| Transfers Out | (1,085,900) | (1,408,213) | (1,442,044) | (1,391,952) |
| <i>Total Other Financing Sources (Uses)</i> | <u>(853,878)</u> | <u>(911,934)</u> | <u>(507,987)</u> | <u>(715,879)</u> |
| <i>Net Change in Fund Balances</i> | <u>\$2,756,148</u> | <u>\$1,483,240</u> | <u>\$874,739</u> | <u>\$57,473</u> |
| Debt Service as a Percentage of Noncapital Expenditures | 0.17% | 0.33% | 0.37% | 0.39% |

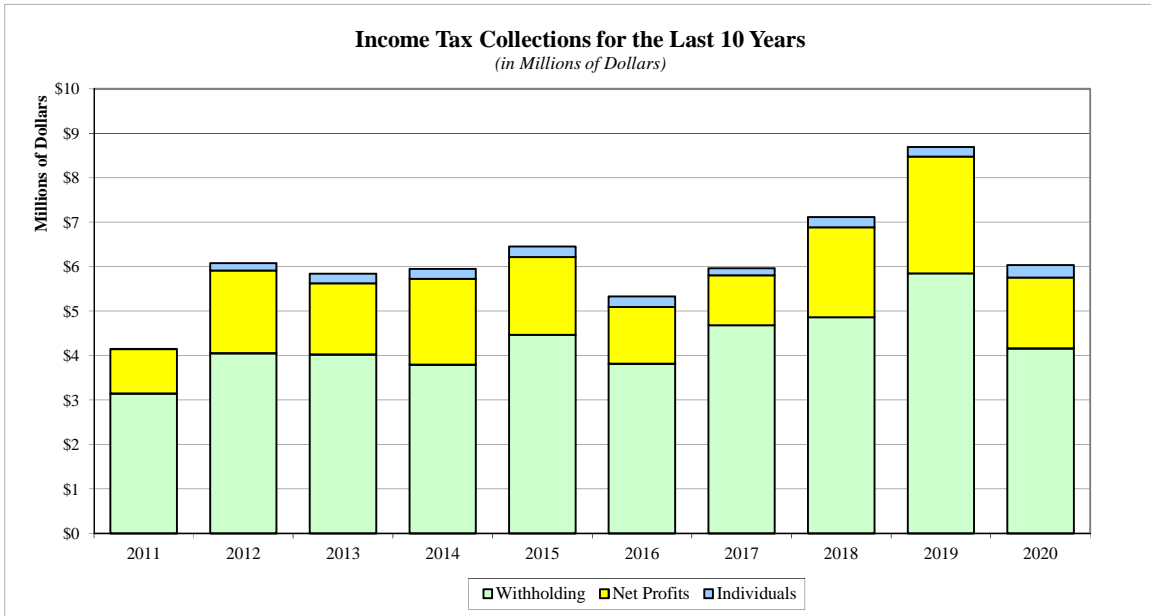
| 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$446,795 | \$456,735 | \$431,947 | \$431,521 | \$408,163 | \$422,801 |
| 5,993,991 | 6,227,814 | 6,119,991 | 5,944,657 | 5,437,544 | 4,677,933 |
| 920,114 | 988,499 | 917,051 | 915,131 | 916,240 | 884,285 |
| 8,846 | 19,183 | 22,907 | 11,556 | 11,314 | 21,502 |
| 2,011,077 | 1,778,787 | 1,698,141 | 1,748,085 | 1,384,685 | 1,224,738 |
| (45,800) | 17,964 | 16,398 | 4,341 | 24,179 | 27,685 |
| 98,562 | 100,704 | 102,280 | 39,316 | 41,678 | 37,724 |
| 557 | 1,689 | 4,739 | 31,418 | 34,809 | 31,424 |
| 790,115 | 872,860 | 1,364,068 | 1,332,827 | 886,410 | 724,087 |
| 28,274 | 29,911 | 19,718 | 72,188 | 29,993 | 38,542 |
| 138,313 | 54,593 | 89,440 | 130,857 | 383,627 | 42,833 |
| <u>10,390,844</u> | <u>10,548,739</u> | <u>10,786,680</u> | <u>10,661,897</u> | <u>9,558,642</u> | <u>8,133,554</u> |
| 1,204,905 | 1,197,106 | 1,185,189 | 1,157,442 | 1,178,901 | 1,063,944 |
| 2,248,782 | 2,059,944 | 2,113,519 | 2,033,291 | 1,967,615 | 1,724,404 |
| 461,229 | 435,938 | 463,480 | 467,667 | 450,488 | 544,662 |
| 1,375,018 | 1,562,128 | 1,246,065 | 1,251,556 | 1,310,272 | 1,257,749 |
| 313,286 | 222,964 | 178,694 | 182,521 | 335,701 | 179,071 |
| 344,920 | 299,276 | 306,991 | 298,747 | 332,224 | 333,811 |
| 418,166 | 400,247 | 436,292 | 432,964 | 434,596 | 418,618 |
| 4,550,785 | 2,492,178 | 3,884,488 | 2,557,675 | 1,580,497 | 871,072 |
| 0 | 9,630 | 9,030 | 8,460 | 7,920 | 17,420 |
| 0 | 23,587 | 32,406 | 40,688 | 48,575 | 56,932 |
| <u>10,917,091</u> | <u>8,702,998</u> | <u>9,856,154</u> | <u>8,431,011</u> | <u>7,646,789</u> | <u>6,467,683</u> |
| <u>(526,247)</u> | <u>1,845,741</u> | <u>930,526</u> | <u>2,230,886</u> | <u>1,911,853</u> | <u>1,665,871</u> |
| 79,300 | 125,489 | 0 | 0 | 0 | 0 |
| 409,223 | 71,222 | 0 | 0 | 0 | 0 |
| 495,134 | 493,653 | 981,385 | 490,200 | 420,024 | 338,014 |
| <u>(1,415,248)</u> | <u>(1,482,152)</u> | <u>(1,898,437)</u> | <u>(1,405,331)</u> | <u>(1,336,263)</u> | <u>(1,222,299)</u> |
| <u>(431,591)</u> | <u>(791,788)</u> | <u>(917,052)</u> | <u>(915,131)</u> | <u>(916,239)</u> | <u>(884,285)</u> |
| <u>(\$957,838)</u> | <u>\$1,053,953</u> | <u>\$13,474</u> | <u>\$1,315,755</u> | <u>\$995,614</u> | <u>\$781,586</u> |
| 0.00% | 0.57% | 0.65% | 0.83% | 0.97% | 1.42% |

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 |
|----------|----------|-------------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|
| 2020 | 1.00% | \$5,970,166 | \$4,157,026 | 69.63% | \$1,601,199 | 26.82% | \$211,941 | 3.55% |
| 2019 | 1.00 | 8,761,814 | 5,852,892 | 66.80 | 2,628,544 | 30.00 | 280,378 | 3.20 |
| 2018 | 1.00 | 7,095,690 | 4,864,805 | 68.56 | 2,020,143 | 28.47 | 210,742 | 2.97 |
| 2017 | 1.00 | 6,042,451 | 4,688,942 | 77.60 | 1,122,687 | 18.58 | 230,822 | 3.82 |
| 2016 | 1.00 | 5,250,684 | 3,811,997 | 72.60 | 1,280,642 | 24.39 | 158,046 | 3.01 |
| 2015 | 1.00 | 6,454,919 | 4,469,386 | 69.24 | 1,746,701 | 27.06 | 238,832 | 3.70 |
| 2014 | 1.00 | 5,966,000 | 3,790,200 | 63.53 | 1,936,564 | 32.46 | 239,237 | 4.01 |
| 2013 | 1.00 | 5,849,713 | 4,024,603 | 68.80 | 1,600,481 | 27.36 | 224,629 | 3.84 |
| 2012 | 1.00 | 6,132,895 | 4,051,390 | 66.06 | 1,863,787 | 30.39 | 217,718 | 3.55 |
| 2011 | 1.00 | 4,315,780 | 3,142,751 | 72.82 | 1,004,282 | 23.27 | 168,747 | 3.91 |

