

City of Orrville, Ohio  
Annual  
Comprehensive  
Financial Report

For the Year Ended December 31, 2021



OHIO AUDITOR OF STATE  
KEITH FABER



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Members of Council  
City of Orrville  
207 North Main Street  
Orrville, Ohio 44667

We have reviewed the *Independent Auditor's Report* of the City of Orrville, Wayne County, prepared by Zupka & Associates, for the audit period January 1, 2021 through December 31, 2021. 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 28, 2022

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**CITY OF ORRVILLE, OHIO**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**For the Year Ended December 31, 2021**

Janet L. Strimlan  
Finance Director

Prepared by the City Finance Department



# Introductory Section

**City of Orrville, Ohio**  
*Annual Comprehensive Financial Report*  
*For the Year Ended December 31, 2021*  
*Table of Contents*

---

	<u>Page</u>
<b>I. Introductory Section</b>	
Table of Contents .....	i
Letter of Transmittal.....	v
List of City Officials.....	xiii
Organizational Chart .....	xiv
GFOA Certificate of Achievement.....	xv
 <b>II. Financial Section</b>	
Independent Auditor’s Report .....	1
Management’s Discussion and Analysis .....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	15
Statement of Activities .....	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	18
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	21
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual: General Fund .....	22
Statement of Fund Net Position – Proprietary Funds .....	23
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds .....	24
Statement of Cash Flows – Proprietary Funds .....	25

**City of Orrville, Ohio**  
*Annual Comprehensive Financial Report*  
*For the Year Ended December 31, 2021*  
*Table of Contents (continued)*

	<u>Page</u>
Statement of Fiduciary Net Position – Private-Purpose Trust Fund .....	27
Statement of Changes in Fiduciary Net Position – Private-Purpose Trust Fund.....	28
Notes to the Basic Financial Statements .....	29
<b>Required Supplementary Information:</b>	
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Public Employees Retirement System – Traditional Plan – Last Eight Years.....	78
Schedule of the City’s Proportionate Share of the Net Pension Asset – Ohio Public Employees Retirement System – Combined Plan – Last Four Years.....	81
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Police and Fire Pension Fund – Last Eight Years.....	82
Schedule of the City’s Proportionate Share of the Net OPEB Liability – Ohio Public Employees Retirement System – Last Five Years.....	84
Schedule of the City’s Proportionate Share of the Net OPEB Liability – Ohio Police and Fire Pension Fund – Last Five Years .....	85
Schedule of the City’s Contributions – Ohio Public Employees Retirement System – Traditional Plan – Last Nine Years.....	86
Schedule of the City’s Contributions – Ohio Police and Fire Pension Fund – Last Ten Years...	88
Notes to the Required Supplementary Information .....	90
<b>Combining Statements and Individual Fund Schedules:</b>	
<b>Combining Statements – Nonmajor Governmental Funds:</b>	
Fund Descriptions.....	94
Combining Balance Sheet – Nonmajor Governmental Funds.....	96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	97
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	101



**City of Orrville, Ohio**  
*Annual Comprehensive Financial Report*  
*For the Year Ended December 31, 2021*  
*Table of Contents (continued)*

	<u>Page</u>
Combining Balance Sheet – Nonmajor Debt Service Funds.....	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds.....	105
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	107
<b>Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balances/Fund Equity – Budget (Non-GAAP Basis) and Actual:</b>	
<b>Major Funds:</b>	
General Fund .....	109
Capital Improvements Fund .....	113
Sewer Fund.....	114
Electric Fund .....	115
Water Fund.....	116
<b>NonMajor Funds:</b>	
Gas Tax Motor Vehicle License Fund.....	117
State Highway Fund .....	118
Permissive Motor Vehicle License Fund .....	119
Solid Waste Fund .....	120
Law Enforcement Fund.....	121
Enforcement and Education Fund .....	122
Cemetery Maintenance Fund.....	123
Permissive Fund .....	124
First Responders Fund.....	125
Blooming Orrville Fund .....	126
Emergency Medical Service Equipment Fund .....	127
Performing Arts Fund.....	128
Continuing Professional Training Grant Fund .....	129
Coronavirus Relief Fund .....	130
American Rescue Plan Fund .....	131
Special Assessment Bond Retirement Fund.....	132
Park Improvement Fund.....	133
Fire Department Vehicle Replacement Fund .....	134
Recreation and Park Fund .....	135
Grants Fund.....	136
Dental Health Insurance Fund.....	137
Cemetery Memorial Fund .....	138

**City of Orrville, Ohio**  
*Annual Comprehensive Financial Report*  
*For the Year Ended December 31, 2021*  
*Table of Contents (continued)*

---

	<u>Page</u>
<b>III. Statistical Section</b>	
Statistical Section Description.....	S1
Net Position by Component – Last Ten Years .....	S2
Changes in Net Position – Last Ten Years.....	S4
Fund Balances, Governmental Funds – Last Ten Years .....	S8
Changes in Fund Balances, Governmental Funds – Last Ten Years.....	S10
Income Tax Revenue Base and Collections – Last Ten Years.....	S12
Income Tax Filers by Income Level – Tax Years 2021 and 2012.....	S13
Electric Sold by Type of Customer – Last Ten Years .....	S14
Principal Electric Customers – 2021 and 2012 .....	S15
Electric Rates Per Month – Last Ten Years .....	S16
Ratios of Outstanding Debt – Last Ten Years.....	S18
Computation of Direct and Overlapping Governmental Activities Debt.....	S20
Pledged Revenue Coverage – Water and Sewer – Last Ten Years .....	S21
Legal Debt Margin – Last Ten Years .....	S22
Principal Employers – 2021 and 2012.....	S24
Demographic and Economic Statistics – Last Ten Years.....	S25
City Government Employees by Function/Program – Last Ten Years .....	S26
Operating Indicators by Function/Program – Last Ten Years.....	S28
Capital Assets Statistics by Function/Program – Last Ten Years .....	S32



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

August 30, 2022

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, 2021. 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. The 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 2021 population was 8,452, 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, 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 45th largest in the United States. The airport handles over 10 million passengers annually from nearly 200 thousand operations (takeoffs and landings). The airport handles 115 daily nonstop flights to over 48 destinations. A total of nine carriers provide service to Cleveland Hopkins, including Air Canada, Alaska Airlines, American Airlines, Delta, Frontier Airlines, JetBlue, Southwest, Spirit, and United.

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, Allegiant, Breeze, 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 16 nonstop destinations.

Orrville offers companies a number of competitive advantages including a skilled workforce with a heritage of substantial work ethic, perhaps passed down from the pioneering generations who started their farms and small businesses in the area more than 180 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), Smith Foods (formally known as 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, 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, fitness and nursing facilities, retail tire services, furniture, floor coverings, wireless telephone, collision centers, financial services, and numerous banking centers.

Most of the industries located in Orrville provide products that end up all over the State, the region, the country, basically all over the world. The most long-standing companies in the City and the products they provide are listed as follows:

- For more than 120 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, ice cream toppings, pet food, health and natural foods, and beverages in North America. Those jars of fruit spreads made in Orrville, Ohio end up creating those mealtime moments in more countries than we can count.
- Since 1909, Smith Foods 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.
- Take a moment and think about colored glass. We are talking about glass bottles, tableware, giftware, containers, architectural glass, and automotive glass. 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 wastewater facility treated 826 million gallons of wastewater during 2021. 300 dry tons of residual solids were land applied in 2021 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 2021, the power plant generated 6 percent of the energy required for our customers. The Fremont gas plant delivered 28 percent, the open market 36 percent, Prairie State 9 percent, solar 10 percent, and hydro projects with 17 percent. At the end of 2021, 19 percent of our energy came from renewables, with the most coming from the hydro projects at 28 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 24 professional, technical, skilled maintenance, and operating personnel. In the distribution department, 12 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 5.2 percent of its capacity this year. The power plant burned 9,805 tons of coal in 2021.

## *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, batting cages, tennis and pickleball courts, playground equipment, swimming pool with a spacious bathhouse and a splash pad. 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 Guardians, 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 Columbus 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 114 full-time employees, 22 volunteer firemen (who are paid on a per-call basis), and 17 part-time positions (including City Council, Utility Board, and Civil Service Commission). A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining. Some full-time employees are represented by the following bargaining units:

<b><u>Bargaining Unit</u></b>	<b><u>Expiration Date of Current Agreement</u></b>	<b><u>Number of Employees</u></b>
United City Workers	December 31, 2023	46
Ohio Patrolmen's Benevolent Association	December 31, 2023	13

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 2021. The Safety Services Department began the Ella Street culvert replacement project in coordination with major bridge replacement in Orr Park. In addition, City capital proceeds and grant monies from the Ohio Public Works Commission (OPWC) were utilized to resurface West High Street, West Paradise Street, Maple Street, Evergreen Drive, Crestview Drive, North Walnut Street, and Lake Street, and CDBG dollars were utilized to resurface Kirk Street.

### ***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 annual comprehensive financial report for the fiscal year ended December 31, 2020. This was the twentieth 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 annual comprehensive 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 annual comprehensive 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 2021 Annual Comprehensive Financial Report.

Respectfully submitted,

*Janet L. Strimlan*

Janet L. Strimlan  
Director of Finance

**City of Orrville, Ohio**

*City Officials*

ELECTED OFFICIALS

Mayor .....David T. Handwerk  
President of Council..... Paul Vance  
Council Member ..... Rick Aspiras, Jr.  
Council Member ..... Patty Carr  
Council Member .....C.J. Handwerk  
Council Member .....John Lorson  
Council Member .....Darrell Mosley II  
Council Member .....Kyle Shanklin  
Council Member ..... Travis Wilson

APPOINTED OFFICIALS

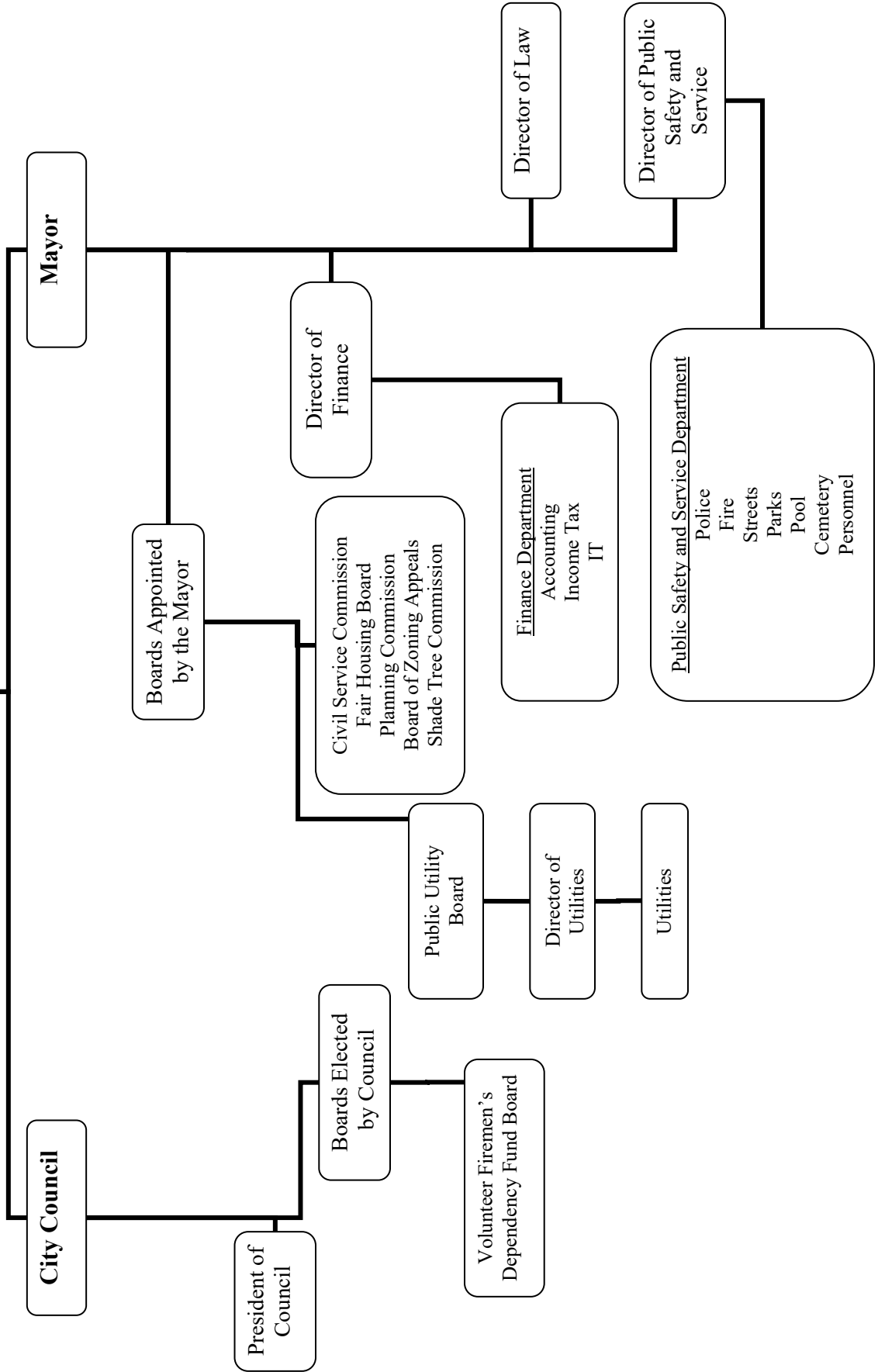
Director of Finance ..... Janet L. Strimlan  
Director of Law.....Cheryl M. Kirkbride  
Director of Public Safety and Service.....Steven M. Wheeler  
Director of Utilities.....Jeff Brediger  
Clerk of Council.....Jeanne Gault

UTILITY BOARD MEMBERS

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

December 31, 2021

**Citizens of Orrville  
(Voters)**





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Orrville  
Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO

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# Financial Section

## INDEPENDENT AUDITOR'S REPORT

City of Orrville  
Wayne County

To the Members of City Council:

### Report on the Financial Statements

#### *Opinions*

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2021, 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.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Emphasis of Matter***

As discussed in Note 21 to the basic financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. Our opinion is not modified with respect to this matter.

***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 is the responsibility of management and, 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.

***Supplementary 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 combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2022, 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 solely 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 the effectiveness of the City's 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.



Zupka & Associates  
Certified Public Accountants

August 30, 2022

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
*Unaudited*

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The discussion and analysis for the City of Orrville's financial statements provides an overall review of the financial activity of the City for the twelve months ended December 31, 2021. 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 2021 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 2021 by \$159,371,137. Of this amount, the unrestricted balance is \$69,316,606. The unrestricted net position of the City's business-type activities is \$62,411,466 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 \$11,883,846. Net position of the governmental activities increased by \$3,965,397. Net position of the business-type activities increased by \$7,918,449, which combined with governmental, represented an 8 percent increase from 2020.
- The total cost of the City's programs decreased by \$4,061,574, or a 9 percent decrease. The cost of governmental activities decreased by \$2,490,735, while the cost of business-type activities decreased by \$1,570,839. The decreases in expenses was mostly driven by changes in assumptions related to the pension and OPEB plans.
- At the close of the current year, the City's governmental funds reported a combined ending fund balance of \$13,752,384. The combined governmental funds' balance increased by \$280,982 from the prior year's ending fund balance. Approximately 37 percent of this amount, \$5,106,103, is considered unassigned at December 31, 2021, and is available for spending at the City's discretion.
- The general fund reported an unassigned fund balance of \$5,106,103 at the end of 2021. This balance for the general fund was approximately 84 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 2021 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, 2021*  
*Unaudited*

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***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, 2021*  
*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 fund is a private-purpose trust fund.

### 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 2021 as it compares to 2020.

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

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets</b>						
Current and Other Assets	\$16,834,008	\$16,719,238	\$73,721,155	\$69,504,543	\$90,555,163	\$86,223,781
Net Pension Asset	52,233	44,069	174,855	132,203	227,088	176,272
Net OPEB Asset	203,452	0	681,119	0	884,571	0
Capital Assets, Net	56,004,471	54,173,918	32,941,765	34,817,646	88,946,236	88,991,564
<i>Total Assets</i>	<u>73,094,164</u>	<u>70,937,225</u>	<u>107,518,894</u>	<u>104,454,392</u>	<u>180,613,058</u>	<u>175,391,617</u>
<b>Deferred Outflows of Resources</b>						
Pension	786,920	963,396	796,994	1,135,009	1,582,956	2,097,302
OPEB	443,094	631,728	351,022	849,518	794,116	1,481,246
<i>Total Deferred Outflows of Resources</i>	<u>1,230,014</u>	<u>1,595,124</u>	<u>1,148,016</u>	<u>1,984,527</u>	<u>2,377,072</u>	<u>3,578,548</u>
<b>Liabilities</b>						
Current Liabilities	837,987	1,309,880	2,429,793	2,684,986	3,267,780	3,994,866
Long-Term Liabilities:						
Due Within One Year	229,355	238,860	456,535	478,300	685,890	717,160
Due in More Than One Year:						
Other Amounts	450,083	468,583	851,721	782,781	1,301,804	1,251,364
Net Pension Liability	5,020,807	5,814,664	5,396,329	7,170,656	10,417,136	12,985,320
Net OPEB Liability	529,789	2,259,405	0	5,271,922	529,789	7,531,327
<i>Total Liabilities</i>	<u>7,068,021</u>	<u>10,091,392</u>	<u>9,134,378</u>	<u>16,388,645</u>	<u>16,202,399</u>	<u>26,480,037</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes	574,000	519,999	0	0	574,000	519,999
Pension	1,270,561	952,328	2,465,068	2,024,177	3,734,671	2,975,402
OPEB	971,190	493,621	2,136,733	1,013,815	3,107,923	1,507,436
<i>Total Deferred Inflows of Resources</i>	<u>2,815,751</u>	<u>1,965,948</u>	<u>4,601,801</u>	<u>3,037,992</u>	<u>7,416,594</u>	<u>5,002,837</u>
<b>Net Position</b>						
Net Investment in Capital Assets	55,515,574	53,657,045	32,519,265	34,247,646	88,034,839	87,904,691
Restricted for:						
Debt Service	218,720	217,893	0	0	218,720	217,893
Capital Projects	509,830	351,574	0	0	509,830	351,574
Street Repair and Maintenance	1,095,980	1,078,659	0	0	1,095,980	1,078,659
Law Enforcement and Education	19,298	19,911	0	0	19,298	19,911
Cemetery Maintenance	162,010	315,560	0	0	162,010	315,560
Unclaimed Monies	9,356	0	0	0	9,356	0
Other Purposes	4,498	4,600	0	0	4,498	4,600
Unrestricted	6,905,140	4,829,767	62,411,466	52,764,636	69,316,606	57,594,403
<i>Total Net Position</i>	<u>\$64,440,406</u>	<u>\$60,475,009</u>	<u>\$94,930,731</u>	<u>\$87,012,282</u>	<u>\$159,371,137</u>	<u>\$147,487,291</u>

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
*Unaudited*

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The net pension liability (NPL) is the largest single liabilities reported by the City at December 31, 2021. 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 during 2021 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 decreased due to depreciation outpacing additions, although the City did make significant investments in fire department vehicles and road and water infrastructure, as well as other departments.

The City also works hard to increase net position through its investment program; however, investment earnings for the City were lower than 2020. This decrease reflects the fair market valuation of the City's investments at December 31, 2021.

Table 2 shows the changes in net position for the years ended December 31, 2021 and 2020, 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, 2021*  
*Unaudited*

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

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Operating Assessments	\$1,268,190	\$1,068,815	\$40,087,677	\$36,925,429	\$41,355,867	\$37,994,244
Operating Grants and Contributions	1,139,503	1,191,789	0	0	1,139,503	1,191,789
Capital Grants and Contributions	335,395	569,905	0	4,113	335,395	574,018
<b>Total Program Revenues</b>	<b>2,743,088</b>	<b>2,830,509</b>	<b>40,087,677</b>	<b>36,929,542</b>	<b>42,830,765</b>	<b>39,760,051</b>
General Revenues:						
Property Taxes	547,530	488,958	0	0	547,530	488,958
Kilowatt Per Hour Tax	887,390	858,760	0	0	887,390	858,760
Income Taxes	7,612,326	5,970,166	0	0	7,612,326	5,970,166
Grants and Entitlements	414,293	297,684	0	0	414,293	297,684
Unrestricted Contributions	0	6,500	0	0	0	6,500
Investment Earnings	(641,663)	567,591	358,393	586,058	(283,270)	1,153,649
Other	88,767	305,006	579,893	863,847	668,660	1,168,853
<b>Total General Revenues</b>	<b>8,908,643</b>	<b>8,494,665</b>	<b>938,286</b>	<b>1,449,905</b>	<b>9,846,929</b>	<b>9,944,570</b>
<b>Total Revenues</b>	<b>11,651,731</b>	<b>11,325,174</b>	<b>41,025,963</b>	<b>38,379,447</b>	<b>52,677,694</b>	<b>49,704,621</b>
<b>Program Expenses</b>						
General Government	816,703	1,964,057	0	0	816,703	1,964,057
Security of Persons and Property:						
Police	2,876,816	2,786,501	0	0	2,876,816	2,786,501
Fire	358,184	582,112	0	0	358,184	582,112
Transportation	1,292,035	2,761,440	0	0	1,292,035	2,761,440
Public Health and Welfare	544,834	275,055	0	0	544,834	275,055
Leisure Time Activities	341,244	289,767	0	0	341,244	289,767
Basic Utility Service	569,128	630,747	0	0	569,128	630,747
Enterprise Operations	0	0	33,994,904	35,565,743	33,994,904	35,565,743
<b>Total Program Expenses</b>	<b>6,798,944</b>	<b>9,289,679</b>	<b>33,994,904</b>	<b>35,565,743</b>	<b>40,793,848</b>	<b>44,855,422</b>
Increase in Net Position Before Transfers	4,852,787	2,035,495	7,031,059	2,813,704	11,883,846	4,849,199
Transfers	(887,390)	(858,760)	887,390	858,760	0	0
Increase in Net Position	3,965,397	1,176,735	7,918,449	3,672,464	11,883,846	4,849,199
Net Position Beginning of Year	60,475,009	59,298,274	87,012,282	83,339,818	147,487,291	142,638,092
<b>Net Position End of Year</b>	<b>\$64,440,406</b>	<b>\$60,475,009</b>	<b>\$94,930,731</b>	<b>\$87,012,282</b>	<b>\$159,371,137</b>	<b>\$147,487,291</b>

**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 increased in 2021, mainly due to an increase in income tax revenue. The increase in income tax revenue is attributable to the economy recovering from the COVID-19 pandemic and its impact on local businesses and industries.