(1) Accrual Basis

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



City of Orrville, Ohio
Income Tax Filers by Income Level (1)
Tax Years 2020 and 2011

| Tax Year 2020 | | | | |
|----------------|------------------|-------------------|----------------------|---------------------------|
| Income Range | Number of Filers | Percent of Filers | Taxable Income | Percent of Taxable Income |
| Over \$100,000 | 300 | 12.59 % | \$44,739,941 | 37.53 % |
| 75,001-100,000 | 235 | 9.86 | 20,449,155 | 17.15 |
| 50,001-75,000 | 410 | 17.21 | 25,376,541 | 21.28 |
| 25,000-50,000 | 561 | 23.54 | 20,575,345 | 17.26 |
| Under 25,000 | 783 | 32.86 | 8,083,106 | 6.78 |
| Zero File | 94 | 3.94 | 0 | 0.00 |
| Total | <u>2,383</u> | <u>100.00 %</u> | <u>\$119,224,088</u> | <u>100.00 %</u> |

| Tax Year 2011 | | | | |
|----------------|------------------|-------------------|----------------------|---------------------------|
| Income Range | Number of Filers | Percent of Filers | Taxable Income | Percent of Taxable Income |
| Over \$100,000 | 217 | 7.15 % | \$132,938,445 | 60.08 % |
| 75,001-100,000 | 244 | 8.04 | 19,275,312 | 8.71 |
| 50,001-75,000 | 446 | 14.70 | 28,740,647 | 12.99 |
| 25,000-50,000 | 725 | 23.89 | 27,309,515 | 12.34 |
| Under 25,000 | 1,403 | 46.22 | 13,008,125 | 5.88 |
| Total | <u>3,035</u> | <u>100.00 %</u> | <u>\$221,272,044</u> | <u>100.00 %</u> |

Source: City Income Tax Department

(1) Includes individual filers only.

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

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Type of Customer: | | | | | | | | | | |
| Residential | \$8,519,103 | \$8,468,372 | \$8,794,878 | \$8,619,074 | \$9,110,174 | \$8,697,723 | \$9,773,938 | \$8,652,645 | \$7,574,562 | \$6,651,550 |
| Industrial | 12,656,788 | 13,553,450 | 14,135,949 | 15,345,556 | 14,549,480 | 13,876,876 | 15,053,766 | 13,497,815 | 16,269,834 | 12,768,572 |
| Commercial | 9,406,071 | 9,673,101 | 9,781,197 | 9,535,165 | 9,974,771 | 9,208,787 | 10,549,154 | 9,695,799 | 8,105,393 | 6,919,880 |
| Government | 307,783 | 329,961 | 342,939 | 372,172 | 456,521 | 420,379 | 424,792 | 386,048 | 306,971 | 273,197 |
| Total | \$30,889,745 | \$32,024,884 | \$33,054,962 | \$33,871,967 | \$34,090,946 | \$32,203,765 | \$35,801,650 | \$32,232,307 | \$32,256,760 | \$26,613,199 |

Source: City Records

City of Orrville, Ohio
Principal Electric Customers
2020 and 2011

| <i>2020</i> | | |
|--|-------------------------------|---|
| Customer | Electric Charges for Services | Percentage of Total Electric Charges for Services |
| Quality Castings Company | \$4,951,994 | 16.02 % |
| J.M. Smucker Company | 3,607,107 | 11.68 |
| Smith Dairy Products Company | 1,772,230 | 5.74 |
| Bekaert Corporation | 1,210,392 | 3.92 |
| Orrvilon | 946,956 | 3.07 |
| Marshallville Corporation | 628,498 | 2.03 |
| Will-Burt Company, Incorporated | 521,098 | 1.69 |
| Aultman Orrville Hospital (Formerly Dunlap Hospital) | 380,051 | 1.23 |
| Morgan Corporation | 267,460 | 0.87 |
| Venture Products | 185,692 | 0.60 |
| Total | \$14,471,478 | 46.85 % |
| Total Electric Charges for Services | \$30,889,745 | |

| <i>2011</i> | | |
|--|-------------------------------|---|
| Customer | Electric Charges for Services | Percentage of Total Electric Charges for Services |
| Quality Castings Company | \$3,991,975 | 15.00 % |
| J.M. Smucker Company | 1,984,139 | 7.46 |
| Bekaert - Formerly Contours | 1,952,468 | 7.34 |
| Smith Dairy | 1,336,745 | 5.02 |
| Marshallville Corporation | 562,638 | 2.11 |
| JLG | 487,459 | 1.83 |
| Will-Burt | 455,302 | 1.71 |
| Orrvilon | 346,640 | 1.30 |
| Aultman Orrville Hospital | 337,859 | 1.27 |
| Buehlers | 216,334 | 0.82 |
| Total | \$11,671,559 | 43.86 % |
| Total Electric Charges for Services | \$26,613,199 | |

Source: City Records

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

| | 2020 | 2019 | 2018 | 2017 |
|---|----------|----------|----------|----------|
| Residential: | | | | |
| First 50 KWH | \$8.2400 | \$8.2400 | \$8.2400 | \$8.2400 |
| Next 250 KWH - per KWH | 0.1004 | 0.1004 | 0.1004 | 0.1004 |
| Next 750 KWH - per KWH | 0.0936 | 0.0936 | 0.0936 | 0.0936 |
| All Over 1050 KWH - per KWH | 0.0877 | 0.0877 | 0.0877 | 0.0877 |
| General Service: | | | | |
| Small: | | | | |
| Minimum Charge | 13.3700 | 13.3700 | 13.3700 | 13.3700 |
| First 100 KWH - per KWH | 0.1334 | 0.1334 | 0.1334 | 0.1334 |
| Next 200 KWH - per KWH | 0.1123 | 0.1123 | 0.1123 | 0.1123 |
| All Over 300 KWH - per KWH | 0.1013 | 0.1013 | 0.1013 | 0.1013 |
| Medium (per KVA): | | | | |
| Minimum Charge - per KVA | 1.7600 | 1.7600 | 1.7600 | 1.7600 |
| First 60 KWH Block - per KWH | 0.1422 | 0.1422 | 0.1422 | 0.1422 |
| Second 60 KWH Block - per KWH | 0.1182 | 0.1182 | 0.1182 | 0.1182 |
| Third 80 KWH Block - per KWH | 0.0936 | 0.0936 | 0.0936 | 0.0936 |
| Fourth 100 KWH Block - per KWH | 0.0861 | 0.0861 | 0.0861 | 0.0861 |
| All Over 300 KWH - per KWH | 0.0805 | 0.0805 | 0.0805 | 0.0805 |
| Large (per KVA): | | | | |
| Minimum Charge - per KVA | 1.6200 | 1.6200 | 1.6200 | 1.6200 |
| First 50 KWH Block - per KWH | 0.1383 | 0.1383 | 0.1383 | 0.1383 |
| Second 50 KWH Block - per KWH | 0.0984 | 0.0984 | 0.0984 | 0.0984 |
| Over 100 KWH Block but not Exceeding 100,000 KWH - per KWH | 0.0822 | 0.0822 | 0.0822 | 0.0822 |
| All Over Sum of Prior Amounts - per KWH | 0.0774 | 0.0774 | 0.0774 | 0.0774 |
| Industrial (per KVA): | | | | |
| Minimum Charge - per KVA | 3.2000 | 3.2000 | 3.2000 | 3.2000 |
| First 30 KWH Block - per KWH | 0.1622 | 0.1622 | 0.1622 | 0.1622 |
| Second 170 KWH Block per KVA: | | | | |
| 2,000 KWH - per KWH | 0.1148 | 0.1148 | 0.1148 | 0.1148 |
| 8,000 KWH - per KWH | 0.1054 | 0.1054 | 0.1054 | 0.1054 |
| 90,000 KWH - per KWH | 0.0936 | 0.0936 | 0.0936 | 0.0936 |
| Over 100,000 KWH - per KWH | 0.0811 | 0.0811 | 0.0811 | 0.0811 |
| Third Block Over 200,000 KWH - per KWH | 0.0741 | 0.0741 | 0.0741 | 0.0741 |
| All Over Sum of Prior Amounts - per KWH | 0.0733 | 0.0733 | 0.0733 | 0.0733 |

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

Source: City Records

| 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|----------|----------|----------|----------|----------|----------|
| \$8.2400 | \$8.2400 | \$8.2400 | \$8.2400 | \$8.2400 | \$6.4300 |
| 0.1004 | 0.1004 | 0.1004 | 0.1004 | 0.1004 | 0.0633 |
| 0.0936 | 0.0936 | 0.0936 | 0.0936 | 0.0936 | 0.0565 |
| 0.0877 | 0.0877 | 0.0877 | 0.0877 | 0.0877 | 0.0506 |
| 13.3700 | 13.3700 | 13.3700 | 13.3700 | 13.3700 | 9.6600 |
| 0.1334 | 0.1334 | 0.1334 | 0.1334 | 0.1334 | 0.0965 |
| 0.1123 | 0.1123 | 0.1123 | 0.1123 | 0.1123 | 0.0753 |
| 0.1013 | 0.1013 | 0.1013 | 0.1013 | 0.1013 | 0.0642 |
| 1.7600 | 1.7600 | 1.7600 | 1.7600 | 1.7600 | 1.7600 |
| 0.1422 | 0.1422 | 0.1422 | 0.1422 | 0.1422 | 0.1053 |
| 0.1182 | 0.1182 | 0.1182 | 0.1182 | 0.1182 | 0.0812 |
| 0.0936 | 0.0936 | 0.0936 | 0.0936 | 0.0936 | 0.0565 |
| 0.0861 | 0.0861 | 0.0861 | 0.0861 | 0.0861 | 0.0490 |
| 0.0805 | 0.0805 | 0.0805 | 0.0805 | 0.0805 | 0.0434 |
| 1.6200 | 1.6200 | 1.6200 | 1.6200 | 1.6200 | 1.6200 |
| 0.1383 | 0.1383 | 0.1383 | 0.1383 | 0.1383 | 0.1014 |
| 0.0984 | 0.0984 | 0.0984 | 0.0984 | 0.0984 | 0.0614 |
| 0.0822 | 0.0822 | 0.0822 | 0.0822 | 0.0822 | 0.0452 |
| 0.0774 | 0.0774 | 0.0774 | 0.0774 | 0.0774 | 0.0403 |
| 3.2000 | 3.2000 | 3.2000 | 3.2000 | 3.2000 | 3.2000 |
| 0.1622 | 0.1622 | 0.1622 | 0.1622 | 0.1622 | 0.1254 |
| 0.1148 | 0.1148 | 0.1148 | 0.1148 | 0.1148 | 0.0805 |
| 0.1054 | 0.1054 | 0.1054 | 0.1054 | 0.1054 | 0.0684 |
| 0.0936 | 0.0936 | 0.0936 | 0.0936 | 0.0936 | 0.0565 |
| 0.0811 | 0.0811 | 0.0811 | 0.0811 | 0.0811 | 0.0441 |
| 0.0741 | 0.0741 | 0.0741 | 0.0741 | 0.0741 | 0.0370 |
| 0.0733 | 0.0733 | 0.0733 | 0.0733 | 0.0733 | 0.0362 |

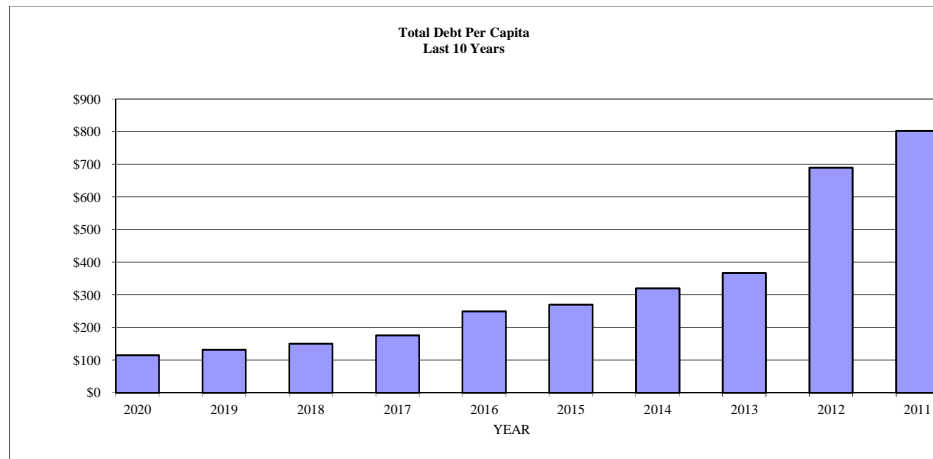
City of Orrville, Ohio
Ratios of Outstanding Debt
Last Ten Years

| Year | General Obligation Bonds (1) | Estimated Actual Taxable Value of Property (2) | Percentage of Estimated Actual Taxable Value of Property | Per Capita (3) | Governmental Activities | |
|------|------------------------------------|---|--|-------------------|--------------------------------|---------------|
| | | | | | Special Assessment Bonds | OPWC Loans |
| 2020 | \$230,000 | \$550,999,509 | 0.04 % | \$27 | \$0 | \$396,367 |
| 2019 | 345,000 | 546,170,760 | 0.06 | 41 | 0 | 408,378 |
| 2018 | 455,000 | 534,698,867 | 0.09 | 54 | 0 | 432,400 |
| 2017 | 565,000 | 511,762,098 | 0.11 | 67 | 0 | 456,422 |
| 2016 | 670,000 | 505,740,476 | 0.13 | 80 | 0 | 480,445 |
| 2015 | 775,000 | 510,614,807 | 0.15 | 92 | 0 | 71,222 |
| 2014 | 875,000 | 504,526,529 | 0.17 | 104 | 9,630 | 0 |
| 2013 | 975,000 | 491,869,509 | 0.20 | 116 | 18,660 | 0 |
| 2012 | 0 | 0 | N/A | N/A | 27,120 | 0 |
| 2011 | 0 | 0 | N/A | N/A | 35,040 | 0 |

(1) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

(2) Taxable property information obtained from the Wayne County Auditor.