**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
*Unaudited*

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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 \$7,612,326 in 2021. 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 2021, 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 2021 decreased from 2020, mainly due to changes related to the pension and OPEB plans.

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 2021 increased from the prior year due to increased personal services, purchased services, and materials and supplies costs.

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 decreased from the prior year due to a large portion of the department's expenses being capitalized during the year.

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 also decreased in 2021, mainly due to various projects being capitalized and fewer personal services costs during the year.

***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 2021, the electric utility sold 296,744,018 KWH of electricity to generate \$33,563,850 in charges for services revenue. The utility burned 9,805 tons of coal. The plant produced 6 percent of the community's energy requirements, with 9 percent coming from our participation in the Prairie State Project and 28 percent coming from our participation in the Fremont Gas Project. Participation in wind, solar, and hydro projects generated 20 of the power requirements, leaving 37 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 2021. The City continues to monitor and participate in federal legislative efforts to mitigate the increasing transmission cost trends that impact all US electric consumers.

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
*Unaudited*

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The water utility treated an average of 1.4 million gallons of water per day in 2021. 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 906 million gallons of sewage during 2021. Three hundred dry tons of residual solids were land applied in 2021 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 2021, this amount accounted for approximately 98 percent of the revenues. The increase in the revenues in the utility funds during 2021 was primarily the result of more charges for services during the year as a result of an increase in electric usage for commercial and industrial customers as usage increased while recovering from the pandemic. With the increase in revenues, expenses also decreased, mainly due to the effect of the changes in assumptions related to the pension and OPEB plans, as mentioned previously. As a result, net position increased by \$7,918,449 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 \$6,973,115 decreased from 2020 revenues, primarily for interest revenues related to the fair market value of investments at December 31, 2021. Expenditures of \$6,073,822 were higher than 2020 expenditures, mainly due to increases in expenditures for police, fire, and leisure time activities. Police and fire expenditures increased as those departments made more vehicle and equipment purchases while leisure time activities increased due to more personal services and materials and supplies costs for the parks and pool. Although this shows a surplus of \$899,293 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 operations. When these transfers are factored in, the net change in fund balance is a decrease of \$330,603. The capital improvements fund revenues of \$2,256,868 are less than 2020, mainly due to decreased intergovernmental revenues. The expenditures of \$1,651,321 are higher than 2020 expenditures, due primarily to increases in expenditures related to the police, fire, and parks departments.

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 \$2,539,385 and operating expenses of \$1,325,374; the electric fund had operating revenues of \$34,127,941 and operating expenses of \$29,855,066; and the water fund had operating revenues of \$3,797,340 and operating expenses of \$1,892,935, with no funds operating with a loss.

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
*Unaudited*

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***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 \$6,290,900 and \$6,545,250, respectively. The actual revenues were \$7,658,740. The \$1,113,490 difference between final budgeted and actual revenues was primarily due to higher than anticipated income tax revenues. The actual expenditures of \$6,518,924 compare favorably with the final budget figure of \$7,216,458. 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, capital improvements, 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 2021 due to additions of new assets being lower than annual depreciation and disposals of assets during the year. Several projects were begun during 2021 and continued into 2022. Outstanding projects at year end mainly consisted of mainly of paving projects and park improvements. 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, 2021, 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 \$36,033 for 2021.

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 \$147,500 in 2021.

**City of Orrville, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
*Unaudited*

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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 2021 reflected a positive outcome despite the COVID-19 variant and supply chain pressures resulting in significant price increases. 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 and closely monitoring all purchases.

The fallout from COVID-19 has had a significant impact on the way local employers conduct business. Many employers within the City have adopted hybrid work models that include a significant portion of employee hours being spent working from home. The consequences of permanent 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 resulted in lawsuits at the State level that are currently in the appeal process. Current rulings for tax treatment will 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](http://www.orrville.com).

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# **Basic Financial Statements**

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**City of Orrville, Ohio**  
*Statement of Net Position*  
December 31, 2021

	Governmental Activities *	Business-Type Activities *	Total *
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$12,706,662	\$65,157,066	\$77,863,728
Materials and Supplies Inventory	127,121	4,064,458	4,191,579
Accrued Interest Receivable	15,598	83,809	99,407
Accounts Receivable	157,514	4,567,574	4,725,088
Internal Balances	268,196	(268,196)	0
Intergovernmental Receivable	712,316	0	712,316
Prepaid Items	24,105	116,444	140,549
Income Taxes Receivable	2,218,846	0	2,218,846
Property Taxes Receivable	583,823	0	583,823
Special Assessments Receivable	19,827	0	19,827
Net Pension Asset	52,233	174,855	227,088
Net OPEB Asset	203,452	681,119	884,571
Nondepreciable Capital Assets	5,694,478	1,564,039	7,258,517
Depreciable Capital Assets, Net	50,309,993	31,377,726	81,687,719
<i>Total Assets</i>	<u>73,094,164</u>	<u>107,518,894</u>	<u>180,613,058</u>
<b>Deferred Outflows of Resources</b>			
Pension	786,920	796,994	1,582,956
OPEB	443,094	351,022	794,116
<i>Total Deferred Outflows of Resources</i>	<u>1,230,014</u>	<u>1,148,016</u>	<u>2,377,072</u>
<b>Liabilities</b>			
Accounts Payable	196,578	1,648,199	1,844,777
Accrued Wages	186,957	350,124	537,081
Intergovernmental Payable	85,977	152,507	238,484
Deposits Held Payable	74,695	0	74,695
Accrued Interest Payable	0	604	604
Vacation Benefits Payable	151,597	278,359	429,956
Unearned Revenue	142,183	0	142,183
Long-Term Liabilities:			
Due Within One Year	229,355	456,535	685,890
Due in More Than One Year:			
Other Amounts	450,083	851,721	1,301,804
Net Pension Liability (See Note 14)	5,020,807	5,396,329	10,417,136
Net OPEB Liability (See Note 15)	529,789	0	529,789
<i>Total Liabilities</i>	<u>7,068,021</u>	<u>9,134,378</u>	<u>16,202,399</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	574,000	0	574,000
Pension	1,270,561	2,465,068	3,734,671
OPEB	971,190	2,136,733	3,107,923
<i>Total Deferred Inflows of Resources</i>	<u>2,815,751</u>	<u>4,601,801</u>	<u>7,416,594</u>
<b>Net Position</b>			
Net Investment in Capital Assets	55,515,574	32,519,265	88,034,839
Restricted for:			
Debt Service	218,720	0	218,720
Capital Projects	509,830	0	509,830
Street Repair and Maintenance	1,095,980	0	1,095,980
Law Enforcement and Education	19,298	0	19,298
Cemetery Maintenance	162,010	0	162,010
Unclaimed Monies	9,356	0	9,356
Other Purposes	4,498	0	4,498
Unrestricted	6,905,140	62,411,466	69,316,606
<i>Total Net Position</i>	<u>\$64,440,406</u>	<u>\$94,930,731</u>	<u>\$159,371,137</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, 2021

	Program Revenues			
	Expenses	Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$816,703	\$106,780	\$56,993	\$0
Security of Persons and Property:				
Police	2,876,816	212,448	337,586	0
Fire	358,184	63,822	114,137	0
Transportation	1,292,035	126,245	604,833	334,395
Public Health and Welfare	544,834	132,843	0	0
Leisure Time Activities	341,244	29,324	20,844	1,000
Basic Utility Service	569,128	596,728	5,110	0
<i>Total Governmental Activities</i>	<u>6,798,944</u>	<u>1,268,190</u>	<u>1,139,503</u>	<u>335,395</u>
<b>Business-Type Activities:</b>				
Sewer	1,472,904	2,572,656	0	0
Electric	30,510,878	33,689,650	0	0
Water	2,011,122	3,825,371	0	0
<i>Total Business-Type Activities</i>	<u>33,994,904</u>	<u>40,087,677</u>	<u>0</u>	<u>0</u>
<i>Total - Primary Government</i>	<u>\$40,793,848</u>	<u>\$41,355,867</u>	<u>\$1,139,503</u>	<u>\$335,395</u>

**General Revenues**

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

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

Change in Net Position

*Net Position Beginning of Year*

*Net Position End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$652,930)	\$0	(\$652,930)
(2,326,782)	0	(2,326,782)
(180,225)	0	(180,225)
(226,562)	0	(226,562)
(411,991)	0	(411,991)
(290,076)	0	(290,076)
32,710	0	32,710
<u>(4,055,856)</u>	<u>0</u>	<u>(4,055,856)</u>
0	1,099,752	1,099,752
0	3,178,772	3,178,772
0	1,814,249	1,814,249
<u>0</u>	<u>6,092,773</u>	<u>6,092,773</u>
<u>(4,055,856)</u>	<u>6,092,773</u>	<u>2,036,917</u>
547,530	0	547,530
887,390	0	887,390
5,356,085	0	5,356,085
2,256,241	0	2,256,241
414,293	0	414,293
(641,663)	358,393	(283,270)
88,767	579,893	668,660
8,908,643	938,286	9,846,929
<u>(887,390)</u>	<u>887,390</u>	<u>0</u>
<u>8,021,253</u>	<u>1,825,676</u>	<u>9,846,929</u>
3,965,397	7,918,449	11,883,846
<u>60,475,009</u>	<u>87,012,282</u>	<u>147,487,291</u>
<u>\$64,440,406</u>	<u>\$94,930,731</u>	<u>\$159,371,137</u>



**City of Orrville, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2021*

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$7,038,985	\$3,504,270	\$2,079,356	\$12,622,611
Materials and Supplies Inventory	127,121	0	0	127,121
Accrued Interest Receivable	14,901	0	697	15,598
Accounts Receivable	63,015	0	94,499	157,514
Intergovernmental Receivable	176,000	0	536,316	712,316
Prepaid Items	24,105	0	0	24,105
Income Taxes Receivable	1,553,192	665,654	0	2,218,846
Property Taxes Receivable	583,823	0	0	583,823
Special Assessments Receivable	0	0	19,827	19,827
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	84,051	0	0	84,051
<i>Total Assets</i>	<u>\$9,665,193</u>	<u>\$4,169,924</u>	<u>\$2,730,695</u>	<u>\$16,565,812</u>
<b>Liabilities</b>				
Accounts Payable	\$20,849	\$128,563	\$47,166	\$196,578
Accrued Wages	148,604	0	38,353	186,957
Intergovernmental Payable	66,641	0	19,336	85,977
Deposits Held Payable From Restricted Assets	74,695	0	0	74,695
Unearned Revenue	0	0	142,183	142,183
<i>Total Liabilities</i>	<u>310,789</u>	<u>128,563</u>	<u>247,038</u>	<u>686,390</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	574,000	0	0	574,000
Unavailable Revenue	943,853	348,709	260,476	1,553,038
<i>Total Deferred Inflows of Resources</i>	<u>1,517,853</u>	<u>348,709</u>	<u>260,476</u>	<u>2,127,038</u>
<b>Fund Balances</b>				
Nonspendable	160,582	0	0	160,582
Restricted	0	0	1,826,255	1,826,255
Committed	0	3,692,652	355,475	4,048,127
Assigned	2,569,866	0	41,451	2,611,317
Unassigned	5,106,103	0	0	5,106,103
<i>Total Fund Balances</i>	<u>7,836,551</u>	<u>3,692,652</u>	<u>2,223,181</u>	<u>13,752,384</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$9,665,193</u>	<u>\$4,169,924</u>	<u>\$2,730,695</u>	<u>\$16,565,812</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, 2021*

<b>Total Governmental Fund Balances</b>	<b>\$13,752,384</b>
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	56,004,471
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable revenues in the funds:	
Delinquent Property Taxes	9,823
Income Taxes	1,162,363
Delinquent Special Assessments	19,827
Intergovernmental	334,446
Fines, Licenses and Permits	24,530
Charges for Services	2,049
Total	1,553,038
The accumulated overpayments to the internal service fund.	268,196
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.	(151,597)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated Absences	(319,104)
OPWC Loan	(360,334)
Total	(679,438)
The net pension/OPEB assets and net pension/OPEB liabilities 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	52,233
Net OPEB Asset	203,452
Deferred Outflows - Pension	786,920
Deferred Outflows - OPEB	443,094
Net Pension Liability	(5,020,807)
Net OPEB Liability	(529,789)
Deferred Inflows - Pension	(1,270,561)
Deferred Inflows - OPEB	(971,190)
Total	(6,306,648)
 <i>Net Position of Governmental Activities</i>	 <b><u>\$64,440,406</u></b>

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2021*

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$548,958	\$0	\$0	\$548,958
Income Taxes	5,227,504	2,201,135	0	7,428,639
Kilowatt Per Hour Tax	887,390	0	0	887,390
Special Assessments	0	0	242	242
Intergovernmental	384,143	30,000	1,434,835	1,848,978
Interest	(644,745)	0	3,082	(641,663)
Fines, Licenses and Permits	51,721	0	69,320	121,041
Rentals	852	0	0	852
Charges for Services	428,722	100	714,328	1,143,150
Contributions and Donations	0	25,633	25,219	50,852
Other	88,570	0	197	88,767
<i>Total Revenues</i>	<u>6,973,115</u>	<u>2,256,868</u>	<u>2,247,223</u>	<u>11,477,206</u>
<b>Expenditures</b>				
Current:				
General Government	1,361,182	0	56,449	1,417,631
Security of Persons and Property:				
Police	2,662,258	0	339,233	3,001,491
Fire	806,242	0	114,370	920,612
Transportation	622,364	0	1,013,141	1,635,505
Public Health and Welfare	222,128	0	472,499	694,627
Leisure Time Activities	363,615	0	18,871	382,486
Basic Utility Service	0	0	569,128	569,128
Capital Outlay	0	1,651,321	0	1,651,321
Debt Service:				
Principal Retirement	36,033	0	0	36,033
<i>Total Expenditures</i>	<u>6,073,822</u>	<u>1,651,321</u>	<u>2,583,691</u>	<u>10,308,834</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>899,293</u>	<u>605,547</u>	<u>(336,468)</u>	<u>1,168,372</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	417,506	417,506
Transfers Out	(1,229,896)	(75,000)	0	(1,304,896)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,229,896)</u>	<u>(75,000)</u>	<u>417,506</u>	<u>(887,390)</u>
<i>Net Change in Fund Balances</i>	<u>(330,603)</u>	<u>530,547</u>	<u>81,038</u>	<u>280,982</u>
<i>Fund Balances Beginning of Year</i>	<u>8,167,154</u>	<u>3,162,105</u>	<u>2,142,143</u>	<u>13,471,402</u>
<i>Fund Balances End of Year</i>	<u>\$7,836,551</u>	<u>\$3,692,652</u>	<u>\$2,223,181</u>	<u>\$13,752,384</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, 2021*

<b>Net Change in Fund Balances - Total Governmental Funds</b>		<b>\$280,982</b>
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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	3,812,637	
Current Year Depreciation	(1,900,725)	
Total		1,911,912
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.		
		(81,359)
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	(1,428)	
Income Taxes	183,687	
Delinquent Special Assessments	(242)	
Intergovernmental	(10,639)	
Fines, Licenses and Permits	5,692	
Charges for Services	(2,545)	
Total		174,525
Repayment of loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		36,033
The change in the accumulated overpayments to the internal service fund for governmental funds is reported for the year.		
		79,821
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	(8,028)	
Vacation Benefits Payable	(2,666)	
Total		(10,694)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	506,066	
OPEB	11,900	
Total		517,966
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	(198,754)	
OPEB	1,254,965	
Total		1,056,211
<i>Change in Net Position of Governmental Activities</i>		<u><u>\$3,965,397</u></u>

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, 2021*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property Taxes	\$424,000	\$475,000	\$548,958	\$73,958
Income Taxes	4,223,200	4,178,200	5,200,669	1,022,469
Kilowatt Per Hour Tax	900,000	1,185,000	887,390	(297,610)
Intergovernmental	275,500	269,500	381,435	111,935
Interest	85,500	85,500	64,988	(20,512)
Fines, Licenses and Permits	27,500	27,650	51,840	24,190
Rentals	200	400	852	452
Charges for Services	333,500	313,500	458,757	145,257
Contributions and Donations	11,000	0	0	0
Other	10,500	10,500	63,851	53,351
<i>Total Revenues</i>	<u>6,290,900</u>	<u>6,545,250</u>	<u>7,658,740</u>	<u>1,113,490</u>
<b>Expenditures</b>				
Current:				
General Government	1,658,547	1,727,279	1,403,581	323,698
Security of Persons and Property:				
Police	2,783,270	2,872,870	2,760,679	112,191
Fire	1,192,658	1,081,158	1,024,655	56,503
Transportation	858,721	839,621	658,459	181,162
Public Health and Welfare	294,470	246,870	243,752	3,118
Leisure Time Activities	412,227	412,627	391,765	20,862
Debt Service:				
Principal	25,000	36,033	36,033	0
<i>Total Expenditures</i>	<u>7,224,893</u>	<u>7,216,458</u>	<u>6,518,924</u>	<u>697,534</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(933,993)	(671,208)	1,139,816	1,811,024
<b>Other Financing Uses</b>				
Transfers Out	(1,760,000)	(1,760,000)	(1,229,896)	530,104
<i>Net Change in Fund Balance</i>	(2,693,993)	(2,431,208)	(90,080)	2,341,128
<i>Fund Balance Beginning of Year</i>	6,364,720	6,364,720	6,364,720	0
Prior Year Encumbrances Appropriated	525,158	525,158	525,158	0
<i>Fund Balance End of Year</i>	<u>\$4,195,885</u>	<u>\$4,458,670</u>	<u>\$6,799,798</u>	<u>\$2,341,128</u>

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Funds*  
*December 31, 2021*

	Business-Type Activities				Business-Type Activity - Internal Service Fund
	Sewer	Electric	Water	Total	
<b>Assets</b>					
<i>Current Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	\$5,100,330	\$52,820,142	\$6,343,152	\$64,263,624	\$893,442
Receivables:					
Accounts	312,780	3,791,703	463,091	4,567,574	0
Accrued Interest	6,864	67,799	8,014	82,677	1,132
Materials and Supplies Inventory	205,556	3,558,317	300,585	4,064,458	0
Prepaid Items	6,667	103,110	6,667	116,444	0
Interfund Receivable	112,500	112,500	0	225,000	0
<i>Total Current Assets</i>	<u>5,744,697</u>	<u>60,453,571</u>	<u>7,121,509</u>	<u>73,319,777</u>	<u>894,574</u>
<i>Non-Current Assets:</i>					
Net Pension Asset	31,793	115,813	27,249	174,855	0
Net OPEB Asset	123,836	451,134	106,149	681,119	0
Nondepreciable Assets	160,683	636,951	766,405	1,564,039	0
Depreciable Capital Assets, Net	2,918,442	17,286,086	11,173,198	31,377,726	0
<i>Total Non-Current Assets</i>	<u>3,234,754</u>	<u>18,489,984</u>	<u>12,073,001</u>	<u>33,797,739</u>	<u>0</u>
<i>Total Assets</i>	<u>8,979,451</u>	<u>78,943,555</u>	<u>19,194,510</u>	<u>107,117,516</u>	<u>894,574</u>
<b>Deferred Outflows of Resources</b>					
Pension	190,340	529,948	135,992	856,280	0
OPEB	92,238	232,495	64,349	389,082	0
<i>Total Deferred Outflows of Resources</i>	<u>282,578</u>	<u>762,443</u>	<u>200,341</u>	<u>1,245,362</u>	<u>0</u>
<b>Liabilities</b>					
<i>Current Liabilities:</i>					
Accounts Payable	11,771	1,615,703	20,137	1,647,611	588
Accrued Wages	56,129	246,830	47,165	350,124	0
Intergovernmental Payable	27,884	101,168	23,455	152,507	0
Interfund Payable	0	0	225,000	225,000	0
Accrued Interest Payable	0	0	604	604	0
Vacation Benefits Payable	54,233	174,006	50,120	278,359	0
Compensated Absences Payable	73,789	226,384	19,695	319,868	0
General Obligation Bonds Payable	0	0	115,000	115,000	0
Loans Payable	0	0	21,667	21,667	0
<i>Total Current Liabilities</i>	<u>223,806</u>	<u>2,364,091</u>	<u>522,843</u>	<u>3,110,740</u>	<u>588</u>
<i>Long-Term Liabilities (net of current portion):</i>					
Compensated Absences Payable	106,513	385,281	74,094	565,888	0
Loans Payable	0	0	285,833	285,833	0
Net Pension Liability	981,155	3,574,186	840,988	5,396,329	0
<i>Total Long-Term Liabilities</i>	<u>1,087,668</u>	<u>3,959,467</u>	<u>1,200,915</u>	<u>6,248,050</u>	<u>0</u>
<i>Total Liabilities</i>	<u>1,311,474</u>	<u>6,323,558</u>	<u>1,723,758</u>	<u>9,358,790</u>	<u>588</u>
<b>Deferred Inflows of Resources</b>					
Pension	447,783	1,686,380	390,191	2,524,354	0
OPEB	385,543	1,451,973	337,277	2,174,793	0
<i>Total Deferred Inflows of Resources</i>	<u>833,326</u>	<u>3,138,353</u>	<u>727,468</u>	<u>4,699,147</u>	<u>0</u>
<b>Net Position</b>					
Net Investment in Capital Assets	3,079,125	17,923,037	11,517,103	32,519,265	0
Unrestricted	4,038,104	52,321,050	5,426,522	61,785,676	893,986
<i>Total Net Position</i>	<u>\$7,117,229</u>	<u>\$70,244,087</u>	<u>\$16,943,625</u>	<u>\$94,304,941</u>	<u>\$893,986</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.