(3) Population and personal income data are presented on page S25.



| Business-Type Activities | | | | | | | | |
|--------------------------|--------------------------------|------------------|------------------------------|---------------|---------------|---------------|---|-------------------|
| Notes | General Obligation Bonds | Revenue Bonds | Mortgage Revenue Bonds | OWDA Loans | OPWC Loans | Total Debt | Percentage of Personal Income (3) | Per Capita (3) |
| \$0 | \$230,000 | \$0 | \$0 | \$0 | \$340,000 | \$966,367 | 0.57 % | \$115 |
| 0 | 345,000 | 0 | 0 | 0 | 350,834 | 1,104,212 | 0.65 | 132 |
| 0 | 455,000 | 0 | 0 | 0 | 372,500 | 1,259,900 | 0.74 | 150 |
| 0 | 565,000 | 0 | 0 | 0 | 454,610 | 1,476,032 | 0.86 | 176 |
| 400,000 | 670,000 | 0 | 0 | 0 | 536,718 | 2,087,163 | 1.22 | 249 |
| 800,000 | 775,000 | 0 | 0 | 0 | 618,824 | 2,265,046 | 1.32 | 270 |
| 1,100,000 | 875,000 | 0 | 0 | 0 | 700,933 | 2,685,563 | 1.57 | 320 |
| 1,300,000 | 975,000 | 0 | 0 | 0 | 783,042 | 3,076,702 | 1.80 | 367 |
| 1,300,000 | 0 | 3,580,000 | 0 | 9,608 | 865,152 | 5,781,880 | 3.38 | 690 |
| 1,400,000 | 0 | 3,806,822 | 0 | 537,207 | 947,262 | 6,726,331 | 3.93 | 803 |

City of Orrville, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2020

| Jurisdiction | Governmental Activities Debt Outstanding | Percentage Applicable to City (1) | Amount Applicable to City |
|---|--|---|---------------------------------|
| Direct - City of Orrville | | | |
| OPWC Loans | \$396,367 | 100 % | \$396,367 |
| Overlapping | | | |
| Orrville City School District: | | | |
| General Obligation Bonds | 12,007,004 | 80.39 | 9,652,431 |
| School Facilities Construction and Improvement Note | 719,000 | 80.39 | 578,004 |
| Certificates of Participation | 8,625,000 | 80.39 | 6,933,638 |
| Wayne County: | | | |
| General Obligation Bonds | 1,654,778 | 8.74 | 144,628 |
| County Building Improvement Note | 1,500,000 | 8.74 | 131,100 |
| OPWC Loans | 270,359 | 8.74 | 23,629 |
| Lease Purchase | 500,408 | 8.74 | 43,736 |
| <i>Total Overlapping Debt</i> | <u>25,276,549</u> | | <u>17,507,166</u> |
| Total | <u>\$25,672,916</u> | | <u>\$17,903,533</u> |

Source: County Auditor

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

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

| Sewer | | | | | | |
|-------|------------------------------------|------------------------------------|---------------------------|--------------|----------|----------|
| Year | Sewer Operating Revenues (2) | Sewer Operating Expenses (3) | Net Available Revenues | Debt Service | | Coverage |
| | | | | Principal | Interest | |
| 2020 | \$2,495,420 | \$2,180,655 | \$314,765 | \$0 | \$0 | N/A |
| 2019 | 2,415,511 | 2,326,956 | 88,555 | 0 | 0 | N/A |
| 2018 | 2,385,486 | 1,974,240 | 411,246 | 0 | 0 | N/A |
| 2017 | 2,135,319 | 2,042,346 | 92,973 | 0 | 0 | N/A |
| 2016 | 2,383,704 | 1,584,144 | 799,560 | 0 | 0 | N/A |
| 2015 | 2,298,995 | 2,121,775 | 177,220 | 0 | 0 | N/A |
| 2014 | 2,085,775 | 1,898,652 | 187,123 | 0 | 0 | N/A |
| 2013 | 2,264,331 | 1,724,922 | 539,409 | 9,608 | 521 | 53.25 |
| 2012 | 2,074,359 | 1,459,271 | 615,088 | 527,599 | 15,169 | 1.13 |
| 2011 | 2,044,338 | 1,477,147 | 567,191 | 509,792 | 32,975 | 1.04 |
| Water | | | | | | |
| Year | Water Operating Revenues (2) | Water Operating Expenses (3) | Net Available Revenues | Debt Service | | Coverage |
| | | | | Principal | Interest | |
| 2020 | \$3,643,023 | \$2,053,618 | \$1,589,405 | \$10,834 | \$0 | 146.71 |
| 2019 | 3,425,517 | 2,094,709 | 1,330,808 | 21,666 | 0 | 61.42 |
| 2018 | 3,337,846 | 1,949,927 | 1,387,919 | 82,110 | 0 | 16.90 |
| 2017 | 2,974,184 | 2,094,716 | 879,468 | 82,108 | 0 | 10.71 |
| 2016 | 3,240,535 | 1,885,953 | 1,354,582 | 82,106 | 0 | 16.50 |
| 2015 | 3,263,671 | 1,908,147 | 1,355,524 | 82,109 | 0 | 16.51 |
| 2014 | 3,324,760 | 1,756,658 | 1,568,102 | 82,109 | 0 | 19.10 |
| 2013 | 3,188,911 | 1,941,241 | 1,247,670 | 82,110 | 0 | 15.20 |
| 2012 | 2,951,639 | 1,966,480 | 985,159 | 597,110 | 144,197 | 1.33 |
| 2011 | 2,841,526 | 1,617,014 | 1,224,512 | 577,110 | 202,930 | 1.57 |

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

(2) Operating revenues include interest revenue.

(3) Operating expenses do not include depreciation.

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

City of Orrville, Ohio
Legal Debt Margin
Last Ten Years

| | 2020 | 2019 | 2018 | 2017 |
|---|----------------------|----------------------|----------------------|----------------------|
| Total Assessed Property Value | <u>\$193,414,790</u> | <u>\$191,579,520</u> | <u>\$187,578,300</u> | <u>\$179,536,940</u> |
| Overall Legal Debt Limit (10 ½ % of Assessed Valuation) | <u>20,308,553</u> | <u>20,115,850</u> | <u>19,695,722</u> | <u>18,851,379</u> |
| Debt Outstanding: | | | | |
| Refunding General Obligation Bonds | \$230,000 | \$345,000 | \$455,000 | \$565,000 |
| Revenue Bonds | 0 | 0 | 0 | 0 |
| Special Assessment Bonds | 0 | 0 | 0 | 0 |
| Bond Anticipation Notes | 0 | 0 | 0 | 0 |
| OPWC Loans | 736,367 | 759,212 | 804,900 | 911,032 |
| OWDA Loans | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Gross Indebtedness | 966,367 | 1,104,212 | 1,259,900 | 1,476,032 |
| Less: | | | | |
| Revenue Bonds | 0 | 0 | 0 | 0 |
| Special Assessment Bonds | 0 | 0 | 0 | 0 |
| Bond Anticipation Notes | 0 | 0 | 0 | 0 |
| OPWC Loans | (736,367) | (759,212) | (804,900) | (911,032) |
| OWDA Loans | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Net Debt Applicable to Debt Limit | <u>230,000</u> | <u>345,000</u> | <u>455,000</u> | <u>565,000</u> |
| Legal Debt Margin Within 10 ½ % Limitations | <u>\$20,078,553</u> | <u>\$19,770,850</u> | <u>\$19,240,722</u> | <u>\$18,286,379</u> |
| Legal Debt Margin as a Percentage of the Debt Limit | 98.87% | 98.28% | 97.69% | 97.00% |
| Unvoted Debt Limitation (5 ½ % of Assessed Valuation) | <u>\$10,637,813</u> | <u>\$10,536,874</u> | <u>\$10,316,807</u> | <u>\$9,874,532</u> |
| Total Gross Indebtedness | 966,367 | 1,104,212 | 1,259,900 | 1,476,032 |
| Less: | | | | |
| Revenue Bonds | 0 | 0 | 0 | 0 |
| Special Assessment Bonds | 0 | 0 | 0 | 0 |
| Bond Anticipation Notes | 0 | 0 | 0 | 0 |
| OPWC Loans | (736,367) | (759,212) | (804,900) | (911,032) |
| OWDA Loans | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Net Debt Within 5 ½ % Limitations | <u>230,000</u> | <u>345,000</u> | <u>455,000</u> | <u>565,000</u> |
| Unvoted Legal Debt Margin Within 5 ½ % Limitations | <u>\$10,407,813</u> | <u>\$10,191,874</u> | <u>\$9,861,807</u> | <u>\$9,309,532</u> |
| Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation | 97.84% | 96.73% | 95.59% | 94.28% |

Source: City Financial Records

| 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>\$177,580,850</u> | <u>\$179,137,960</u> | <u>\$176,987,320</u> | <u>\$172,574,570</u> | <u>\$166,122,650</u> | <u>\$166,803,490</u> |
| 18,645,989 | 18,809,486 | 18,583,669 | 18,120,330 | 17,442,878 | 17,514,366 |
| \$670,000 | \$775,000 | \$875,000 | \$975,000 | \$0 | \$0 |
| 0 | 0 | 0 | 0 | 3,580,000 | 4,095,000 |
| 0 | 0 | 9,630 | 18,660 | 27,120 | 35,040 |
| 400,000 | 800,000 | 1,100,000 | 1,300,000 | 1,300,000 | 1,400,000 |
| 1,017,163 | 690,046 | 700,933 | 783,042 | 865,152 | 947,262 |
| 0 | 0 | 0 | 0 | 9,608 | 537,207 |
| 2,087,163 | 2,265,046 | 2,685,563 | 3,076,702 | 5,781,880 | 7,014,509 |
| 0 | 0 | 0 | 0 | (3,580,000) | (4,095,000) |
| 0 | 0 | (9,630) | (18,660) | (27,120) | (35,040) |
| (400,000) | (800,000) | (1,100,000) | (1,300,000) | (1,300,000) | (1,400,000) |
| (1,017,163) | (690,046) | (700,933) | (783,042) | (865,152) | (947,262) |
| 0 | 0 | 0 | 0 | (9,608) | (537,207) |
| 670,000 | 775,000 | 875,000 | 975,000 | 0 | 0 |
| <u>\$17,975,989</u> | <u>\$18,034,486</u> | <u>\$17,708,669</u> | <u>\$17,145,330</u> | <u>\$17,442,878</u> | <u>\$17,514,366</u> |
| 96.41% | 95.88% | 95.29% | 94.62% | 100.00% | 100.00% |
| <u>\$9,766,947</u> | <u>\$9,852,588</u> | <u>\$9,734,303</u> | <u>\$9,491,601</u> | <u>\$9,136,746</u> | <u>\$9,174,192</u> |
| 2,087,163 | 2,265,046 | 2,685,563 | 3,076,702 | 5,781,880 | 7,014,509 |
| 0 | 0 | 0 | 0 | (3,580,000) | (4,095,000) |
| 0 | 0 | (9,630) | (18,660) | (27,120) | (35,040) |
| (400,000) | (800,000) | (1,100,000) | (1,300,000) | (1,300,000) | (1,400,000) |
| (1,017,163) | (690,046) | (700,933) | (783,042) | (865,152) | (947,262) |
| 0 | 0 | 0 | 0 | (9,608) | (537,207) |
| 670,000 | 775,000 | 875,000 | 975,000 | 0 | 0 |
| <u>\$9,096,947</u> | <u>\$9,077,588</u> | <u>\$8,859,303</u> | <u>\$8,516,601</u> | <u>\$9,136,746</u> | <u>\$9,174,192</u> |
| 93.14% | 92.13% | 91.01% | 89.73% | 100.00% | 100.00% |

City of Orrville, Ohio
Principal Employers
 2020 and 2011

2020

| Employer | Employees |
|--|-----------|
| J.M. Smucker Company | 1,901 |
| Aultman Orrville Hospital (Formerly Dunlap Hospital) | 355 |
| SmithFoods, Incorporated | 334 |
| Quality Castings Company | 332 |
| Venture Products | 295 |
| Will-Burt Company, Incorporated | 275 |
| Orrville City School District | 226 |
| Bekaert Corporation | 180 |
| Orrvilon | 170 |
| City of Orrville/Orrville Utilities (1) | 165 |
| Total | 4,233 |
| Total Employment within the City | n/a |

2011

| Employer | Employees |
|---|-----------|
| J.M. Smucker Company | 1,394 |
| JLG, Incorporated | 366 |
| Quality Castings Company | 322 |
| SmithFoods, Incorporated | 302 |
| Will-Burt Company, Incorporated | 294 |
| Aultman Orrville Hospital | 217 |
| Orrville City Schools | 204 |
| Contours Bekaert, Incorporated | 204 |
| City of Orrville/Orrville Utilities (1) | 146 |
| Scott Industries | 135 |
| Total | 3,584 |
| Total Employment within the City | n/a |

Source: Wayne County Auditor

n/a - Information not available

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

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

| Year | Population (1) | Total Personal Income (3) | Personal Income Per Capita (1) | Median Household Income (1) | Median Age (1) | Wayne County Unemployment Rate (2) |
|------|----------------|---------------------------|--------------------------------|-----------------------------|----------------|------------------------------------|
| 2020 | 8,380 | \$170,952,000 | \$20,400 | \$39,565 | 40.1 | 3.8% |
| 2019 | 8,380 | 170,952,000 | 20,400 | 39,565 | 40.1 | 3.3 |
| 2018 | 8,380 | 170,952,000 | 20,400 | 39,565 | 40.1 | 3.9 |
| 2017 | 8,380 | 170,952,000 | 20,400 | 39,565 | 40.1 | 3.9 |
| 2016 | 8,380 | 170,952,000 | 20,400 | 39,565 | 40.1 | 4.0 |
| 2015 | 8,380 | 170,952,000 | 20,400 | 39,565 | 40.1 | 3.9 |
| 2014 | 8,380 | 170,952,000 | 20,400 | 39,565 | 40.1 | 4.6 |
| 2013 | 8,380 | 170,952,000 | 20,400 | 39,565 | 40.1 | 6.3 |
| 2012 | 8,380 | 170,952,000 | 20,400 | 39,565 | 40.1 | 6.1 |
| 2011 | 8,380 | 170,952,000 | 20,400 | 39,565 | 40.1 | 6.6 |