625,790  
Net position of business-type activities  
\$94,930,731

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2021*

	Business-Type Activities				Business-Type Activity - Internal Service Fund
	Sewer	Electric	Water	Total	
<b>Operating Revenues</b>					
Charges for Services	\$2,534,104	\$33,563,850	\$3,786,819	\$39,884,773	\$289,861
Other	5,281	564,091	10,521	579,893	0
<i>Total Operating Revenues</i>	2,539,385	34,127,941	3,797,340	40,464,666	289,861
<b>Operating Expenses</b>					
Personal Services	715,754	2,182,194	587,823	3,485,771	0
Purchased Services	215,225	2,586,940	264,878	3,067,043	7,454
Materials and Supplies	94,691	22,116,538	21,079	22,232,308	0
Utilities	108,353	1,339,142	196,231	1,643,726	0
Depreciation	191,351	1,630,252	822,924	2,644,527	0
Claims	0	0	0	0	20,478
<i>Total Operating Expenses</i>	1,325,374	29,855,066	1,892,935	33,073,375	27,932
<i>Operating Income</i>	1,214,011	4,272,875	1,904,405	7,391,291	261,929
<b>Non-Operating Revenues (Expenses)</b>					
Interest	30,831	291,817	32,846	355,494	4,141
Loss on Disposal of Capital Assets	(143,814)	(643,690)	(100,718)	(888,222)	0
Interest and Fiscal Charges	0	0	(13,753)	(13,753)	0
<i>Total Non-Operating Revenues (Expenses)</i>	(112,983)	(351,873)	(81,625)	(546,481)	4,141
<i>Income Before Transfers</i>	1,101,028	3,921,002	1,822,780	6,844,810	266,070
Transfers In	0	887,390	0	887,390	0
<i>Change in Net Position</i>	1,101,028	4,808,392	1,822,780	7,732,200	266,070
<i>Net Position Beginning of Year</i>	6,016,201	65,435,695	15,120,845		627,916
<i>Net Position End of Year</i>	\$7,117,229	\$70,244,087	\$16,943,625		\$893,986

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.

186,249

Change in net position of business-type activities

\$7,918,449

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2021

	Business-Type Activities				Business-Type Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
<b>Increase (Decrease) in Cash and Cash Equivalents</b>					
<b>Cash Flows from Operating Activities</b>					
Cash Received from Customers	\$2,518,041	\$33,054,803	\$3,726,935	\$39,299,779	\$0
Cash Received from Transactions with Other Funds	0	0	0	0	289,861
Other Cash Receipts	5,281	564,091	10,521	579,893	0
Cash Payments to Employees for Services	(1,529,591)	(5,763,673)	(1,337,424)	(8,630,688)	0
Cash Payments for Goods and Services	(449,630)	(26,398,244)	(549,690)	(27,397,564)	(6,866)
Cash Payments for Claims	0	0	0	0	(20,478)
<i>Net Cash Provided by Operating Activities</i>	<u>544,101</u>	<u>1,456,977</u>	<u>1,850,342</u>	<u>3,851,420</u>	<u>262,517</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers In	0	887,390	0	887,390	0
<b>Cash Flows from Capital and Related Financing Activities</b>					
Proceeds from Sale of Capital Assets	0	1,375	0	1,375	0
Interfund Activity - Manuscript Bonds - Water	110,000	110,000	(220,000)	0	0
Interest Paid on Manuscript Bonds - Water	0	0	(9,456)	(9,456)	0
Principal Paid on Refunding GO Bonds	0	0	(115,000)	(115,000)	0
Interest Paid on Refunding GO Bonds	0	0	(4,888)	(4,888)	0
Principal Paid on OPWC Loan	0	0	(32,500)	(32,500)	0
Payments for Capital Acquisitions	(123,555)	(887,533)	(647,155)	(1,658,243)	0
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(13,555)</u>	<u>(776,158)</u>	<u>(1,028,999)</u>	<u>(1,818,712)</u>	<u>0</u>
<b>Cash Flows from Investing Activities</b>					
Interest on Investments	31,264	301,689	33,013	365,966	3,924
<i>Net Increase in Cash and Cash Equivalents</i>	561,810	1,869,898	854,356	3,286,064	266,441
<i>Cash and Cash Equivalents Beginning 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>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$5,100,330</u></u>	<u><u>\$52,820,142</u></u>	<u><u>\$6,343,152</u></u>	<u><u>\$64,263,624</u></u>	<u><u>\$893,442</u></u>

(continued)



**City of Orrville, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
For the Year Ended December 31, 2021

	Business-Type Activities				Business-Type Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>					
Operating Income	\$1,214,011	\$4,272,875	\$1,904,405	\$7,391,291	\$261,929
Adjustments:					
Depreciation	191,351	1,630,252	822,924	2,644,527	0
(Increase) Decrease in Assets:					
Accounts Receivable	(16,063)	(509,047)	(59,884)	(584,994)	0
Materials and Supplies Inventory	(26,903)	(32,157)	(41,751)	(100,811)	0
Prepaid Items	2,946	(74,270)	2,946	(68,378)	0
Net Pension Asset	(3,756)	(13,682)	(3,219)	(20,657)	0
Net OPEB Asset	(598,491)	(2,180,220)	(512,993)	(3,291,704)	0
(Increase) Decrease in Deferred Outflows of Resources:					
Pension	206,689	652,607	176,790	1,036,086	0
OPEB	133,238	407,406	109,917	650,561	0
Increase (Decrease) in Liabilities:					
Accounts Payable	(7,020)	(247,851)	(28,381)	(283,252)	588
Accrued Wages	3,611	51,804	151	55,566	0
Intergovernmental Payable	2,375	5,024	631	8,030	0
Vacation Benefits Payable	(11,694)	(24,119)	279	(35,534)	0
Compensated Absences Payable	54,539	121,946	18,190	194,675	0
Net Pension Liability	(5,257)	(19,149)	(4,506)	(28,912)	0
Increase (Decrease) in Deferred Inflows of Resources:					
Pension	(319,732)	(1,418,278)	(286,580)	(2,024,590)	0
OPEB	(275,743)	(1,166,164)	(248,577)	(1,690,484)	0
<i>Net Cash Provided by Operating Activities</i>	<u>\$544,101</u>	<u>\$1,456,977</u>	<u>\$1,850,342</u>	<u>\$3,851,420</u>	<u>\$262,517</u>

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Statement of Fiduciary Net Position*  
*Private-Purpose Trust Fund*  
*December 31, 2021*

	Private-Purpose Trust
	Cemetery Memorial
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$4,304
Accrued Interest Receivable	5
<i>Total Assets</i>	4,309
<b>Net Position</b>	
Restricted for Individuals:	
Expendable	282
Non-Expendable	4,027
<i>Total Net Position</i>	\$4,309

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, 2021*

	Private-Purpose Trust
	Cemetery Memorial
<b>Additions</b>	
Interest	\$24
<b>Deductions</b>	0
<i>Change in Net Position</i>	24
<i>Net Position Beginning of Year</i>	4,285
<i>Net Position End of Year</i>	\$4,309

See accompanying notes to the basic financial statements

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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

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

***Reporting Entity***

A reporting entity is 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, 2021*

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

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

***Fund Accounting***

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

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

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

***Capital Improvements Fund*** The capital 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.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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

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

**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*  
*For the Year Ended December 31, 2021*

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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 assets 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**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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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 assets 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, 2021, but which were levied to finance 2022 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 2021, investments were limited to commercial paper, STAR Ohio (the State Treasury Asset Reserve of Ohio), a money market account, United States Treasury notes, negotiable certificates of deposit, federal farm credit bank bonds, federal home loan bank bonds, federal home loan mortgage corporation bonds, and federal national mortgage association bonds.

Except for commercial paper and STAR Ohio, 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 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 2021, 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 transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.



**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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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 2021 amounted to (\$644,745), which includes (\$618,047) assigned from other City funds. The fair value of investments declined during 2021, resulting in negative investment earnings.

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, 2021, 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 money set aside for unclaimed monies and 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, 2021*

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.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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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.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter, ordinance or State statute. State statute authorizes the Director of Finance to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council also assigned fund balance for parking meters and to cover a gap between estimated revenues and appropriations for 2022 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.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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***Operating Revenues and Expenses***

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

***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.

***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.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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

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

**Note 3 – Change in Accounting Principles**

For 2021, the City implemented the Governmental Accounting Standards Board’s (GASB) Statement No. 98, *The Annual Comprehensive Financial Report*. GASB 98 establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The City is also implementing *Implementation Guide No. 2019-1*. These changes were incorporated in the City’s 2021 financial statements; however, there was no effect on beginning net position/fund balance.

**Note 4 – Asset Retirement Obligations**

The Governmental Accounting Standard Board’s (GASB) Statement No. 83, *Certain Asset Retirement Obligations*, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewerage and electric systems 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, 2021

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	\$127,121	\$0	\$0	\$127,121
Prepays	24,105	0	0	24,105
Unclaimed Monies	9,356	0	0	9,356
<i>Total Nonspendable</i>	<u>160,582</u>	<u>0</u>	<u>0</u>	<u>160,582</u>
<u>Restricted for:</u>				
Police Department	0	0	19,298	19,298
Cemetery Maintenance	0	0	161,860	161,860
Debt Service	0	0	198,893	198,893
Street Maintenance	0	0	1,327,838	1,327,838
Community Development	0	0	118,366	118,366
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>1,826,255</u>	<u>1,826,255</u>
<u>Committed to:</u>				
Capital Improvements	0	3,692,652	0	3,692,652
Solid Waste Management	0	0	119,419	119,419
First Responders Program	0	0	26,560	26,560
Fire and EMS Department	0	0	198,866	198,866
Performing Arts	0	0	10,630	10,630
<i>Total Committed</i>	<u>0</u>	<u>3,692,652</u>	<u>355,475</u>	<u>4,048,127</u>
<u>Assigned to:</u>				
2022 Operations	2,260,560	0	0	2,260,560
Parking Meters	312	0	0	312
<u>Purchases on Order:</u>				
City Administration	20,315	0	0	20,315
Police Department	50,222	0	0	50,222
Fire Department	205,190	0	0	205,190
Street Maintenance	1,648	0	0	1,648
Recreation Department	16,176	0	41,451	57,627
Public Health	15,443	0	0	15,443
<i>Total Assigned</i>	<u>2,569,866</u>	<u>0</u>	<u>41,451</u>	<u>2,611,317</u>
Unassigned	<u>5,106,103</u>	<u>0</u>	<u>0</u>	<u>5,106,103</u>
<b>Total Fund Balances</b>	<u><u>\$7,836,551</u></u>	<u><u>\$3,692,652</u></u>	<u><u>\$2,223,181</u></u>	<u><u>\$13,752,384</u></u>

**Note 6 – Budgetary Basis of Accounting**

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Investments are reported at fair value (GAAP) rather than cost (budget).
3. 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).

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	(\$330,603)
Net Adjustment for Revenue Accruals	(22,712)
Beginning Fair Value Adjustments for Investments	701,420
Ending Fair Value Adjustments for Investments	6,917
Net Adjustment for Expenditure Accruals	(115,259)
Encumbrances	(329,843)
Budget Basis	<u><u>(\$90,080)</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.



**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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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;
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.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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, 2021, \$1,309,532 of the City's total bank balance of \$33,743,597 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

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, 2021, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
<b>Amortized Cost:</b>				
Commercial Paper	\$1,997,982	Less Than One Year	A-1/A-1+	4.48 %
<b>Net Asset Value Per Share:</b>				
STAR Ohio	2,290	Less Than One Year	AAAm	0.01
<b>Fair Value - Level 1 Inputs:</b>				
Money Market Account	330,303	Less Than One Year	N/A	0.74
<b>Fair Value - Level 2 Inputs:</b>				
United States Treasury Notes	10,623,023	Less Than Five Years	AA+	23.83
Negotiable Certificates of Deposit	5,765,775	Less Than Three Years	N/A	12.94
Federal Farm Credit Bank Bonds	8,454,018	Less Than Five Years	AA+	18.97
Federal Home Loan Bank Bonds	9,923,392	Less Than Five Years	AA+	22.26
Federal Home Loan Mortgage Corporation Bonds	2,097,586	Less Than Five Years	AA+	4.71
Federal National Mortgage Association Bonds	5,372,545	Less Than Five Years	AA+	12.06
<b>Total Investments</b>	<u>\$44,566,914</u>			<u>100.00 %</u>

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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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, 2021. 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 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, 2021, 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.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

	Accounts Receivable	Allowance for Uncollectibles	Net Accounts Receivable
Governmental	\$157,567	\$53	\$157,514
Business-Type	4,570,274	2,700	4,567,574
Total	\$4,727,841	\$2,753	\$4,725,088

The amount of delinquent special assessments outstanding at year-end is \$19,827. 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 2021 for real and public utility property taxes represents collections of 2020 taxes.

2021 real property taxes were levied after October 1, 2021, on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

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. 2020 public utility property taxes, which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2021, was \$2.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2021 property tax receipts were based are as follows:

Real Property	\$212,544,530
Public Utility Property	1,060,670
Total	\$213,605,200

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, 2021, and for which there was an enforceable legal claim. In governmental funds, the portion of receivable not levied to finance 2021 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.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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***Intergovernmental Receivables***

A summary of intergovernmental receivables follows:

	<u>Amount</u>
<b>Governmental Activities</b>	
Gasoline Tax	\$237,257
Ohio Public Works Commission Grants	193,989
Local Government	138,374
Auto Regulation	70,351
Permissive Tax	34,694
Homestead and Rollback	30,018
Stark-Tuscarawas-Wayne Joint Solid Waste District Grant	4,388
Lodging Tax	3,220
Other	25
Total	<u><u>\$712,316</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 2021, the proceeds were allocated to the general fund and the capital improvements fund.

**Note 9 – Tax Abatements**

As of December 31, 2021, 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:

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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- 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.

***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.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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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, 2021, is as follows:

<b>Tax Abatement Program</b>	<b>Amount of 2021 Taxes Abated</b>
<b><i>Community Reinvestment Area (CRA):</i></b>	
Retail	\$167,610
Professional	3,129
<b><i>Local Job Creation Tax Credit (JCTC):</i></b>	
Manufacturing	360,276
<b><i>Enterprise Zone Tax Exemptions (EZ):</i></b>	
Manufacturing	549,141
Total	\$1,080,156

**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 2021, the City contracted with several companies for various types of insurance as follows:

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

Company	Type of Coverage	Coverage
EMC Insurance:	Property	\$62,257,627
	Auto Liability	1,000,000
	General Liability	1,000,000/2,000,000
	Umbrella Liability	10,000,000
	Inland Marine	522,382
	Terrorism - Power Plant	50,000,000
	Public Officials Liability	1,000,000
AEGIS	Power Plant Property/Equipment Breakdown	128,273,964
Hudson/Selective/Travelers (Combined):	Commercial Property (\$500 deductible)	19,160,529
	Commercial General Liability:	
	General Aggregate Limit (Other Than Products)	2,000,000
	Business Automobile Liability	1,000,000
	Public Officials Liability	1,000,000
	Inland Marine	521,920
	Commercial Umbrella Liability Coverage (Aggregate)	10,000,000
	Police Professional Liability	1,000,000
Travelers Insurance:	Cyber Liability	1,000,000
	Employee Theft - Single Loss (\$25,000 Retention)	1,000,000

During 2021, the power plant coverage changed 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.

***Workers' Compensation***

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

***Self-Insurance***

The City 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.



**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2021

The claims liability of \$0 reported in the self-insurance fund at December 31, 2021, 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
2020	\$0	\$62,246	\$62,246	\$0
2021	0	85,110	85,110	0

**Note 11 – Capital Assets**

Capital asset activity for the year ended December 31, 2021, was as follows:

	Balance 12/31/20	Additions	Deductions	Balance 12/31/21
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$1,873,834	\$0	(\$6,150)	\$1,867,684
Construction in Progress	5,363,950	200,048	(1,737,204)	3,826,794
Total Capital Assets, not being Depreciated	<u>7,237,784</u>	<u>200,048</u>	<u>(1,743,354)</u>	<u>5,694,478</u>
Capital Assets, being Depreciated				
Buildings and Improvements	8,724,099	316,580	(28,396)	9,012,283
Equipment	4,024,466	706,686	(67,760)	4,663,392
Vehicles	3,566,503	1,110,496	(181,910)	4,495,089
Infrastructure	70,520,877	3,216,031	(46,813)	73,690,095
Total Capital Assets, being Depreciated	<u>86,835,945</u>	<u>5,349,793</u>	<u>(324,879)</u>	<u>91,860,859</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(5,599,133)	(181,916)	0	(5,781,049)
Equipment	(3,077,356)	(231,244)	67,760	(3,240,840)
Vehicles	(3,003,878)	(251,103)	181,910	(3,073,071)
Infrastructure	(28,219,444)	(1,236,462)	0	(29,455,906)
Total Accumulated Depreciation	<u>(39,899,811)</u>	<u>(1,900,725) *</u>	<u>249,670</u>	<u>(41,550,866)</u>
Total Capital Assets, being Depreciated, net	<u>46,936,134</u>	<u>3,449,068</u>	<u>(75,209)</u>	<u>50,309,993</u>
Governmental Activities Capital Assets, Net	<u>\$54,173,918</u>	<u>\$3,649,116</u>	<u>(\$1,818,563)</u>	<u>\$56,004,471</u>

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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

General Government	\$152,904
Security of Persons and Property:	
Police	117,085
Fire	254,272
Transportation	1,270,121
Public Health and Welfare	24,262
Leisure Time Activities	82,081
<b>Total Depreciation Expense</b>	<b><u><u>\$1,900,725</u></u></b>

	Balance 12/31/20	Additions	Deductions	Balance 12/31/21
<b>Business-Type Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$1,139,783	\$0	\$0	\$1,139,783
Construction In Progress	454,956	285,468	(316,168)	424,256
<b>Total Capital Assets, not being Depreciated</b>	<b><u>1,594,739</u></b>	<b><u>285,468</u></b>	<b><u>(316,168)</u></b>	<b><u>1,564,039</u></b>
Capital Assets, being Depreciated				
Buildings and Improvements	24,991,705	455,240	(570,065)	24,876,880
Equipment	19,534,179	659,065	(11,559)	20,181,685
Vehicles	2,697,297	231,174	(149,230)	2,779,241
Electric - Generation/Transmission/Distribution	68,117,792	7,288	(216,464)	67,908,616
Infrastructure	30,814,533	336,176	0	31,150,709
<b>Total Capital Assets, being Depreciated</b>	<b><u>146,155,506</u></b>	<b><u>1,688,943</u></b>	<b><u>(947,318)</u></b>	<b><u>146,897,131</u></b>
Less Accumulated Depreciation:				
Buildings and Improvements	(17,603,728)	(662,563)	0	(18,266,291)
Equipment	(15,401,228)	(870,280)	11,559	(16,259,949)
Vehicles	(1,821,165)	(106,540)	46,162	(1,881,543)
Electric - Generation/Transmission/Distribution	(55,485,472)	(630,053)	0	(56,115,525)
Infrastructure	(22,621,006)	(375,091)	0	(22,996,097)
<b>Total Accumulated Depreciation</b>	<b><u>(112,932,599)</u></b>	<b><u>(2,644,527)</u></b>	<b><u>57,721</u></b>	<b><u>(115,519,405)</u></b>
<b>Total Capital Assets, being Depreciated, net</b>	<b><u>33,222,907</u></b>	<b><u>(955,584)</u></b>	<b><u>(889,597)</u></b>	<b><u>31,377,726</u></b>
<b>Business-Type Activities Capital Assets, Net</b>	<b><u><u>\$34,817,646</u></u></b>	<b><u><u>(\$670,116)</u></u></b>	<b><u><u>(\$1,205,765)</u></u></b>	<b><u><u>\$32,941,765</u></u></b>

**Note 12 – Long-Term Debt**

Debt Issue	Interest Rate	Original Issue Amount
<b>Governmental Activities:</b>		
<i>Loan from Direct Borrowing:</i>		
OPWC Concrete Streets Loan - 2015	0.000 %	\$480,445
<b>Business-Type Activities:</b>		
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	0.000	500,000
OPWC Water System Improvement Loan - 2007 B	0.000	100,000

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

A schedule of changes in bonds and other long-term obligations of the City during 2021 follows:

	Amount Outstanding 12/31/20	Additions	Deletions	Amount Outstanding 12/31/21	Amounts Due in One Year
<b>Governmental Activities:</b>					
OPWC Loan from Direct Borrowing:					
Concrete Streets Loan - 2015	\$396,367	\$0	\$36,033	\$360,334	\$24,022
Compensated Absences	311,076	210,855	202,827	319,104	205,333
Net Pension Liability:					
OPERS	2,390,400	0	778,335	1,612,065	0
OP&F	3,424,264	0	15,522	3,408,742	0
Total Net Pension Liability	5,814,664	0	793,857	5,020,807	0
Net OPEB Liability:					
OPERS	1,757,309	0	1,757,309	0	0
OP&F	502,096	27,693	0	529,789	0
Total Net OPEB Liability	2,259,405	27,693	1,757,309	529,789	0
Total Governmental Activities	\$8,781,512	\$238,548	\$2,790,026	\$6,230,034	\$229,355
<b>Business-Type Activities:</b>					
Water System Refunding General					
Obligation Bonds - 2013	\$230,000	\$0	\$115,000	\$115,000	\$115,000
OPWC Loans from Direct Borrowing:					
Water System Improvement Loan - 2007 A	300,000	0	25,000	275,000	16,667
Water System Improvement Loan - 2007 B	40,000	0	7,500	32,500	5,000
Total OPWC Loans from Direct Borrowing	340,000	0	32,500	307,500	21,667
Compensated Absences	691,081	525,475	330,800	885,756	319,868
Net Pension Liability - OPERS:					
Sewer	1,242,917	0	261,762	981,155	0
Electric	4,780,432	0	1,206,246	3,574,186	0
Water	1,147,307	0	306,319	840,988	0
Total Net Pension Liability - OPERS	7,170,656	0	1,774,327	5,396,329	0
Net OPEB Liability - OPERS:					
Sewer	913,802	0	913,802	0	0
Electric	3,514,613	0	3,514,613	0	0
Water	843,507	0	843,507	0	0
Total Net OPEB Liability - OPERS	5,271,922	0	5,271,922	0	0
Total Business-Type Activities	\$13,703,659	\$525,475	\$7,524,549	\$6,704,585	\$456,535

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**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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 \$360,334 related to governmental activities and \$307,500 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 \$307,500. Principal paid for the current year was \$32,500, total net revenues were \$2,760,175, and total revenues were \$3,830,186.