(1) 2010 Federal Census

(2) U.S. Bureau of Labor Statistics

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

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

| Function/Program | 2020 | 2019 | 2018 | 2017 |
|---|--------------|--------------|--------------|--------------|
| General Government | | | | |
| City Council | 9.0 | 9.0 | 9.0 | 9.0 |
| Finance | 2.0 | 2.0 | 2.0 | 2.0 |
| Tax | 1.0 | 1.0 | 1.0 | 1.0 |
| Law | 1.0 | 1.0 | 1.0 | 1.0 |
| Administration | 20.0 | 20.0 | 20.0 | 19.0 |
| Custodial | 1.0 | 1.0 | 1.0 | 1.0 |
| Civil Service | 3.0 | 3.0 | 3.0 | 3.0 |
| Utility Board | 5.0 | 5.0 | 5.0 | 5.0 |
| Security of Persons and Property | | | | |
| Police | 17.0 | 17.0 | 16.0 | 14.0 |
| Police - Dispatchers | 0.0 | 0.0 | 1.0 | 1.0 |
| School Crossing Guards | 3.0 | 3.0 | 3.0 | 3.0 |
| Fire | 27.0 | 28.0 | 26.0 | 28.0 |
| Community Development | | | | |
| Economic Development | 1.0 | 1.0 | 1.0 | 1.0 |
| Transportation | | | | |
| Street, Park & Cemetery | 15.0 | 15.0 | 14.0 | 15.0 |
| Basic Utility Services | | | | |
| Electric - Meter Readers | 1.0 | 1.0 | 1.0 | 1.0 |
| Electric - Operations | 7.0 | 7.0 | 9.0 | 12.0 |
| Electric - Maintenance | 16.0 | 16.0 | 17.0 | 17.0 |
| Electric - Distribution | 16.0 | 16.0 | 16.0 | 15.0 |
| Electric - Fiber Optics | 2.0 | 2.0 | 2.0 | 2.0 |
| Water - Operations | 6.0 | 6.0 | 5.0 | 5.0 |
| Water - Maintenance | 2.0 | 2.0 | 2.0 | 2.0 |
| Sewer - Operations | 7.0 | 7.0 | 7.0 | 7.0 |
| Sewer - Maintenance | 2.0 | 2.0 | 2.0 | 2.0 |
| Totals: | 164.0 | 165.0 | 164.0 | 166.0 |

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

| 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|-------|-------|-------|-------|-------|-------|
| 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 |
| 2.0 | 2.0 | 2.0 | 3.0 | 3.0 | 4.0 |
| 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 19.0 | 18.0 | 17.0 | 18.0 | 18.0 | 19.0 |
| 1.0 | 1.0 | 1.0 | 2.0 | 2.0 | 2.0 |
| 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| 15.0 | 15.0 | 14.0 | 15.0 | 16.0 | 15.0 |
| 1.0 | 5.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| 3.0 | 3.0 | 3.0 | 4.0 | 4.0 | 4.0 |
| 28.0 | 28.0 | 28.0 | 34.0 | 44.0 | 41.0 |
| 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 15.0 | 15.0 | 15.0 | 14.0 | 14.0 | 15.0 |
| 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 13.0 | 15.0 | 19.0 | 19.0 | 19.0 | 19.0 |
| 18.0 | 21.0 | 21.0 | 24.0 | 25.0 | 26.0 |
| 17.0 | 17.0 | 18.0 | 20.0 | 20.0 | 20.0 |
| 2.0 | 2.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 6.0 |
| 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| 7.0 | 7.0 | 8.0 | 6.0 | 7.0 | 7.0 |
| 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 171.0 | 179.0 | 185.0 | 198.0 | 211.0 | 212.0 |

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

| Function/Program | 2020 | 2019 | 2018 | 2017 |
|--|--------------|--------------|--------------|--------------|
| General Government | | | | |
| <i>Council and Clerk</i> | | | | |
| Number of Ordinances Passed | 5 | 6 | 13 | 4 |
| Number of Resolutions Passed | 49 | 48 | 46 | 55 |
| Number of Planning Commission Docket Items | 26 | 15 | 19 | 39 |
| Zoning Board of Appeals Docket Items | 2 | 2 | 5 | 4 |
| <i>Finance Department</i> | | | | |
| Number of Checks/Vouchers Issued | 3,426 | 3,783 | 3,693 | 4,127 |
| Amount of Checks Written | \$36,459,160 | \$36,952,789 | \$37,902,862 | \$39,366,438 |
| Interest Earnings for Fiscal Year (Cash Basis) | \$764,235 | \$932,018 | \$660,548 | \$406,502 |
| Number of Receipts Issued | 1,945 | 2,203 | 2,284 | 2,032 |
| Number of Journal Entries Issued | 965 | 762 | 568 | 531 |
| Number of Budget Adjustments Issued | 5 | 5 | 2 | 3 |
| <i>Income Tax Department</i> | | | | |
| Number of Individual Returns | 2,368 | 2,611 | 2,488 | 2,479 |
| Number of Business Returns | 564 | 579 | 626 | 628 |
| Number of Business Withholding Accounts | 921 | 713 | 679 | 770 |
| Amount of Penalties and Interest Collected | \$547 | \$1,056 | \$654 | \$266 |
| Annual Number of Corporate Withholding Forms Processed | 5,299 | 5,087 | 5,164 | 5,325 |
| Annual Number of Balance Due Statement Forms Processed | 82 | 366 | 209 | 52 |
| Annual Number of Estimated Payment Forms Processed | 738 | 772 | 684 | 687 |
| Annual Number of Reconciliations of Withholdings Processed | 650 | 609 | 686 | 676 |
| <i>Civil Service</i> | | | | |
| Number of Police Entry Tests Administered | 0 | 0 | 2 | 0 |
| Number of Police Promotional Tests Administered | 0 | 0 | 0 | 0 |
| Number of Hires of Police Officers from Certified Lists | 0 | 0 | 2 | 0 |
| Number of Promotions from Police Certified Lists | 0 | 0 | 0 | 0 |
| <i>Building Department Indicators</i> | | | | |
| New Construction Permits Issued | 55 | 43 | 59 | 91 |
| Estimated Value of Construction | \$4,926,838 | \$6,544,658 | \$10,727,713 | \$16,661,982 |
| Number of Permits Issued | 125 | 92 | 127 | 153 |
| Amount of Revenue Generated from Permits | \$3,503 | \$2,712 | \$7,655 | \$4,561 |
| Security of Persons and Property | | | | |
| <i>Police</i> | | | | |
| Number of Traffic Citations Issued | 0 | 0 | 0 | 566 |
| Number of Criminal Arrests | 90 | 157 | 227 | 177 |
| Number of Accident Reports Completed | 85 | 121 | 153 | 144 |
| Part I Offenses (Major Offenses) | 85 | 95 | 124 | 144 |
| DUI Arrests | 7 | 13 | 12 | 22 |
| Motor Vehicle Accidents | 85 | 121 | 153 | 144 |
| Fatalities from Motor Vehicle Accidents | 0 | 0 | 0 | 0 |
| <i>Fire</i> | | | | |
| EMS Calls | 774 | 740 | 819 | 727 |
| Ambulance Billing Collections (Net) | \$171,342 | \$163,947 | \$166,991 | \$141,018 |
| Fire Calls | 215 | 234 | 221 | 198 |
| Fires With Loss | 8 | 11 | 19 | 22 |
| Fire Losses | \$347,400 | \$605,230 | \$761,450 | \$468,847 |
| Fire Safety Inspections | 38 | 85 | 87 | 57 |
| Number of Times Mutual Aid Given to Fire and EMS | 28 | 64 | 28 | 28 |
| Number of Times Mutual Aid Received for Fire and EMS | 6 | 9 | 7 | 6 |

| 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 4 | 8 | 8 | 19 | 24 | 10 |
| 48 | 54 | 54 | 55 | 44 | 50 |
| 33 | 31 | 34 | 34 | 48 | 38 |
| 3 | 4 | 5 | 4 | 3 | 8 |
| 4,685 | 4,486 | 4,865 | 4,677 | 5,204 | 5,154 |
| \$52,726,352 | \$51,850,129 | \$49,034,188 | \$42,905,964 | \$49,804,831 | \$35,806,210 |
| \$185,825 | \$271,001 | \$195,009 | \$125,836 | \$140,238 | \$150,653 |
| 1,882 | 1,970 | 2,005 | 2,124 | 2,028 | 2,025 |
| 539 | 544 | 509 | 483 | 553 | 608 |
| 1 | 2 | 3 | 2 | 0 | 4 |
| 2,832 | 3,433 | 3,408 | 3,397 | 3,370 | 3,418 |
| 593 | 602 | 589 | 559 | 567 | 576 |
| 708 | 595 | 554 | 576 | 552 | 544 |
| \$570 | \$385 | \$1,226 | \$593 | \$1,324 | \$831 |
| 5,108 | 3,094 | 3,098 | 2,852 | 2,681 | 2,705 |
| 69 | 374 | 402 | 389 | 403 | 454 |
| 691 | 544 | 619 | 641 | 486 | 558 |
| 520 | 606 | 611 | 599 | 571 | 579 |
| 0 | 1 | 1 | 0 | 1 | 0 |
| 3 | 0 | 1 | 1 | 0 | 0 |
| 0 | 1 | 1 | 2 | 0 | 1 |
| 3 | 0 | 1 | 1 | 0 | 0 |
| 42 | 39 | 51 | 48 | 51 | 45 |
| \$30,700,214 | \$7,178,303 | \$46,838,201 | \$13,280,308 | \$11,460,110 | \$19,536,492 |
| 91 | 96 | 114 | 102 | 126 | 129 |
| \$2,430 | \$2,795 | \$2,865 | \$2,445 | \$2,869 | \$3,905 |
| 785 | 656 | 563 | 844 | 1,116 | 1,335 |
| 147 | 219 | 164 | 238 | 267 | 319 |
| 160 | 162 | 156 | 142 | 188 | 177 |
| 124 | 92 | 140 | 141 | 169 | 197 |
| 22 | 31 | 18 | 20 | 29 | 42 |
| 160 | 162 | 156 | 142 | 188 | 177 |
| 0 | 0 | 1 | 0 | 0 | 0 |
| 622 | 460 | 492 | 526 | 513 | 418 |
| \$117,702 | \$96,847 | \$110,797 | \$121,698 | \$130,470 | \$108,209 |
| 180 | 161 | 143 | 164 | 155 | 235 |
| 13 | 13 | 17 | 5 | 19 | 16 |
| \$108,174 | \$287,775 | \$325,395 | \$172,065 | \$305,900 | \$1,775,425 |
| 55 | 63 | 74 | 74 | 63 | 80 |
| 49 | 45 | 33 | 46 | 42 | 41 |
| 11 | 6 | 8 | 8 | 11 | 11 |

(continued)

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

| Function/Program | 2020 | 2019 | 2018 | 2017 |
|---|-------------|-------------|-------------|-------------|
| Public Health and Welfare | | | | |
| Cemetery Burials | 87 | 72 | 61 | 80 |
| Cemetery Sale of Lots | 66 | 51 | 72 | 75 |
| Cemetery Receipts | \$77,847 | \$51,395 | \$56,469 | \$59,313 |
| Leisure Time Activities | | | | |
| <i>Recreation</i> | | | | |
| Recreation Swimming Pool Receipts | \$16,451 | \$47,303 | \$50,413 | \$60,545 |
| Economic Development | | | | |
| Grant Amounts Received Due to Economic Development Department | \$311,116 | \$768,864 | \$279,305 | \$292,379 |
| Basic Utility Services | | | | |
| Refuse Disposal Per Year (In Tons) | 3,132 | 3,024 | 2,897 | 2,875 |
| Refuse Disposal Costs Per Year | \$463,482 | \$479,813 | \$445,637 | \$446,263 |
| Annual Recycling Tonnage (Excluding Leaf and Compost Items) | 560 | 560 | 543 | 540 |
| Percentage of Waste Recycled | 15.20% | 15.70% | 15.80% | 16.00% |
| Transportation | | | | |
| Street Improvements - Asphalt Overlay (Linear Feet) | 24,410 | 10,572 | 27,112 | 14,500 |
| Street Repair (Curbs, Aprons, Berms, Asphalt) (Hours) | 974 | 1,595 | 1,453 | 1,644 |
| Paint Striping (Hours) | 0 | 149 | 124 | 341 |
| Street Sweeper (Hours) | 319 | 428 | 324 | 350 |
| Cold Patch (Hours) | 48 | 95 | 204 | 100 |
| Snow & Ice Removal Regular Hours | 183 | 497 | 496 | 271 |
| Snow & Ice Removal Overtime Hours | 137 | 523 | 320 | 132 |
| Sewer Crew (Hours) | 511 | 934 | 938 | 1,029 |
| Sewer Jet, Vac-All, Other Services (Hours) | 256 | 557 | 473 | 456 |
| Landscaping Stump-Chipper Service (Hours) | 844 | 1,648 | 1,547 | 920 |
| Leaf Collection (Hours) | 1,240 | 1,471 | 1,482 | 1,398 |
| Holiday Lights Setup (Hours) | 112 | 80 | 98 | 129 |
| Equipment Repair/Body Shop (Hours) | 1,006 | 1,172 | 1,219 | 2,439 |
| Sign Department (Hours) | 2,634 | 913 | 4,327 | 3,309 |
| Number of Trees Planted Per Year | 114 | 30 | 10 | 31 |
| Tons of Snow Melting Salt Purchased (November - March) | 1,097 | 1,194 | 1,050 | 898 |
| Cost of Salt Purchased | \$98,232 | \$74,522 | \$38,577 | \$34,919 |
| Vehicle Repair/Body Shop (Hours) | 911 | 789 | 928 | 1,516 |
| Water Department | | | | |
| Water Rates Per 1st 100 Cu. Ft. of Water Used | \$4.23 | \$3.99 | \$3.73 | \$3.49 |
| Average Number of Water Accounts Billed Monthly (Cu. Ft.) | 51,862 | 50,853 | 54,871 | 58,448 |
| Total Water Collections Annually (Including P&I) | \$3,530,706 | \$3,343,069 | \$3,232,974 | \$3,027,637 |
| Sewer Department | | | | |
| Sewer Rates Per 1st 100 Cu. Ft. of Water Used | \$3.39 | \$3.20 | \$3.02 | \$2.82 |
| Total Flow of Sewer Treatment Plant (Billions of Gallons) | 0.843 | 0.927 | 0.898 | 0.804 |
| Average Daily Flow (Millions of Gallons Per Day) | 2.310 | 2.540 | 2.460 | 2.200 |
| Tons of Dry Sludge Removed | 445 | 297 | 345 | 252 |