As of December 31, 2021, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$22,313,546 and the unvoted legal debt margin was \$11,633,286. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2021, 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
2022	\$24,022	\$115,000	\$2,444	\$21,667
2023	24,022	0	0	21,666
2024	24,022	0	0	21,666
2025	24,022	0	0	21,666
2026	24,022	0	0	21,666
2027-2031	120,110	0	0	90,830
2032-2036	120,114	0	0	83,330
2037-2038	0	0	0	25,009
Total	<u>\$360,334</u>	<u>\$115,000</u>	<u>\$2,444</u>	<u>\$307,500</u>

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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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 \$1,439,735 at December 31, 2021. 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, 2021, 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 (Asset)***

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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

GASB 68/75 assumes the liability is 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 liability (asset). Resulting adjustments to the net pension/OPEB liability (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/OPEB 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 Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a 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 following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 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 cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is 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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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 beginning in 2022.

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

	State and Local
<b>2021 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
 <b>2021 Actual Contribution Rates</b>	
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 2021, the City’s contractually required contribution was \$969,682 for the traditional plan, \$43,352 for the combined plan and \$73,516 for the member-directed plan. Of these amounts, \$175,924 is reported as an intergovernmental payable for the traditional plan, \$7,866 for the combined plan, and \$13,346 for the member-directed plan.

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

City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (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](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.



**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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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 Annual Comprehensive Financial Report referenced above 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 a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2021

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

	Police	Firefighters
<b>2021 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 <b>2021 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
 Total Employer	 19.50 %	 24.00 %
 Employee	 12.25 %	 12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OP&F was \$273,068 for 2021. Of this amount, \$32,847 is reported as an intergovernmental payable.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2020, 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, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. 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	0.04732900%	0.07866800%	0.05000290%	
Prior Measurement Date	0.04837200%	0.08453300%	0.05083120%	
Change in Proportionate Share	-0.00104300%	-0.00586500%	-0.00082830%	
Proportionate Share of the:				
Net Pension Liability	\$7,008,394	\$0	\$3,408,742	\$10,417,136
Net Pension Asset	0	(227,088)	0	(227,088)
Pension Expense	(\$344,242)	\$6,211	\$278,748	(\$59,283)

2021 pension expense for the member-directed defined contribution plan was \$49,625. The aggregate pension expense for all pension plans was (\$9,658) for 2021.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2021

At December 31, 2021, 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
<b>Deferred Outflows of Resources</b>				
Differences between expected and actual experience	\$0	\$0	\$142,497	\$142,497
Changes of assumptions	0	14,181	57,166	71,347
Changes in proportion and differences between City contributions and proportionate share of contributions	0	9,214	73,796	83,010
City contributions subsequent to the measurement date	969,682	43,352	273,068	1,286,102
<b>Total Deferred Outflows of Resources</b>	<b>\$969,682</b>	<b>\$66,747</b>	<b>\$546,527</b>	<b>\$1,582,956</b>
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$293,167	\$42,842	\$132,794	\$468,803
Net difference between projected and actual earnings on pension plan investments	2,731,668	33,771	165,347	2,930,786
Changes in proportion and differences between City contributions and proportionate share of contributions	244,537	495	90,050	335,082
<b>Total Deferred Inflows of Resources</b>	<b>\$3,269,372</b>	<b>\$77,108</b>	<b>\$388,191</b>	<b>\$3,734,671</b>

\$1,286,102 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 2022. 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:				
2022	(\$1,349,339)	(\$15,100)	(\$12,734)	(\$1,377,173)
2023	(433,953)	(9,166)	65,357	(377,762)
2024	(1,113,520)	(16,953)	(146,148)	(1,276,621)
2025	(372,560)	(7,267)	(22,032)	(401,859)
2026	0	(2,450)	825	(1,625)
Thereafter	0	(2,777)	0	(2,777)
<b>Total</b>	<b>(\$3,269,372)</b>	<b>(\$53,713)</b>	<b>(\$114,732)</b>	<b>(\$3,437,817)</b>

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2021

***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.

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, 2020, 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, 2020, are presented as follows:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
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	.5 percent, simple through 2021, then 2.15 percent, simple	.5 percent, simple through 2021, 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 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to .5 percent simple through 2021 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 above described tables.

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

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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2021

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, 2020, 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 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

**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	\$13,368,549	\$7,008,394	\$1,719,936
OPERS Combined Plan	(158,123)	(227,088)	(278,485)

**Changes between the Measurement Date and the Reporting Date** During 2021, the OPERS Board lowered the investment rate of return from 7.2 percent to 6.9 along with certain other changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

***Actuarial Assumptions – OP&F***

OP&F’s total pension liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, 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 are: 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, 2020, are presented as follows:

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
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	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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2021

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 averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

\* levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 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 net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$4,745,406	\$3,408,742	\$2,290,090

**Note 15 – Defined Benefit OPEB Plans**

See Note 14 for a description of the net OPEB liability (asset).

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care 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.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.



**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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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. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. 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' Annual Comprehensive 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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, 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 2021, 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 2021 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 \$21,005 for 2021. Of this amount, \$3,813 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 health care 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.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

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.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the 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 2021, 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 \$7,070 for 2021. Of this amount, \$850 is reported as an intergovernmental payable.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2021

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, 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, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability (asset) 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&amp;F</u>	<u>Total</u>
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.04965100%	0.05000290%	
Prior Measurement Date	<u>0.05089000%</u>	<u>0.05083120%</u>	
Change in Proportionate Share	<u>-0.00123900%</u>	<u>-0.00082830%</u>	
Proportionate Share of the:			
Net OPEB Liability	\$0	\$529,789	\$529,789
Net OPEB Asset	(884,571)	0	(884,571)
OPEB Expense	(\$5,616,798)	\$46,381	(\$5,570,417)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Changes of assumptions	\$434,866	\$292,680	\$727,546
Changes in proportion and differences between City contributions and proportionate share of contributions	0	38,495	38,495
City contributions subsequent to the measurement date	<u>21,005</u>	<u>7,070</u>	<u>28,075</u>
Total Deferred Outflows of Resources	<u>\$455,871</u>	<u>\$338,245</u>	<u>\$794,116</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$798,321	\$87,387	\$885,708
Changes of assumptions	1,433,272	84,458	1,517,730
Net difference between projected and actual earnings on OPEB plan investments	471,135	19,688	490,823
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>163,289</u>	<u>50,373</u>	<u>213,662</u>
Total Deferred Inflows of Resources	<u>\$2,866,017</u>	<u>\$241,906</u>	<u>\$3,107,923</u>

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2021

\$28,075 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 or an increase to the net OPEB asset in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2022	(\$1,306,779)	\$18,203	(\$1,288,576)
2023	(864,122)	22,865	(841,257)
2024	(204,735)	15,514	(189,221)
2025	(55,515)	16,871	(38,644)
2026	0	8,296	8,296
Thereafter	0	7,520	7,520
Total	<u>(\$2,431,151)</u>	<u>\$89,269</u>	<u>(\$2,341,882)</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.

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, 2019, rolled forward to the measurement date of December 31, 2020. 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:

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	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.00 percent
Prior Measurement date	2.75 percent
Health Care Cost Trend Rate:	
Current measurement date	8.5 percent, initial 3.50 percent, ultimate in 2035
Prior Measurement date	10.5 percent, initial 3.50 percent, ultimate in 2030
Actuarial Cost Method	Individual Entry Age

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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. Postretirement 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. Postretirement 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 above described tables.

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

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 by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, 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	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43 %

**Discount Rate** A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. 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 2.00 percent and a municipal bond rate of 2.75 percent (Fidelity Index's "20-Year Municipal GO AA Index"). 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 2120. As a result, the actuarial

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate*** The following table presents the City's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 6.00 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB liability (asset)	(\$219,954)	(\$884,571)	(\$1,430,942)

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) 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 (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates, and the expected net OPEB liability (asset) 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.

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 2021 is 8.50 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 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 (asset)	(\$906,131)	(\$884,571)	(\$860,452)

***Changes between the Measurement Date and the Reporting Date*** During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

***Actuarial Assumptions – OP&F***

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, 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.

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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.

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

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
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	Inflation rate of 2.75 plus productivity increase rate of 0.5 percent
Blended discount rate:	
Current measurement date	2.96 percent
Prior measurement date	3.56 percent
Cost of Living Adjustments	3.0 percent simple; 2.2 percent simple for increase in CPI and 3.0 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).

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

**Discount Rate** For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 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 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent for 2019. 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 make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, 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 net OPEB liability calculated using the discount rate of 2.96 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
City's proportionate share of the net OPEB liability	\$660,616	\$529,789	\$421,871

**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.



**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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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 2021, 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 \$538.10, \$1,107.26, and \$1,707.43. 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 \$523.54, \$1,074.26, and \$1,654.97.

**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 \$342,506 to the gas tax motor vehicle license fund to supplement the funds available for maintaining City streets. The general fund also made a transfer of \$887,390 to give the electric enterprise fund the kilowatt per hour taxes. In total, general fund transfers out were \$1,229,896. During the year, the capital improvements fund transferred \$75,000 to the fire department vehicle replacement fund.

***Interfund Balances***

The water major enterprise fund had an interfund payable balance of \$225,000 and the sewer and electric major enterprise funds had interfund receivable balances of \$112,500 and \$112,500, respectively, due to the issuance of manuscript bonds and notes.

The \$225,000 in manuscript bonds are utility refunding bonds that were issued on April 17, 2013, at an original issue amount of \$2,000,000 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 2021. Principal and interest requirements to retire the utility refunding manuscript bonds outstanding at December 31, 2021, are as follows:

Year	Utility Refunding Bonds	
	Principal	Interest
2022	\$225,000	\$4,782

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

***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.

Balances related to the internal proportionate share for pension at December 31, 2021, were as follows:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Governmental Activities	<u>\$33</u>	<u>\$23,585</u>
Business-Type Activities:		
Sewer	46,500	401
Electric	2,054	18,296
Water	11,657	17,962
Total Business-Type Activities	<u>60,211</u>	<u>36,659</u>
Total	<u>\$60,244</u>	<u>\$60,244</u>

Balances related to the internal proportionate share for OPEB at December 31, 2021, were as follows:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Governmental Activities	<u>\$0</u>	<u>\$5,379</u>
Business-Type Activities:		
Sewer	28,416	0
Electric	0	20,143
Water	9,644	12,538
Total Business-Type Activities	<u>38,060</u>	<u>32,681</u>
Total	<u>\$38,060</u>	<u>\$38,060</u>

**Note 18 – Donor Restricted Endowments**

The City’s private-purpose trust fund includes donor restricted endowments. Non-expendable net position, in the amount of \$4,027, represents the principal portion. The amount of interest on donor restricted investments that is available for expenditures by the City is \$282 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

**City of Orrville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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 2021, the City did not make any contributions to the Council.

**Note 20 – Significant Commitments**

***Contractual Commitments***

At December 31, 2021, the City had a contractual commitment with Northstar Asphalt with a contract amount of \$948,000. The amount paid to date was \$766,742, with \$181,258 remaining on the contract. The City had a contractual commitment with Driven Excavating with a contract amount of \$421,038. The amount paid to date was \$129,124, with \$291,914 remaining on the contract. The City also had a contractual commitment with Schaffer, Johnston, Lichtenwalter & Associates with a contract amount of \$85,649, with the full amount remaining on the contract.

Remaining commitment amounts were encumbered at year end. The amount of \$128,563 in accounts payable for governmental activities has been capitalized.

***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:

<b><i>Governmental Funds:</i></b>		<b><i>Proprietary Funds:</i></b>	
General	\$329,843	Sewer	\$109,543
Capital Improvements	1,062,997	Electric	498,863
Other Governmental Funds	102,740	Water	146,650
Total	\$1,495,580	Total	\$755,056

**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. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The City's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

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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 Eight Years (1) \**

	2021	2020	2019
City's Proportion of the Net Pension Liability	0.04732900%	0.04837200%	0.05051700%
City's Proportionate Share of the Net Pension Liability	\$7,008,394	\$9,561,056	\$13,835,581
City's Covered Payroll	\$6,661,236	\$6,810,693	\$6,823,100
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	105.21%	140.38%	202.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%

(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

2018	2017	2016	2015	2014
0.05410100%	0.05573600%	0.05926100%	0.06203000%	0.06203000%
\$8,487,398	\$12,656,878	\$10,264,754	\$7,481,513	\$7,312,530
\$7,149,454	\$7,201,433	\$7,375,667	\$7,605,008	\$7,443,362
118.71%	175.75%	139.17%	98.38%	98.24%
84.66%	77.25%	81.08%	86.45%	86.36%

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**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 Four Years (1) \**

	2021	2020	2019	2018
City's Proportion of the Net Pension Asset	0.07866800%	0.08453300%	0.08478500%	0.08653800%
City's Proportionate Share of the Net Pension Asset	\$227,088	\$176,272	\$94,809	\$117,805
City's Covered Payroll	\$346,693	\$376,300	\$362,621	\$354,415
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	-65.50%	-46.84%	-26.15%	-33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	157.67%	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



**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 Eight Years (1) \**

	2021	2020	2019
City's Proportion of the Net Pension Liability	0.05000290%	0.05083120%	0.04980800%
City's Proportionate Share of the Net Pension Liability	\$3,408,742	\$3,424,264	\$4,065,651
City's Covered Payroll	\$1,386,158	\$1,324,168	\$1,262,592
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	245.91%	258.60%	322.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.65%	69.89%	63.07%

(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

2018	2017	2016	2015	2014
0.05134300%	0.04985000%	0.05046300%	0.04987180%	0.04987180%
\$3,151,152	\$3,157,449	\$3,246,319	\$2,583,567	\$2,428,913
\$1,188,680	\$1,169,147	\$1,104,590	\$1,076,865	\$1,074,614
265.10%	270.06%	293.89%	239.92%	226.03%
70.91%	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 (Asset)*  
*Ohio Public Employees Retirement System - OPEB Plan*  
*Last Five Years (1) \**

	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.04965100%	0.05089000%	0.05267500%	0.05608000%	0.05779000%
City's Proportionate Share of the Net OPEB Liability (Asset)	(\$884,571)	\$7,029,231	\$6,867,578	\$6,089,873	\$5,836,985
City's Covered Payroll	\$7,504,179	\$7,693,018	\$7,640,396	\$7,944,294	\$7,983,000
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-11.79%	91.37%	89.89%	76.66%	73.12%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	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 Five Years (1) \**

	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.05000290%	0.05083120%	0.04980800%	0.05134300%	0.04985000%
City's Proportionate Share of the Net OPEB Liability	\$529,789	\$502,096	\$453,579	\$2,909,024	\$2,366,267
City's Covered Payroll	\$1,386,158	\$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	38.22%	37.92%	35.92%	244.73%	202.39%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	45.40%	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 Nine Years (1)*

	2021	2020	2019
<b>Net Pension Liability - Traditional Plan</b>			
Contractually Required Contribution	\$969,682	\$932,573	\$953,497
Contributions in Relation to the Contractually Required Contribution	<u>(969,682)</u>	<u>(932,573)</u>	<u>(953,497)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$6,926,300	\$6,661,236	\$6,810,693
Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
<b>Net Pension Asset - Combined Plan (3)</b>			
Contractually Required Contribution	\$43,352	\$48,537	\$52,682
Contributions in Relation to the Contractually Required Contribution	<u>(43,352)</u>	<u>(48,537)</u>	<u>(52,682)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$309,657	\$346,693	\$376,300
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
<b>Net OPEB Liability - OPEB Plan (4)</b>			
Contractually Required Contribution	\$21,005	\$19,850	\$20,241
Contributions in Relation to the Contractually Required Contribution	<u>(21,005)</u>	<u>(19,850)</u>	<u>(20,241)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (2)	\$7,761,082	\$7,504,179	\$7,693,018
OPEB Contributions as a Percentage of Covered Payroll	<u>0.27%</u>	<u>0.26%</u>	<u>0.26%</u>

(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

2018	2017	2016	2015	2014	2013
\$955,234	\$929,429	\$864,172	\$885,080	\$912,601	\$967,637
<u>(955,234)</u>	<u>(929,429)</u>	<u>(864,172)</u>	<u>(885,080)</u>	<u>(912,601)</u>	<u>(967,637)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,823,100	\$7,149,454	\$7,201,433	\$7,375,667	\$7,605,008	\$7,443,364
<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>
\$50,767	\$46,074				
<u>(50,767)</u>	<u>(46,074)</u>				
<u>\$0</u>	<u>\$0</u>				
\$362,621	\$354,415				
<u>14.00%</u>	<u>13.00%</u>				
\$18,187	\$92,656	\$168,679			
<u>(18,187)</u>	<u>(92,656)</u>	<u>(168,679)</u>			
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>			
\$7,640,396	\$7,944,294	\$7,983,000			
<u>0.24%</u>	<u>1.17%</u>	<u>2.11%</u>			

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

	2021	2020	2019
<b>Net Pension Liability</b>			
Contractually Required Contribution	\$273,068	\$267,510	\$255,476
Contributions in Relation to the Contractually Required Contribution	<u>(273,068)</u>	<u>(267,510)</u>	<u>(255,476)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$1,414,075	\$1,386,158	\$1,324,168
Contributions as a Percentage of Covered Payroll	<u>19.31%</u>	<u>19.30%</u>	<u>19.29%</u>
<b>Net OPEB Liability</b>			
Contractually Required Contribution	\$7,070	\$6,931	\$6,621
Contributions in Relation to the Contractually Required Contribution	<u>(7,070)</u>	<u>(6,931)</u>	<u>(6,621)</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>19.81%</u>	<u>19.80%</u>	<u>19.79%</u>

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

See accompanying notes to the required supplementary information

2018	2017	2016	2015	2014	2013	2012
\$243,654	\$229,748	\$226,450	\$214,063	\$208,710	\$174,718	\$131,201
(243,654)	(229,748)	(226,450)	(214,063)	(208,710)	(174,718)	(131,201)
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$1,262,592	\$1,188,680	\$1,169,147	\$1,104,590	\$1,076,865	\$1,074,614	\$998,842
19.30%	19.33%	19.37%	19.38%	19.38%	16.26%	13.14%
\$6,313	\$5,943	\$5,846	\$5,523	\$5,384	\$38,865	\$67,422
(6,313)	(5,943)	(5,846)	(5,523)	(5,384)	(38,865)	(67,422)
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0.50%	0.50%	0.50%	0.50%	0.50%	3.62%	6.75%
19.80%	19.83%	19.87%	19.88%	19.88%	19.88%	19.89%



**City of Orrville, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2021*

**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:

2021	0.5 percent, simple through 2021 then 2.15 percent, simple
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 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 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, 2021*

**Changes in Assumptions – OPERS Pension – Combined Plan**

For 2021 and 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
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	2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increases 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

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.

**City of Orrville, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2021*

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**Changes in Assumptions – OPERS OPEB**

Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

**Changes in Assumptions – OP&F OPEB**

Blended Discount Rate:	
2021	2.96 percent
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

**Changes in Benefit Terms – OPERS OPEB**

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-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 non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

**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.

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

(continued)

## **Fund Descriptions – Nonmajor Governmental Funds**

### ***Nonmajor Special Revenue Funds (continued)***

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

***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.

***American Rescue Plan 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 2021; 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 2021; 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.

***Fire Department Vehicle Replacement Fund*** – To account for and report monies committed to the replacement of vehicles within the fire department.

***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 2021; therefore, budgetary information is not provided.

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2021*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,448,425	\$198,644	\$432,287	\$2,079,356
Accrued Interest Receivable	443	249	5	697
Accounts Receivable	94,499	0	0	94,499
Intergovernmental Receivable	342,327	0	193,989	536,316
Special Assessments Receivable	0	19,827	0	19,827
<i>Total Assets</i>	<u>\$1,885,694</u>	<u>\$218,720</u>	<u>\$626,281</u>	<u>\$2,730,695</u>
<b>Liabilities</b>				
Accounts Payable	\$47,166	\$0	\$0	\$47,166
Accrued Wages	38,353	0	0	38,353
Intergovernmental Payable	19,336	0	0	19,336
Unearned Revenue	142,183	0	0	142,183
<i>Total Liabilities</i>	<u>247,038</u>	<u>0</u>	<u>0</u>	<u>247,038</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	240,649	19,827	0	260,476
<b>Fund Balances</b>				
Restricted	1,117,532	198,893	509,830	1,826,255
Committed	280,475	0	75,000	355,475
Assigned	0	0	41,451	41,451
<i>Total Fund Balances</i>	<u>1,398,007</u>	<u>198,893</u>	<u>626,281</u>	<u>2,223,181</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,885,694</u>	<u>\$218,720</u>	<u>\$626,281</u>	<u>\$2,730,695</u>

**City of Orrville, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2021*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Special Assessments	\$0	\$242	\$0	\$242
Intergovernmental	1,109,260	0	325,575	1,434,835
Interest	2,234	827	21	3,082
Fines, Licenses and Permits	68,820	0	500	69,320
Charges for Services	714,328	0	0	714,328
Contributions and Donations	24,219	0	1,000	25,219
Other	197	0	0	197
<i>Total Revenues</i>	<u>1,919,058</u>	<u>1,069</u>	<u>327,096</u>	<u>2,247,223</u>
<b>Expenditures</b>				
Current:				
General Government	56,449	0	0	56,449
Security of Persons and Property:				
Police	339,233	0	0	339,233
Fire	114,370	0	0	114,370
Transportation	1,013,141	0	0	1,013,141
Public Health and Welfare	472,499	0	0	472,499
Leisure Time Activities	18,871	0	0	18,871
Basic Utility Service	569,128	0	0	569,128
<i>Total Expenditures</i>	<u>2,583,691</u>	<u>0</u>	<u>0</u>	<u>2,583,691</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(664,633)	1,069	327,096	(336,468)
<b>Other Financing Sources</b>				
Transfers In	342,506	0	75,000	417,506
<i>Net Change in Fund Balances</i>	(322,127)	1,069	402,096	81,038
<i>Fund Balances Beginning of Year</i>	<u>1,720,134</u>	<u>197,824</u>	<u>224,185</u>	<u>2,142,143</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,398,007</u></u>	<u><u>\$198,893</u></u>	<u><u>\$626,281</u></u>	<u><u>\$2,223,181</u></u>



**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2021*

	Gas Tax Motor Vehicle License	State Highway	Permissive Motor Vehicle License	Solid Waste
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$81,474	\$288,087	\$63,003	\$83,247
Accrued Interest Receivable	60	369	0	0
Accounts Receivable	0	0	0	83,215
Intergovernmental Receivable	284,537	23,071	0	0
<i>Total Assets</i>	<u>\$366,071</u>	<u>\$311,527</u>	<u>\$63,003</u>	<u>\$166,462</u>
<b>Liabilities</b>				
Accounts Payable	\$123	\$0	\$0	\$47,043
Accrued Wages	38,353	0	0	0
Intergovernmental Payable	19,336	0	0	0
Unearned Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>57,812</u>	<u>0</u>	<u>0</u>	<u>47,043</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	199,771	16,198	0	0
<b>Fund Balances</b>				
Restricted	108,488	295,329	63,003	0
Committed	0	0	0	119,419
<i>Total Fund Balances</i>	<u>108,488</u>	<u>295,329</u>	<u>63,003</u>	<u>119,419</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$366,071</u>	<u>\$311,527</u>	<u>\$63,003</u>	<u>\$166,462</u>

Law Enforcement	Enforcement and Education	Cemetery Maintenance	Permissive	First Responders	Blooming Orrville	Emergency Medical Service Equipment
\$5,899	\$5,339	\$161,860	\$454,892	\$26,560	\$4,498	\$112,732
0	0	0	0	0	0	0
0	0	150	0	0	0	11,134
0	25	0	34,694	0	0	0
<u>\$5,899</u>	<u>\$5,364</u>	<u>\$162,010</u>	<u>\$489,586</u>	<u>\$26,560</u>	<u>\$4,498</u>	<u>\$123,866</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	150	24,530	0	0	0
5,899	5,364	161,860	465,056	0	4,498	0
0	0	0	0	26,560	0	123,866
<u>5,899</u>	<u>5,364</u>	<u>161,860</u>	<u>465,056</u>	<u>26,560</u>	<u>4,498</u>	<u>123,866</u>
<u>\$5,899</u>	<u>\$5,364</u>	<u>\$162,010</u>	<u>\$489,586</u>	<u>\$26,560</u>	<u>\$4,498</u>	<u>\$123,866</u>

(continued)

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2021*

	Performing Arts	Continuing Professional Training Grant	American Rescue Plan	Total Nonmajor Special Revenue Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$10,616	\$8,035	\$142,183	\$1,448,425
Accrued Interest Receivable	14	0	0	443
Accounts Receivable	0	0	0	94,499
Intergovernmental Receivable	0	0	0	342,327
<i>Total Assets</i>	<u>\$10,630</u>	<u>\$8,035</u>	<u>\$142,183</u>	<u>\$1,885,694</u>
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$0	\$47,166
Accrued Wages	0	0	0	38,353
Intergovernmental Payable	0	0	0	19,336
Unearned Revenue	0	0	142,183	142,183
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>142,183</u>	<u>247,038</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	0	0	0	240,649
<b>Fund Balances</b>				
Restricted	0	8,035	0	1,117,532
Committed	10,630	0	0	280,475
<i>Total Fund Balances</i>	<u>10,630</u>	<u>8,035</u>	<u>0</u>	<u>1,398,007</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$10,630</u>	<u>\$8,035</u>	<u>\$142,183</u>	<u>\$1,885,694</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, 2021*

	Gas Tax Motor Vehicle License	State Highway	Permissive Motor Vehicle License	Solid Waste
<b>Revenues</b>				
Intergovernmental	\$553,897	\$44,912	\$0	\$0
Interest	46	1,474	0	0
Fines, Licenses and Permits	0	0	0	0
Charges for Services	0	0	0	596,728
Contributions and Donations	0	0	0	0
Other	197	0	0	0
<i>Total Revenues</i>	<u>554,140</u>	<u>46,386</u>	<u>0</u>	<u>596,728</u>
<b>Expenditures</b>				
Current:				
General Government	0	0	0	0
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	0	0	0
Transportation	882,520	0	0	0
Public Health and Welfare	0	0	0	0
Leisure Time Activities	0	0	0	0
Basic Utility Service	0	0	0	564,002
<i>Total Expenditures</i>	<u>882,520</u>	<u>0</u>	<u>0</u>	<u>564,002</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(328,380)	46,386	0	32,726
<b>Other Financing Sources</b>				
Transfers In	342,506	0	0	0
<i>Net Change in Fund Balances</i>	14,126	46,386	0	32,726
<i>Fund Balances Beginning of Year</i>	<u>94,362</u>	<u>248,943</u>	<u>63,003</u>	<u>86,693</u>
<i>Fund Balances End of Year</i>	<u>\$108,488</u>	<u>\$295,329</u>	<u>\$63,003</u>	<u>\$119,419</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, 2021*

	Law Enforcement	Enforcement and Education	Cemetery Maintenance	Permissive
<b>Revenues</b>				
Intergovernmental	\$0	\$0	\$0	\$0
Interest	0	0	0	0
Fines, Licenses and Permits	657	134	0	68,029
Charges for Services	0	0	20,822	0
Contributions and Donations	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>657</u>	<u>134</u>	<u>20,822</u>	<u>68,029</u>
<b>Expenditures</b>				
Current:				
General Government	0	0	0	0
Security of Persons and Property:				
Police	99	201	0	0
Fire	0	0	0	0
Transportation	0	0	0	130,621
Public Health and Welfare	0	0	172,007	0
Leisure Time Activities	0	0	0	0
Basic Utility Service	0	0	0	0
<i>Total Expenditures</i>	<u>99</u>	<u>201</u>	<u>172,007</u>	<u>130,621</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	558	(67)	(151,185)	(62,592)
<b>Other Financing Sources</b>				
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	558	(67)	(151,185)	(62,592)
<i>Fund Balances Beginning of Year</i>	<u>5,341</u>	<u>5,431</u>	<u>313,045</u>	<u>527,648</u>
<i>Fund Balances End of Year</i>	<u>\$5,899</u>	<u>\$5,364</u>	<u>\$161,860</u>	<u>\$465,056</u>

First Responders	Blooming Orrville	Emergency Medical Service Equipment	Performing Arts	Continuing Professional Training Grant	Coronavirus Relief	American Rescue Plan	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$211,685	\$298,766	\$1,109,260
0	0	0	55	0	659	0	2,234
0	0	0	0	0	0	0	68,820
0	0	96,778	0	0	0	0	714,328
3,375	16,746	0	4,098	0	0	0	24,219
0	0	0	0	0	0	0	197
3,375	16,746	96,778	4,153	0	212,344	298,766	1,919,058
2,664	0	0	0	0	53,785	0	56,449
0	0	0	0	1,104	78,164	259,665	339,233
0	0	0	0	0	75,269	39,101	114,370
0	0	0	0	0	0	0	1,013,141
0	0	300,492	0	0	0	0	472,499
0	16,848	0	2,023	0	0	0	18,871
0	0	0	0	0	5,126	0	569,128
2,664	16,848	300,492	2,023	1,104	212,344	298,766	2,583,691
711	(102)	(203,714)	2,130	(1,104)	0	0	(664,633)
0	0	0	0	0	0	0	342,506
711	(102)	(203,714)	2,130	(1,104)	0	0	(322,127)
25,849	4,600	327,580	8,500	9,139	0	0	1,720,134
\$26,560	\$4,498	\$123,866	\$10,630	\$8,035	\$0	\$0	\$1,398,007

**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Debt Service Funds*  
*December 31, 2021*

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$4,152	\$194,492	\$198,644
Accrued Interest Receivable	0	249	249
Special Assessments Receivable	0	19,827	19,827
<i>Total Assets</i>	<u>\$4,152</u>	<u>\$214,568</u>	<u>\$218,720</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	\$0	\$19,827	\$19,827
<b>Fund Balances</b>			
Restricted	<u>4,152</u>	<u>194,741</u>	<u>198,893</u>
<i>Total Deferred Inflows of Resources and Fund Balances</i>	<u>\$4,152</u>	<u>\$214,568</u>	<u>\$218,720</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, 2021*

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
<b>Revenues</b>			
Special Assessments	\$0	\$242	\$242
Interest	0	827	827
<i>Total Revenues</i>	0	1,069	1,069
<b>Expenditures</b>	0	0	0
<i>Net Change in Fund Balances</i>	0	1,069	1,069
<i>Fund Balances Beginning of Year</i>	4,152	193,672	197,824
<i>Fund Balances End of Year</i>	\$4,152	\$194,741	\$198,893



**City of Orrville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2021*

	Park Improvement	Fire Department Vehicle Replacement	Recreation and Park	Grants	Community Development Block Grant	Total Nonmajor Capital Projects Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$4,411	\$75,000	\$37,035	\$201,973	\$113,868	\$432,287
Accrued Interest Receivable	5	0	0	0	0	5
Intergovernmental Receivable	0	0	0	193,989	0	193,989
<i>Total Assets</i>	<u>\$4,416</u>	<u>\$75,000</u>	<u>\$37,035</u>	<u>\$395,962</u>	<u>\$113,868</u>	<u>\$626,281</u>
<b>Fund Balances</b>						
Restricted	0	0	0	395,962	113,868	509,830
Committed	0	75,000	0	0	0	75,000
Assigned	4,416	0	37,035	0	0	41,451
<i>Total Fund Balances</i>	<u>4,416</u>	<u>75,000</u>	<u>37,035</u>	<u>395,962</u>	<u>113,868</u>	<u>626,281</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,416</u>	<u>\$75,000</u>	<u>\$37,035</u>	<u>\$395,962</u>	<u>\$113,868</u>	<u>\$626,281</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, 2021*

	Park Improvement	Fire Department Vehicle Replacement	Recreation and Park	Grants	Community Development Block Grant	Total Nonmajor Capital Projects Funds
<b>Revenues</b>						
Intergovernmental	\$0	\$0	\$0	\$325,575	\$0	\$325,575
Interest	21	0	0	0	0	21
Fines, Licenses and Permits	0	0	500	0	0	500
Contributions and Donations	1,000	0	0	0	0	1,000
<i>Total Revenues</i>	1,021	0	500	325,575	0	327,096
<b>Expenditures</b>	0	0	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	1,021	0	500	325,575	0	327,096
<b>Other Financing Sources</b>						
Transfers In	0	75,000	0	0	0	75,000
<i>Net Change in Fund Balances</i>	1,021	75,000	500	325,575	0	402,096
<i>Fund Balances Beginning of Year</i>	3,395	0	36,535	70,387	113,868	224,185
<i>Fund Balances End of Year</i>	<u>\$4,416</u>	<u>\$75,000</u>	<u>\$37,035</u>	<u>\$395,962</u>	<u>\$113,868</u>	<u>\$626,281</u>

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

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property Taxes	\$424,000	\$475,000	\$548,958	\$73,958
Income Taxes	4,223,200	4,178,200	5,200,669	1,022,469
Kilowatt Per Hour Tax	900,000	1,185,000	887,390	(297,610)
Intergovernmental	275,500	269,500	381,435	111,935
Interest	85,500	85,500	64,988	(20,512)
Fines, Licenses and Permits	27,500	27,650	51,840	24,190
Rentals	200	400	852	452
Charges for Services	333,500	313,500	458,757	145,257
Contributions and Donations	11,000	0	0	0
Other	10,500	10,500	63,851	53,351
<i>Total Revenues</i>	<u>6,290,900</u>	<u>6,545,250</u>	<u>7,658,740</u>	<u>1,113,490</u>
<b>Expenditures</b>				
Current:				
General Government:				
City Council:				
Personal Services	46,300	46,600	42,849	3,751
Materials and Supplies	100	100	60	40
Total City Council	<u>46,400</u>	<u>46,700</u>	<u>42,909</u>	<u>3,791</u>
City Hall:				
Personal Services	213,800	251,900	222,132	29,768
Purchased Services	50,262	50,262	25,847	24,415
Materials and Supplies	8,196	8,196	3,829	4,367
Utilities	10,075	10,075	5,814	4,261
Total City Hall	<u>282,333</u>	<u>320,433</u>	<u>257,622</u>	<u>62,811</u>
Finance Department:				
Personal Services	111,950	112,150	110,781	1,369
Purchased Services	54,051	56,751	36,433	20,318
Materials and Supplies	3,824	3,824	1,794	2,030
Utilities	356	356	206	150
Total Finance Department	<u>170,181</u>	<u>173,081</u>	<u>149,214</u>	<u>23,867</u>
Personnel:				
Personal Services	128,572	133,472	131,528	1,944
Purchased Services	8,559	8,559	7,287	1,272
Materials and Supplies	6,151	6,151	2,217	3,934
Utilities	1,461	1,461	853	608
Total Personnel	<u>\$144,743</u>	<u>\$149,643</u>	<u>\$141,885</u>	<u>\$7,758</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, 2021*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Data Processing:				
Personal Services	\$31,200	\$31,000	\$27,266	\$3,734
Purchased Services	26,000	26,000	25,946	54
Materials and Supplies	67,952	67,952	67,312	640
Utilities	10,862	10,862	10,728	134
Total Data Processing	<u>136,014</u>	<u>135,814</u>	<u>131,252</u>	<u>4,562</u>
Income Tax:				
Personal Services	107,630	107,600	83,637	23,963
Materials and Supplies	5,962	5,962	2,533	3,429
Utilities	937	937	377	560
Total Income Tax	<u>114,529</u>	<u>114,499</u>	<u>86,547</u>	<u>27,952</u>
Law Department:				
Personal Services	48,100	48,100	44,097	4,003
Purchased Services	67,787	67,787	23,404	44,383
Total Law Department	<u>115,887</u>	<u>115,887</u>	<u>67,501</u>	<u>48,386</u>
Mayor's Office:				
Personal Services	35,200	48,325	35,753	12,572
Purchased Services	350	350	0	350
Utilities	504	504	395	109
Total Mayor's Office	<u>36,054</u>	<u>49,179</u>	<u>36,148</u>	<u>13,031</u>
Administrative:				
Personal Services	337,200	344,500	290,268	54,232
Purchased Services	225,528	199,625	138,929	60,696
Materials and Supplies	29,678	29,678	29,616	62
Other	20,000	48,240	31,690	16,550
Total Administrative	<u>612,406</u>	<u>622,043</u>	<u>490,503</u>	<u>131,540</u>
Total General Government	<u>1,658,547</u>	<u>1,727,279</u>	<u>1,403,581</u>	<u>323,698</u>
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	2,237,750	2,319,350	2,257,685	61,665
Purchased Services	369,511	369,511	338,408	31,103
Materials and Supplies	135,280	140,280	122,529	17,751
Utilities	40,729	43,729	42,057	1,672
Total Police	<u>\$2,783,270</u>	<u>\$2,872,870</u>	<u>\$2,760,679</u>	<u>\$112,191</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, 2021*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fire:				
Fire Department:				
Personal Services	\$354,600	\$368,100	\$365,799	\$2,301
Purchased Services	694,658	569,658	537,028	32,630
Materials and Supplies	128,665	128,665	109,836	18,829
Utilities	14,735	14,735	11,992	2,743
Total Fire	<u>1,192,658</u>	<u>1,081,158</u>	<u>1,024,655</u>	<u>56,503</u>
Total Security of Persons and Property	<u>3,975,928</u>	<u>3,954,028</u>	<u>3,785,334</u>	<u>168,694</u>
Transportation:				
Street:				
Personal Services	606,235	569,135	426,423	142,712
Purchased Services	45,041	45,041	27,217	17,824
Materials and Supplies	207,445	225,445	204,819	20,626
Total Transportation	<u>858,721</u>	<u>839,621</u>	<u>658,459</u>	<u>181,162</u>
Public Health and Welfare:				
Animal Control:				
Purchased Services	12,470	12,470	10,330	2,140
Materials and Supplies	25,000	25,000	24,606	394
Total Animal Control	<u>37,470</u>	<u>37,470</u>	<u>34,936</u>	<u>2,534</u>
Cemetery:				
Personal Services	160,100	159,500	159,285	215
Purchased Services	12,700	12,700	12,586	114
Materials and Supplies	79,613	32,613	32,575	38
Utilities	4,587	4,587	4,370	217
Total Cemetery	<u>257,000</u>	<u>209,400</u>	<u>208,816</u>	<u>584</u>
Total Public Health and Welfare	<u>294,470</u>	<u>246,870</u>	<u>243,752</u>	<u>3,118</u>
Leisure Time Activities:				
Park:				
Personal Services	191,000	191,400	190,256	1,144
Purchased Services	28,318	28,318	28,012	306
Materials and Supplies	50,083	50,083	50,054	29
Utilities	8,478	8,478	8,238	240
Total Park	<u>\$277,879</u>	<u>\$278,279</u>	<u>\$276,560</u>	<u>\$1,719</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, 2021*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Pool:				
Personal Services	\$98,000	\$98,000	\$81,413	\$16,587
Purchased Services	4,750	4,750	4,352	398
Materials and Supplies	18,136	18,136	16,100	2,036
Utilities	10,962	10,962	10,840	122
<b>Total Pool</b>	<b>131,848</b>	<b>131,848</b>	<b>112,705</b>	<b>19,143</b>
Recreation:				
Materials and Supplies	2,500	2,500	2,500	0
<b>Total Leisure Time Activities</b>	<b>412,227</b>	<b>412,627</b>	<b>391,765</b>	<b>20,862</b>
Debt Service:				
Principal	25,000	36,033	36,033	0
<b>Total Expenditures</b>	<b>7,224,893</b>	<b>7,216,458</b>	<b>6,518,924</b>	<b>697,534</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	(933,993)	(671,208)	1,139,816	1,811,024
<b>Other Financing Uses</b>				
Transfers Out	(1,760,000)	(1,760,000)	(1,229,896)	530,104
<i>Net Change in Fund Balance</i>	(2,693,993)	(2,431,208)	(90,080)	2,341,128
<i>Fund Balance Beginning of Year</i>	6,364,720	6,364,720	6,364,720	0
Prior Year Encumbrances Appropriated	525,158	525,158	525,158	0
<b>Fund Balance End of Year</b>	<b>\$4,195,885</b>	<b>\$4,458,670</b>	<b>\$6,799,798</b>	<b>\$2,341,128</b>

**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, 2021*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Income Taxes	\$1,939,000	\$1,920,000	\$2,189,634	\$269,634
Intergovernmental	0	625,000	30,000	(595,000)
Charges for Services	0	0	100	100
Contributions and Donations	0	0	25,633	25,633
<i>Total Revenues</i>	1,939,000	2,545,000	2,245,367	(299,633)
<b>Expenditures</b>				
Capital Outlay	2,234,785	3,292,785	2,875,264	417,521
<i>Excess of Revenues Under Expenditures</i>	(295,785)	(747,785)	(629,897)	117,888
<b>Other Financing Uses</b>				
Transfers Out	0	(75,000)	(75,000)	0
<i>Net Change in Fund Balance</i>	(295,785)	(822,785)	(704,897)	117,888
<i>Fund Balance Beginning of Year</i>	2,464,385	2,464,385	2,464,385	0
Prior Year Encumbrances Appropriated	681,785	681,785	681,785	0
<i>Fund Balance End of Year</i>	<u>\$2,850,385</u>	<u>\$2,323,385</u>	<u>\$2,441,273</u>	<u>\$117,888</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, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interest	\$39,900	\$41,300	\$31,264	(\$10,036)
Charges for Services	2,271,000	2,325,500	2,518,041	192,541
Other	400	399	5,281	4,882
<i>Total Revenues</i>	<u>2,311,300</u>	<u>2,367,199</u>	<u>2,554,586</u>	<u>187,387</u>
<b>Expenses</b>				
Personal Services	1,619,950	1,745,750	1,529,591	216,159
Purchased Services	346,796	349,796	251,458	98,338
Materials and Supplies	270,431	270,431	146,618	123,813
Utilities	177,998	177,998	140,927	37,071
Capital Outlay	314,485	314,485	143,725	170,760
<i>Total Expenses</i>	<u>2,729,660</u>	<u>2,858,460</u>	<u>2,212,319</u>	<u>646,141</u>
<i>Excess of Revenues (Over) Under Expenses before Transfers</i>	(418,360)	(491,261)	342,267	833,528
Transfers In	<u>36,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	(382,360)	(491,261)	342,267	833,528
<i>Fund Equity Beginning of Year</i>	4,654,160	4,654,160	4,654,160	0
Prior Year Encumbrances Appropriated	<u>106,860</u>	<u>106,860</u>	<u>106,860</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$4,378,660</u>	<u>\$4,269,759</u>	<u>\$5,103,287</u>	<u>\$833,528</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, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interest	\$498,600	\$498,600	\$301,689	(\$196,911)
Charges for Services	30,057,000	30,110,000	33,054,803	2,944,803
Other	451,750	441,750	564,499	122,749
Sale of Capital Assets	0	0	1,375	1,375
<i>Total Revenues</i>	<u>31,007,350</u>	<u>31,050,350</u>	<u>33,922,366</u>	<u>2,872,016</u>
<b>Expenses</b>				
Personal Services	6,241,500	6,107,450	5,763,673	343,777
Purchased Services	2,756,220	2,769,420	2,768,439	981
Materials and Supplies	22,908,628	24,019,828	22,491,415	1,528,413
Utilities	1,314,109	1,479,609	1,476,046	3,563
Capital Outlay	3,395,530	4,099,030	1,048,740	3,050,290
<i>Total Expenses</i>	<u>36,615,987</u>	<u>38,475,337</u>	<u>33,548,313</u>	<u>4,927,024</u>
<i>Excess of Revenues Over (Under) Expenses before Transfers</i>	(5,608,637)	(7,424,987)	374,053	7,799,040
Transfers In	<u>900,000</u>	<u>900,000</u>	<u>887,390</u>	<u>(12,610)</u>
<i>Net Change in Fund Equity</i>	(4,708,637)	(6,524,987)	1,261,443	7,786,430
<i>Fund Equity Beginning of Year</i>	50,236,649	50,236,649	50,236,649	0
Prior Year Encumbrances Appropriated	<u>935,687</u>	<u>935,687</u>	<u>935,687</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$46,463,699</u>	<u>\$44,647,349</u>	<u>\$52,433,779</u>	<u>\$7,786,430</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, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interest	\$48,900	\$52,500	\$33,013	(\$19,487)
Charges for Services	3,291,000	3,569,000	3,726,935	157,935
Other	4,500	4,400	10,521	6,121
<i>Total Revenues</i>	<u>3,344,400</u>	<u>3,625,900</u>	<u>3,770,469</u>	<u>144,569</u>
<b>Expenses</b>				
Personal Services	2,011,400	1,573,600	1,337,424	236,176
Purchased Services	500,878	506,378	329,098	177,280
Materials and Supplies	276,631	253,531	95,180	158,351
Utilities	305,599	290,599	237,019	53,580
Capital Outlay	1,595,980	1,750,980	682,198	1,068,782
Debt Service:				
Principal Retirement	260,500	367,500	367,500	0
Interest and Fiscal Charges	10,044	14,344	14,344	0
<i>Total Expenses</i>	<u>4,961,032</u>	<u>4,756,932</u>	<u>3,062,763</u>	<u>1,694,169</u>
<i>Excess of Revenues Over (Under) Expenses before Transfers</i>	(1,616,632)	(1,131,032)	707,706	1,838,738
Transfers In	36,000	0	0	0
<i>Net Change in Fund Equity</i>	(1,580,632)	(1,131,032)	707,706	1,838,738
<i>Fund Equity Beginning of Year</i>	5,145,864	5,145,864	5,145,864	0
Prior Year Encumbrances Appropriated	342,932	342,932	342,932	0
<i>Fund Equity End of Year</i>	<u>\$3,908,164</u>	<u>\$4,357,764</u>	<u>\$6,196,502</u>	<u>\$1,838,738</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, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$493,000	\$551,407	\$58,407
Other	10,050	197	(9,853)
<i>Total Revenues</i>	<u>503,050</u>	<u>551,604</u>	<u>48,554</u>
<b>Expenditures</b>			
Current:			
Transportation:			
Street Repair and Maintenance:			
Personal Services	969,950	795,798	174,152
Purchased Services	9,400	2,178	7,222
Materials and Supplies	125,536	91,062	34,474
Utilities	16,710	16,382	328
<i>Total Expenditures</i>	<u>1,121,596</u>	<u>905,420</u>	<u>216,176</u>
<i>Excess of Revenues Under Expenditures</i>	(618,546)	(353,816)	264,730
<b>Other Financing Sources</b>			
Transfers In	615,000	342,506	(272,494)
<i>Net Change in Fund Balance</i>	(3,546)	(11,310)	(7,764)
<i>Fund Balance Beginning of Year</i>	33,375	33,375	0
Prior Year Encumbrances Appropriated	33,546	33,546	0
<i>Fund Balance End of Year</i>	<u>\$63,375</u>	<u>\$55,611</u>	<u>(\$7,764)</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, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$35,500	\$44,709	\$9,209
Interest	2,000	1,463	(537)
<i>Total Revenues</i>	37,500	46,172	8,672
<b>Expenditures</b>			
Current:			
Transportation:			
Street Repair and Maintenance:			
Materials and Supplies	5,000	0	5,000
<i>Net Change in Fund Balance</i>	32,500	46,172	13,672
<i>Fund Balance Beginning of Year</i>	241,913	241,913	0
<i>Fund Balance End of Year</i>	\$274,413	\$288,085	\$13,672

**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, 2021*

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

**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, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$568,000	\$594,032	\$26,032
<b>Expenditures</b>			
Current:			
Basic Utility Service:			
Solid Waste Services:			
Purchased Services	612,032	601,925	10,107
<i>Excess of Revenues Under Expenditures</i>	(44,032)	(7,893)	36,139
<b>Other Financing Sources</b>			
Transfers In	14,000	0	(14,000)
<i>Net Change in Fund Balance</i>	(30,032)	(7,893)	22,139
<i>Fund Balance Beginning of Year</i>	91,108	91,108	0
Prior Year Encumbrances Appropriated	32	32	0
<i>Fund Balance End of Year</i>	\$61,108	\$83,247	\$22,139

**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, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines, Licenses and Permits	\$1,500	\$957	(\$543)
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Police:			
Law Enforcement:			
Materials and Supplies	2,000	99	1,901
<i>Net Change in Fund Balance</i>	(500)	858	1,358
<i>Fund Balance Beginning of Year</i>	5,041	5,041	0
<i>Fund Balance End of Year</i>	\$4,541	\$5,899	\$1,358



**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, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines, Licenses and Permits	\$200	\$134	(\$66)
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Police:			
Law Enforcement:			
Materials and Supplies	1,092	793	299
<i>Net Change in Fund Balance</i>	(892)	(659)	233
<i>Fund Balance Beginning of Year</i>	5,406	5,406	0
Prior Year Encumbrances Appropriated	592	592	0
<i>Fund Balance End of Year</i>	\$5,106	\$5,339	\$233

**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, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$15,000	\$20,972	\$5,972
<b>Expenditures</b>			
Current:			
Public Health and Welfare:			
Cemetery Maintenance:			
Materials and Supplies	185,000	157,373	27,627
Other	15,000	14,634	366
<i>Total Expenditures</i>	200,000	172,007	27,993
<i>Net Change in Fund Balance</i>	(185,000)	(151,035)	33,965
<i>Fund Balance Beginning of Year</i>	312,895	312,895	0
<i>Fund Balance End of Year</i>	\$127,895	\$161,860	\$33,965

**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, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines, Licenses and Permits	\$60,000	\$67,998	\$7,998
<b>Expenditures</b>			
Current:			
Transportation:			
Street Repair and Maintenance:			
Purchased Services	300,000	130,621	169,379
Materials and Supplies	25,000	0	25,000
<i>Total Expenditures</i>	325,000	130,621	194,379
<i>Net Change in Fund Balance</i>	(265,000)	(62,623)	202,377
<i>Fund Balance Beginning of Year</i>	517,515	517,515	0
<i>Fund Balance End of Year</i>	\$252,515	\$454,892	\$202,377

**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, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Contributions and Donations	\$3,500	\$3,375	(\$125)
<b>Expenditures</b>			
Current:			
General Government:			
Administrative:			
Purchased Services	100	0	100
Materials and Supplies	9,234	4,875	4,359
<i>Total Expenditures</i>	9,334	4,875	4,459
<i>Net Change in Fund Balance</i>	(5,834)	(1,500)	4,334
<i>Fund Balance Beginning of Year</i>	25,826	25,826	0
Prior Year Encumbrances Appropriated	2,234	2,234	0
<i>Fund Balance End of Year</i>	\$22,226	\$26,560	\$4,334

**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, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Contributions and Donations	\$16,500	\$16,746	\$246
<b>Expenditures</b>			
Current:			
Leisure Time Activity:			
Street Repair and Maintenance:			
Purchased Services	19,000	16,848	2,152
<i>Net Change in Fund Balance</i>	(2,500)	(102)	2,398
<i>Fund Balance Beginning of Year</i>	4,600	4,600	0
<i>Fund Balance End of Year</i>	\$2,100	\$4,498	\$2,398

**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, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$85,000	\$102,065	\$17,065
<b>Expenditures</b>			
Current:			
Public Health and Welfare:			
Emergency Medical Service:			
Materials and Supplies	322,558	310,292	12,266
<i>Net Change in Fund Balance</i>	(237,558)	(208,227)	29,331
<i>Fund Balance Beginning of Year</i>	13,855	13,855	0
Prior Year Encumbrances Appropriated	302,558	302,558	0
<i>Fund Balance End of Year</i>	\$78,855	\$108,186	\$29,331

**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, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Interest	\$50	\$54	\$4
Contributions and Donations	5,450	4,098	(1,352)
<i>Total Revenues</i>	<u>5,500</u>	<u>4,152</u>	<u>(1,348)</u>
<b>Expenditures</b>			
Current:			
Leisure Time Activities:			
Performing Arts:			
Purchased Services	6,000	2,000	4,000
Materials and Supplies	750	23	727
<i>Total Expenditures</i>	<u>6,750</u>	<u>2,023</u>	<u>4,727</u>
<i>Net Change in Fund Balance</i>	(1,250)	2,129	3,379
<i>Fund Balance Beginning of Year</i>	<u>8,487</u>	<u>8,487</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,237</u></u>	<u><u>\$10,616</u></u>	<u><u>\$3,379</u></u>

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Continuing Professional Training Grant Fund  
For the Year Ended December 31, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Police:			
Purchased Services	3,000	1,104	1,896
<i>Net Change in Fund Balance</i>	(3,000)	(1,104)	1,896
<i>Fund Balance Beginning of Year</i>	9,139	9,139	0
<i>Fund Balance End of Year</i>	\$6,139	\$8,035	\$1,896



**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, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$55,367	\$37,455	(\$17,912)
Interest	0	1,214	1,214
<i>Total Revenues</i>	<u>55,367</u>	<u>38,669</u>	<u>(16,698)</u>
<b>Expenditures</b>			
Current:			
General Government:			
Administration:			
Purchased Services	81,226	64,528	16,698
Materials and Supplies	5,756	5,756	0
Total General Government	<u>86,982</u>	<u>70,284</u>	<u>16,698</u>
Security of Persons and Property:			
Police:			
Law Enforcement:			
Purchased Services	78,164	78,164	0
Fire:			
Fire Department:			
Personal Services	57,000	57,000	0
Purchased Services	8,464	8,464	0
Materials and Supplies	9,805	9,805	0
Total Fire	<u>75,269</u>	<u>75,269</u>	<u>0</u>
Total Security of Persons and Property	<u>153,433</u>	<u>153,433</u>	<u>0</u>
Basic Utility Service:			
Administration:			
Purchased Services	413	413	0
Materials and Supplies	4,713	4,713	0
Total Basic Utility Service	<u>5,126</u>	<u>5,126</u>	<u>0</u>
<i>Total Expenditures</i>	<u>245,541</u>	<u>228,843</u>	<u>16,698</u>
<i>Net Change in Fund Balance</i>	(190,174)	(190,174)	0
<i>Fund Balance Beginning of Year</i>	31,633	31,633	0
Prior Year Encumbrances Appropriated	<u>158,541</u>	<u>158,541</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*American Rescue Plan Fund*  
*For the Year Ended December 31, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$441,000	\$440,949	(\$51)
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Police:			
Law Enforcement:			
Purchased Services	160,000	158,786	1,214
Materials and Supplies	112,000	100,879	11,121
Total Police	272,000	259,665	12,335
Fire:			
Fire Department:			
Personal Services	130,000	39,101	90,899
Total Security of Persons and Property	402,000	298,766	103,234
Basic Utility Service:			
Administration:			
Purchased Services	38,000	0	38,000
<i>Total Expenditures</i>	440,000	298,766	141,234
<i>Net Change in Fund Balance</i>	1,000	142,183	141,183
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$1,000	\$142,183	\$141,183

**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, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Special Assessments	\$500	\$242	(\$258)
Interest	2,100	869	(1,231)
<i>Total Revenues</i>	2,600	1,111	(1,489)
<b>Expenditures</b>			
Current:			
General Government:			
Purchased Services	1,000	0	1,000
<i>Net Change in Fund Balance</i>	1,600	1,111	(489)
<i>Fund Balance Beginning of Year</i>	193,381	193,381	0
<i>Fund Balance End of Year</i>	\$194,981	\$194,492	(\$489)

**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, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Interest	\$25	\$21	(\$4)
Contributions and Donations	0	1,000	1,000
<i>Total Revenues</i>	25	1,021	996
<b>Expenditures</b>			
Capital Outlay	300	0	300
<i>Net Change in Fund Balance</i>	(275)	1,021	1,296
<i>Fund Balance Beginning of Year</i>	3,390	3,390	0
<i>Fund Balance End of Year</i>	\$3,115	\$4,411	\$1,296

**City of Orrville, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Fire Department Vehicle Replacement Fund  
For the Year Ended December 31, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0
<b>Other Financing Sources</b>			
Transfers In	100,000	75,000	(25,000)
<i>Net Change in Fund Balance</i>	100,000	75,000	(25,000)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	<u>\$100,000</u>	<u>\$75,000</u>	<u>(\$25,000)</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, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines, Licenses and Permits	\$200	\$500	\$300
<b>Expenditures</b>			
Capital Outlay	500	0	500
<i>Net Change in Fund Balance</i>	(300)	500	800
<i>Fund Balance Beginning of Year</i>	36,535	36,535	0
<i>Fund Balance End of Year</i>	\$36,235	\$37,035	\$800

**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, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$500,000	\$205,279	(\$294,721)
<b>Expenditures</b>			
Capital Outlay	313,592	209,021	104,571
<i>Net Change in Fund Balance</i>	186,408	(3,742)	(190,150)
<i>Fund Deficit Beginning of Year</i>	(180,208)	(180,208)	0
Prior Year Encumbrances Appropriated	313,592	313,592	0
<i>Fund Balance End of Year</i>	<u>\$319,792</u>	<u>\$129,642</u>	<u>(\$190,150)</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, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Interest	\$7,000	\$3,924	(\$3,076)
Charges for Services	387,816	289,861	(97,955)
<i>Total Revenues</i>	<u>394,816</u>	<u>293,785</u>	<u>(101,031)</u>
<b>Expenses</b>			
Purchased Services	175,258	6,866	168,392
Claims	92,558	20,478	72,080
<i>Total Expenses</i>	<u>267,816</u>	<u>27,344</u>	<u>240,472</u>
<i>Net Change in Fund Equity</i>	127,000	266,441	139,441
<i>Fund Equity Beginning of Year</i>	<u>627,001</u>	<u>627,001</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$754,001</u></u>	<u><u>\$893,442</u></u>	<u><u>\$139,441</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, 2021*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Interest	\$20	\$24	\$4
<b>Expenses</b>			
Materials and Supplies	80	0	80
<i>Net Change in Fund Equity</i>	(60)	24	84
<i>Fund Equity Beginning of Year</i>	4,280	4,280	0
<i>Fund Equity End of Year</i>	\$4,220	\$4,304	\$84



# Statistical Section

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## Statistical Section

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

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

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

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

	2021	2020	2019	2018
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$55,515,574	\$53,657,045	\$52,790,227	\$51,484,576
Restricted:				
Debt Service	218,720	217,893	216,939	211,619
Capital Projects	509,830	351,574	569,590	406,222
Street Repair and Maintenance	1,095,980	1,078,659	1,077,857	1,182,095
Law Enforcement and Education	19,298	19,911	22,026	20,666
Cemetery Maintenance	162,010	315,560	294,586	335,285
Unclaimed Monies	9,356	0	0	0
Other Purposes	4,498	4,600	5,460	0
Unrestricted (1)	6,905,140	4,829,767	4,321,589	(186,087)
<i>Total Governmental Activities Net Position</i>	<u>64,440,406</u>	<u>60,475,009</u>	<u>59,298,274</u>	<u>53,454,376</u>
<b>Business Type - Activities</b>				
Net Investment in Capital Assets	32,519,265	34,247,646	34,817,797	33,609,805
Restricted:				
Debt Service	0	0	0	0
Replacement and Improvement	0	0	0	0
Unrestricted (1)	62,411,466	52,764,636	48,522,021	44,598,705
<i>Total Business-Type Activities Net Position</i>	<u>94,930,731</u>	<u>87,012,282</u>	<u>83,339,818</u>	<u>78,208,510</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	88,034,839	87,904,691	87,608,024	85,094,381
Restricted	2,019,692	1,988,197	2,186,458	2,155,887
Unrestricted (1)	69,316,606	57,594,403	52,843,610	44,412,618
<i>Total Primary Government Net Position</i>	<u>\$159,371,137</u>	<u>\$147,487,291</u>	<u>\$142,638,092</u>	<u>\$131,662,886</u>

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

2017 (1)	2016	2015	2014 (1)	2013	2012
\$51,042,719	\$50,035,165	\$47,803,815	\$46,651,815	\$44,596,582	\$43,532,213
200,513	210,411	201,248	206,850	167,998	178,275
246,852	264,380	340,136	234,932	145,022	147,186
1,018,093	1,026,796	865,725	699,840	606,354	491,854
23,167	16,112	13,410	15,242	18,368	17,799
363,798	420,852	402,807	387,038	374,477	353,402
0	0	0	0	0	0
0	0	0	0	0	0
(1,123,311)	2,895,418	4,708,457	3,763,350	7,934,606	6,866,788
51,771,831	54,869,134	54,335,598	51,959,067	53,843,407	51,587,517
35,568,935	36,134,763	33,514,348	34,331,464	35,995,830	35,863,973
0	0	0	0	0	760,679
0	0	0	0	0	800,000
40,562,421	40,625,054	38,787,351	34,747,551	32,108,900	28,627,694
76,131,356	76,759,817	72,301,699	69,079,015	68,104,730	66,052,346
86,611,654	86,169,928	81,318,163	80,983,279	80,592,412	79,396,186
1,852,423	1,938,551	1,823,326	1,543,902	1,312,219	2,749,195
39,439,110	43,520,472	43,495,808	38,510,901	40,043,506	35,494,482
\$127,903,187	\$131,628,951	\$126,637,297	\$121,038,082	\$121,948,137	\$117,639,863

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

	2021	2020	2019	2018 (1)
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$106,780	\$118,989	\$147,141	\$105,259
Security of Persons and Property:				
Police	212,448	179,439	74,401	30,096
Fire	63,822	24,926	125,406	109,507
Transportation	126,245	109,723	62,436	66,071
Public Health and Welfare	132,843	140,329	149,269	173,486
Leisure Time Activities	29,324	19,903	84,459	86,157
Basic Utility Service	596,728	475,506	450,453	444,561
Subtotal - Charges for Services	<u>1,268,190</u>	<u>1,068,815</u>	<u>1,093,565</u>	<u>1,015,137</u>
Operating Grants and Contributions:				
General Government	56,993	164,864	18,274	26,631
Security of Persons and Property:				
Police	337,586	150,855	0	0
Fire	114,137	126,127	4,210	590
Transportation	604,833	614,207	516,071	454,235
Leisure Time Activities	20,844	15,549	29,179	6,417
Basic Utility Service	5,110	120,187	0	0
Subtotal - Operating Grants and Contributions	<u>1,139,503</u>	<u>1,191,789</u>	<u>567,734</u>	<u>487,873</u>
Capital Grants and Contributions:				
General Government	0	0	0	0
Transportation	334,395	568,913	1,566,742	903,100
Leisure Time Activities	1,000	992	0	0
Subtotal - Capital Grants and Contributions	<u>335,395</u>	<u>569,905</u>	<u>1,566,742</u>	<u>903,100</u>
<i>Total Governmental Activities Program Revenues</i>	<u>2,743,088</u>	<u>2,830,509</u>	<u>3,228,041</u>	<u>2,406,110</u>
Business-Type Activities:				
Charges for Services:				
Sewer	2,572,656	2,397,948	2,357,134	2,314,263
Electric	33,689,650	30,973,855	32,105,319	33,132,516
Water	3,825,371	3,553,626	3,361,995	3,252,082
Subtotal - Charges for Services	<u>40,087,677</u>	<u>36,925,429</u>	<u>37,824,448</u>	<u>38,698,861</u>
Capital Grants and Contributions				
Water	0	4,113	370,553	82,023
<i>Total Business-Type Activities Program Revenues</i>	<u>40,087,677</u>	<u>36,929,542</u>	<u>38,195,001</u>	<u>38,780,884</u>
<i>Total Primary Government Program Revenues</i>	<u>42,830,765</u>	<u>39,760,051</u>	<u>41,423,042</u>	<u>41,186,994</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	816,703	1,964,057	1,741,446	1,591,910
Security of Persons and Property:				
Police	2,876,816	2,786,501	716,168	2,686,829
Fire	358,184	582,112	405,203	516,725
Transportation	1,292,035	2,761,440	3,478,029	2,792,254
Public Health and Welfare	544,834	275,055	397,117	367,466
Leisure Time Activities	341,244	289,767	461,524	379,058
Basic Utility Service	569,128	630,747	481,223	460,069
Interest and Fiscal Charges	0	0	0	0
<i>Total Governmental Activities Expenses</i>	<u>\$6,798,944</u>	<u>\$9,289,679</u>	<u>\$7,680,710</u>	<u>\$8,794,311</u>

2017	2016	2015 (1)	2014	2013	2012
\$165,112	\$75,424	\$122,519	\$161,761	\$145,721	\$223,260
8,015	11,255	9,414	11,473	17,514	27,483
92,475	85,579	62,813	59,193	77,582	87,585
65,313	96,369	168,085	673,483	590,096	0
158,260	144,051	114,464	114,070	141,024	135,591
101,221	72,747	77,883	77,503	74,946	69,579
440,163	437,097	424,502	425,837	416,782	418,811
1,030,559	922,522	979,680	1,523,320	1,463,665	962,309
17,457	22,453	36,606	20,923	22,141	18,150
8,929	0	2,120	1,676	0	0
6,700	0	21,516	21,483	15,000	0
445,373	480,954	616,218	412,876	499,012	464,131
4,520	4,963	5,012	6,235	6,897	29,993
0	0	0	0	0	0
482,979	508,370	681,472	463,193	543,050	512,274
0	0	0	0	0	0
452,870	1,289,750	877,275	968,753	911,860	432,284
0	0	0	0	0	0
452,870	1,289,750	877,275	968,753	911,860	432,284
1,966,408	2,720,642	2,538,427	2,955,266	2,918,575	1,906,867
2,116,127	2,370,897	2,242,742	2,022,412	2,197,638	1,984,559
34,017,923	34,171,289	32,203,765	35,801,650	32,232,307	32,256,760
2,954,895	3,228,704	3,229,736	3,294,770	3,153,951	2,865,074
39,088,945	39,770,890	37,676,243	41,118,832	37,583,896	37,106,393
0	0	0	0	0	18,596
39,088,945	39,770,890	37,676,243	41,118,832	37,583,896	37,124,989
41,055,353	42,491,532	40,214,670	44,074,098	40,502,471	39,031,856
1,455,297	1,415,466	1,235,682	1,284,010	1,256,080	1,524,270
2,376,973	2,395,000	2,137,154	2,168,366	2,057,208	2,035,706
620,786	613,209	534,086	607,537	601,627	583,869
2,650,728	1,915,963	2,464,622	2,737,924	2,359,161	2,178,927
313,670	334,538	238,586	199,487	201,826	355,785
400,247	1,130,301	359,038	389,909	357,702	388,379
446,518	418,166	400,247	436,292	432,964	434,596
0	0	23,532	32,354	40,640	48,529
\$8,264,219	\$8,222,643	\$7,392,947	\$7,855,879	\$7,307,208	\$7,550,061

(continued)



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

	2021	2020	2019	2018 (1)
<b>Business-Type Activities:</b>				
Sewer	\$1,472,904	\$2,523,654	\$2,845,543	\$2,554,122
Electric	30,510,878	30,192,642	29,679,207	33,553,708
Water	2,011,122	2,849,447	2,928,814	2,825,115
<i>Total Business-Type Activities Expenses</i>	<u>33,994,904</u>	<u>35,565,743</u>	<u>35,453,564</u>	<u>38,932,945</u>
<i>Total Primary Government Program Expenses</i>	<u>40,793,848</u>	<u>44,855,422</u>	<u>43,134,274</u>	<u>47,727,256</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(4,055,856)	(6,459,170)	(4,452,669)	(6,388,201)
Business-Type Activities	6,092,773	1,363,799	2,741,437	(152,061)
<i>Total Primary Government Net Expense</i>	<u>2,036,917</u>	<u>(5,095,371)</u>	<u>(1,711,232)</u>	<u>(6,540,262)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Taxes:				
Property and Other Local Taxes Levied for:				
General Purposes	547,530	488,958	486,041	483,583
Kilowatt per Hour Taxes Levied for:				
General Purposes	887,390	858,760	911,934	861,307
Municipal Income Taxes Levied for:				
General Purposes	5,356,085	4,213,767	6,172,655	5,002,790
Capital Outlay	2,256,241	1,756,399	2,589,159	2,092,900
Grants and Entitlements not Restricted to				
Specific Programs	414,293	297,684	301,720	247,738
Gain on Sale of Capital Assets	0	0	0	0
Unrestricted Contributions	0	6,500	30,025	0
Investment Income	(641,663)	567,591	578,761	72,186
Other	88,767	305,006	138,206	171,549
Transfers	(887,390)	(858,760)	(911,934)	(861,307)
<i>Total Governmental Activities</i>	<u>8,021,253</u>	<u>7,635,905</u>	<u>10,296,567</u>	<u>8,070,746</u>
Business-Type Activities:				
Gain on Sale of Capital Assets	0	0	0	0
Investment Income	358,393	586,058	806,454	596,511
Other	579,893	863,847	671,483	771,397
Transfers	887,390	858,760	911,934	861,307
Extraordinary Items	0	0	0	0
<i>Total Business-Type Activities</i>	<u>1,825,676</u>	<u>2,308,665</u>	<u>2,389,871</u>	<u>2,229,215</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>9,846,929</u>	<u>9,944,570</u>	<u>12,686,438</u>	<u>10,299,961</u>
<b>Change in Net Position</b>				
Governmental Activities	3,965,397	1,176,735	5,843,898	1,682,545
Business-Type Activities	7,918,449	3,672,464	5,131,308	2,077,154
<i>Total Primary Government Change in Net Position</i>	<u>\$11,883,846</u>	<u>\$4,849,199</u>	<u>\$10,975,206</u>	<u>\$3,759,699</u>

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

2017	2016	2015 (1)	2014	2013	2012
\$2,653,891	\$2,210,618	\$2,712,050	\$2,516,612	\$2,301,197	\$2,087,164
34,648,875	32,019,658	30,796,025	31,828,365	31,893,556	32,778,792
3,011,661	2,803,493	2,831,465	2,656,914	3,161,055	3,169,501
40,314,427	37,033,769	36,339,540	37,001,891	37,355,808	38,035,457
48,578,646	45,256,412	43,732,487	44,857,770	44,663,016	45,585,518
(6,297,811)	(5,502,001)	(4,854,520)	(4,900,613)	(4,388,633)	(5,643,194)
(1,225,482)	2,737,121	1,336,703	4,116,941	228,088	(910,468)
(7,523,293)	(2,764,880)	(3,517,817)	(783,672)	(4,160,545)	(6,553,662)
459,213	447,328	440,314	433,672	397,725	407,917
916,592	920,114	988,499	917,051	915,131	916,240
4,251,620	3,695,374	3,985,729	3,884,203	4,214,928	4,344,025
1,790,831	1,555,310	2,469,190	2,081,797	1,634,785	1,788,870
258,486	212,873	262,761	266,350	261,887	437,914
62,503	31,859	0	0	0	0
600	280	500	600	0	0
(26,698)	(45,800)	17,964	16,398	4,341	24,179
28,029	138,313	54,593	89,440	130,857	383,627
(916,592)	(920,114)	(988,499)	(917,052)	(915,131)	(916,239)
6,824,584	6,035,537	7,231,051	6,772,459	6,644,523	7,386,533
104,381	14,715	0	0	194,281	0
396,252	227,924	209,879	162,258	106,958	148,673
597,386	558,244	687,603	641,980	607,926	898,385
916,592	920,114	988,499	917,052	915,131	916,239
3,062,987	0	0	0	0	0
5,077,598	1,720,997	1,885,981	1,721,290	1,824,296	1,963,297
11,902,182	7,756,534	9,117,032	8,493,749	8,468,819	9,349,830
526,773	533,536	2,376,531	1,871,846	2,255,890	1,743,339
3,852,116	4,458,118	3,222,684	5,838,231	2,052,384	1,052,829
\$4,378,889	\$4,991,654	\$5,599,215	\$7,710,077	\$4,308,274	\$2,796,168

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

	2021	2020	2019	2018
<b>General Fund</b>				
Nonspendable	\$160,582	\$121,327	\$115,351	\$117,682
Assigned	2,569,866	3,124,711	2,374,560	1,941,612
Unassigned	5,106,103	4,921,116	4,127,313	3,167,371
Total General Fund	7,836,551	8,167,154	6,617,224	5,226,665
<b>All Other Governmental Funds</b>				
Restricted	\$1,826,255	\$1,653,591	\$1,610,627	\$1,905,049
Committed	4,048,127	3,610,727	2,449,190	2,063,371
Assigned	41,451	39,930	38,213	36,929
Total All Other Governmental Funds	5,915,833	5,304,248	4,098,030	4,005,349
<b>Total Governmental Funds</b>	<u>\$13,752,384</u>	<u>\$13,471,402</u>	<u>\$10,715,254</u>	<u>\$9,232,014</u>

2017	2016	2015	2014	2013	2012
\$91,153	\$111,330	\$104,828	\$97,710	\$96,812	\$93,934
1,861,536	1,566,460	1,898,352	2,486,039	1,860,961	1,776,606
2,723,467	2,898,898	2,598,193	2,134,860	3,188,229	2,704,525
4,676,156	4,576,688	4,601,373	4,718,609	5,146,002	4,575,065
\$1,759,580	\$1,766,139	\$1,673,767	\$1,410,482	\$1,183,988	\$1,055,428
1,885,288	1,925,192	2,951,029	2,043,936	1,830,120	1,214,063
36,251	31,783	31,471	30,660	30,103	29,902
3,681,119	3,723,114	4,656,267	3,485,078	3,044,211	2,299,393
\$8,357,275	\$8,299,802	\$9,257,640	\$8,203,687	\$8,190,213	\$6,874,458

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

	2021	2020	2019	2018
<b>Revenues</b>				
Property Taxes	\$548,958	\$490,172	\$488,361	\$479,207
Income Taxes	7,428,639	7,192,772	7,497,519	6,566,266
Kilowatt Per Hour Tax	887,390	858,760	911,934	861,307
Special Assessments	242	2,094	214	8,030
Intergovernmental	1,848,978	1,955,112	2,375,680	1,606,577
Interest	(641,663)	567,591	578,761	72,186
Fines, Licenses and Permits	121,041	109,286	92,549	92,392
Rentals	852	595	165	399
Charges for Services	1,143,150	961,325	1,001,462	912,438
Contributions and Donations	50,852	32,698	76,092	23,452
Other	88,767	305,006	138,206	171,549
<i>Total Revenues</i>	<u>11,477,206</u>	<u>12,475,411</u>	<u>13,160,943</u>	<u>10,793,803</u>
<b>Expenditures</b>				
Current:				
General Government	1,417,631	1,721,672	1,347,530	1,319,706
Security of Persons and Property:				
Police	3,001,491	2,440,971	2,451,829	2,302,573
Fire	920,612	454,021	412,049	373,975
Transportation	1,635,505	1,482,315	1,931,984	1,530,995
Public Health and Welfare	694,627	240,169	349,568	333,674
Leisure Time Activities	382,486	269,536	370,586	315,011
Basic Utility Service	569,128	630,747	481,223	460,069
Capital Outlay	1,651,321	1,613,943	3,396,978	2,751,052
Debt Service:				
Principal Retirement	36,033	12,011	24,022	24,022
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>10,308,834</u>	<u>8,865,385</u>	<u>10,765,769</u>	<u>9,411,077</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,168,372</u>	<u>3,610,026</u>	<u>2,395,174</u>	<u>1,382,726</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	4,882	0	353,320
OPWC Loan Issued	0	0	0	0
Transfers In	417,506	227,140	496,279	580,737
Transfers Out	(1,304,896)	(1,085,900)	(1,408,213)	(1,442,044)
<i>Total Other Financing Sources (Uses)</i>	<u>(887,390)</u>	<u>(853,878)</u>	<u>(911,934)</u>	<u>(507,987)</u>
<i>Net Change in Fund Balances</i>	<u>\$280,982</u>	<u>\$2,756,148</u>	<u>\$1,483,240</u>	<u>\$874,739</u>
Debt Service as a Percentage of Noncapital Expenditures	0.55%	0.17%	0.33%	0.37%

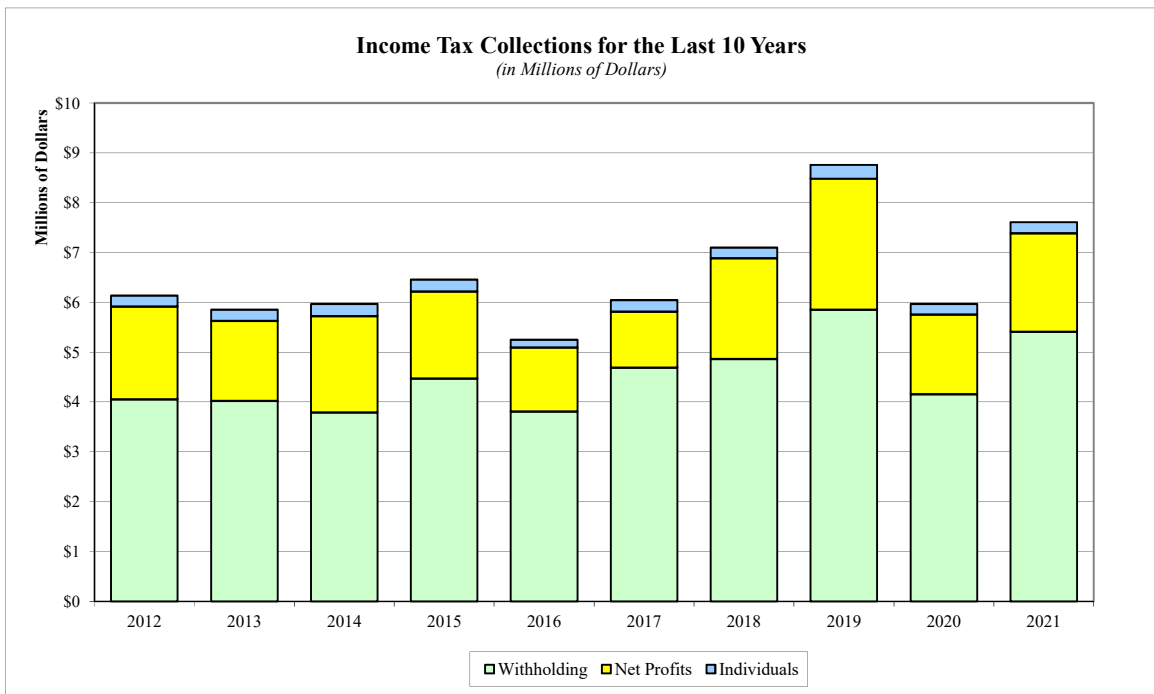
2017	2016	2015	2014	2013	2012
\$460,007	\$446,795	\$456,735	\$431,947	\$431,521	\$408,163
5,978,951	5,993,991	6,227,814	6,119,991	5,944,657	5,437,544
916,592	920,114	988,499	917,051	915,131	916,240
19,309	8,846	19,183	22,907	11,556	11,314
1,155,382	2,011,077	1,778,787	1,698,141	1,748,085	1,384,685
(26,698)	(45,800)	17,964	16,398	4,341	24,179
96,194	98,562	100,704	102,280	39,316	41,678
552	557	1,689	4,739	31,418	34,809
932,886	790,115	872,860	1,364,068	1,332,827	886,410
20,580	28,274	29,911	19,718	72,188	29,993
28,029	138,313	54,593	89,440	130,857	383,627
<u>9,581,784</u>	<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>
1,230,154	1,204,905	1,197,106	1,185,189	1,157,442	1,178,901
2,186,585	2,248,782	2,059,944	2,113,519	2,033,291	1,967,615
564,278	461,229	435,938	463,480	467,667	450,488
1,407,662	1,375,018	1,562,128	1,246,065	1,251,556	1,310,272
291,842	313,286	222,964	178,694	182,521	335,701
335,684	344,920	299,276	306,991	298,747	332,224
446,518	418,166	400,247	436,292	432,964	434,596
2,321,686	4,550,785	2,492,178	3,884,488	2,557,675	1,580,497
24,023	0	9,630	9,030	8,460	7,920
0	0	23,587	32,406	40,688	48,575
<u>8,808,432</u>	<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>
773,352	(526,247)	1,845,741	930,526	2,230,886	1,911,853
200,713	79,300	125,489	0	0	0
0	409,223	71,222	0	0	0
475,360	495,134	493,653	981,385	490,200	420,024
(1,391,952)	(1,415,248)	(1,482,152)	(1,898,437)	(1,405,331)	(1,336,263)
<u>(715,879)</u>	<u>(431,591)</u>	<u>(791,788)</u>	<u>(917,052)</u>	<u>(915,131)</u>	<u>(916,239)</u>
<u>\$57,473</u>	<u>(\$957,838)</u>	<u>\$1,053,953</u>	<u>\$13,474</u>	<u>\$1,315,755</u>	<u>\$995,614</u>
0.39%	0.00%	0.57%	0.65%	0.83%	0.97%

**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
2021	1.00%	\$7,612,326	\$5,406,273	71.02%	\$1,978,444	25.99%	\$227,609	2.99%
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

(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 2021 and 2012*

Tax Year 2021				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	287	12.33 %	\$43,874,039	38.41 %
75,001-100,000	248	10.66	21,399,848	18.73
50,001-75,000	344	14.78	21,223,203	18.58
25,000-50,000	554	23.81	20,296,869	17.77
Under 25,000	757	32.53	7,430,337	6.51
Zero File	137	5.89	0	0.00
Total	2,327	100.00 %	\$114,224,296	100.00 %

Tax Year 2012				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	240	6.16 %	\$172,120,783	66.41 %
75,001-100,000	256	6.58	21,862,935	8.43
50,001-75,000	444	11.41	27,248,128	10.51
25,000-50,000	683	17.54	25,052,573	9.66
Under 25,000	1,333	34.24	12,939,089	4.99
Zero File	937	24.07	0	0.00
Total	3,893	100.00 %	\$259,223,508	100.00 %

Source: City Income Tax Department

(1) Includes individual filers only.

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



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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Type of Customer:</b>										
Residential	\$9,084,851	\$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
Industrial	14,865,380	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
Commercial	9,274,320	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
Government	339,299	307,783	329,961	342,939	372,172	456,521	420,379	424,792	386,048	306,971
<b>Total</b>	<b>\$33,563,850</b>	<b>\$30,889,745</b>	<b>\$32,024,884</b>	<b>\$33,054,962</b>	<b>\$33,871,967</b>	<b>\$34,090,946</b>	<b>\$32,203,765</b>	<b>\$35,801,650</b>	<b>\$32,232,307</b>	<b>\$32,256,760</b>

**City of Orrville, Ohio**  
*Principal Electric Customers*  
 2021 and 2012

<i>2021</i>		
Customer	Electric Charges for Services	Percentage of Total Electric Charges for Services
Quality Castings Company	\$5,419,317	16.15 %
J.M. Smucker Company	3,618,568	10.78
SmithFoods, Incorporated	1,783,946	5.32
Orrvilon	1,583,008	4.72
Bekaert Corporation	1,316,185	3.92
Marshallville Corporation	632,421	1.88
Aultman Orrville Hospital	399,584	1.19
Will-Burt Company, Incorporated	396,508	1.18
Venture Products	369,018	1.10
Morgan Corporation	321,911	0.96
Total	<u>\$15,840,466</u>	<u>47.20 %</u>
Total Electric Charges for Services	<u>\$33,563,850</u>	

<i>2012</i>		
Customer	Electric Charges for Services	Percentage of Total Electric Charges for Services
Quality Castings Company	\$4,694,851	14.55 %
J.M. Smucker Company	3,322,156	10.30
SmithFoods, Incorporated	1,554,816	4.82
Bekaert Corporation	1,204,811	3.74
JLG	670,924	2.08
Marshallville Corporation	635,367	1.97
Will-Burt Company, Incorporated	498,417	1.55
Orrvilon	398,536	1.24
Aultman Orrville Hospital	379,779	1.18
Buehler's	251,148	0.77
Total	<u>\$13,610,805</u>	<u>42.20 %</u>
Total Electric Charges for Services	<u>\$32,256,760</u>	

Source: City Records

**City of Orrville, Ohio**

*Electric Rates Per Month*

*Last Ten Years*

	2021	2020	2019	2018
<b>Residential:</b>				
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
<b>General Service:</b>				
<b>Small:</b>				
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
<b>Medium (per KVA):</b>				
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
<b>Large (per KVA):</b>				
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
<b>Industrial (per KVA):</b>				
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

2017	2016	2015	2014	2013	2012
\$8.2400	\$8.2400	\$8.2400	\$8.2400	\$8.2400	\$8.2400
0.1004	0.1004	0.1004	0.1004	0.1004	0.1004
0.0936	0.0936	0.0936	0.0936	0.0936	0.0936
0.0877	0.0877	0.0877	0.0877	0.0877	0.0877
13.3700	13.3700	13.3700	13.3700	13.3700	13.3700
0.1334	0.1334	0.1334	0.1334	0.1334	0.1334
0.1123	0.1123	0.1123	0.1123	0.1123	0.1123
0.1013	0.1013	0.1013	0.1013	0.1013	0.1013
1.7600	1.7600	1.7600	1.7600	1.7600	1.7600
0.1422	0.1422	0.1422	0.1422	0.1422	0.1422
0.1182	0.1182	0.1182	0.1182	0.1182	0.1182
0.0936	0.0936	0.0936	0.0936	0.0936	0.0936
0.0861	0.0861	0.0861	0.0861	0.0861	0.0861
0.0805	0.0805	0.0805	0.0805	0.0805	0.0805
1.6200	1.6200	1.6200	1.6200	1.6200	1.6200
0.1383	0.1383	0.1383	0.1383	0.1383	0.1383
0.0984	0.0984	0.0984	0.0984	0.0984	0.0984
0.0822	0.0822	0.0822	0.0822	0.0822	0.0822
0.0774	0.0774	0.0774	0.0774	0.0774	0.0774
3.2000	3.2000	3.2000	3.2000	3.2000	3.2000
0.1622	0.1622	0.1622	0.1622	0.1622	0.1622
0.1148	0.1148	0.1148	0.1148	0.1148	0.1148
0.1054	0.1054	0.1054	0.1054	0.1054	0.1054
0.0936	0.0936	0.0936	0.0936	0.0936	0.0936
0.0811	0.0811	0.0811	0.0811	0.0811	0.0811
0.0741	0.0741	0.0741	0.0741	0.0741	0.0741
0.0733	0.0733	0.0733	0.0733	0.0733	0.0733

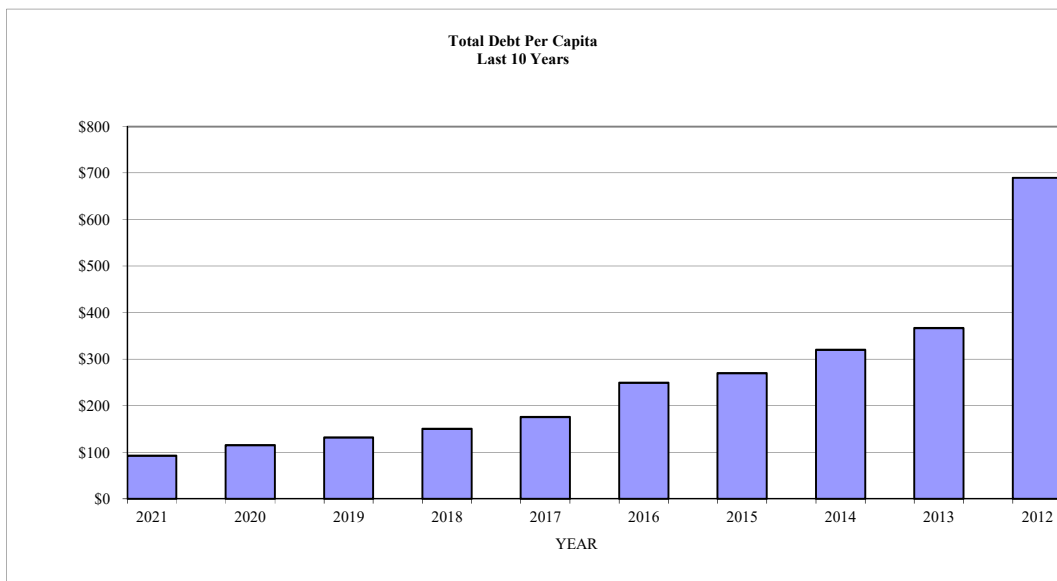
**City of Orrville, Ohio**  
*Ratios of Outstanding Debt*  
*Last Ten Years*

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
2021	\$115,000	\$608,475,393	0.02 %	\$14	\$0	\$360,334
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

(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	OWDA Loans	OPWC Loans	Total Debt	Percentage of Personal Income (3)	Per Capita (3)
\$0	\$115,000	\$0	\$0	\$307,500	\$782,834	0.46 %	\$93
0	230,000	0	0	340,000	966,367	0.57	115
0	345,000	0	0	350,834	1,104,212	0.65	132
0	455,000	0	0	372,500	1,259,900	0.74	150
0	565,000	0	0	454,610	1,476,032	0.86	176
400,000	670,000	0	0	536,718	2,087,163	1.22	249
800,000	775,000	0	0	618,824	2,265,046	1.32	270
1,100,000	875,000	0	0	700,933	2,685,563	1.57	320
1,300,000	975,000	0	0	783,042	3,076,702	1.80	367
1,300,000	0	3,580,000	9,608	865,152	5,781,880	3.38	690

**City of Orrville, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2021*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
<b>Direct - City of Orrville</b>			
OPWC Loans	\$360,334	100 %	\$360,334
<b>Overlapping</b>			
Orrville City School District:			
General Obligation Bonds	11,291,482	80.39	9,077,222
School Facilities Construction and Improvement Note	689,000	80.39	553,887
Certificates of Participation	8,125,000	80.39	6,531,688
Wayne County:			
General Obligation Bonds	844,891	8.74	73,843
OPWC Loans	232,663	8.74	20,335
Lease Purchase	437,857	8.74	38,269
<i>Total Overlapping Debt</i>	<u>21,620,893</u>		<u>16,295,244</u>
<b>Total</b>	<u><u>\$21,981,227</u></u>		<u><u>\$16,655,578</u></u>

Source: County Auditor

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

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

Sewer						
Year	Sewer Operating Revenues (2)	Sewer Operating Expenses (3)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2021	\$2,570,216	\$1,134,023	\$1,436,193	\$0	\$0	N/A
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

Water						
Year	Water Operating Revenues (2)	Water Operating Expenses (3)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2021	\$3,830,186	\$1,070,011	\$2,760,175	\$32,500	\$0	84.93
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

(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*

	2021	2020	2019	2018
Total Assessed Property Value	<u>\$213,605,200</u>	<u>\$193,414,790</u>	<u>\$191,579,520</u>	<u>\$187,578,300</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>22,428,546</u>	<u>20,308,553</u>	<u>20,115,850</u>	<u>19,695,722</u>
Debt Outstanding:				
Refunding General Obligation Bonds	\$115,000	\$230,000	\$345,000	\$455,000
Revenue Bonds	0	0	0	0
Special Assessment Bonds	0	0	0	0
Bond Anticipation Notes	0	0	0	0
OPWC Loans	667,834	736,367	759,212	804,900
OWDA Loans	0	0	0	0
Total Gross Indebtedness	782,834	966,367	1,104,212	1,259,900
Less:				
Revenue Bonds	0	0	0	0
Special Assessment Bonds	0	0	0	0
Bond Anticipation Notes	0	0	0	0
OPWC Loans	(667,834)	(736,367)	(759,212)	(804,900)
OWDA Loans	0	0	0	0
Total Net Debt Applicable to Debt Limit	<u>115,000</u>	<u>230,000</u>	<u>345,000</u>	<u>455,000</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$22,313,546</u>	<u>\$20,078,553</u>	<u>\$19,770,850</u>	<u>\$19,240,722</u>
Legal Debt Margin as a Percentage of the Debt Limit	99.49%	98.87%	98.28%	97.69%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$11,748,286</u>	<u>\$10,637,813</u>	<u>\$10,536,874</u>	<u>\$10,316,807</u>
Total Gross Indebtedness	782,834	966,367	1,104,212	1,259,900
Less:				
Revenue Bonds	0	0	0	0
Special Assessment Bonds	0	0	0	0
Bond Anticipation Notes	0	0	0	0
OPWC Loans	(667,834)	(736,367)	(759,212)	(804,900)
OWDA Loans	0	0	0	0
Net Debt Within 5 ½ % Limitations	<u>115,000</u>	<u>230,000</u>	<u>345,000</u>	<u>455,000</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$11,633,286</u>	<u>\$10,407,813</u>	<u>\$10,191,874</u>	<u>\$9,861,807</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	99.02%	97.84%	96.73%	95.59%

Source: City Financial Records

2017	2016	2015	2014	2013	2012
<u>\$179,536,940</u>	<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>18,851,379</u>	<u>18,645,989</u>	<u>18,809,486</u>	<u>18,583,669</u>	<u>18,120,330</u>	<u>17,442,878</u>
\$565,000	\$670,000	\$775,000	\$875,000	\$975,000	\$0
0	0	0	0	0	3,580,000
0	0	0	9,630	18,660	27,120
0	400,000	800,000	1,100,000	1,300,000	1,300,000
911,032	1,017,163	690,046	700,933	783,042	865,152
0	0	0	0	0	9,608
<u>1,476,032</u>	<u>2,087,163</u>	<u>2,265,046</u>	<u>2,685,563</u>	<u>3,076,702</u>	<u>5,781,880</u>
0	0	0	0	0	(3,580,000)
0	0	0	(9,630)	(18,660)	(27,120)
0	(400,000)	(800,000)	(1,100,000)	(1,300,000)	(1,300,000)
(911,032)	(1,017,163)	(690,046)	(700,933)	(783,042)	(865,152)
0	0	0	0	0	(9,608)
<u>565,000</u>	<u>670,000</u>	<u>775,000</u>	<u>875,000</u>	<u>975,000</u>	<u>0</u>
<u>\$18,286,379</u>	<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>
97.00%	96.41%	95.88%	95.29%	94.62%	100.00%
<u>\$9,874,532</u>	<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>1,476,032</u>	<u>2,087,163</u>	<u>2,265,046</u>	<u>2,685,563</u>	<u>3,076,702</u>	<u>5,781,880</u>
0	0	0	0	0	(3,580,000)
0	0	0	(9,630)	(18,660)	(27,120)
0	(400,000)	(800,000)	(1,100,000)	(1,300,000)	(1,300,000)
(911,032)	(1,017,163)	(690,046)	(700,933)	(783,042)	(865,152)
0	0	0	0	0	(9,608)
<u>565,000</u>	<u>670,000</u>	<u>775,000</u>	<u>875,000</u>	<u>975,000</u>	<u>0</u>
<u>\$9,309,532</u>	<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>
94.28%	93.14%	92.13%	91.01%	89.73%	100.00%

**City of Orrville, Ohio**

*Principal Employers*

*2021 and 2012*

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2021

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Employer	Employees
J.M. Smucker Company	1,750
SmithFoods, Incorporated	472
Aultman Orrville Hospital	383
Quality Castings Company	333
Venture Products	312
Will-Burt Company, Incorporated	273
Jarrett Companies	246
Orrville City School District	228
Bekaert Corporation	190
City of Orrville/Orrville Utilities (1)	153
Total	<u>4,340</u>
Total Employment within the City	<u>n/a</u>

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2012

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

Source: Wayne County Auditor

n/a - Information not available

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

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

Year	Population (1)	Total Personal Income (3)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Wayne County Unemployment Rate (2)
2021	8,452	\$229,404,184	\$27,142	\$58,211	37.1	3.3%
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) 2021 from 2020 Federal Census; 2020-2011 from 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	2021	2020	2019	2018
<b>General Government</b>				
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	16.0	20.0	20.0	20.0
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
<b>Security of Persons and Property</b>				
Police	18.0	17.0	17.0	16.0
Police - Dispatchers	0.0	0.0	0.0	1.0
School Crossing Guards	3.0	3.0	3.0	3.0
Fire	23.0	27.0	28.0	26.0
<b>Community Development</b>				
Economic Development	1.0	1.0	1.0	1.0
<b>Transportation</b>				
Street, Park & Cemetery	14.0	15.0	15.0	14.0
<b>Basic Utility Services</b>				
Electric - Meter Readers	1.0	1.0	1.0	1.0
Electric - Operations	0.0	7.0	7.0	9.0
Electric - Maintenance	24.0	16.0	16.0	17.0
Electric - Distribution	12.0	16.0	16.0	16.0
Electric - Fiber Optics	2.0	2.0	2.0	2.0
Water - Operations	6.0	6.0	6.0	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
<b>Totals:</b>	<u>153.0</u>	<u>164.0</u>	<u>165.0</u>	<u>164.0</u>

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

2017	2016	2015	2014	2013	2012
9.0	9.0	9.0	9.0	9.0	9.0
2.0	2.0	2.0	2.0	3.0	3.0
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	19.0	18.0	17.0	18.0	18.0
1.0	1.0	1.0	1.0	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
14.0	15.0	15.0	14.0	15.0	16.0
1.0	1.0	5.0	6.0	6.0	6.0
3.0	3.0	3.0	3.0	4.0	4.0
28.0	28.0	28.0	28.0	34.0	44.0
1.0	1.0	1.0	1.0	1.0	1.0
15.0	15.0	15.0	15.0	14.0	14.0
1.0	1.0	1.0	1.0	1.0	1.0
12.0	13.0	15.0	19.0	19.0	19.0
17.0	18.0	21.0	21.0	24.0	25.0
15.0	17.0	17.0	18.0	20.0	20.0
2.0	2.0	2.0	3.0	3.0	3.0
5.0	5.0	5.0	5.0	5.0	5.0
2.0	3.0	3.0	3.0	3.0	3.0
7.0	7.0	7.0	8.0	6.0	7.0
2.0	1.0	1.0	1.0	1.0	1.0
<u>166.0</u>	<u>171.0</u>	<u>179.0</u>	<u>185.0</u>	<u>198.0</u>	<u>211.0</u>

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

Function/Program	2021	2020	2019	2018
<b>General Government</b>				
<i><b>Council and Clerk</b></i>				
Number of Ordinances Passed	16	5	6	13
Number of Resolutions Passed	52	49	48	46
Number of Planning Commission Docket Items	24	26	15	19
Zoning Board of Appeals Docket Items	3	2	2	5
<i><b>Finance Department</b></i>				
Number of Checks/Vouchers Issued	3,255	3,426	3,783	3,693
Amount of Checks Written	\$40,198,327	\$36,459,160	\$36,952,789	\$37,902,862
Interest Earnings for Fiscal Year (Cash Basis)	\$438,523	\$764,235	\$932,018	\$660,548
Number of Receipts Issued	2,311	1,945	2,203	2,284
Number of Journal Entries Issued	876	965	762	568
Number of Budget Adjustments Issued	3	5	5	2
<i><b>Income Tax Department</b></i>				
Number of Individual Returns	2,354	2,368	2,611	2,488
Number of Business Returns	833	564	579	626
Number of Business Withholding Accounts	1,094	921	713	679
Amount of Penalties and Interest Collected	\$237	\$547	\$1,056	\$654
Annual Number of Corporate Withholding Forms Processed	5,934	5,299	5,087	5,164
Annual Number of Balance Due Statement Forms Processed	88	82	366	209
Annual Number of Estimated Payment Forms Processed	856	738	772	684
Annual Number of Reconciliations of Withholdings Processed	646	650	609	686
<i><b>Civil Service</b></i>				
Number of Police Entry Tests Administered	0	0	0	2
Number of Police Promotional Tests Administered	0	0	0	0
Number of Hires of Police Officers from Certified Lists	0	0	0	2
Number of Promotions from Police Certified Lists	0	0	0	0
<i><b>Building Department Indicators</b></i>				
New Construction Permits Issued	40	55	43	59
Estimated Value of Construction	\$4,723,158	\$4,926,838	\$6,544,658	\$10,727,713
Number of Permits Issued	128	125	92	127
Amount of Revenue Generated from Permits	\$4,410	\$3,503	\$2,712	\$7,655
<b>Security of Persons and Property</b>				
<i><b>Police</b></i>				
Number of Traffic Citations Issued	0	0	0	0
Number of Criminal Arrests	71	90	157	227
Number of Accident Reports Completed	100	85	121	153
Part 1 Offenses (Major Offenses)	129	85	95	124
DUI Arrests	3	7	13	12
Motor Vehicle Accidents	100	85	121	153
Fatalities from Motor Vehicle Accidents	0	0	0	0
<i><b>Fire</b></i>				
EMS Calls	938	774	740	819
Ambulance Billing Collections (Net)	\$209,449	\$171,342	\$163,947	\$166,991
Fire Calls	234	215	234	221
Fires With Loss	10	8	11	19
Fire Losses	\$231,500	\$347,400	\$605,230	\$761,450
Fire Safety Inspections	64	38	85	87
Number of Times Mutual Aid Given to Fire and EMS	50	28	64	28
Number of Times Mutual Aid Received for Fire and EMS	9	6	9	7

2017	2016	2015	2014	2013	2012
4	4	8	8	19	24
55	48	54	54	55	44
39	33	31	34	34	48
4	3	4	5	4	3
4,127	4,685	4,486	4,865	4,677	5,204
\$39,366,438	\$52,726,352	\$51,850,129	\$49,034,188	\$42,905,964	\$49,804,831
\$406,502	\$185,825	\$271,001	\$195,009	\$125,836	\$140,238
2,032	1,882	1,970	2,005	2,124	2,028
531	539	544	509	483	553
3	1	2	3	2	0
2,479	2,832	3,433	3,408	3,397	3,370
628	593	602	589	559	567
770	708	595	554	576	552
\$266	\$570	\$385	\$1,226	\$593	\$1,324
5,325	5,108	3,094	3,098	2,852	2,681
52	69	374	402	389	403
687	691	544	619	641	486
676	520	606	611	599	571
0	0	1	1	0	1
0	3	0	1	1	0
0	0	1	1	2	0
0	3	0	1	1	0
91	42	39	51	48	51
\$16,661,982	\$30,700,214	\$7,178,303	\$46,838,201	\$13,280,308	\$11,460,110
153	91	96	114	102	126
\$4,561	\$2,430	\$2,795	\$2,865	\$2,445	\$2,869
566	785	656	563	844	1,116
177	147	219	164	238	267
144	160	162	156	142	188
144	124	92	140	141	169
22	22	31	18	20	29
144	160	162	156	142	188
0	0	0	1	0	0
727	622	460	492	526	513
\$141,018	\$117,702	\$96,847	\$110,797	\$121,698	\$130,470
198	180	161	143	164	155
22	13	13	17	5	19
\$468,847	\$108,174	\$287,775	\$325,395	\$172,065	\$305,900
57	55	63	74	74	63
28	49	45	33	46	42
6	11	6	8	8	11

(continued)



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

Function/Program	2021	2020	2019	2018
<b>Public Health and Welfare</b>				
Cemetery Burials	71	87	72	61
Cemetery Sale of Lots	74	66	51	72
Cemetery Receipts	\$55,410	\$77,847	\$51,395	\$56,469
<b>Leisure Time Activities</b>				
<i>Recreation</i>				
Recreation Swimming Pool Receipts	\$36,802	\$16,451	\$47,303	\$50,413
<b>Economic Development</b>				
Grant Amounts Received Due to Economic Development Department	\$189,095	\$311,116	\$768,864	\$279,305
<b>Basic Utility Services</b>				
Refuse Disposal Per Year (In Tons)	3,389	3,132	3,024	2,897
Refuse Disposal Costs Per Year	\$601,583	\$463,482	\$479,813	\$445,637
Annual Recycling Tonnage (Excluding Leaf and Compost Items)	513	560	560	543
Percentage of Waste Recycled	14.90%	15.20%	15.70%	15.80%
<b>Transportation</b>				
Street Improvements - Asphalt Overlay (Linear Feet)	8,395	24,410	10,572	27,112
Street Repair (Curbs, Aprons, Berms, Asphalt) (Hours)	750	974	1,595	1,453
Paint Striping (Hours)	0	0	149	124
Street Sweeper (Hours)	260	319	428	324
Cold Patch (Hours)	41	48	95	204
Snow & Ice Removal Regular Hours	779	183	497	496
Snow & Ice Removal Overtime Hours	337	137	523	320
Sewer Crew (Hours)	455	511	934	938
Sewer Jet, Vac-All, Other Services (Hours)	589	256	557	473
Landscaping Stump-Chipper Service (Hours)	1,497	844	1,648	1,547
Leaf Collection (Hours)	1,539	1,240	1,471	1,482
Holiday Lights Setup (Hours)	270	112	80	98
Equipment Repair/Body Shop (Hours)	1,008	1,006	1,172	1,219
Sign Department (Hours)	340	2,634	913	4,327
Number of Trees Planted Per Year	50	114	30	10
Tons of Snow Melting Salt Purchased (November - March)	997	1,097	1,194	1,050
Cost of Salt Purchased	\$45,129	\$98,232	\$74,522	\$38,577
Vehicle Repair/Body Shop (Hours)	766	911	789	928
<b>Water Department</b>				
Water Rates Per 1st 100 Cu. Ft. of Water Used	\$4.76	\$4.23	\$3.99	\$3.73
Average Number of Water Accounts Billed Monthly (Cu. Ft.)	51,436	51,862	50,853	54,871
Total Water Collections Annually (Including P&I)	\$3,760,751	\$3,530,706	\$3,343,069	\$3,232,974
<b>Sewer Department</b>				
Sewer Rates Per 1st 100 Cu. Ft. of Water Used	\$3.59	\$3.39	\$3.20	\$3.02
Total Flow of Sewer Treatment Plant (Millions of Gallons)	826	843	927	898
Average Daily Flow (Millions of Gallons Per Day)	2.26	2.31	2.54	2.46
Tons of Dry Sludge Removed	300	445	297	345

Source: City Records

2017	2016	2015	2014	2013	2012
80	77	59	59	81	63
75	76	79	30	68	57
\$59,313	\$57,676	\$46,832	\$42,349	\$59,807	\$47,557
\$60,545	\$37,333	\$47,461	\$43,927	\$46,247	\$54,056
\$292,379	\$1,133,879	\$1,343,527	\$806,529	\$1,018,070	\$484,230
2,875	2,710	2,707	2,677	2,819	2,659
\$446,263	\$416,358	\$400,271	\$433,295	\$431,650	\$422,615
540	554	549	465	407	403
16.00%	17.00%	17.00%	14.80%	14.45%	13.17%
14,500	14,157	21,000	4,916	7,770	4,350
1,644	1,835	1,907	1,657	1,596	2,245
341	161	226	0	455	0
350	353	280	332	369	342
100	68	239	157	46	4
271	540	1,228	909	588	453
132	388	1,237	756	302	301
1,029	1,224	1,495	1,050	793	330
456	258	319	281	337	301
920	2,857	1,384	923	2,410	1,473
1,398	1,619	1,251	1,608	1,161	1,205
129	106	76	141	93	111
2,439	826	1,018	1,121	1,943	2,014
3,309	386	280	195	521	439
31	34	36	1	63	2
898	982	50	375	942	884
\$34,919	\$56,477	\$69,437	\$12,870	\$35,994	\$44,417
1,516	1,320	1,793	2,015	3,189	3,029
\$3.49	\$3.23	\$3.23	\$3.23	\$3.04	\$2.87
58,448	72,654	73,210	75,321	84,702	85,820
\$3,027,637	\$3,224,102	\$3,326,271	\$3,296,454	\$3,180,759	\$2,803,423
\$2.82	\$2.64	\$2.64	\$2.64	\$2.64	\$2.64
804	734	763	756	807	697
2.20	2.01	2.09	2.07	2.21	1.91
252	459	441	387	652	192

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

Function/Program	2021	2020	2019	2018
<b>General Government</b>				
Square Footage Occupied	71,554	71,554	71,554	71,554
Administrative Vehicles	3	3	3	3
Inspection Vehicles	2	2	1	1
<b>Police</b>				
Stations	1	1	1	1
Square Footage of Building	11,700	11,700	11,700	11,700
Vehicles	18	16	14	14
<b>Fire</b>				
Stations	2	2	2	2
Square Footage of Building	10,900	10,900	10,900	10,900
Vehicles	14	13	14	14
<b>Recreation</b>				
Number of Parks	6	6	6	6
Number of Pools	1	1	1	1
Number of Tennis Courts	6	6	6	6
Number of Baseball Diamonds	7	7	7	7
Vehicles	1	1	1	1
Pickle Ball Courts	2	0	0	0
<b>Transportation</b>				
Streets (miles)	51	51	51	51
Storm Sewers (miles)	151	151	151	151
Service Vehicles	27	27	26	26
<b>Sewer Department</b>				
Sanitary Sewers (miles)	42	42	42	42
Vehicles	7	6	6	6
<b>Water Department</b>				
Water Lines (miles)	61	61	61	61
Vehicles	10	10	10	10
<b>Electric Department</b>				
Electric Lines (miles)	334	334	300	300
Vehicles	26	25	24	24

Source: City Records

2017	2016	2015	2014	2013	2012
71,554	71,554	71,554	71,554	71,554	71,554
3	4	4	4	4	4
1	0	0	0	1	1
1	1	1	1	1	1
11,700	11,700	11,700	11,700	11,700	11,700
14	11	10	10	10	10
2	2	2	2	2	2
10,900	10,900	10,900	10,900	10,900	10,900
14	13	13	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
0	0	0	0	0	0
50	50	50	47	47	47
151	151	151	151	151	151
26	23	23	23	23	23
42	42	42	42	42	42
6	6	6	6	6	6
61	61	61	61	61	61
9	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, 2021**

***Zupka & Associates***  
**Certified Public Accountants**

**CITY OF ORRVILLE  
WAYNE COUNTY, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	Under Separate Cover
Annual Comprehensive Financial Report	Under Separate Cover
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	1-2
Schedule of Prior Audit Findings and Recommendations	3

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

City of Orrville  
Wayne County

To the Members of City Council:

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 30, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City.

**Report on 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 or significant deficiencies may exist that have not been identified.




### **Report on 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.



Zupka & Associates  
Certified Public Accountants

August 30, 2022

**CITY OF ORRVILLE  
WAYNE COUNTY, OHIO  
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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The prior issued audit report, as of December 31, 2020, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

# 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 10/11/2022**

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](http://www.ohioauditor.gov)