Source: City Records

| 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 77 | 59 | 59 | 81 | 63 | 67 |
| 76 | 79 | 30 | 68 | 57 | 56 |
| \$57,676 | \$46,832 | \$42,349 | \$59,807 | \$47,557 | \$46,217 |
| \$37,333 | \$47,461 | \$43,927 | \$46,247 | \$54,056 | \$49,136 |
| \$1,133,879 | \$1,343,527 | \$806,529 | \$1,018,070 | \$484,230 | \$261,941 |
| 2,710 | 2,707 | 2,677 | 2,819 | 2,659 | 2,845 |
| \$416,358 | \$400,271 | \$433,295 | \$431,650 | \$422,615 | \$413,744 |
| 554 | 549 | 465 | 407 | 403 | 452 |
| 17.00% | 17.00% | 14.80% | 14.45% | 13.17% | 13.70% |
| 14,157 | 21,000 | 4,916 | 7,770 | 4,350 | 11,045 |
| 1,835 | 1,907 | 1,657 | 1,596 | 2,245 | 1,176 |
| 161 | 226 | 0 | 455 | 0 | 3 |
| 353 | 280 | 332 | 369 | 342 | 354 |
| 68 | 239 | 157 | 46 | 4 | 213 |
| 540 | 1,228 | 909 | 588 | 453 | 613 |
| 388 | 1,237 | 756 | 302 | 301 | 436 |
| 1,224 | 1,495 | 1,050 | 793 | 330 | 710 |
| 258 | 319 | 281 | 337 | 301 | 333 |
| 2,857 | 1,384 | 923 | 2,410 | 1,473 | 1,369 |
| 1,619 | 1,251 | 1,608 | 1,161 | 1,205 | 1,286 |
| 106 | 76 | 141 | 93 | 111 | 94 |
| 826 | 1,018 | 1,121 | 1,943 | 2,014 | 1,137 |
| 386 | 280 | 195 | 521 | 439 | 382 |
| 34 | 36 | 1 | 63 | 2 | 2 |
| 982 | 50 | 375 | 942 | 884 | 1,089 |
| \$56,477 | \$69,437 | \$12,870 | \$35,994 | \$44,417 | \$56,601 |
| 1,320 | 1,793 | 2,015 | 3,189 | 3,029 | 1,975 |
| \$3.23 | \$3.23 | \$3.23 | \$3.04 | \$2.87 | \$2.71 |
| 72,654 | 73,210 | 75,321 | 84,702 | 85,820 | 109,594 |
| \$3,224,102 | \$3,326,271 | \$3,296,454 | \$3,180,759 | \$2,803,423 | \$2,819,716 |
| \$2.64 | \$2.64 | \$2.64 | \$2.64 | \$2.64 | \$2.64 |
| 0.734 | 0.763 | 0.756 | 0.807 | 0.697 | 0.850 |
| 2.010 | 2.090 | 2.070 | 2.210 | 1.910 | 2.330 |
| 459 | 441 | 387 | 652 | 192 | 181 |

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

| Function/Program | 2020 | 2019 | 2018 | 2017 |
|-----------------------------|--------|--------|--------|--------|
| General Government | | | | |
| Square Footage Occupied | 71,554 | 71,554 | 71,554 | 71,554 |
| Administrative Vehicles | 3 | 3 | 3 | 3 |
| Inspection Vehicles | 2 | 1 | 1 | 1 |
| Police | | | | |
| Stations | 1 | 1 | 1 | 1 |
| Square Footage of Building | 11,700 | 11,700 | 11,700 | 11,700 |
| Vehicles | 16 | 14 | 14 | 14 |
| Fire | | | | |
| Stations | 2 | 2 | 2 | 2 |
| Square Footage of Building | 10,900 | 10,900 | 10,900 | 10,900 |
| Vehicles | 13 | 14 | 14 | 14 |
| Recreation | | | | |
| Number of Parks | 6 | 6 | 6 | 6 |
| Number of Pools | 1 | 1 | 1 | 1 |
| Number of Tennis Courts | 6 | 6 | 6 | 6 |
| Number of Baseball Diamonds | 7 | 7 | 7 | 7 |
| Vehicles | 1 | 1 | 1 | 1 |
| Transportation | | | | |
| Streets (miles) | 51 | 51 | 51 | 50 |
| Storm Sewers (miles) | 151 | 151 | 151 | 151 |
| Service Vehicles | 27 | 26 | 26 | 26 |
| Sewer Department | | | | |
| Sanitary Sewers (miles) | 42 | 42 | 42 | 42 |
| Vehicles | 6 | 6 | 6 | 6 |
| Water Department | | | | |
| Water Lines (miles) | 61 | 61 | 61 | 61 |
| Vehicles | 10 | 10 | 10 | 9 |
| Electric Department | | | | |
| Electric Lines (miles) | 334 | 300 | 300 | 300 |
| Vehicles | 25 | 24 | 24 | 24 |

Source: City Records

| 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--------|--------|--------|--------|--------|--------|
| 71,554 | 71,554 | 71,554 | 71,554 | 71,554 | 71,554 |
| 4 | 4 | 4 | 4 | 4 | 4 |
| 0 | 0 | 0 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 11,700 | 11,700 | 11,700 | 11,700 | 11,700 | 11,700 |
| 11 | 10 | 10 | 10 | 10 | 10 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 10,900 | 10,900 | 10,900 | 10,900 | 10,900 | 10,900 |
| 13 | 13 | 12 | 12 | 12 | 12 |
| 6 | 6 | 6 | 6 | 6 | 6 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 6 | 6 | 6 | 6 | 6 | 6 |
| 7 | 7 | 7 | 7 | 7 | 7 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 50 | 50 | 47 | 47 | 47 | 47 |
| 151 | 151 | 151 | 151 | 151 | 151 |
| 23 | 23 | 23 | 23 | 23 | 23 |
| 42 | 42 | 42 | 42 | 42 | 42 |
| 6 | 6 | 6 | 6 | 6 | 6 |
| 61 | 61 | 61 | 61 | 61 | 61 |
| 10 | 10 | 10 | 10 | 10 | 10 |
| 300 | 300 | 300 | 300 | 300 | 300 |
| 24 | 24 | 24 | 24 | 24 | 24 |

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**CITY OF ORRVILLE
WAYNE COUNTY, OHIO**

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2020**

James G. Zupka, CPA, Inc.
Certified Public Accountants

**CITY OF ORRVILLE
WAYNE COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020**

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JAMES G. ZUPKA, C.P.A., INC.

*Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

To the Members of City Council
City of Orrville
Orrville, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 27, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. Also, the City restated its net position of the business-type activities and the Electric Fund as of December 31, 2019 due to a depreciation adjustment.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



James G. Zupka, CPA, Inc.
Certified Public Accountants

July 27, 2021

**CITY OF ORRVILLE
WAYNE COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020**

The prior issued audit report, as of December 31, 2019, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF ORRVILLE

WAYNE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/14/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov