



City of Orrville, Ohio
Annual Comprehensive
Financial Report

For the Year Ended December 31, 2022



OHIO AUDITOR OF STATE
KEITH FABER



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City 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, 2022 through December 31, 2022. 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 08, 2023

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CITY OF ORRVILLE, OHIO

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Year Ended December 31, 2022

Janet L. Strimlan
Finance Director

Prepared by the City Finance Department



Introductory Section

City of Orrville, Ohio
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June 30, 2023

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, 2022. 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 2022 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 46th busiest airport in flights and 41st busiest in passengers in the nation. The airport had 8.7 million passengers in 2022 from nearly 200 thousand operations (takeoffs and landings). The airport handles 115 daily nonstop flights to over 40 destinations. A total of nine carriers provide service to Cleveland Hopkins, including Aer Lingus, 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. Five 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 17 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, tax preparation, appliance stores, dentists, medical, fitness and nursing facilities, retail tire services, furniture, floor coverings, 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 ten employees. Eight 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 786 million gallons of wastewater and land applied 308 dry tons of residual solids in 2022 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 2022, the power plant generated 4.7 percent of the energy required for our customers. The Fremont gas plant delivered 32.8 percent, the open market 36.5 percent, Prairie State 8.7 percent, solar, wind and diesel 2.1 percent, and hydro projects with 15.2 percent. At the end of 2022, 17.2 percent of our energy came from renewables, with the most coming from the hydro projects at 15.2 percent. The plant continues to generate a small percentage of our customer requirements due to EPA restrictions; however, the plant is capable of providing energy required during peak times or on an emergency basis. We will continue to explore new generation and/or power purchase agreements to meet long-term needs. We have begun 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 7,400 customers covering more than 100 square miles in Eastern Wayne County, including Orrville, Marshallville, Dalton, and Kidron areas.

The generation department is supported by 22 professional, technical, skilled maintenance, and operating personnel. In the distribution department, 15 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 6.1 percent of its capacity this year. The power plant burned 15,000 tons of coal in 2022.

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 6 million gallons per day (MGD), with current usage of 1.47 MGD. The department is frequently recognized for its safe and high-quality water and programs.

The raw water is supplied from eleven wells, three elevated towers and a 61-mile distribution system. Water quality continues to meet or exceed 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, animal science, engineering technologies interactive media, medical assisting to welding just to name a few. 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 University of Akron Wayne College is to prepare students to pursue and complete bachelor's degrees at the University of Akron's main campus. Wayne College also has five associate degrees and four bachelor's degrees, awarded by main campus, which 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. Their overall objective is to enable and develop youth and teens to reach their full potential. 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, sports camps, and special interest and educational groups, as well as two service organizations.

The Orrville Branch of the YMCA of Wayne County 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, historic West Side Market 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, 23 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:

<u>Bargaining Unit</u>	<u>Expiration Date of Current Agreement</u>	<u>Number of Employees</u>
United City Workers	December 31, 2023	47
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 or transmission infrastructure needs. 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 may 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. All 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 2022. The Safety Services Department completed the Ella Street culvert replacement project in coordination with major bridge replacement in Orr Park. In addition, City capital proceeds and grant monies were used to construct a splash pad and new restrooms at Orr Park. The City also utilized capital funds and Ohio Public Works Commission (OPWC) grant monies to resurface Lake Street, OrrVilla Drive, Hemlock Trail, S. Ella Street, and Smucker Street. The City also utilized capital funds to complete concrete replacement on Crown Hill 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, 2021. This was the twenty-first 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 2022 Annual Comprehensive Financial Report.

Respectfully submitted,

Janet L. Strimlan

Janet L. Strimlan
Director of Finance

City of Orrville

Mayor

David T. Handwerk

City Council President

Paul Vance

City Council Members

Ricardo Aspiras, Jr.

Patricia Carr

CJ Handwerk

John Lorson

Darrell Mosley II

Kyle Shanklin

Travis Wilson

Public Utility Board President

Michele Abel

Public Utility Board Members

Steve Combs

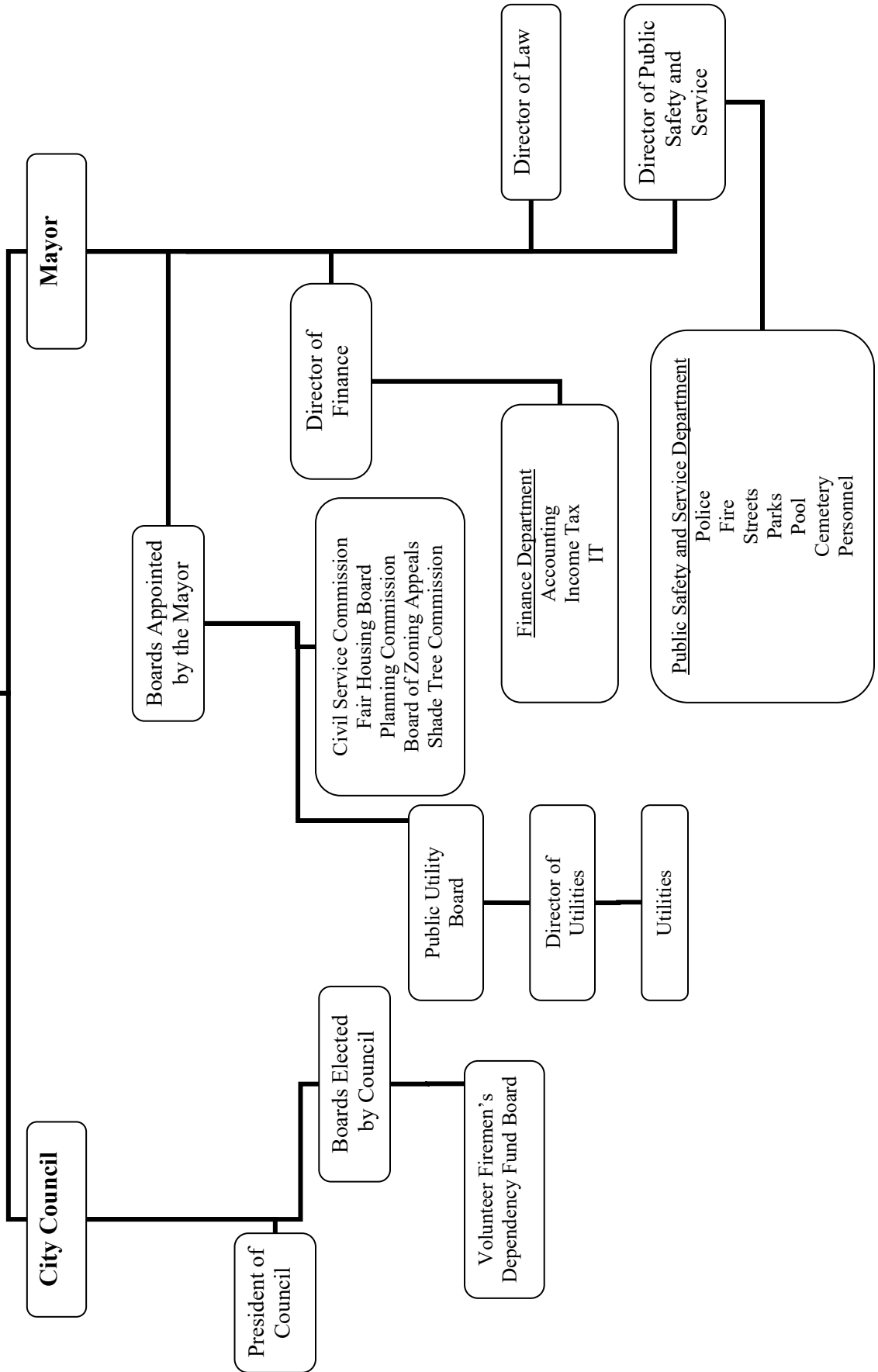
Rich Corfman

Don McFarlin

Russell Miller

December 31, 2022

**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, 2021

Christopher P. Morill

Executive Director/CEO

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Financial Section



INDEPENDENT AUDITOR'S REPORT

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

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, 2022, 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, 2022, 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.

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.

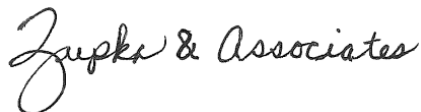
Other Information

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 June 30, 2023, 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

June 30, 2023

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City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

The discussion and analysis for the City of Orrville's financial statements provides an overall review of the financial activity of the City for the twelve months ended December 31, 2022. 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 2022 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 2022 by \$164,152,757. Of this amount, the unrestricted balance is \$70,910,028. The unrestricted net position of the City's business-type activities is \$68,579,834 and may be used to meet the on-going obligations of business-type activities, including sanitary sewer, electricity, and water.
- The City's total net position increased by \$4,781,620. Net position of the governmental activities decreased by \$3,408,919. Net position of the business-type activities increased by \$8,190,539, which combined with governmental, represented a 3 percent increase from 2021.
- The total cost of the City's programs increased by \$7,965,226, or a 19.5 percent increase. The cost of governmental activities increased by \$3,085,665, while the cost of business-type activities increased by \$4,879,561. The increase in expenses was mostly driven by changes in assumptions related to the OPERS OPEB plan.
- At the close of the current year, the City's governmental funds reported a combined ending fund balance of \$9,063,186. The combined governmental funds' balance decreased by \$4,689,198 from the prior year's ending fund balance. Approximately 15 percent of this amount, \$1,388,332, is considered unassigned at December 31, 2022, and is available for spending at the City's discretion.
- The general fund reported an unassigned fund balance of \$1,388,332 at the end of 2022. This balance for the general fund was approximately 22 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 2022 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, 2022
Unaudited

Reporting the City of Orrville as a Whole

Statement of Net Position and Statement of Activities

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

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

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

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

Reporting on the Most Significant Funds of the City of Orrville

Fund Financial Statements

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

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

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

City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
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 2022 as it compares to 2021.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and Other Assets	\$11,843,988	\$16,834,008	\$78,547,061	\$73,721,155	\$90,391,049	\$90,555,163
Net Pension Asset	61,555	52,233	206,068	174,855	267,623	227,088
Net OPEB Asset	358,542	203,452	1,200,333	681,119	1,558,875	884,571
Capital Assets, Net	57,186,740	56,004,471	34,624,341	32,941,765	91,811,081	88,946,236
<i>Total Assets</i>	<u>69,450,825</u>	<u>73,094,164</u>	<u>114,577,803</u>	<u>107,518,894</u>	<u>184,028,628</u>	<u>180,613,058</u>
Deferred Outflows of Resources						
Pension	1,470,960	786,920	1,452,648	796,994	2,915,175	1,582,956
OPEB	319,763	443,094	19,528	351,022	337,202	794,116
<i>Total Deferred Outflows of Resources</i>	<u>1,790,723</u>	<u>1,230,014</u>	<u>1,472,176</u>	<u>1,148,016</u>	<u>3,252,377</u>	<u>2,377,072</u>
Liabilities						
Current Liabilities	1,289,015	837,987	3,549,766	2,429,793	4,838,781	3,267,780
Long-Term Liabilities:						
Due Within One Year	243,749	229,355	376,064	456,535	619,813	685,890
Due in More Than One Year:						
Other Amounts	493,157	450,083	625,126	851,721	1,118,283	1,301,804
Net Pension Liability	4,123,197	5,020,807	3,197,112	5,396,329	7,320,309	10,417,136
Net OPEB Liability	555,821	529,789	0	0	555,821	529,789
<i>Total Liabilities</i>	<u>6,704,939</u>	<u>7,068,021</u>	<u>7,748,068</u>	<u>9,134,378</u>	<u>14,453,007</u>	<u>16,202,399</u>
Deferred Inflows of Resources						
Property Taxes	578,700	574,000	0	0	578,700	574,000
Pension	2,286,633	1,270,561	3,940,454	2,465,068	6,218,654	3,734,671
OPEB	639,789	971,190	1,240,187	2,136,733	1,877,887	3,107,923
<i>Total Deferred Inflows of Resources</i>	<u>3,505,122</u>	<u>2,815,751</u>	<u>5,180,641</u>	<u>4,601,801</u>	<u>8,675,241</u>	<u>7,416,594</u>
Net Position						
Net Investment in Capital Assets	56,685,489	55,515,574	34,338,508	32,519,265	91,023,997	88,034,839
Restricted for:						
Debt Service	220,572	218,720	0	0	220,572	218,720
Capital Projects	620,962	509,830	0	0	620,962	509,830
Street Repair and Maintenance	919,727	1,095,980	0	0	919,727	1,095,980
Law Enforcement and Education	25,806	19,298	0	0	25,806	19,298
Cemetery Maintenance	151,967	162,010	0	0	151,967	162,010
Opioid Settlement	774	0	0	0	774	0
Pension Plan	62,583	51,570	202,928	165,157	265,511	216,727
Unclaimed Monies	9,657	9,356	0	0	9,657	9,356
Other Purposes	3,756	4,498	0	0	3,756	4,498
Unrestricted	2,330,194	6,853,570	68,579,834	62,246,309	70,910,028	69,099,879
<i>Total Net Position</i>	<u>\$61,031,487</u>	<u>\$64,440,406</u>	<u>\$103,121,270</u>	<u>\$94,930,731</u>	<u>\$164,152,757</u>	<u>\$159,371,137</u>

City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

The net pension liability (NPL) is the largest single liabilities reported by the City at December 31, 2022. 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 2022 due to an increase in capital assets. The increase in capital assets was attributed to buildings and improvements, infrastructure, and three transformers. The net OPEB asset also contributed to the increase due to changes in assumptions within the OPERS plan.

The City also works hard to increase net position through its investment program; however, investment earnings for the City were lower than 2021. This decrease reflects the fair market valuation of the City's investments at December 31, 2022.

Table 2 shows the changes in net position for the years ended December 31, 2022 and 2021, 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, 2022
Unaudited

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services and Operating Assessments	\$1,217,589	\$1,268,190	\$45,078,430	\$40,087,677	\$46,296,019	\$41,355,867
Operating Grants and Contributions	684,628	1,139,503	0	0	684,628	1,139,503
Capital Grants and Contributions	570,261	335,395	0	0	570,261	335,395
Total Program Revenues	2,472,478	2,743,088	45,078,430	40,087,677	47,550,908	42,830,765
General Revenues:						
Property Taxes	549,006	547,530	0	0	549,006	547,530
Kilowatt Per Hour Tax	981,900	887,390	0	0	981,900	887,390
Income Taxes	5,194,990	7,612,326	0	0	5,194,990	7,612,326
Grants and Entitlements	430,628	414,293	0	0	430,628	414,293
Gain on Sale of Capital Assets	27,668	0	29,392	0	57,060	0
Investment Earnings/Interest	(2,374,058)	(641,663)	459,030	358,393	(1,915,028)	(283,270)
Other	174,978	88,767	516,252	579,893	691,230	668,660
Total General Revenues	4,985,112	8,908,643	1,004,674	938,286	5,989,786	9,846,929
Total Revenues	7,457,590	11,651,731	46,083,104	41,025,963	53,540,694	52,677,694
Program Expenses						
General Government	1,637,122	816,703	0	0	1,637,122	816,703
Security of Persons and Property:						
Police	2,985,587	2,876,816	0	0	2,985,587	2,876,816
Fire	875,303	358,184	0	0	875,303	358,184
Transportation	2,752,589	1,292,035	0	0	2,752,589	1,292,035
Public Health and Welfare	287,637	544,834	0	0	287,637	544,834
Leisure Time Activities	763,251	341,244	0	0	763,251	341,244
Basic Utility Service	583,120	569,128	0	0	583,120	569,128
Enterprise Operations	0	0	38,874,465	33,994,904	38,874,465	33,994,904
Total Program Expenses	9,884,609	6,798,944	38,874,465	33,994,904	48,759,074	40,793,848
Increase in Net Position Before Transfers	(2,427,019)	4,852,787	7,208,639	7,031,059	4,781,620	11,883,846
Transfers	(981,900)	(887,390)	981,900	887,390	0	0
Increase in Net Position	(3,408,919)	3,965,397	8,190,539	7,918,449	4,781,620	11,883,846
Net Position Beginning of Year	64,440,406	60,475,009	94,930,731	87,012,282	159,371,137	147,487,291
Net Position End of Year	\$61,031,487	\$64,440,406	\$103,121,270	\$94,930,731	\$164,152,757	\$159,371,137

Governmental Activities

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

General revenues decreased in 2022, mainly due to decreases in income tax and investment earnings/interest revenues. The decrease in income tax revenue is attributable to a decrease in withholding due to individuals working from home. There was also a decline of business net profit payments in 2022. The decrease in investment earnings/interest revenue is due to the fair market valuation of the City's investments.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

The City's income tax was established by ordinance to be effective January 1, 1961, at a rate of 0.6 percent. The rate was later increased by resolution to 1 percent effective October 1, 1970. The rate has remained at that level since then. This rate is much lower than the State average for municipalities that have an income tax. The income tax accounted for revenues of \$5,194,990 in 2022. 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 2022, mainly due to decreases in operating grants and contributions. The decrease was due to less COVID-19 grant funding received.

General government expenses for 2022 increased from 2021, mainly due to changes related to the OPEB plan. OPEB expense was (\$5,570,417) in 2021 compared to (\$1,393,502) in 2022.

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 2022 increased from the prior year due to increased personal services and contractual services.

The Fire Department is a part-time department with a full-time Chief. The City is committed to maintaining a very efficient department. Regular meetings, drills, and training sessions are held. The department's functions include firefighting, emergency medical service including paramedic service, fire prevention education, and investigation. The department also contracts with surrounding townships to provide firefighting and emergency medical services. The revenues generated by these contracts are reported under the charges for services area. The expenses for the department primarily increased from the prior year due to more expenses being capitalized in the prior 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 increased in 2022, mainly due to having fewer capitalized expenses and increased depreciation expense.

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 2022, the electric utility sold 300,257,483 KWH of electricity to generate \$38,330,000 in charges for services revenue. The utility burned 15,076 tons of coal. The plant produced 4.7 percent of the community's energy requirements, with 8.7 percent coming from our participation in the Prairie State Project and 32.8 percent coming from our participation in the Fremont Gas Project. Participation in diesel generated power, wind, solar, and hydro projects generated 17.3 percent of the power requirements, leaving 36.5 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 2022. The City continues to monitor and participate in federal legislative efforts to mitigate the increasing transmission cost trends and environmental regulations that impact all US electric consumers.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

The water utility treated an average of 1.4 million gallons of water per day in 2022. 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 and operating at approximately 25 percent of its rated capacity 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 940 million gallons of sewage during 2022. Three hundred and eight dry tons of residual solids were land applied in 2022 to agricultural fields, returning their nutrients to the soil. The facility is currently operating at approximately 65 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 2022, this amount accounted for approximately 98 percent of the revenues. The increase in the revenues in the utility funds during 2022 was primarily the result of more charges for services during the year as well as increased sales in the wholesale market. With the increase in revenues, expenses also increased, mainly due to the effect of the changes in assumptions related to OPEB plan, as mentioned previously. Personal services, contractual services, and materials and supplies expenses also increased and contributed to the overall increase. As a result, net position increased by \$8,190,539 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 \$4,415,613 decreased from 2021 revenues, primarily for interest revenues related to the fair market value of investments at December 31, 2022. Expenditures of \$6,444,947 were higher than 2021 expenditures, mainly due to increases in expenditures for general government, police, and leisure time activities. General government expenditures increased primarily to higher administrative personal services, materials and supplies, and contractual services expenditures. Police expenditures increased as the department had higher personal services and contractual services expenditures. Leisure time activities increased due to more personal services, materials and supplies, and utilities related to the pool. 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 \$3,415,757. The capital improvements fund revenues of \$2,064,107 are less than 2021, mainly due to decreased income tax revenues due to a decrease in withholding due to individuals working from home. The expenditures of \$3,388,248 are higher than 2021 expenditures, due primarily to increases in expenditures related to the street and parks departments' contractual services for various projects. These factors are responsible for the decrease in the capital improvements fund's fund balance.

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 \$2,660,648 and operating expenses of \$2,304,706; the electric fund had operating revenues of \$38,836,266 and operating expenses of \$31,625,394; and the water fund had operating revenues of \$4,040,998 and operating expenses of \$2,554,371, with no funds operating with a loss.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

Budgeting Highlights

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

For the general fund, the original budgeted revenues and the final budgeted revenues were \$6,474,350 and \$6,756,350, respectively. The actual revenues were \$6,891,036. The \$134,686 difference between final budgeted and actual revenues was primarily due to higher charges for services and other revenues. The actual expenditures of \$6,632,704 compare favorably with the final budget figure of \$7,416,753. 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 increased in 2022 due to additions of buildings and improvements, infrastructure, and transformers for the electric utility. Several projects were begun during 2022 and continued into 2023. Outstanding projects at year end mainly consisted of paving projects, park improvements, and transformers. 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, 2022, 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 \$24,023 for 2022.

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, which were retired during 2022. 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 \$136,667 in 2022.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

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

Current Financial Issues

The City's most significant revenue source is municipal income taxes. In 2022 income tax revenue decreased significantly due to employers adjusting withholding tax to the community where remote work is occurring. Predicting the permanency of remote work and the period of time it will take employers to modify payroll systems to accurately reflect remote work is difficult. As a result, we expect that it will take some time for revenues to accurately reflect the total impact of remote work. The City has adjusted the 2023 budget to reflect the decline in revenue it has experienced in 2022.

The Safety Services Department operates under a comprehensive plan. This plan is reviewed periodically to ensure it provides a feasible structure for development within the City. During the initial 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 to fifteen years. The plan deals with land use, economic development, transportation, and community facilities/parks and recreation. From time to time the City will create comprehensive plans that focus on specific services provided by the City. In 2022 a Comprehensive Park Plan was created, with input from the citizens, and approved by City Council. This document provides the framework for future park improvements and development.

The City continues with its sidewalk improvement plan that requires sidewalks on every street throughout the City. This plan has been very successful, and in 2022, City Council approved the final phase of sidewalk construction. The City also has a long-range street-paving plan, which will result in all curbed streets within the City being either asphalt or concrete.

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

Contacting the City's Finance Department

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

Basic Financial Statements

City of Orrville, Ohio
Statement of Net Position
December 31, 2022

	Governmental Activities	Business-Type Activities *	Total *
Assets			
Equity in Pooled Cash and Cash Equivalents	\$8,359,778	\$67,336,071	\$75,695,849
Materials and Supplies Inventory	127,121	4,103,044	4,230,165
Accrued Interest Receivable	20,005	167,718	187,723
Accounts Receivable	135,683	7,088,646	7,224,329
Internal Balances	267,419	(267,419)	0
Intergovernmental Receivable	865,846	0	865,846
Prepaid Items	30,717	119,001	149,718
Income Taxes Receivable	1,429,395	0	1,429,395
Property Taxes Receivable	587,598	0	587,598
Special Assessments Receivable	20,426	0	20,426
Net Pension Asset	61,555	206,068	267,623
Net OPEB Asset	358,542	1,200,333	1,558,875
Nondepreciable Capital Assets	5,648,333	5,439,737	11,088,070
Depreciable Capital Assets, Net	51,538,407	29,184,604	80,723,011
<i>Total Assets</i>	<u>69,450,825</u>	<u>114,577,803</u>	<u>184,028,628</u>
Deferred Outflows of Resources			
Pension	1,470,960	1,452,648	2,915,175
OPEB	319,763	19,528	337,202
<i>Total Deferred Outflows of Resources</i>	<u>1,790,723</u>	<u>1,472,176</u>	<u>3,252,377</u>
Liabilities			
Accounts Payable	252,696	2,802,036	3,054,732
Accrued Wages	204,757	339,747	544,504
Intergovernmental Payable	88,705	164,185	252,890
Deposits Held Payable	62,295	0	62,295
Vacation Benefits Payable	162,851	243,798	406,649
Unearned Revenue	517,711	0	517,711
Long-Term Liabilities:			
Due Within One Year	243,749	376,064	619,813
Due in More Than One Year:			
Other Amounts	493,157	625,126	1,118,283
Net Pension Liability (See Note 14)	4,123,197	3,197,112	7,320,309
Net OPEB Liability (See Note 15)	555,821	0	555,821
<i>Total Liabilities</i>	<u>6,704,939</u>	<u>7,748,068</u>	<u>14,453,007</u>
Deferred Inflows of Resources			
Property Taxes	578,700	0	578,700
Pension	2,286,633	3,940,454	6,218,654
OPEB	639,789	1,240,187	1,877,887
<i>Total Deferred Inflows of Resources</i>	<u>3,505,122</u>	<u>5,180,641</u>	<u>8,675,241</u>
Net Position			
Net Investment in Capital Assets	56,685,489	34,338,508	91,023,997
Restricted for:			
Debt Service	220,572	0	220,572
Capital Projects	620,962	0	620,962
Street Repair and Maintenance	919,727	0	919,727
Law Enforcement and Education	25,806	0	25,806
Cemetery Maintenance	151,967	0	151,967
Opioid Settlement	774	0	774
Pension Plan	62,583	202,928	265,511
Unclaimed Monies	9,657	0	9,657
City Beautification	3,756	0	3,756
Unrestricted	2,330,194	68,579,834	70,910,028
<i>Total Net Position</i>	<u>\$61,031,487</u>	<u>\$103,121,270</u>	<u>\$164,152,757</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, 2022

	Program Revenues			
	Expenses	Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$1,637,122	\$115,923	\$3,774	\$0
Security of Persons and Property:				
Police	2,985,587	196,508	76,145	0
Fire	875,303	43,521	0	0
Transportation	2,752,589	94,820	578,130	225,000
Public Health and Welfare	287,637	132,277	0	0
Leisure Time Activities	763,251	37,571	26,579	345,261
Basic Utility Service	583,120	596,969	0	0
<i>Total Governmental Activities</i>	<u>9,884,609</u>	<u>1,217,589</u>	<u>684,628</u>	<u>570,261</u>
Business-Type Activities:				
Sewer	2,317,992	2,666,838	0	0
Electric	33,985,493	38,365,765	0	0
Water	2,570,980	4,045,827	0	0
<i>Total Business-Type Activities</i>	<u>38,874,465</u>	<u>45,078,430</u>	<u>0</u>	<u>0</u>
<i>Total - Primary Government</i>	<u><u>\$48,759,074</u></u>	<u><u>\$46,296,019</u></u>	<u><u>\$684,628</u></u>	<u><u>\$570,261</u></u>

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

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$1,517,425)	\$0	(\$1,517,425)
(2,712,934)	0	(2,712,934)
(831,782)	0	(831,782)
(1,854,639)	0	(1,854,639)
(155,360)	0	(155,360)
(353,840)	0	(353,840)
13,849	0	13,849
(7,412,131)	0	(7,412,131)
0	348,846	348,846
0	4,380,272	4,380,272
0	1,474,847	1,474,847
0	6,203,965	6,203,965
(7,412,131)	6,203,965	(1,208,166)
549,006	0	549,006
981,900	0	981,900
3,701,091	0	3,701,091
1,493,899	0	1,493,899
430,628	0	430,628
27,668	29,392	57,060
(2,374,058)	459,030	(1,915,028)
174,978	516,252	691,230
4,985,112	1,004,674	5,989,786
(981,900)	981,900	0
4,003,212	1,986,574	5,989,786
(3,408,919)	8,190,539	4,781,620
64,440,406	94,930,731	159,371,137
<u>\$61,031,487</u>	<u>\$103,121,270</u>	<u>\$164,152,757</u>

City of Orrville, Ohio

*Balance Sheet
Governmental Funds
December 31, 2022*

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$3,686,183	\$1,827,885	\$2,773,758	\$8,287,826
Materials and Supplies Inventory	127,121	0	0	127,121
Accrued Interest Receivable	18,617	0	1,388	20,005
Accounts Receivable	42,562	0	93,121	135,683
Intergovernmental Receivable	185,743	343,000	337,103	865,846
Prepaid Items	30,717	0	0	30,717
Income Taxes Receivable	1,000,576	428,819	0	1,429,395
Property Taxes Receivable	587,598	0	0	587,598
Special Assessments Receivable	0	0	20,426	20,426
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	71,952	0	0	71,952
<i>Total Assets</i>	<u>\$5,751,069</u>	<u>\$2,599,704</u>	<u>\$3,225,796</u>	<u>\$11,576,569</u>
Liabilities				
Accounts Payable	\$29,845	\$159,692	\$63,159	\$252,696
Accrued Wages	164,854	0	39,903	204,757
Intergovernmental Payable	70,299	0	18,406	88,705
Deposits Held Payable From Restricted Assets	62,295	0	0	62,295
Unearned Revenue	0	0	517,711	517,711
<i>Total Liabilities</i>	<u>327,293</u>	<u>159,692</u>	<u>639,179</u>	<u>1,126,164</u>
Deferred Inflows of Resources				
Property Taxes	578,700	0	0	578,700
Unavailable Revenue	424,282	121,501	262,736	808,519
<i>Total Deferred Inflows of Resources</i>	<u>1,002,982</u>	<u>121,501</u>	<u>262,736</u>	<u>1,387,219</u>
Fund Balances				
Nonspendable	167,495	0	0	167,495
Restricted	0	0	1,791,253	1,791,253
Committed	0	2,318,511	488,520	2,807,031
Assigned	2,864,967	0	44,108	2,909,075
Unassigned	1,388,332	0	0	1,388,332
<i>Total Fund Balances</i>	<u>4,420,794</u>	<u>2,318,511</u>	<u>2,323,881</u>	<u>9,063,186</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$5,751,069</u>	<u>\$2,599,704</u>	<u>\$3,225,796</u>	<u>\$11,576,569</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, 2022*

Total Governmental Fund Balance \$9,063,186

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 57,186,740

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

Delinquent Property Taxes	8,898	
Income Taxes	405,003	
Delinquent Special Assessments	20,426	
Intergovernmental	368,410	
Charges for Services	5,782	
Total	808,519	808,519

The accumulated overpayments to the internal service fund. 267,419

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. (162,851)

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

Compensated Absences	(400,595)	
OPWC Loan	(336,311)	
Total	(736,906)	(736,906)

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	61,555	
Net OPEB Asset	358,542	
Deferred Outflows - Pension	1,470,960	
Deferred Outflows - OPEB	319,763	
Net Pension Liability	(4,123,197)	
Net OPEB Liability	(555,821)	
Deferred Inflows - Pension	(2,286,633)	
Deferred Inflows - OPEB	(639,789)	
Total	(5,394,620)	(5,394,620)

Net Position of Governmental Activities \$61,031,487

See accompanying notes to the basic financial statement

City of Orrville, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$549,931	\$0	\$0	\$549,931
Income Taxes	4,231,243	1,721,107	0	5,952,350
Kilowatt Per Hour Tax	981,900	0	0	981,900
Intergovernmental	423,005	343,000	882,236	1,648,241
Investment Earnings/Interest	(2,377,766)	0	3,708	(2,374,058)
Fines, Licenses, Permits, and Settlements	28,722	0	62,951	91,673
Rentals	1,155	0	0	1,155
Charges for Services	402,626	0	713,805	1,116,431
Contributions and Donations	0	0	31,840	31,840
Other	174,797	0	181	174,978
<i>Total Revenues</i>	<u>4,415,613</u>	<u>2,064,107</u>	<u>1,694,721</u>	<u>8,174,441</u>
Expenditures				
Current:				
General Government	1,738,278	0	5,686	1,743,964
Security of Persons and Property:				
Police	2,820,949	0	70,324	2,891,273
Fire	639,869	0	0	639,869
Transportation	458,948	0	1,218,834	1,677,782
Public Health and Welfare	230,747	0	65,302	296,049
Leisure Time Activities	532,133	0	28,089	560,222
Basic Utility Service	0	0	583,120	583,120
Capital Outlay	0	3,388,248	113,868	3,502,116
Debt Service:				
Principal Retirement	24,023	0	0	24,023
<i>Total Expenditures</i>	<u>6,444,947</u>	<u>3,388,248</u>	<u>2,085,223</u>	<u>11,918,418</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,029,334)</u>	<u>(1,324,141)</u>	<u>(390,502)</u>	<u>(3,743,977)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	36,679	0	0	36,679
Transfers In	0	0	491,202	491,202
Transfers Out	(1,423,102)	(50,000)	0	(1,473,102)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,386,423)</u>	<u>(50,000)</u>	<u>491,202</u>	<u>(945,221)</u>
<i>Net Change in Fund Balances</i>	<u>(3,415,757)</u>	<u>(1,374,141)</u>	<u>100,700</u>	<u>(4,689,198)</u>
<i>Fund Balances Beginning of Year</i>	<u>7,836,551</u>	<u>3,692,652</u>	<u>2,223,181</u>	<u>13,752,384</u>
<i>Fund Balances End of Year</i>	<u>\$4,420,794</u>	<u>\$2,318,511</u>	<u>\$2,323,881</u>	<u>\$9,063,186</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, 2022*

Net Change in Fund Balances - Total Governmental Funds (\$4,689,198)

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

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

Capital Asset Additions	3,229,055	
Current Year Depreciation	<u>(2,037,775)</u>	
Total		1,191,280

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. (9,011)

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	(925)	
Income Taxes	(757,360)	
Delinquent Special Assessments	599	
Intergovernmental	33,964	
Fines, Licenses and Permits	(24,530)	
Charges for Services	<u>3,733</u>	
Total		(744,519)

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

The change in the accumulated overpayments to the internal service fund for governmental funds is reported for the year. (777)

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	(81,491)	
Vacation Benefits Payable	<u>(11,254)</u>	
Total		(92,745)

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

Pension	522,568	
OPEB	<u>11,992</u>	
Total		534,560

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	52,332	
OPEB	<u>325,136</u>	
Total		<u>377,468</u>

Change in Net Position of Governmental Activities (\$3,408,919)

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, 2022*

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$475,000	\$475,000	\$549,931	\$74,931
Income Taxes	4,200,000	4,480,000	4,253,707	(226,293)
Kilowatt Per Hour Tax	1,120,000	1,120,000	981,900	(138,100)
Intergovernmental	274,500	274,500	420,885	146,385
Investment Earnings/Interest	62,300	62,300	52,977	(9,323)
Fines, Licenses, Permits, and Settlements	27,650	27,650	28,254	604
Rentals	400	400	1,155	755
Charges for Services	313,500	313,500	402,709	89,209
Other	1,000	3,000	199,518	196,518
<i>Total Revenues</i>	<u>6,474,350</u>	<u>6,756,350</u>	<u>6,891,036</u>	<u>134,686</u>
Expenditures				
Current:				
General Government	2,009,349	2,147,849	1,806,644	341,205
Security of Persons and Property:				
Police	2,833,399	3,003,799	2,878,440	125,359
Fire	924,094	753,244	667,216	86,028
Transportation	831,976	675,976	464,874	211,102
Public Health and Welfare	239,593	244,093	239,598	4,495
Leisure Time Activities	415,262	555,762	551,909	3,853
Debt Service:				
Principal Retirement	36,030	36,030	24,023	12,007
<i>Total Expenditures</i>	<u>7,289,703</u>	<u>7,416,753</u>	<u>6,632,704</u>	<u>784,049</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(815,353)</u>	<u>(660,403)</u>	<u>258,332</u>	<u>918,735</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	36,679	36,679
Transfers Out	(1,695,000)	(1,700,000)	(1,423,102)	276,898
<i>Total Other Financing Sources (Uses)</i>	<u>(1,695,000)</u>	<u>(1,700,000)</u>	<u>(1,386,423)</u>	<u>313,577</u>
<i>Net Change in Fund Balance</i>	(2,510,353)	(2,360,403)	(1,128,091)	1,232,312
<i>Fund Balance Beginning of Year</i>	6,799,798	6,799,798	6,799,798	0
Prior Year Encumbrances Appropriated	329,843	329,843	329,843	0
<i>Fund Balance End of Year</i>	<u>\$4,619,288</u>	<u>\$4,769,238</u>	<u>\$6,001,550</u>	<u>\$1,232,312</u>

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2022

	Business-Type Activities				Business-Type Activity - Internal Service Fund
	Sewer	Electric	Water	Total	
Assets					
<i>Current Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	\$5,178,822	\$53,521,565	\$7,749,525	\$66,449,912	\$886,159
Receivables:					
Accounts	321,847	6,271,014	495,785	7,088,646	0
Accrued Interest	12,674	130,875	18,930	162,479	5,239
Materials and Supplies Inventory	218,180	3,640,311	244,553	4,103,044	0
Prepaid Items	6,492	106,017	6,492	119,001	0
<i>Total Current Assets</i>	<u>5,738,015</u>	<u>63,669,782</u>	<u>8,515,285</u>	<u>77,923,082</u>	<u>891,398</u>
<i>Non-Current Assets:</i>					
Restricted Assets:					
Net Pension Asset	40,145	139,164	26,759	206,068	0
Net OPEB Asset	233,831	810,614	155,888	1,200,333	0
Nondepreciable Assets	225,595	4,387,608	826,534	5,439,737	0
Depreciable Capital Assets, Net	2,839,592	15,817,540	10,527,472	29,184,604	0
<i>Total Non-Current Assets</i>	<u>3,339,163</u>	<u>21,154,926</u>	<u>11,536,653</u>	<u>36,030,742</u>	<u>0</u>
<i>Total Assets</i>	<u>9,077,178</u>	<u>84,824,708</u>	<u>20,051,938</u>	<u>113,953,824</u>	<u>891,398</u>
Deferred Outflows of Resources					
Pension	353,292	1,034,673	185,912	1,573,877	0
OPEB	22,732	20,131	2,065	44,928	0
<i>Total Deferred Outflows of Resources</i>	<u>376,024</u>	<u>1,054,804</u>	<u>187,977</u>	<u>1,618,805</u>	<u>0</u>
Liabilities					
<i>Current Liabilities:</i>					
Accounts Payable	19,884	2,753,441	28,711	2,802,036	0
Accrued Wages	65,665	228,761	45,321	339,747	0
Intergovernmental Payable	31,537	110,903	21,745	164,185	0
Vacation Benefits Payable	41,360	148,934	53,504	243,798	0
Compensated Absences Payable	62,352	232,984	59,061	354,397	0
Loans Payable	0	0	21,667	21,667	0
<i>Total Current Liabilities</i>	<u>220,798</u>	<u>3,475,023</u>	<u>230,009</u>	<u>3,925,830</u>	<u>0</u>
<i>Long-Term Liabilities (net of current portion):</i>					
Compensated Absences Payable	86,479	232,497	41,984	360,960	0
Loans Payable	0	0	264,166	264,166	0
Net Pension Liability	622,820	2,159,083	415,209	3,197,112	0
<i>Total Long-Term Liabilities</i>	<u>709,299</u>	<u>2,391,580</u>	<u>721,359</u>	<u>3,822,238</u>	<u>0</u>
<i>Total Liabilities</i>	<u>930,097</u>	<u>5,866,603</u>	<u>951,368</u>	<u>7,748,068</u>	<u>0</u>
Deferred Inflows of Resources					
Pension	767,988	2,663,261	630,434	4,061,683	0
OPEB	241,594	841,554	182,439	1,265,587	0
<i>Total Deferred Inflows of Resources</i>	<u>1,009,582</u>	<u>3,504,815</u>	<u>812,873</u>	<u>5,327,270</u>	<u>0</u>
Net Position					
Net Investment in Capital Assets	3,065,187	20,205,148	11,068,173	34,338,508	0
Restricted for Pension Plan	37,225	136,136	29,567	202,928	0
Unrestricted	4,411,111	56,166,810	7,377,934	67,955,855	891,398
<i>Total Net Position</i>	<u>\$7,513,523</u>	<u>\$76,508,094</u>	<u>\$18,475,674</u>	<u>\$102,497,291</u>	<u>\$891,398</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.

	623,979
Net position of business-type activities	\$103,121,270

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, 2022*

	Business-Type Activities				Business-Type Activity - Internal Service Fund
	Sewer	Electric	Water	Total	
Operating Revenues					
Charges for Services	\$2,655,484	\$38,330,000	\$4,036,176	\$45,021,660	\$81,099
Other	5,164	506,266	4,822	516,252	0
<i>Total Operating Revenues</i>	<u>2,660,648</u>	<u>38,836,266</u>	<u>4,040,998</u>	<u>45,537,912</u>	<u>81,099</u>
Operating Expenses					
Personal Services	1,350,590	3,925,529	917,001	6,193,120	0
Purchased Services	450,415	2,972,006	242,272	3,664,693	7,201
Materials and Supplies	203,284	24,117,490	387,333	24,708,107	0
Utilities	115,471	1,348,030	209,426	1,672,927	0
Depreciation	184,946	1,580,588	798,339	2,563,873	0
Claims	0	0	0	0	87,698
<i>Total Operating Expenses</i>	<u>2,304,706</u>	<u>33,943,643</u>	<u>2,554,371</u>	<u>38,802,720</u>	<u>94,899</u>
<i>Operating Income (Loss)</i>	<u>355,942</u>	<u>4,892,623</u>	<u>1,486,627</u>	<u>6,735,192</u>	<u>(13,800)</u>
Non-Operating Revenues (Expenses)					
Investment Earnings/Interest	36,953	364,069	50,160	451,182	11,212
Gain on Sale of Capital Assets	3,399	25,415	578	29,392	0
Interest	0	0	(5,316)	(5,316)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>40,352</u>	<u>389,484</u>	<u>45,422</u>	<u>475,258</u>	<u>11,212</u>
<i>Income (Loss) Before Transfers</i>	<u>396,294</u>	<u>5,282,107</u>	<u>1,532,049</u>	<u>7,210,450</u>	<u>(2,588)</u>
Transfers In	<u>0</u>	<u>981,900</u>	<u>0</u>	<u>981,900</u>	<u>0</u>
<i>Change in Net Position</i>	<u>396,294</u>	<u>6,264,007</u>	<u>1,532,049</u>	<u>8,192,350</u>	<u>(2,588)</u>
<i>Net Position Beginning of Year</i>	<u>7,117,229</u>	<u>70,244,087</u>	<u>16,943,625</u>		<u>893,986</u>
<i>Net Position End of Year</i>	<u>\$7,513,523</u>	<u>\$76,508,094</u>	<u>\$18,475,674</u>		<u>\$891,398</u>

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

(1,811)

Change in net position of business-type activities

\$8,190,539

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Business-Type Activities				Business-Type Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities					
Cash Received from Customers	\$2,646,417	\$35,850,689	\$4,003,482	\$42,500,588	\$0
Cash Received from Transactions with Other Funds	0	0	0	0	81,099
Other Cash Receipts	5,164	506,266	4,822	516,252	0
Cash Payments to Employees for Services	(1,776,001)	(5,830,298)	(1,287,490)	(8,893,789)	0
Cash Payments for Goods and Services	(773,122)	(27,383,343)	(773,934)	(28,930,399)	(7,789)
Cash Payments for Claims	0	0	0	0	(87,698)
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>102,458</u>	<u>3,143,314</u>	<u>1,946,880</u>	<u>5,192,652</u>	<u>(14,388)</u>
Cash Flows from Noncapital Financing Activities					
Transfers In	0	981,900	0	981,900	0
Cash Flows from Capital and Related Financing Activities					
Sale of Capital Assets	3,399	25,415	578	29,392	0
Interfund Activity - Manuscript Bonds - Water	112,500	112,500	(225,000)	0	0
Interest Paid on Manuscript Bonds - Water	0	0	(4,781)	(4,781)	0
Principal Paid on Refunding GO Bonds	0	0	(115,000)	(115,000)	0
Interest Paid on Refunding GO Bonds	0	0	(1,139)	(1,139)	0
Principal Paid on OPWC Loan	0	0	(21,667)	(21,667)	0
Payments for Capital Acquisitions	(171,008)	(3,862,699)	(212,742)	(4,246,449)	0
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(55,109)</u>	<u>(3,724,784)</u>	<u>(579,751)</u>	<u>(4,359,644)</u>	<u>0</u>
Cash Flows from Investing Activities					
Interest on Investments	31,143	300,993	39,244	371,380	7,105
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>78,492</u>	<u>701,423</u>	<u>1,406,373</u>	<u>2,186,288</u>	<u>(7,283)</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>5,100,330</u>	<u>52,820,142</u>	<u>6,343,152</u>	<u>64,263,624</u>	<u>893,442</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$5,178,822</u>	<u>\$53,521,565</u>	<u>\$7,749,525</u>	<u>\$66,449,912</u>	<u>\$886,159</u>

(continued)

City of Orrville, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2022

	Business-Type Activities				Business-Type Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	\$355,942	\$4,892,623	\$1,486,627	\$6,735,192	(\$13,800)
Adjustments:					
Depreciation	184,946	1,580,588	798,339	2,563,873	0
(Increase) Decrease in Assets:					
Accounts Receivable	(9,067)	(2,479,311)	(32,694)	(2,521,072)	0
Materials and Supplies Inventory	(12,624)	(81,994)	56,032	(38,586)	0
Prepaid Items	175	(2,907)	175	(2,557)	0
Net Pension Asset	(4,583)	(15,886)	(3,055)	(23,524)	0
Net OPEB Asset	3,388	11,750	2,260	17,398	0
Decrease in Deferred Outflows of Resources:					
Pension	265,121	735,496	164,195	1,164,812	0
OPEB	110,820	310,737	68,677	490,234	0
Increase (Decrease) in Liabilities:					
Accounts Payable	8,113	1,137,738	8,574	1,154,425	(588)
Accrued Wages	9,536	(18,069)	(1,844)	(10,377)	0
Intergovernmental Payable	3,653	9,735	(1,710)	11,678	0
Vacation Benefits Payable	(12,873)	(25,072)	3,384	(34,561)	0
Compensated Absences Payable	(31,471)	(146,184)	7,256	(170,399)	0
Net Pension Liability	(35,785)	(124,053)	(23,855)	(183,693)	0
Decrease in Deferred Inflows of Resources:					
Pension	(434,191)	(1,561,853)	(372,251)	(2,368,295)	0
OPEB	(298,642)	(1,080,024)	(213,230)	(1,591,896)	0
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>\$102,458</u>	<u>\$3,143,314</u>	<u>\$1,946,880</u>	<u>\$5,192,652</u>	<u>(\$14,388)</u>

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Fiduciary Net Position
Private-Purpose Trust Fund
December 31, 2022

	Private-Purpose Trust
	Cemetery Memorial
Assets	
Equity in Pooled Cash and Cash Equivalents	\$4,326
Accrued Interest Receivable	10
<i>Total Assets</i>	4,336
Net Position	
Restricted for Individuals:	
Expendable	309
Non-Expendable	4,027
<i>Total Net Position</i>	\$4,336

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, 2022

	Private-Purpose Trust
	Cemetery Memorial
Additions	
Interest	\$27
Deductions	0
<i>Change in Net Position</i>	27
<i>Net Position Beginning of Year</i>	4,309
<i>Net Position End of Year</i>	\$4,336

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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 jointly governed organization, the Regional Income Tax Agency (RITA). This organization is described in Note 19 to the basic financial statements. The City also participates in one joint venture, the Wooster-Ashland Regional Council of Governments. This organization is described in Note 20 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.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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.

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, 2022

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, 2022

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, 2022

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, 2022, but which were levied to finance 2023 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, 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 2022, 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 federal national mortgage association bonds, and Tennessee Valley Authority Power 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 (the State Treasury Asset Reserve of Ohio) is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates; however, 24 hours advance notice for deposits and withdrawals of \$100 million or more is encouraged. 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.

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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. Under existing Ohio statutes, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment earnings/interest revenue credited to the general fund during 2022 amounted to (\$2,377,766) which includes (\$2,282,863) assigned from other City funds. The fair value of investments declined during 2022, 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, 2022, 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. Restricted assets in the enterprise funds represent amounts held in trust by the pension plan for future benefits.

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.

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

All 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:

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

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

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.

City of Orrville, Ohio
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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.

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

Fund Balance

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

The classifications are as follows:

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

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

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

City of Orrville, Ohio
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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 2023 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. Restricted net position for one pension plan represents the corresponding restricted asset amounts after considering the related deferred outflows and deferred inflows.

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

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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.

OneOhio Opioid Settlement Monies

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Although the settlement has been reached, uncertainties remain related to measurement. As a participating subdivision, the City received the first of eighteen distributions in 2022. This distribution of \$774 is reflected as fines, licenses, forfeitures, and settlements revenue in the opioid settlement special revenue fund in the accompanying financial statements.

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 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

City of Orrville, Ohio
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For the Year Ended December 31, 2022

been established by Council at the personal services and other object level within each fund. For the personal service object level the Director of Finance has been authorized to allocate and maintain appropriations within each department. For the other object level the Director of Finance has been authorized to allocate appropriations within each department and any object level maintained on the books, other than personal services.

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

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

Note 3 – Change in Accounting Principles

For fiscal year 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* and related guidance from (GASB) Implementation Guide No. 2019-3, *Leases*. The City also implemented GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 92, *Omnibus 2020*, GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, and *Implementation Guide No. 2020-1*

GASB Statement 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City did not have any contracts that met the GASB 87 definition of a lease.

GASB 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

GASB 92 addresses a variety of topics including reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers and references to nonrecurring fair value measurements of assets or liabilities in authoritative literature. These changes did not impact the City's financial statements.

GASB 97, among other items, requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan.

The changes for GASB 87, GASB 91 and GASB 97 were incorporated in the City's 2022 financial statements; however, there was no effect on beginning net position/fund balance.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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.

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	30,717	0	0	30,717
Unclaimed Monies	9,657	0	0	9,657
<i>Total Nonspendable</i>	<u>167,495</u>	<u>0</u>	<u>0</u>	<u>167,495</u>
<u>Restricted for:</u>				
Police Department	0	0	25,806	25,806
Cemetery Maintenance	0	0	140,867	140,867
Debt Service	0	0	200,146	200,146
Street Maintenance	0	0	1,419,904	1,419,904
Community Development	0	0	3,756	3,756
Opioid Settlement	0	0	774	774
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>1,791,253</u>	<u>1,791,253</u>
<u>Committed to:</u>				
Capital Improvements	0	2,318,511	0	2,318,511
Solid Waste Management	0	0	133,268	133,268
First Responders Program	0	0	23,924	23,924
Fire and EMS Department	0	0	321,393	321,393
Performing Arts	0	0	9,935	9,935
<i>Total Committed</i>	<u>0</u>	<u>2,318,511</u>	<u>488,520</u>	<u>2,807,031</u>
<u>Assigned to:</u>				
2023 Operations	2,696,850	0	0	2,696,850
Parking Meters	312	0	0	312
<u>Purchases on Order:</u>				
City Administration	41,882	0	0	41,882
Police Department	56,437	0	0	56,437
Fire Department	24,965	0	0	24,965
Street Maintenance	8,378	0	0	8,378
Recreation Department	22,877	0	44,108	66,985
Public Health	13,266	0	0	13,266
<i>Total Assigned</i>	<u>2,864,967</u>	<u>0</u>	<u>44,108</u>	<u>2,909,075</u>
Unassigned	1,388,332	0	0	1,388,332
Total Fund Balances	<u><u>\$4,420,794</u></u>	<u><u>\$2,318,511</u></u>	<u><u>\$2,323,881</u></u>	<u><u>\$9,063,186</u></u>

City of Orrville, Ohio
Notes to the Basic Financial Statements
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Note 6 – Budgetary Basis of Accounting

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

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

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

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	(\$3,415,757)
Net Adjustment for Revenue Accruals	40,964
Beginning Fair Value Adjustments for Investments	(6,917)
Ending Fair Value Adjustments for Investments	2,441,376
Net Adjustment for Expenditure Accruals	9,892
Encumbrances	(197,649)
Budget Basis	<u><u>(\$1,128,091)</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.

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Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

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

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

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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, 2022, \$1,647,959 of the City's total bank balance of \$34,267,623 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

As of December 31, 2022, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Amortized Cost:				
Commercial Paper	\$3,702,570	Less Than One Year	A-1/A-1+	8.70 %
Net Asset Value Per Share:				
STAR Ohio	2,330	Less Than One Year	AAAm	N/A
Fair Value - Level 1 Inputs:				
Money Market Account	175,760	Less Than One Year	N/A	N/A
Fair Value - Level 2 Inputs:				
United States Treasury Notes	10,947,743	Less Than Five Years	AA+	25.72
Negotiable Certificates of Deposit	2,182,082	Less Than Two Years	N/A	5.13
Federal Farm Credit Bank Bonds	8,884,057	Less Than Five Years	AA+	20.88
Federal Home Loan Bank Bonds	9,171,758	Less Than Five Years	AA+	21.55
Federal Home Loan Mortgage Corporation Bonds	1,937,386	Less Than Three Years	AA+	N/A
Federal National Mortgage Association Bonds	5,032,483	Less Than Three Years	AA+	11.83
Tennessee Valley Authority Power Bonds	521,686	Less Than Five Years	AA+	N/A
Total Investments	\$42,557,855			

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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, 2022. 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, and Tennessee Valley Authority Power 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, 2022, 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
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	Accounts Receivable	Allowance for Uncollectibles	Net Accounts Receivable
Governmental	\$135,753	\$70	\$135,683
Business-Type	7,091,939	3,293	7,088,646
Total	\$7,227,692	\$3,363	\$7,224,329

The amount of delinquent special assessments outstanding at year-end is \$20,426. 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 2022 for real and public utility property taxes represents collections of 2021 taxes.

2022 real property taxes were levied after October 1, 2022, on the assessed value as of January 1, 2022, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2022 real property taxes are collected in and intended to finance 2023.

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. 2021 public utility property taxes, which became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2022, was \$2.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2022 property tax receipts were based are as follows:

Real Property	\$214,340,560
Public Utility Property	978,600
Total	\$215,319,160

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, 2022, and for which there was an enforceable legal claim. In governmental funds, the portion of receivable not levied to finance 2022 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
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Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities	
Ohio Department of Natural Resources Grant	\$343,000
Gasoline Tax	280,201
Local Government	151,417
Permissive Tax	34,183
Homestead and Rollback	27,417
Auto Regulation	22,719
Stark-Tuscarawas-Wayne Joint Solid Waste District Grant	4,100
Lodging Tax	2,809
Total	<u><u>\$865,846</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 Regional Income Tax Agency administers and collects income taxes for the City. Payments are remitted monthly net of collection fees of approximately 1.5 percent. Income tax proceeds are received by the general fund and the capital improvements capital projects fund.

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.

Note 9 – Tax Abatements

As of December 31, 2022, 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
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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
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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, 2022, is as follows:

Tax Abatement Program	Amount of 2022 Taxes Abated
<i>Community Reinvestment Area (CRA):</i>	
Retail	\$153,947
Professional	3,129
<i>Enterprise Zone Tax Exemptions (EZ):</i>	
Manufacturing	473,733
Total	\$630,809

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 2022, the City contracted with several companies for various types of insurance as follows:

City of Orrville, Ohio
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Company	Type of Coverage	Coverage
EMC Insurance:	Property	\$64,970,903
	Auto Liability	1,000,000
	General Liability	1,000,000/2,000,000
	Umbrella Liability	10,000,000
	Inland Marine	546,382
	Terrorism - Power Plant	50,000,000
	Public Officials Liability	1,000,000
Aegis and RSUI	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
Travelers Insurance:	Police Professional Liability	1,000,000
	Cyber Liability	1,000,000
	Employee Theft - Single Loss (\$25,000 Retention)	1,000,000

Workers' Compensation

The City participates in the Ohio Association of Public Treasurers (OAPT) Ohio Bureau of Workers Compensation Group-Experience Rating Program for workers' compensation. The intent of the OAPT 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 OAPT. 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 OAPT Group. Each participant pays its workers' compensation premium to the State based on the rate for the OAPT rather than its own individual rate. Participation in the OAPT Group is limited to agencies that can meet the OAPT's selection criteria. The firm of Comp Management is the third party administrator of the OAPT Group providing administrative, cost control, and actuarial services to the OAPT 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.

The claims liability of \$0 reported in the self-insurance fund at December 31, 2022, 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.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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
2021	\$0	\$85,110	\$85,110	\$0
2022	0	87,698	87,698	0

Note 11 – Capital Assets

Capital asset activity for the year ended December 31, 2022, was as follows:

	Balance 12/31/21	Additions	Deductions	Balance 12/31/22
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$1,867,684	\$10,050	\$0	\$1,877,734
Construction in Progress	3,826,794	1,408,387	(1,464,582)	3,770,599
Total Capital Assets, not being Depreciated	<u>5,694,478</u>	<u>1,418,437</u>	<u>(1,464,582)</u>	<u>5,648,333</u>
Capital Assets, being Depreciated				
Buildings and Improvements	9,012,283	925,507	(1,553)	9,936,237
Equipment	4,663,392	147,564	(26,784)	4,784,172
Vehicles	4,495,089	286,810	(212,236)	4,569,663
Infrastructure	73,690,095	1,915,319	0	75,605,414
Total Capital Assets, being Depreciated	<u>91,860,859</u>	<u>3,275,200</u>	<u>(240,573)</u>	<u>94,895,486</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(5,781,049)	(210,611)	602	(5,991,058)
Equipment	(3,240,840)	(253,387)	18,725	(3,475,502)
Vehicles	(3,073,071)	(199,120)	212,235	(3,059,956)
Infrastructure	(29,455,906)	(1,374,657)	0	(30,830,563)
Total Accumulated Depreciation	<u>(41,550,866)</u>	<u>(2,037,775)*</u>	<u>231,562</u>	<u>(43,357,079)</u>
Total Capital Assets, being Depreciated, net	<u>50,309,993</u>	<u>1,237,425</u>	<u>(9,011)</u>	<u>51,538,407</u>
Governmental Activities Capital Assets, Net	<u>\$56,004,471</u>	<u>\$2,655,862</u>	<u>(\$1,473,593)</u>	<u>\$57,186,740</u>

* Depreciation expense was charged to governmental activities as follows:

General Government	\$94,442
Security of Persons and Property:	
Police	85,442
Fire	224,750
Transportation	1,397,164
Public Health and Welfare	37,405
Leisure Time Activities	198,572
Total Depreciation Expense	<u>\$2,037,775</u>

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	Balance 12/31/21	Additions	Deductions	Balance 12/31/22
Business-Type Activities:				
Capital Assets, not being Depreciated:				
Land	\$1,139,783	\$0	\$0	\$1,139,783
Construction In Progress	424,256	3,895,391	(19,693)	4,299,954
Total Capital Assets, not being Depreciated	<u>1,564,039</u>	<u>3,895,391</u>	<u>(19,693)</u>	<u>5,439,737</u>
Capital Assets, being Depreciated				
Buildings and Improvements	24,876,880	201,050	0	25,077,930
Equipment	20,181,685	149,211	(2,896)	20,328,000
Vehicles	2,779,241	797	(177,662)	2,602,376
Electric - Generation/Transmission/Distribution	67,908,616	0	0	67,908,616
Infrastructure	31,150,709	19,693	0	31,170,402
Total Capital Assets, being Depreciated	<u>146,897,131</u>	<u>370,751</u>	<u>(180,558)</u>	<u>147,087,324</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(18,266,291)	(651,784)	0	(18,918,075)
Equipment	(16,259,949)	(819,594)	2,896	(17,076,647)
Vehicles	(1,881,543)	(146,102)	177,662	(1,849,983)
Electric - Generation/Transmission/Distribution	(56,115,525)	(612,637)	0	(56,728,162)
Infrastructure	(22,996,097)	(333,756)	0	(23,329,853)
Total Accumulated Depreciation	<u>(115,519,405)</u>	<u>(2,563,873)</u>	<u>180,558</u>	<u>(117,902,720)</u>
Total Capital Assets, being Depreciated, net	<u>31,377,726</u>	<u>(2,193,122)</u>	<u>0</u>	<u>29,184,604</u>
Business-Type Activities Capital Assets, Net	<u>\$32,941,765</u>	<u>\$1,702,269</u>	<u>(\$19,693)</u>	<u>\$34,624,341</u>

Note 12 – Long-Term Debt

Debt Issue	Interest Rate	Original Issue Amount
Governmental Activities:		
<i>Loan from Direct Borrowing:</i>		
OPWC Concrete Streets Loan - 2015	0.000 %	\$480,445
Business-Type Activities:		
Water System Refunding General Obligation Bonds - 2013	2.125	1,035,000
<i>Loans from Direct Borrowing:</i>		
OPWC Water System Improvement Loan - 2007 A	0.000	500,000
OPWC Water System Improvement Loan - 2007 B	0.000	100,000

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A schedule of changes in bonds and other long-term obligations of the City during 2022 follows:

	Amount Outstanding 12/31/21	Additions	Deletions	Amount Outstanding 12/31/22	Amounts Due in One Year
Governmental Activities:					
OPWC Loan from Direct Borrowing:					
Concrete Streets Loan - 2015	\$360,334	\$0	\$24,023	\$336,311	\$24,022
Compensated Absences	319,104	286,824	205,333	400,595	219,727
Net Pension Liability:					
OPERS	1,612,065	0	656,910	955,155	0
OP&F	3,408,742	0	240,700	3,168,042	0
Total Net Pension Liability	5,020,807	0	897,610	4,123,197	0
Net OPEB Liability:					
OP&F	529,789	26,032	0	555,821	0
Total Governmental Activities	<u>\$6,230,034</u>	<u>\$312,856</u>	<u>\$1,126,966</u>	<u>\$5,415,924</u>	<u>\$243,749</u>
Business-Type Activities:					
Water System Refunding General Obligation Bonds - 2013	\$115,000	\$0	\$115,000	\$0	\$0
OPWC Loans from Direct Borrowing:					
Water System Improvement Loan - 2007 A	275,000	0	16,667	258,333	16,667
Water System Improvement Loan - 2007 B	32,500	0	5,000	27,500	5,000
Total OPWC Loans from Direct Borrowing	307,500	0	21,667	285,833	21,667
Compensated Absences	885,756	149,469	319,868	715,357	354,397
Net Pension Liability - OPERS:					
Sewer	981,155	0	358,335	622,820	0
Electric	3,574,186	0	1,415,103	2,159,083	0
Water	840,988	0	425,779	415,209	0
Total Net Pension Liability - OPERS	5,396,329	0	2,199,217	3,197,112	0
Total Business-Type Activities	<u>\$6,704,585</u>	<u>\$149,469</u>	<u>\$2,655,752</u>	<u>\$4,198,302</u>	<u>\$376,064</u>

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.

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 \$336,311 related to governmental activities and \$285,833 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.

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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 were 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 \$285,833. Principal paid for the current year was \$21,667, total net revenues were \$2,335,126, and total revenues were \$4,091,158.

As of December 31, 2022, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$22,608,512 and the unvoted legal debt margin was \$11,842,554. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2022, are as follows:

Year Ending December 31	Governmental Activities	Business-Type Activities
	OPWC Loans from Direct Borrowing	
	Principal	Principal
2023	\$24,022	\$21,667
2024	24,022	21,667
2025	24,022	21,667
2026	24,022	21,666
2027	24,022	21,667
2028-2032	120,110	85,833
2033-2037	96,091	83,333
2038	0	8,333
Total	\$336,311	\$285,833

Conduit Debt

To further economic development in the City, the City authorized the issuance of industrial development revenue bonds for two commercial entities. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector entities on the underlying mortgage or promissory notes. In addition, no commitments beyond the collateral, the payments from the private-sector entities, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the City for any of those bonds. At December 31, 2022, the bonds have an aggregate outstanding principal amount payable of \$1,439,735.

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, 2022, 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 employees – of salaries and benefits for employee services. Pensions/OPEB are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability (asset) represent 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) calculations are dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

The Ohio Revised Code limits the City's obligation for 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.

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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 healthcare 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*. 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 is a cost-sharing, multiple employer public employee retirement system which 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 previously for additional information, including requirements for reduced and unreduced benefits):

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible 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 and will continue to be administered by OPERS), 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
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Effective January 1, 2022, the Combined Plan is no longer available for member selection.

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

	State and Local
2022 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2022 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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

For 2022, the City’s contractually required contribution was \$1,012,373 for the traditional plan, \$42,759 for the combined plan and \$72,261 for the member-directed plan. Of these amounts, \$190,002 is reported as an intergovernmental payable for the traditional plan, \$8,019 for the combined plan, and \$9,687 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 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
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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 previously for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for 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 under optional plans, 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 percent 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
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Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police	Firefighters
2022 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2022 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OP&F was \$279,888 for 2022. Of this amount, \$32,057 is reported as an intergovernmental payable.

Pension Assets and 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, 2021, 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, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. 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	0.04772500%	0.06792300%	0.05070958%	
Prior Measurement Date	0.04732900%	0.07866800%	0.05000290%	
Change in Proportionate Share	0.00039600%	-0.01074500%	0.00070668%	
Proportionate Share of the:				
Net Pension Asset	\$0	(\$267,623)	\$0	(\$267,623)
Net Pension Liability	4,152,267	0	3,168,042	7,320,309
Pension Expense	(857,336)	(6,025)	212,781	(650,580)

2022 pension expense for the member-directed defined contribution plan was \$52,511. The aggregate pension expense for all pension plans was a negative \$598,069 for 2022.

City of Orrville, Ohio
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At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	\$211,677	\$1,660	\$91,348	\$304,685
Changes of assumptions	519,237	13,449	578,982	1,111,668
Changes in proportion and differences between City contributions and proportionate share of contributions	49,001	27,727	87,074	163,802
City contributions subsequent to the measurement date	1,012,373	42,759	279,888	1,335,020
Total Deferred Outflows of Resources	\$1,792,288	\$85,595	\$1,037,292	\$2,915,175
Deferred Inflows of Resources				
Differences between expected and actual experience	\$91,070	\$29,932	\$164,694	\$285,696
Net difference between projected and actual earnings on pension plan investments	4,938,972	57,373	830,611	5,826,956
Changes in proportion and differences between City contributions and proportionate share of contributions	48,355	402	57,245	106,002
Total Deferred Inflows of Resources	\$5,078,397	\$87,707	\$1,052,550	\$6,218,654

\$1,335,020 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 2023. 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:				
2023	(\$666,648)	(\$13,704)	\$1,233	(\$679,119)
2024	(1,684,806)	(20,429)	(213,320)	(1,918,555)
2025	(1,161,352)	(12,066)	(87,331)	(1,260,749)
2026	(785,676)	(7,906)	(64,159)	(857,741)
2027	0	2,381	68,431	70,812
Thereafter	0	6,853	0	6,853
Total	(\$4,298,482)	(\$44,871)	(\$295,146)	(\$4,638,499)

City of Orrville, Ohio
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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, 2021, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented follows:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2022, then 2.05 percent, simple	3.0 percent, simple through 2022, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Key actuarial assumptions and methods used in the prior actuarial valuation, 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	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	0.5 percent, simple through 2021, then 2.15 percent, simple	0.5 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

City of Orrville, Ohio
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For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

For 2020, 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 the previously described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 15.3 percent for 2021.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized as follows:

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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	1.03%
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	100.00%	4.21%

Discount Rate The discount rate used to measure the total pension liability for the current year was 6.9 percent for the traditional plan and the combined plan. The discount rate for the prior year was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments 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 6.9 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 (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability (asset):			
OPERS Traditional Plan	\$10,947,638	\$4,152,267	(\$1,502,383)
OPERS Combined Plan	(199,694)	(267,623)	(320,597)

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, 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.

City of Orrville, Ohio
Notes to the Basic Financial Statements
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Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2021, are presented as follows:

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 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 per year

In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

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 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, 2021, are summarized as follows:

City of Orrville, Ohio
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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
Total	125.00 %	

Note: Assumptions are geometric.

* levered 2x

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 prior, 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 For 2021, the total pension liability was calculated using the discount rate of 7.50 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 7.50 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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$4,698,161	\$3,168,042	\$1,893,829

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.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

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 discontinued 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.

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. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became 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 change for those retiring after January 1, 2022, with differing

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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 below 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 2022, 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 2022, 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 2022 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 \$20,646 for 2022. Of this amount, \$3,875 is reported as an intergovernmental payable.

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

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

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.

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Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. 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 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 2022, 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 \$7,244 for 2022. Of this amount, \$829 is reported as an intergovernmental payable.

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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, 2020, rolled forward to the measurement date of December 31, 2021, 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, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. 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&F</u>	<u>Total</u>
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.04977000%	0.05070970%	
Prior Measurement Date	<u>0.04965100%</u>	<u>0.05000290%</u>	
Change in Proportionate Share	<u><u>0.00011900%</u></u>	<u><u>0.00070680%</u></u>	
Proportionate Share of the:			
Net OPEB Asset	(\$1,558,875)	\$0	(\$1,558,875)
Net OPEB Liability	0	555,821	555,821
OPEB Expense	(1,435,257)	41,755	(1,393,502)

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$0	\$25,285	\$25,285
Changes of assumptions	0	246,024	246,024
Changes in proportion and differences between City contributions and proportionate share of contributions	2,002	36,001	38,003
City contributions subsequent to the measurement date	<u>20,646</u>	<u>7,244</u>	<u>27,890</u>
Total Deferred Outflows of Resources	<u><u>\$22,648</u></u>	<u><u>\$314,554</u></u>	<u><u>\$337,202</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$236,457	\$73,460	\$309,917
Changes of assumptions	631,014	64,555	695,569
Net difference between projected and actual earnings on OPEB plan investments	743,161	50,209	793,370
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>40,561</u>	<u>38,470</u>	<u>79,031</u>
Total Deferred Inflows of Resources	<u><u>\$1,651,193</u></u>	<u><u>\$226,694</u></u>	<u><u>\$1,877,887</u></u>

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\$27,890 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 in the net OPEB asset in 2023. 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
2023	(\$1,035,337)	\$20,921	(\$1,014,416)
2024	(344,750)	13,467	(331,283)
2025	(162,378)	14,786	(147,592)
2026	(106,726)	5,665	(101,061)
2027	0	12,894	12,894
Thereafter	0	12,883	12,883
Total	(\$1,649,191)	\$80,616	(\$1,568,575)

Actuarial Assumptions – OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used for 2021 compared to those used for 2020 are as follows:

	December 31, 2021	December 31, 2020
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases,	2.75 to 10.75 percent	3.25 to 10.75 percent
	including wage inflation	including wage inflation
Single Discount Rate	6.00 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	1.84 percent	2.00 percent
Health Care Cost Trend Rate	5.5 percent, initial	8.5 percent, initial
	3.50 percent, ultimate in 2034	3.50 percent, ultimate in 2035
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the previously described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 14.3 percent for 2021.

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 rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	0.91%
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00%	3.45%

Discount Rate A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 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 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, 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 Asset to Changes in the Discount Rate The following table presents the City’s proportionate share of the net OPEB 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 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)	(\$916,763)	(\$1,558,875)	(\$2,091,833)

Sensitivity of the City’s Proportionate Share of the Net OPEB 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. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB 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.

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Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50 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)	(\$1,575,718)	(\$1,558,875)	(\$1,538,888)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement date	2.84 percent
Prior measurement date	2.96 percent
Cost of Living Adjustments	2.2 percent simple per year

In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

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

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

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

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

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

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

Discount Rate For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. For 2020, the total OPEB liability was calculated using the discount rate of 2.96 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 7.5 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 2.05 percent at December 31, 2021, and 2.12 percent at December 31, 2020, was blended with the long-

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term rate of 7.5 percent for 2021 and 8 percent for 2020, which resulted in a blended discount rate of 2.84 percent for 2021 and 2.96 percent for 2020. 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 2.84 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 (1.84 percent), or one percentage point higher (3.84 percent) than the current rate.

	1% Decrease (1.84%)	Current Discount Rate (2.84%)	1% Increase (3.84%)
City's proportionate share of the net OPEB liability	\$698,681	\$555,821	\$438,392

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 after January 1, 2007, and is limited to 480 hours for employees hired after January 1, 2019. In the case of death or retirement, employees (or the employees' estates) are paid a maximum of 80 percent of accumulated, unused sick leave.

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

Insurance Benefits

For 2022, 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 \$561.20, \$1,151.87, and \$1,774.77. 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 \$522.88, \$1,073.04, and \$1,653.19.

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Deferred Compensation

City employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 456 and is considered an other employee benefit plan. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

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 \$441,202 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 \$981,900 to give the electric enterprise fund the kilowatt per hour taxes. In total, general fund transfers out were \$1,423,102. During the year, the capital improvements fund transferred \$50,000 to the fire department vehicle replacement fund to help aid in funding for a rescue pumper that will be purchased in 2023.

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, 2022, were as follows:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Governmental Activities	\$29	\$8,433
Business-Type Activities:		
Sewer	71,774	338
Electric	57,859	2,236
Water	0	118,655
Total Business-Type Activities	129,633	121,229
Total	\$129,662	\$129,662

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Balances related to the internal proportionate share for OPEB at December 31, 2022, were as follows:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Governmental Activities	\$0	\$2,089
Business-Type Activities:		
Sewer	19,235	0
Electric	8,254	4,025
Water	0	21,375
Total Business-Type Activities	27,489	25,400
Total	\$27,489	\$27,489

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 \$309 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 – Jointly Governed Organization

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collection income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA’s operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2022, the City paid RITA \$53,520 for income tax collection services.

Note 20 – Joint Venture

The City participates in the Wooster-Ashland Regional Council of Governments (the Council) which is a statutorily created political subdivision of the State. The Council is a joint venture between the City of Orrville, the City of Wooster and the City of Ashland. The Council is controlled by a Board of Directors which is composed of at least one elected public official of each municipal corporation which is a founding member (for a municipal corporation this is the mayor). Two additional directors are appointed by each founding member, plus an additional director appointed in alternate years beginning first with the City of Wooster, then the City of Ashland, and then the City of Orrville. There are three additional Directors, with one each appointed by the respective Presidents of the Council of the cities of Wooster, Orrville, and Ashland. Officers of the Council include a President, at least one Vice-President, a Secretary, a Treasurer and such other officers as the Directors deem advisable and appoint. Officers are chosen by the Directors. Each member’s control over the operation of the Council is limited to its representation on the board. The Council was formed to plan for, create, and operate a joint dispatching system for police, fire, emergency medical services, and other related public safety services, and receive and expend funds, grants, or other contributions. Continued existence of the Council is dependent on the

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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 2022, the City did not make any contributions to the Council.

Note 21 – Significant Commitments

Contractual Commitments

At December 31, 2022, the City had a contractual commitment with the following:

Vendor	Contract Amount	Amount Paid	Remaining on Contract
Barbicas Construction Company, Incorporated	\$771,000	\$651,032	\$119,968
Denes Concrete, Incorporated	330,000	316,429	13,571
Shaffer, Johnston, Lichtenwalter & Associates, Incorporated	90,344	79,680	10,664
Melway Paving Company, Incorporated	68,278	0	68,278
Aspired X, LLC	46,840	0	46,840
Garland/DBS, Incorporated	34,680	0	34,680
Worner Roofing Company, Incorporated	31,075	0	31,075
American Ramp Company	10,000	9,000	1,000
Lawhon & Associates, Incorporated	2,720	0	2,720
Total	\$1,384,937	\$1,056,141	\$328,796

Remaining commitment amounts were encumbered at year end. The amount of \$164,940 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:

<i>Governmental Funds:</i>		<i>Proprietary Funds:</i>	
General	\$197,649	Sewer	\$179,698
Capital Improvements	521,730	Electric	6,123,666
Other Governmental Funds	135,483	Water	135,689
Total	\$854,862	Total	\$6,439,053

Note 22 – 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 ended in April 2023. During 2022, the City received COVID-19 funding. The City will continue to spend available COVID-19 funding consistent with the applicable program guidelines. 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.

Required Supplementary Information

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 Nine Years (1) **

	2022	2021	2020	2019
City's Proportion of the Net Pension Liability	0.04772500%	0.04732900%	0.04837200%	0.05051700%
City's Proportionate Share of the Net Pension Liability	\$4,152,267	\$7,008,394	\$9,561,056	\$13,835,581
City's Covered Payroll	\$6,926,300	\$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	59.95%	105.21%	140.38%	202.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	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	\$7,443,364
118.71%	175.75%	139.17%	98.38%	98.24%
84.66%	77.25%	81.08%	86.45%	86.36%

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

	2022	2021	2020	2019	2018
City's Proportion of the Net Pension Asset	0.06792300%	0.07866800%	0.08453300%	0.08478500%	0.08653800%
City's Proportionate Share of the Net Pension Asset	\$267,623	\$227,088	\$176,272	\$94,809	\$117,805
City's Covered Payroll	\$309,657	\$346,693	\$376,300	\$362,621	\$354,415
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	-86.43%	-65.50%	-46.84%	-26.15%	-33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	169.88%	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

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

	2022	2021	2020	2019
City's Proportion of the Net Pension Liability	0.05070958%	0.05000290%	0.05083120%	0.04980800%
City's Proportionate Share of the Net Pension Liability	\$3,168,042	\$3,408,742	\$3,424,264	\$4,065,651
City's Covered Payroll	\$1,414,075	\$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	224.04%	245.91%	258.60%	322.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.03%	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 Six Years (1) **

	2022	2021	2020	2019
City's Proportion of the Net OPEB Liability	0.04977000%	0.04965100%	0.05089000%	0.05267500%
City's Proportionate Share of the Net OPEB Liability (Asset)	(\$1,558,875)	(\$884,571)	\$7,029,231	\$6,867,578
City's Covered Payroll	\$7,761,082	\$7,504,179	\$7,693,018	\$7,640,396
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-20.09%	-11.79%	91.37%	89.89%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	128.23%	115.57%	47.80%	46.33%

(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

2018	2017
0.05608000%	0.05779000%
\$6,089,873	\$5,836,985
\$7,944,294	\$7,983,000
76.66%	73.12%
54.14%	54.04%

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 Six Years (1) **

	2022	2021	2020	2019
City's Proportion of the Net OPEB Liability	0.05070970%	0.05000290%	0.05083120%	0.04980800%
City's Proportionate Share of the Net OPEB Liability	\$555,821	\$529,789	\$502,096	\$453,579
City's Covered Payroll	\$1,414,075	\$1,386,158	\$1,324,168	\$1,262,592
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	39.31%	38.22%	37.92%	35.92%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.90%	45.40%	47.08%	46.57%

(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

<u>2018</u>	<u>2017</u>
0.05134300%	0.04985000%
\$2,909,024	\$2,366,267
\$1,188,680	\$1,169,147
244.73%	202.39%
14.13%	15.96%

City of Orrville, Ohio
Required Supplementary Information
Schedule of the City's Contributions
Ohio Public Employees Retirement System
Last Ten Years

	2022	2021	2020	2019
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$1,012,373	\$969,682	\$932,573	\$953,497
Contributions in Relation to the Contractually Required Contribution	<u>(1,012,373)</u>	<u>(969,682)</u>	<u>(932,573)</u>	<u>(953,497)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$7,231,236	\$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>	<u>14.00%</u>
Net Pension Asset - Combined Plan (2)				
Contractually Required Contribution	\$42,759	\$43,352	\$48,537	\$52,682
Contributions in Relation to the Contractually Required Contribution	<u>(42,759)</u>	<u>(43,352)</u>	<u>(48,537)</u>	<u>(52,682)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$305,421	\$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>	<u>14.00%</u>
Net OPEB Liability - OPEB Plan (3)				
Contractually Required Contribution	\$20,646	\$21,005	\$19,850	\$20,241
Contributions in Relation to the Contractually Required Contribution	<u>(20,646)</u>	<u>(21,005)</u>	<u>(19,850)</u>	<u>(20,241)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$8,052,807	\$7,761,082	\$7,504,179	\$7,693,018
OPEB Contributions as a Percentage of Covered Payroll	<u>0.26%</u>	<u>0.27%</u>	<u>0.26%</u>	<u>0.26%</u>

(1) 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.

(2) Information prior to 2017 is not available.

(3) 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

	2022	2021	2020	2019
Net Pension Liability				
Contractually Required Contribution	\$279,888	\$273,068	\$267,510	\$255,476
Contributions in Relation to the Contractually Required Contribution	<u>(279,888)</u>	<u>(273,068)</u>	<u>(267,510)</u>	<u>(255,476)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$1,448,919	\$1,414,075	\$1,386,158	\$1,324,168
Contributions as a Percentage of Covered Payroll	<u>19.32%</u>	<u>19.31%</u>	<u>19.30%</u>	<u>19.29%</u>
Net OPEB Liability				
Contractually Required Contribution	\$7,244	\$7,070	\$6,931	\$6,621
Contributions in Relation to the Contractually Required Contribution	<u>(7,244)</u>	<u>(7,070)</u>	<u>(6,931)</u>	<u>(6,621)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<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>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>19.82%</u>	<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
\$243,654	\$229,748	\$226,450	\$214,063	\$208,710	\$174,718
(243,654)	(229,748)	(226,450)	(214,063)	(208,710)	(174,718)
\$0	\$0	\$0	\$0	\$0	\$0
\$1,262,592	\$1,188,680	\$1,169,147	\$1,104,590	\$1,076,865	\$1,074,614
19.30%	19.33%	19.37%	19.38%	19.38%	16.26%
\$6,313	\$5,943	\$5,846	\$5,523	\$5,384	\$38,865
(6,313)	(5,943)	(5,846)	(5,523)	(5,384)	(38,865)
\$0	\$0	\$0	\$0	\$0	\$0
0.50%	0.50%	0.50%	0.50%	0.50%	3.62%
19.80%	19.83%	19.87%	19.88%	19.88%	19.88%

City of Orrville, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

Changes in Assumptions – OPERS Pension – Traditional Plan

Amounts reported beginning in 2022 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:

	2022	2019	2018 and 2017	2016 and prior
Wage Inflation	2.75 percent	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases	2.75 to 10.75 percent including wage 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	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

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

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

2022	3.0 percent, simple through 2022 then 2.05 percent, simple
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 5.50 to 5.00 percent

Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

City of Orrville, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

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.

Changes in Assumptions – OPERS Pension – Combined Plan

	<u>2022</u>	<u>2019</u>	<u>2018</u>
Wage Inflation	2.75 percent	3.25 percent	3.25 percent
Future Salary Increases	2.75 to 8.25 percent including wage inflation	3.25 to 8.25 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	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

For 2022, 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.

City of Orrville, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

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	3.25 percent per annum, compounded annually, consisting of 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

For 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022.

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, 2022

Changes in Assumptions – OPERS OPEB

Wage Inflation:	
2022	2.75 percent
2021 and prior	3.25 percent
Projected Salary Increases (including wage inflation):	
2022	2.75 to 10.75 percent
2021 and prior	3.25 to 10.75 percent
Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2022	6.00 percent
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2022	5.5 percent, initial 3.5 percent, ultimate in 2034
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:	
2022	2.84 percent
2021	2.96 percent
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

For 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022.

City of Orrville, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

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.

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

(continued)

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds (continued)

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.

OneOhio Opioid Settlement Fund – This fund accounts for and reports the Opioid settlement distributions received through the OneOhio funds of the Nation Opioid Settlement agreement and expenses restricted to assist with abating the opioid epidemic.

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 2022; 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 2022; 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.

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,784,040	\$199,668	\$790,050	\$2,773,758
Accrued Interest Receivable	890	478	20	1,388
Accounts Receivable	93,121	0	0	93,121
Intergovernmental Receivable	337,103	0	0	337,103
Special Assessments Receivable	0	20,426	0	20,426
<i>Total Assets</i>	<u>\$2,215,154</u>	<u>\$220,572</u>	<u>\$790,070</u>	<u>\$3,225,796</u>
Liabilities				
Accounts Payable	\$63,159	\$0	\$0	\$63,159
Accrued Wages	39,903	0	0	39,903
Intergovernmental Payable	18,406	0	0	18,406
Unearned Revenue	517,711	0	0	517,711
<i>Total Liabilities</i>	<u>639,179</u>	<u>0</u>	<u>0</u>	<u>639,179</u>
Deferred Inflows of Resources				
Unavailable Revenue	242,310	20,426	0	262,736
Fund Balances				
Restricted	970,145	200,146	620,962	1,791,253
Committed	363,520	0	125,000	488,520
Assigned	0	0	44,108	44,108
<i>Total Fund Balances</i>	<u>1,333,665</u>	<u>200,146</u>	<u>790,070</u>	<u>2,323,881</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,215,154</u>	<u>\$220,572</u>	<u>\$790,070</u>	<u>\$3,225,796</u>

City of Orrville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Intergovernmental	\$657,236	\$0	\$225,000	\$882,236
Investment Earnings/Interest	2,359	1,303	46	3,708
Fines, Licenses, Permits, and Settlements	62,601	0	350	62,951
Charges for Services	713,805	0	0	713,805
Contributions and Donations	29,579	0	2,261	31,840
Other	181	0	0	181
<i>Total Revenues</i>	<u>1,465,761</u>	<u>1,303</u>	<u>227,657</u>	<u>1,694,721</u>
Expenditures				
Current:				
General Government	5,636	50	0	5,686
Security of Persons and Property:				
Police	70,324	0	0	70,324
Transportation	1,218,834	0	0	1,218,834
Public Health and Welfare	65,302	0	0	65,302
Leisure Time Activities	28,089	0	0	28,089
Basic Utility Service	583,120	0	0	583,120
Capital Outlay	0	0	113,868	113,868
<i>Total Expenditures</i>	<u>1,971,305</u>	<u>50</u>	<u>113,868</u>	<u>2,085,223</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(505,544)	1,253	113,789	(390,502)
Other Financing Sources				
Transfers In	441,202	0	50,000	491,202
<i>Net Change in Fund Balances</i>	(64,342)	1,253	163,789	100,700
<i>Fund Balances Beginning of Year</i>	<u>1,398,007</u>	<u>198,893</u>	<u>626,281</u>	<u>2,223,181</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,333,665</u></u>	<u><u>\$200,146</u></u>	<u><u>\$790,070</u></u>	<u><u>\$2,323,881</u></u>

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2022

	Gas Tax Motor Vehicle License	State Highway	Permissive Motor Vehicle License	Solid Waste
Assets				
Equity in Pooled Cash and Cash Equivalents	\$45,442	\$308,507	\$58,003	\$100,086
Accrued Interest Receivable	111	755	0	0
Accounts Receivable	0	0	0	81,820
Intergovernmental Receivable	280,201	22,719	0	0
<i>Total Assets</i>	<u>\$325,754</u>	<u>\$331,981</u>	<u>\$58,003</u>	<u>\$181,906</u>
Liabilities				
Accounts Payable	\$2,296	\$0	\$0	\$48,638
Accrued Wages	39,903	0	0	0
Intergovernmental Payable	18,406	0	0	0
Unearned Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>60,605</u>	<u>0</u>	<u>0</u>	<u>48,638</u>
Deferred Inflows of Resources				
Unavailable Revenue	197,032	15,976	0	0
Fund Balances				
Restricted	68,117	316,005	58,003	0
Committed	0	0	0	133,268
<i>Total Fund Balances</i>	<u>68,117</u>	<u>316,005</u>	<u>58,003</u>	<u>133,268</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$325,754</u>	<u>\$331,981</u>	<u>\$58,003</u>	<u>\$181,906</u>

Law Enforcement	Enforcement and Education	Cemetery Maintenance	Permissive	First Responders	Blooming Orrville	Emergency Medical Service Equipment
\$6,431	\$5,263	\$151,967	\$351,936	\$23,924	\$3,756	\$185,092
0	0	0	0	0	0	0
0	0	0	0	0	0	11,301
0	0	0	34,183	0	0	0
<u>\$6,431</u>	<u>\$5,263</u>	<u>\$151,967</u>	<u>\$386,119</u>	<u>\$23,924</u>	<u>\$3,756</u>	<u>\$196,393</u>
\$0	\$1,125	\$11,100	\$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	1,125	11,100	0	0	0	0
0	0	0	29,302	0	0	0
6,431	4,138	140,867	356,817	0	3,756	0
0	0	0	0	23,924	0	196,393
<u>6,431</u>	<u>4,138</u>	<u>140,867</u>	<u>356,817</u>	<u>23,924</u>	<u>3,756</u>	<u>196,393</u>
<u>\$6,431</u>	<u>\$5,263</u>	<u>\$151,967</u>	<u>\$386,119</u>	<u>\$23,924</u>	<u>\$3,756</u>	<u>\$196,393</u>

(continued)

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2022

	Performing Arts	Continuing Professional Training Grant	American Rescue Plan	OneOhio Opioid Settlement	Total Nonmajor Special Revenue Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$9,911	\$15,237	\$517,711	\$774	\$1,784,040
Accrued Interest Receivable	24	0	0	0	890
Accounts Receivable	0	0	0	0	93,121
Intergovernmental Receivable	0	0	0	0	337,103
<i>Total Assets</i>	<u>\$9,935</u>	<u>\$15,237</u>	<u>\$517,711</u>	<u>\$774</u>	<u>\$2,215,154</u>
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$0	\$63,159
Accrued Wages	0	0	0	0	39,903
Intergovernmental Payable	0	0	0	0	18,406
Unearned Revenue	0	0	517,711	0	517,711
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>517,711</u>	<u>0</u>	<u>639,179</u>
Deferred Inflows of Resources					
Unavailable Revenue	0	0	0	0	242,310
Fund Balances					
Restricted	0	15,237	0	774	970,145
Committed	9,935	0	0	0	363,520
<i>Total Fund Balances</i>	<u>9,935</u>	<u>15,237</u>	<u>0</u>	<u>774</u>	<u>1,333,665</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$9,935</u>	<u>\$15,237</u>	<u>\$517,711</u>	<u>\$774</u>	<u>\$2,215,154</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, 2022

	Gas Tax Motor Vehicle License	State Highway	Permissive Motor Vehicle License	Solid Waste
Revenues				
Intergovernmental	\$537,510	\$43,581	\$0	\$0
Investment Earnings/Interest	207	2,079	0	0
Fines, Licenses, Permits, and Settlements	0	0	0	0
Charges for Services	0	0	0	596,969
Contributions and Donations	0	0	0	0
Other	181	0	0	0
<i>Total Revenues</i>	<u>537,898</u>	<u>45,660</u>	<u>0</u>	<u>596,969</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property:				
Police	0	0	0	0
Transportation	1,019,471	24,984	5,000	0
Public Health and Welfare	0	0	0	0
Leisure Time Activities	0	0	0	0
Basic Utility Service	0	0	0	583,120
<i>Total Expenditures</i>	<u>1,019,471</u>	<u>24,984</u>	<u>5,000</u>	<u>583,120</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(481,573)	20,676	(5,000)	13,849
Other Financing Sources				
Transfers In	441,202	0	0	0
<i>Net Change in Fund Balances</i>	(40,371)	20,676	(5,000)	13,849
<i>Fund Balances Beginning of Year</i>	<u>108,488</u>	<u>295,329</u>	<u>63,003</u>	<u>119,419</u>
<i>Fund Balances End of Year</i>	<u>\$68,117</u>	<u>\$316,005</u>	<u>\$58,003</u>	<u>\$133,268</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, 2022

	Law Enforcement	Enforcement and Education	Cemetery Maintenance	Permissive
Revenues				
Intergovernmental	\$0	\$0	\$0	\$0
Investment Earnings/Interest	0	0	0	0
Fines, Licenses, Permits, and Settlements	532	155	0	61,140
Charges for Services	0	0	12,254	0
Contributions and Donations	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>532</u>	<u>155</u>	<u>12,254</u>	<u>61,140</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property:				
Police	0	1,381	0	0
Transportation	0	0	0	169,379
Public Health and Welfare	0	0	33,247	0
Leisure Time Activities	0	0	0	0
Basic Utility Service	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>1,381</u>	<u>33,247</u>	<u>169,379</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	532	(1,226)	(20,993)	(108,239)
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	532	(1,226)	(20,993)	(108,239)
<i>Fund Balances Beginning of Year</i>	<u>5,899</u>	<u>5,364</u>	<u>161,860</u>	<u>465,056</u>
<i>Fund Balances End of Year</i>	<u><u>\$6,431</u></u>	<u><u>\$4,138</u></u>	<u><u>\$140,867</u></u>	<u><u>\$356,817</u></u>

First Responders	Blooming Orrville	Emergency Medical Service Equipment	Performing Arts	Continuing Professional Training Grant	American Rescue Plan	OneOhio Opioid Settlement	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$7,202	\$68,943	\$0	\$657,236
0	0	0	73	0	0	0	2,359
0	0	0	0	0	0	774	62,601
0	0	104,582	0	0	0	0	713,805
3,000	19,301	0	7,278	0	0	0	29,579
0	0	0	0	0	0	0	181
<u>3,000</u>	<u>19,301</u>	<u>104,582</u>	<u>7,351</u>	<u>7,202</u>	<u>68,943</u>	<u>774</u>	<u>1,465,761</u>
5,636	0	0	0	0	0	0	5,636
0	0	0	0	0	68,943	0	70,324
0	0	0	0	0	0	0	1,218,834
0	0	32,055	0	0	0	0	65,302
0	20,043	0	8,046	0	0	0	28,089
0	0	0	0	0	0	0	583,120
<u>5,636</u>	<u>20,043</u>	<u>32,055</u>	<u>8,046</u>	<u>0</u>	<u>68,943</u>	<u>0</u>	<u>1,971,305</u>
(2,636)	(742)	72,527	(695)	7,202	0	774	(505,544)
0	0	0	0	0	0	0	441,202
(2,636)	(742)	72,527	(695)	7,202	0	774	(64,342)
<u>26,560</u>	<u>4,498</u>	<u>123,866</u>	<u>10,630</u>	<u>8,035</u>	<u>0</u>	<u>0</u>	<u>1,398,007</u>
<u>\$23,924</u>	<u>\$3,756</u>	<u>\$196,393</u>	<u>\$9,935</u>	<u>\$15,237</u>	<u>\$0</u>	<u>\$774</u>	<u>\$1,333,665</u>

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2022

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$4,152	\$195,516	\$199,668
Accrued Interest Receivable	0	478	478
Special Assessments Receivable	0	20,426	20,426
<i>Total Assets</i>	<u>\$4,152</u>	<u>\$216,420</u>	<u>\$220,572</u>
Deferred Inflows of Resources			
Unavailable Revenue	\$0	\$20,426	\$20,426
Fund Balances			
Restricted	4,152	195,994	200,146
<i>Total Deferred Inflows of Resources and Fund Balances</i>	<u>\$4,152</u>	<u>\$216,420</u>	<u>\$220,572</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, 2022

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Investment Earnings/Interest	\$0	\$1,303	\$1,303
Expenditures			
Current:			
General Government	0	50	50
<i>Net Change in Fund Balances</i>	0	1,253	1,253
<i>Fund Balances Beginning of Year</i>	4,152	194,741	198,893
<i>Fund Balances End of Year</i>	<u>\$4,152</u>	<u>\$195,994</u>	<u>\$200,146</u>

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2022

	Park Improvement	Fire Department Vehicle Replacement	Recreation and Park	Grants	Total Nonmajor Capital Projects Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$6,703	\$125,000	\$37,385	\$620,962	\$790,050
Accrued Interest Receivable	20	0	0	0	20
<i>Total Assets</i>	<u>\$6,723</u>	<u>\$125,000</u>	<u>\$37,385</u>	<u>\$620,962</u>	<u>\$790,070</u>
Fund Balances					
Restricted	\$0	\$0	\$0	\$620,962	\$620,962
Committed	0	125,000	0	0	125,000
Assigned	6,723	0	37,385	0	44,108
<i>Total Fund Balances</i>	<u>\$6,723</u>	<u>\$125,000</u>	<u>\$37,385</u>	<u>\$620,962</u>	<u>\$790,070</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, 2022

	Park Improvement	Fire Department Vehicle Replacement	Recreation and Park	Grants	Community Development Block Grant	Total Nonmajor Capital Projects Funds
Revenues						
Intergovernmental	\$0	\$0	\$0	\$225,000	\$0	\$225,000
Investment Earnings/Interest	46	0	0	0	0	46
Fines, Licenses, Permits, and Settlements	0	0	350	0	0	350
Contributions and Donations	2,261	0	0	0	0	2,261
<i>Total Revenues</i>	2,307	0	350	225,000	0	227,657
Expenditures						
Current:						
Capital Outlay	0	0	0	0	113,868	113,868
<i>Excess of Revenues Over (Under) Expenditures</i>	2,307	0	350	225,000	(113,868)	113,789
Other Financing Sources						
Transfers In	0	50,000	0	0	0	50,000
<i>Net Change in Fund Balances</i>	2,307	50,000	350	225,000	(113,868)	163,789
<i>Fund Balances Beginning of Year</i>	4,416	75,000	37,035	395,962	113,868	626,281
<i>Fund Balances End of Year</i>	<u>\$6,723</u>	<u>\$125,000</u>	<u>\$37,385</u>	<u>\$620,962</u>	<u>\$0</u>	<u>\$790,070</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, 2022

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$475,000	\$475,000	\$549,931	\$74,931
Income Taxes	4,200,000	4,480,000	4,253,707	(226,293)
Kilowatt Per Hour Tax	1,120,000	1,120,000	981,900	(138,100)
Intergovernmental	274,500	274,500	420,885	146,385
Investment Earnings/Interest	62,300	62,300	52,977	(9,323)
Fines, Licenses, Permits, and Settlements	27,650	27,650	28,254	604
Rentals	400	400	1,155	755
Charges for Services	313,500	313,500	402,709	89,209
Other	1,000	3,000	199,518	196,518
<i>Total Revenues</i>	<u>6,474,350</u>	<u>6,756,350</u>	<u>6,891,036</u>	<u>134,686</u>
Expenditures				
Current:				
General Government:				
City Council:				
Personal Services	46,600	51,600	50,163	1,437
Materials and Supplies	0	200	121	79
Total City Council	<u>46,600</u>	<u>51,800</u>	<u>50,284</u>	<u>1,516</u>
City Hall:				
Personal Services	251,900	246,900	180,679	66,221
Purchased Services	45,719	45,719	40,611	5,108
Materials and Supplies	7,668	7,468	6,922	546
Utilities	9,798	9,798	9,396	402
Total City Hall	<u>315,085</u>	<u>309,885</u>	<u>237,608</u>	<u>72,277</u>
Finance Department:				
Personal Services	112,150	127,150	125,425	1,725
Purchased Services	51,875	42,875	38,972	3,903
Materials and Supplies	3,500	3,500	1,577	1,923
Utilities	300	400	325	75
Total Finance Department	<u>167,825</u>	<u>173,925</u>	<u>166,299</u>	<u>7,626</u>
Personnel:				
Personal Services	133,400	162,400	160,365	2,035
Purchased Services	11,455	11,455	7,223	4,232
Materials and Supplies	5,850	5,850	2,566	3,284
Utilities	1,331	1,331	1,188	143
Total Personnel	<u>\$152,036</u>	<u>\$181,036</u>	<u>\$171,342</u>	<u>\$9,694</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, 2022*

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original	Final		
Data Processing:				
Personal Services	\$31,000	\$31,000	\$27,415	\$3,585
Purchased Services	21,900	37,000	36,607	393
Materials and Supplies	22,205	22,105	6,070	16,035
Utilities	3,161	12,161	11,918	243
Total Data Processing	78,266	102,266	82,010	20,256
Income Tax:				
Personal Services	107,600	92,600	71,417	21,183
Purchased Services	301,800	286,800	142,952	143,848
Materials and Supplies	4,200	4,200	1,235	2,965
Utilities	830	730	587	143
Total Income Tax	414,430	384,330	216,191	168,139
Law Department:				
Personal Services	48,100	48,100	44,239	3,861
Purchased Services	70,567	70,567	41,715	28,852
Total Law Department	118,667	118,667	85,954	32,713
Mayor's Office:				
Personal Services	48,325	38,325	36,274	2,051
Purchased Services	350	350	273	77
Utilities	500	500	447	53
Total Mayor's Office	49,175	39,175	36,994	2,181
Administrative:				
Personal Services	357,500	407,500	405,845	1,655
Purchased Services	265,209	263,709	239,307	24,402
Materials and Supplies	24,556	101,556	101,322	234
Other	20,000	14,000	13,488	512
Total Administrative	667,265	786,765	759,962	26,803
Total General Government	2,009,349	2,147,849	1,806,644	341,205
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	2,319,350	2,442,750	2,318,952	123,798
Purchased Services	336,402	401,402	401,228	174
Materials and Supplies	135,828	109,128	107,829	1,299
Utilities	41,819	50,519	50,431	88
Total Police	\$2,833,399	\$3,003,799	\$2,878,440	\$125,359

(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, 2022*

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Fire:				
Fire Department:				
Personal Services	\$367,950	\$394,850	\$320,893	\$73,957
Purchased Services	427,451	234,451	231,470	2,981
Materials and Supplies	112,400	107,400	99,450	7,950
Utilities	16,293	16,543	15,403	1,140
Total Fire	<u>924,094</u>	<u>753,244</u>	<u>667,216</u>	<u>86,028</u>
Total Security of Persons and Property	<u>3,757,493</u>	<u>3,757,043</u>	<u>3,545,656</u>	<u>211,387</u>
Transportation:				
Street:				
Personal Services	569,135	484,635	274,599	210,036
Purchased Services	43,779	32,279	32,273	6
Materials and Supplies	219,062	159,062	158,002	1,060
Total Transportation	<u>831,976</u>	<u>675,976</u>	<u>464,874</u>	<u>211,102</u>
Public Health and Welfare:				
Animal Control:				
Purchased Services	12,640	12,640	12,200	440
Materials and Supplies	25,000	30,000	28,634	1,366
Total Animal Control	<u>37,640</u>	<u>42,640</u>	<u>40,834</u>	<u>1,806</u>
Cemetery:				
Personal Services	146,500	153,500	152,456	1,044
Purchased Services	8,850	8,850	7,840	1,010
Materials and Supplies	42,379	33,379	33,054	325
Utilities	4,224	5,724	5,414	310
Total Cemetery	<u>201,953</u>	<u>201,453</u>	<u>198,764</u>	<u>2,689</u>
Total Public Health and Welfare	<u>239,593</u>	<u>244,093</u>	<u>239,598</u>	<u>4,495</u>
Leisure Time Activities:				
Park:				
Personal Services	191,400	255,900	254,963	937
Purchased Services	21,149	30,649	30,225	424
Materials and Supplies	51,197	66,197	66,040	157
Utilities	7,797	10,497	10,434	63
Total Park	<u>\$271,543</u>	<u>\$363,243</u>	<u>\$361,662</u>	<u>\$1,581</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, 2022*

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Pool:				
Personal Services	\$98,000	\$106,000	\$104,875	\$1,125
Purchased Services	4,750	5,250	4,862	388
Materials and Supplies	23,450	30,950	30,649	301
Utilities	15,019	47,819	47,361	458
Total Pool	141,219	190,019	187,747	2,272
Recreation:				
Materials and Supplies	2,500	2,500	2,500	0
Total Leisure Time Activities	415,262	555,762	551,909	3,853
Debt Service:				
Principal Retirement	36,030	36,030	24,023	12,007
Total Expenditures	7,289,703	7,416,753	6,632,704	784,049
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(815,353)</i>	<i>(660,403)</i>	<i>258,332</i>	<i>918,735</i>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	36,679	36,679
Transfers Out	(1,695,000)	(1,700,000)	(1,423,102)	276,898
Total Other Financing Sources (Uses)	(1,695,000)	(1,700,000)	(1,386,423)	313,577
Net Change in Fund Balance	(2,510,353)	(2,360,403)	(1,128,091)	1,232,312
Fund Balance Beginning of Year	6,799,798	6,799,798	6,799,798	0
Prior Year Encumbrances Appropriated	329,843	329,843	329,843	0
Fund Balance End of Year	\$4,619,288	\$4,769,238	\$6,001,550	\$1,232,312

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, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Income Taxes	\$1,800,000	\$1,920,000	\$1,730,734	(\$189,266)
Intergovernmental	350,000	350,000	0	(350,000)
<i>Total Revenues</i>	2,150,000	2,270,000	1,730,734	(539,266)
Expenditures				
Capital Outlay	3,038,497	3,917,997	3,878,849	39,148
<i>Excess of Revenues Under Expenditures</i>	(888,497)	(1,647,997)	(2,148,115)	(500,118)
Other Financing Uses				
Transfers Out	(25,000)	(50,000)	(50,000)	0
<i>Net Change in Fund Balance</i>	(913,497)	(1,697,997)	(2,198,115)	(500,118)
<i>Fund Balance Beginning of Year</i>	2,441,273	2,441,273	2,441,273	0
Prior Year Encumbrances Appropriated	1,062,997	1,062,997	1,062,997	0
<i>Fund Balance End of Year</i>	<u>\$2,590,773</u>	<u>\$1,806,273</u>	<u>\$1,306,155</u>	<u>(\$500,118)</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, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Investment Earnings/Interest	\$27,800	\$23,800	\$31,143	\$7,343
Charges for Services	2,483,500	2,477,500	2,646,417	168,917
Other	400	400	5,164	4,764
Sale of Capital Assets	0	0	3,399	3,399
<i>Total Revenues</i>	<u>2,511,700</u>	<u>2,501,700</u>	<u>2,686,123</u>	<u>184,423</u>
Expenses				
Personal Services	1,745,750	1,862,950	1,776,001	86,949
Purchased Services	338,904	513,904	510,277	3,627
Materials and Supplies	197,437	281,437	279,589	1,848
Utilities	192,874	138,874	138,556	318
Capital Outlay	721,178	516,178	195,406	320,772
<i>Total Expenses</i>	<u>3,196,143</u>	<u>3,313,343</u>	<u>2,899,829</u>	<u>413,514</u>
<i>Excess of Revenues Under Expenses before Transfers</i>	(684,443)	(811,643)	(213,706)	597,937
Transfers Out	0	(561,475)	0	561,475
<i>Net Change in Fund Equity</i>	(684,443)	(1,373,118)	(213,706)	1,159,412
<i>Fund Equity Beginning of Year</i>	5,103,287	5,103,287	5,103,287	0
Prior Year Encumbrances Appropriated	109,543	109,543	109,543	0
<i>Fund Equity End of Year</i>	<u>\$4,528,387</u>	<u>\$3,839,712</u>	<u>\$4,999,124</u>	<u>\$1,159,412</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment Earnings/Interest	\$433,200	\$433,200	\$300,993	(\$132,207)
Charges for Services	30,217,000	30,217,000	35,850,689	5,633,689
Other	376,200	376,200	506,266	130,066
Sale of Capital Assets	0	0	25,415	25,415
<i>Total Revenues</i>	<u>31,026,400</u>	<u>31,026,400</u>	<u>36,683,363</u>	<u>5,656,963</u>
Expenses				
Personal Services	6,107,450	6,154,650	5,830,298	324,352
Purchased Services	2,581,320	3,361,620	3,033,021	328,599
Materials and Supplies	19,912,644	25,113,444	24,547,342	566,102
Utilities	1,197,104	1,799,304	1,593,919	205,385
Capital Outlay	7,631,995	9,040,995	8,195,426	845,569
<i>Total Expenses</i>	<u>37,430,513</u>	<u>45,470,013</u>	<u>43,200,006</u>	<u>2,270,007</u>
<i>Excess of Revenues Under Expenses before Transfers</i>	(6,404,113)	(14,443,613)	(6,516,643)	7,926,970
Transfers In	850,000	850,000	981,900	131,900
Transfers Out	0	(1,306,544)	0	1,306,544
<i>Net Change in Fund Equity</i>	(5,554,113)	(14,900,157)	(5,534,743)	9,365,414
<i>Fund Equity Beginning of Year</i>	52,433,779	52,433,779	52,433,779	0
Prior Year Encumbrances Appropriated	498,863	498,863	498,863	0
<i>Fund Equity End of Year</i>	<u>\$47,378,529</u>	<u>\$38,032,485</u>	<u>\$47,397,899</u>	<u>\$9,365,414</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment Earnings/Interest	\$52,500	\$47,400	\$39,244	(\$8,156)
Charges for Services	3,726,450	3,704,950	4,003,482	298,532
Other	4,400	4,400	4,822	422
Sale of Capital Assets	0	0	578	578
<i>Total Revenues</i>	<u>3,783,350</u>	<u>3,756,750</u>	<u>4,048,126</u>	<u>291,376</u>
Expenses				
Personal Services	1,573,600	1,621,100	1,287,490	333,610
Purchased Services	791,868	798,768	264,795	533,973
Materials and Supplies	396,687	397,437	364,098	33,339
Utilities	319,188	319,188	235,394	83,794
Capital Outlay	1,423,418	1,428,418	258,078	1,170,340
Debt Service:				
Principal Retirement	342,811	361,673	361,667	6
Interest	13,078	14,217	5,920	8,297
<i>Total Expenses</i>	<u>4,860,650</u>	<u>4,940,801</u>	<u>2,777,442</u>	<u>2,163,359</u>
<i>Excess of Revenues Over (Under) Expenses before Transfers</i>	(1,077,300)	(1,184,051)	1,270,684	2,454,735
Transfers Out	0	(1,359,203)	0	1,359,203
<i>Net Change in Fund Equity</i>	(1,077,300)	(2,543,254)	1,270,684	3,813,938
<i>Fund Equity Beginning of Year</i>	6,196,502	6,196,502	6,196,502	0
Prior Year Encumbrances Appropriated	146,650	146,650	146,650	0
<i>Fund Equity End of Year</i>	<u>\$5,265,852</u>	<u>\$3,799,898</u>	<u>\$7,613,836</u>	<u>\$3,813,938</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, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$493,000	\$539,107	\$46,107
Investment Earnings/Interest	50	156	106
Other	0	181	181
<i>Total Revenues</i>	<u>493,050</u>	<u>539,444</u>	<u>46,394</u>
Expenditures			
Current:			
Transportation:			
Street Repair and Maintenance:			
Personal Services	927,750	916,624	11,126
Purchased Services	9,000	2,613	6,387
Materials and Supplies	115,162	96,638	18,524
Utilities	19,801	16,516	3,285
<i>Total Expenditures</i>	<u>1,071,713</u>	<u>1,032,391</u>	<u>39,322</u>
<i>Excess of Revenues Under Expenditures</i>	(578,663)	(492,947)	85,716
Other Financing Sources			
Transfers In	625,000	441,202	(183,798)
<i>Net Change in Fund Balance</i>	46,337	(51,745)	(98,082)
<i>Fund Balance Beginning of Year</i>	55,611	55,611	0
Prior Year Encumbrances Appropriated	25,863	25,863	0
<i>Fund Balance End of Year</i>	<u>\$127,811</u>	<u>\$29,729</u>	<u>(\$98,082)</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, 2022*

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$35,500	\$43,711	\$8,211
Investment Earnings/Interest	2,000	1,693	(307)
<i>Total Revenues</i>	37,500	45,404	7,904
Expenditures			
Current:			
Transportation:			
Street Repair and Maintenance:			
Materials and Supplies	25,000	24,984	16
<i>Net Change in Fund Balance</i>	12,500	20,420	7,920
<i>Fund Balance Beginning of Year</i>	288,085	288,085	0
<i>Fund Balance End of Year</i>	\$300,585	\$308,505	\$7,920

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, 2022*

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

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, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues			
Charges for Services	\$600,000	\$598,364	(\$1,636)
Expenditures			
Current:			
Basic Utility Service:			
Solid Waste Services:			
Purchased Services	614,000	581,543	32,457
<i>Excess of Revenues Over (Under) Expenditures</i>	(14,000)	16,821	30,821
Other Financing Sources			
Transfers In	14,000	0	(14,000)
<i>Net Change in Fund Balance</i>	0	16,821	16,821
<i>Fund Balance Beginning of Year</i>	83,247	83,247	0
<i>Fund Balance End of Year</i>	\$83,247	\$100,068	\$16,821

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, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines, Licenses, Permits, and Settlements	\$1,500	\$532	(\$968)
Expenditures			
Current:			
Security of Persons and Property:			
Police:			
Materials and Supplies	2,000	0	2,000
<i>Net Change in Fund Balance</i>	(500)	532	1,032
<i>Fund Balance Beginning of Year</i>	5,899	5,899	0
<i>Fund Balance End of Year</i>	\$5,399	\$6,431	\$1,032

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, 2022*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Fines, Licenses, Permits, and Settlements	\$200	\$180	(\$20)
Expenditures			
Current:			
Security of Persons and Property:			
Police:			
Law Enforcement:			
Materials and Supplies	<u>2,500</u>	<u>1,415</u>	<u>1,085</u>
<i>Net Change in Fund Balance</i>	(2,300)	(1,235)	1,065
<i>Fund Balance Beginning of Year</i>	<u>5,339</u>	<u>5,339</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,039</u></u>	<u><u>\$4,104</u></u>	<u><u>\$1,065</u></u>

City of Orrville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Maintenance Fund
For the Year Ended December 31, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues			
Charges for Services	\$15,000	\$12,254	(\$2,746)
Expenditures			
Current:			
Public Health and Welfare:			
Purchased Services	40,000	29,597	10,403
Materials and Supplies	110,000	106,025	3,975
<i>Total Expenditures</i>	150,000	135,622	14,378
<i>Net Change in Fund Balance</i>	(135,000)	(123,368)	11,632
<i>Fund Balance Beginning of Year</i>	161,860	161,860	0
<i>Fund Balance End of Year</i>	\$26,860	\$38,492	\$11,632

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, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines, Licenses, Permits, and Settlements	\$60,000	\$66,423	\$6,423
Expenditures			
Current:			
Transportation:			
Street Repair and Maintenance:			
Purchased Services	169,379	169,379	0
<i>Net Change in Fund Balance</i>	(109,379)	(102,956)	6,423
<i>Fund Balance Beginning of Year</i>	454,892	454,892	0
<i>Fund Balance End of Year</i>	\$345,513	\$351,936	\$6,423

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, 2022*

	Final Budget	Actual	Variance with Final Budget
Revenues			
Contributions and Donations	\$3,500	\$3,000	(\$500)
Expenditures			
Current:			
General Government:			
Administrative:			
Purchased Services	100	0	100
Materials and Supplies	7,000	5,636	1,364
<i>Total Expenditures</i>	7,100	5,636	1,464
<i>Net Change in Fund Balance</i>	(3,600)	(2,636)	964
<i>Fund Balance Beginning of Year</i>	26,560	26,560	0
<i>Fund Balance End of Year</i>	\$22,960	\$23,924	\$964

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, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues			
Contributions and Donations	\$17,500	\$19,301	\$1,801
Expenditures			
Current:			
Leisure Time Activity:			
Street Repair and Maintenance:			
Purchased Services	20,500	20,043	457
<i>Net Change in Fund Balance</i>	(3,000)	(742)	2,258
<i>Fund Balance Beginning of Year</i>	4,498	4,498	0
<i>Fund Balance End of Year</i>	\$1,498	\$3,756	\$2,258

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, 2022*

	Final Budget	Actual	Variance with Final Budget
Revenues			
Charges for Services	\$85,000	\$104,415	\$19,415
Expenditures			
Current:			
Public Health and Welfare:			
Emergency Medical Service:			
Materials and Supplies	44,546	37,173	7,373
<i>Net Change in Fund Balance</i>	40,454	67,242	26,788
<i>Fund Balance Beginning of Year</i>	108,186	108,186	0
Prior Year Encumbrances Appropriated	4,546	4,546	0
<i>Fund Balance End of Year</i>	\$153,186	\$179,974	\$26,788

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, 2022*

	Final Budget	Actual	Variance with Final Budget
Revenues			
Investment Earnings/Interest	\$50	\$63	\$13
Contributions and Donations	5,450	7,278	1,828
<i>Total Revenues</i>	<u>5,500</u>	<u>7,341</u>	<u>1,841</u>
Expenditures			
Current:			
Leisure Time Activities:			
Purchased Services	7,900	7,900	0
Materials and Supplies	350	146	204
<i>Total Expenditures</i>	<u>8,250</u>	<u>8,046</u>	<u>204</u>
<i>Net Change in Fund Balance</i>	(2,750)	(705)	2,045
<i>Fund Balance Beginning of Year</i>	<u>10,616</u>	<u>10,616</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,866</u></u>	<u><u>\$9,911</u></u>	<u><u>\$2,045</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, 2022*

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$0	\$7,202	\$7,202
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	7,202	7,202
<i>Fund Balance Beginning of Year</i>	<u>8,035</u>	<u>8,035</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,035</u></u>	<u><u>\$15,237</u></u>	<u><u>\$7,202</u></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, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$440,950	\$444,471	\$3,521
Expenditures			
Current:			
Security of Persons and Property:			
Police:			
Materials and Supplies	68,943	68,943	0
Basic Utility Service:			
Administration:			
Materials and Supplies	53,057	0	53,057
<i>Total Expenditures</i>	122,000	68,943	53,057
<i>Net Change in Fund Balance</i>	318,950	375,528	56,578
<i>Fund Balance Beginning of Year</i>	142,183	142,183	0
<i>Fund Balance End of Year</i>	\$461,133	\$517,711	\$56,578

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
OneOhio Opioid Settlement Fund
For the Year Ended December 31, 2022*

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines, Licenses, Permits, and Settlements	\$0	\$774	\$774
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	0	774	774
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$774	\$774

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, 2022*

	Final Budget	Actual	Variance with Final Budget
Revenues			
Special Assessments	\$500	\$0	(\$500)
Investment Earnings/Interest	2,100	1,074	(1,026)
<i>Total Revenues</i>	2,600	1,074	(1,526)
Expenditures			
Current:			
General Government:			
Purchased Services	1,000	50	950
<i>Net Change in Fund Balance</i>	1,600	1,024	(576)
<i>Fund Balance Beginning of Year</i>	194,492	194,492	0
<i>Fund Balance End of Year</i>	\$196,092	\$195,516	(\$576)

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, 2022*

	Final Budget	Actual	Variance with Final Budget
Revenues			
Investment Earnings/Interest	\$25	\$31	\$6
Contributions and Donations	0	2,261	2,261
<i>Total Revenues</i>	25	2,292	2,267
Expenditures			
Capital Outlay	300	0	300
<i>Net Change in Fund Balance</i>	(275)	2,292	2,567
<i>Fund Balance Beginning of Year</i>	4,411	4,411	0
<i>Fund Balance End of Year</i>	\$4,136	\$6,703	\$2,567

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, 2022*

	Final Budget	Actual	Variance with Final Budget
Revenues	\$0	\$0	\$0
Expenditures	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0
Other Financing Sources			
Transfers In	50,000	50,000	0
<i>Net Change in Fund Balance</i>	50,000	50,000	0
<i>Fund Balance Beginning of Year</i>	75,000	75,000	0
<i>Fund Balance End of Year</i>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$0</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, 2022*

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines, Licenses, Permits, and Settlements	\$200	\$350	\$150
Expenditures			
Capital Outlay	500	0	500
<i>Net Change in Fund Balance</i>	(300)	350	650
<i>Fund Balance Beginning of Year</i>	37,035	37,035	0
<i>Fund Balance End of Year</i>	\$36,735	\$37,385	\$650

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, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$500,000	\$418,989	(\$81,011)
Expenditures			
Capital Outlay	72,331	0	72,331
<i>Net Change in Fund Balance</i>	427,669	418,989	(8,680)
<i>Fund Balance Beginning of Year</i>	129,642	129,642	0
Prior Year Encumbrances Appropriated	72,331	72,331	0
<i>Fund Balance End of Year</i>	<u>\$629,642</u>	<u>\$620,962</u>	<u>(\$8,680)</u>

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2022*

	Final Budget	Actual	Variance with Final Budget
Revenues	\$0	\$0	\$0
Expenditures			
Capital Outlay	113,868	113,868	0
<i>Net Change in Fund Balance</i>	(113,868)	(113,868)	0
<i>Fund Balance Beginning of Year</i>	113,868	113,868	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

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, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues			
Investment Earnings/Interest	\$7,000	\$7,105	\$105
Charges for Services	139,905	81,099	(58,806)
<i>Total Revenues</i>	<u>146,905</u>	<u>88,204</u>	<u>(58,701)</u>
Expenses			
Purchased Services	6,973	7,789	(816)
Claims	162,932	87,698	75,234
<i>Total Expenses</i>	<u>169,905</u>	<u>95,487</u>	<u>74,418</u>
<i>Net Change in Fund Equity</i>	(23,000)	(7,283)	15,717
<i>Fund Equity Beginning of Year</i>	<u>893,442</u>	<u>893,442</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$870,442</u></u>	<u><u>\$886,159</u></u>	<u><u>\$15,717</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, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues			
Investment Earnings/Interest	\$20	\$22	\$2
Expenses			
Materials and Supplies	80	0	80
<i>Net Change in Fund Equity</i>	(60)	22	82
<i>Fund Equity Beginning of Year</i>	4,304	4,304	0
<i>Fund Equity End of Year</i>	\$4,244	\$4,326	\$82

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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.

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

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

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

	2022	2021	2020	2019
Governmental Activities				
Net Investment in Capital Assets	\$56,685,489	\$55,515,574	\$53,657,045	\$52,790,227
Restricted:				
Debt Service	220,572	218,720	217,893	216,939
Capital Projects	620,962	509,830	351,574	569,590
Street Repair and Maintenance	919,727	1,095,980	1,078,659	1,077,857
Law Enforcement and Education	25,806	19,298	19,911	22,026
Cemetery Maintenance	151,967	162,010	315,560	294,586
Opioid Settlement	774	0	0	0
Pension Plan	62,583	0	0	0
Unclaimed Monies	9,657	9,356	0	0
Other Purposes	3,756	4,498	4,600	5,460
Unrestricted (Deficit) (1)	2,330,194	6,905,140	4,829,767	4,321,589
<i>Total Governmental Activities Net Position</i>	<u>61,031,487</u>	<u>64,440,406</u>	<u>60,475,009</u>	<u>59,298,274</u>
Business Type - Activities				
Net Investment in Capital Assets	34,338,508	32,519,265	34,247,646	34,817,797
Restricted:				
Pension Plan	202,928	0	0	0
Unrestricted (1)	68,579,834	62,411,466	52,764,636	48,522,021
<i>Total Business-Type Activities Net Position</i>	<u>103,121,270</u>	<u>94,930,731</u>	<u>87,012,282</u>	<u>83,339,818</u>
Primary Government				
Net Investment in Capital Assets	91,023,997	88,034,839	87,904,691	87,608,024
Restricted	2,218,732	2,019,692	1,988,197	2,186,458
Unrestricted (1)	70,910,028	69,316,606	57,594,403	52,843,610
<i>Total Primary Government Net Position</i>	<u>\$164,152,757</u>	<u>\$159,371,137</u>	<u>\$147,487,291</u>	<u>\$142,638,092</u>

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

2018	2017 (1)	2016	2015	2014 (1)	2013
\$51,484,576	\$51,042,719	\$50,035,165	\$47,803,815	\$46,651,815	\$44,596,582
211,619	200,513	210,411	201,248	206,850	167,998
406,222	246,852	264,380	340,136	234,932	145,022
1,182,095	1,018,093	1,026,796	865,725	699,840	606,354
20,666	23,167	16,112	13,410	15,242	18,368
335,285	363,798	420,852	402,807	387,038	374,477
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(186,087)	(1,123,311)	2,895,418	4,708,457	3,763,350	7,934,606
53,454,376	51,771,831	54,869,134	54,335,598	51,959,067	53,843,407
33,609,805	35,568,935	36,134,763	33,514,348	34,331,464	35,995,830
0	0	0	0	0	0
44,598,705	40,562,421	40,625,054	38,787,351	34,747,551	32,108,900
78,208,510	76,131,356	76,759,817	72,301,699	69,079,015	68,104,730
85,094,381	86,611,654	86,169,928	81,318,163	80,983,279	80,592,412
2,155,887	1,852,423	1,938,551	1,823,326	1,543,902	1,312,219
44,412,618	39,439,110	43,520,472	43,495,808	38,510,901	40,043,506
<u>\$131,662,886</u>	<u>\$127,903,187</u>	<u>\$131,628,951</u>	<u>\$126,637,297</u>	<u>\$121,038,082</u>	<u>\$121,948,137</u>

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

	2022	2021	2020	2019
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$115,923	\$106,780	\$118,989	\$147,141
Security of Persons and Property:				
Police	196,508	212,448	179,439	74,401
Fire	43,521	63,822	24,926	125,406
Transportation	94,820	126,245	109,723	62,436
Public Health and Welfare	132,277	132,843	140,329	149,269
Leisure Time Activities	37,571	29,324	19,903	84,459
Basic Utility Service	596,969	596,728	475,506	450,453
Subtotal - Charges for Services	<u>1,217,589</u>	<u>1,268,190</u>	<u>1,068,815</u>	<u>1,093,565</u>
Operating Grants and Contributions:				
General Government	3,774	56,993	164,864	18,274
Security of Persons and Property:				
Police	76,145	337,586	150,855	0
Fire	0	114,137	126,127	4,210
Transportation	578,130	604,833	614,207	516,071
Leisure Time Activities	26,579	20,844	15,549	29,179
Basic Utility Service	0	5,110	120,187	0
Subtotal - Operating Grants and Contributions	<u>684,628</u>	<u>1,139,503</u>	<u>1,191,789</u>	<u>567,734</u>
Capital Grants and Contributions:				
Transportation	225,000	334,395	568,913	1,566,742
Leisure Time Activities	345,261	1,000	992	0
Subtotal - Capital Grants and Contributions	<u>570,261</u>	<u>335,395</u>	<u>569,905</u>	<u>1,566,742</u>
<i>Total Governmental Activities Program Revenues</i>	<u>2,472,478</u>	<u>2,743,088</u>	<u>2,830,509</u>	<u>3,228,041</u>
Business-Type Activities:				
Charges for Services:				
Sewer	2,666,838	2,572,656	2,397,948	2,357,134
Electric	38,365,765	33,689,650	30,973,855	32,105,319
Water	4,045,827	3,825,371	3,553,626	3,361,995
Subtotal - Charges for Services	<u>45,078,430</u>	<u>40,087,677</u>	<u>36,925,429</u>	<u>37,824,448</u>
Capital Grants and Contributions				
Water	0	0	4,113	370,553
<i>Total Business-Type Activities Program Revenues</i>	<u>45,078,430</u>	<u>40,087,677</u>	<u>36,929,542</u>	<u>38,195,001</u>
<i>Total Primary Government Program Revenues</i>	<u>47,550,908</u>	<u>42,830,765</u>	<u>39,760,051</u>	<u>41,423,042</u>
Expenses				
Governmental Activities:				
General Government	1,637,122	816,703	1,964,057	1,741,446
Security of Persons and Property:				
Police	2,985,587	2,876,816	2,786,501	716,168
Fire	875,303	358,184	582,112	405,203
Transportation	2,752,589	1,292,035	2,761,440	3,478,029
Public Health and Welfare	287,637	544,834	275,055	397,117
Leisure Time Activities	763,251	341,244	289,767	461,524
Basic Utility Service	583,120	569,128	630,747	481,223
Interest	0	0	0	0
<i>Total Governmental Activities Expenses</i>	<u>\$9,884,609</u>	<u>\$6,798,944</u>	<u>\$9,289,679</u>	<u>\$7,680,710</u>

2018 (1)	2017	2016	2015 (1)	2014	2013
\$105,259	\$165,112	\$75,424	\$122,519	\$161,761	\$145,721
30,096	8,015	11,255	9,414	11,473	17,514
109,507	92,475	85,579	62,813	59,193	77,582
66,071	65,313	96,369	168,085	673,483	590,096
173,486	158,260	144,051	114,464	114,070	141,024
86,157	101,221	72,747	77,883	77,503	74,946
444,561	440,163	437,097	424,502	425,837	416,782
1,015,137	1,030,559	922,522	979,680	1,523,320	1,463,665
26,631	17,457	22,453	36,606	20,923	22,141
0	8,929	0	2,120	1,676	0
590	6,700	0	21,516	21,483	15,000
454,235	445,373	480,954	616,218	412,876	499,012
6,417	4,520	4,963	5,012	6,235	6,897
0	0	0	0	0	0
487,873	482,979	508,370	681,472	463,193	543,050
903,100	452,870	1,289,750	877,275	968,753	911,860
0	0	0	0	0	0
903,100	452,870	1,289,750	877,275	968,753	911,860
2,406,110	1,966,408	2,720,642	2,538,427	2,955,266	2,918,575
2,314,263	2,116,127	2,370,897	2,242,742	2,022,412	2,197,638
33,132,516	34,017,923	34,171,289	32,203,765	35,801,650	32,232,307
3,252,082	2,954,895	3,228,704	3,229,736	3,294,770	3,153,951
38,698,861	39,088,945	39,770,890	37,676,243	41,118,832	37,583,896
82,023	0	0	0	0	0
38,780,884	39,088,945	39,770,890	37,676,243	41,118,832	37,583,896
41,186,994	41,055,353	42,491,532	40,214,670	44,074,098	40,502,471
1,591,910	1,455,297	1,415,466	1,235,682	1,284,010	1,256,080
2,686,829	2,376,973	2,395,000	2,137,154	2,168,366	2,057,208
516,725	620,786	613,209	534,086	607,537	601,627
2,792,254	2,650,728	1,915,963	2,464,622	2,737,924	2,359,161
367,466	313,670	334,538	238,586	199,487	201,826
379,058	400,247	1,130,301	359,038	389,909	357,702
460,069	446,518	418,166	400,247	436,292	432,964
0	0	0	23,532	32,354	40,640
\$8,794,311	\$8,264,219	\$8,222,643	\$7,392,947	\$7,855,879	\$7,307,208

(continued)

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

	2022	2021	2020	2019
Business-Type Activities:				
Sewer	\$2,317,992	\$1,472,904	\$2,523,654	\$2,845,543
Electric	33,985,493	30,510,878	30,192,642	29,679,207
Water	<u>2,570,980</u>	<u>2,011,122</u>	<u>2,849,447</u>	<u>2,928,814</u>
<i>Total Business-Type Activities Expenses</i>	<u>38,874,465</u>	<u>33,994,904</u>	<u>35,565,743</u>	<u>35,453,564</u>
<i>Total Primary Government Program Expenses</i>	<u>48,759,074</u>	<u>40,793,848</u>	<u>44,855,422</u>	<u>43,134,274</u>
Net (Expense)/Revenue				
Governmental Activities	(7,412,131)	(4,055,856)	(6,459,170)	(4,452,669)
Business-Type Activities	<u>6,203,965</u>	<u>6,092,773</u>	<u>1,363,799</u>	<u>2,741,437</u>
<i>Total Primary Government Net Expense</i>	<u>(1,208,166)</u>	<u>2,036,917</u>	<u>(5,095,371)</u>	<u>(1,711,232)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property and Other Local Taxes Levied for:				
General Purposes	549,006	547,530	488,958	486,041
Kilowatt per Hour Taxes Levied for:				
General Purposes	981,900	887,390	858,760	911,934
Municipal Income Taxes Levied for:				
General Purposes	3,701,091	5,356,085	4,213,767	6,172,655
Capital Outlay	1,493,899	2,256,241	1,756,399	2,589,159
Grants and Entitlements not Restricted to Specific Programs	430,628	414,293	297,684	301,720
Gain on Sale of Capital Assets	27,668	0	0	0
Unrestricted Contributions	0	0	6,500	30,025
Investment Earnings/Interest	(2,374,058)	(641,663)	567,591	578,761
Other	174,978	88,767	305,006	138,206
Transfers	<u>(981,900)</u>	<u>(887,390)</u>	<u>(858,760)</u>	<u>(911,934)</u>
<i>Total Governmental Activities</i>	<u>4,003,212</u>	<u>8,021,253</u>	<u>7,635,905</u>	<u>10,296,567</u>
Business-Type Activities:				
Gain on Sale of Capital Assets	29,392	0	0	0
Investment Earnings/Interest	459,030	358,393	586,058	806,454
Other	516,252	579,893	863,847	671,483
Transfers	981,900	887,390	858,760	911,934
Extraordinary Items	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Business-Type Activities</i>	<u>1,986,574</u>	<u>1,825,676</u>	<u>2,308,665</u>	<u>2,389,871</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>5,989,786</u>	<u>9,846,929</u>	<u>9,944,570</u>	<u>12,686,438</u>
Change in Net Position				
Governmental Activities	(3,408,919)	3,965,397	1,176,735	5,843,898
Business-Type Activities	<u>8,190,539</u>	<u>7,918,449</u>	<u>3,672,464</u>	<u>5,131,308</u>
<i>Total Primary Government Change in Net Position</i>	<u>\$4,781,620</u>	<u>\$11,883,846</u>	<u>\$4,849,199</u>	<u>\$10,975,206</u>

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

2018 (1)	2017	2016	2015 (1)	2014	2013
\$2,554,122	\$2,653,891	\$2,210,618	\$2,712,050	\$2,516,612	\$2,301,197
33,553,708	34,648,875	32,019,658	30,796,025	31,828,365	31,893,556
2,825,115	3,011,661	2,803,493	2,831,465	2,656,914	3,161,055
38,932,945	40,314,427	37,033,769	36,339,540	37,001,891	37,355,808
47,727,256	48,578,646	45,256,412	43,732,487	44,857,770	44,663,016
(6,388,201)	(6,297,811)	(5,502,001)	(4,854,520)	(4,900,613)	(4,388,633)
(152,061)	(1,225,482)	2,737,121	1,336,703	4,116,941	228,088
(6,540,262)	(7,523,293)	(2,764,880)	(3,517,817)	(783,672)	(4,160,545)
483,583	459,213	447,328	440,314	433,672	397,725
861,307	916,592	920,114	988,499	917,051	915,131
5,002,790	4,251,620	3,695,374	3,985,729	3,884,203	4,214,928
2,092,900	1,790,831	1,555,310	2,469,190	2,081,797	1,634,785
247,738	258,486	212,873	262,761	266,350	261,887
0	62,503	31,859	0	0	0
0	600	280	500	600	0
72,186	(26,698)	(45,800)	17,964	16,398	4,341
171,549	28,029	138,313	54,593	89,440	130,857
(861,307)	(916,592)	(920,114)	(988,499)	(917,052)	(915,131)
8,070,746	6,824,584	6,035,537	7,231,051	6,772,459	6,644,523
0	104,381	14,715	0	0	194,281
596,511	396,252	227,924	209,879	162,258	106,958
771,397	597,386	558,244	687,603	641,980	607,926
861,307	916,592	920,114	988,499	917,052	915,131
0	3,062,987	0	0	0	0
2,229,215	5,077,598	1,720,997	1,885,981	1,721,290	1,824,296
10,299,961	11,902,182	7,756,534	9,117,032	8,493,749	8,468,819
1,682,545	526,773	533,536	2,376,531	1,871,846	2,255,890
2,077,154	3,852,116	4,458,118	3,222,684	5,838,231	2,052,384
\$3,759,699	\$4,378,889	\$4,991,654	\$5,599,215	\$7,710,077	\$4,308,274

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

	2022	2021	2020	2019
General Fund				
Nonspendable	\$167,495	\$160,582	\$121,327	\$115,351
Assigned	2,864,967	2,569,866	3,124,711	2,374,560
Unassigned	1,388,332	5,106,103	4,921,116	4,127,313
Total General Fund	4,420,794	7,836,551	8,167,154	6,617,224
All Other Governmental Funds				
Restricted	\$1,791,253	\$1,826,255	\$1,653,591	\$1,610,627
Committed	2,807,031	4,048,127	3,610,727	2,449,190
Assigned	44,108	41,451	39,930	38,213
Total All Other Governmental Funds	4,642,392	5,915,833	5,304,248	4,098,030
Total Governmental Funds	\$9,063,186	\$13,752,384	\$13,471,402	\$10,715,254

2018	2017	2016	2015	2014	2013
\$117,682	\$91,153	\$111,330	\$104,828	\$97,710	\$96,812
1,941,612	1,861,536	1,566,460	1,898,352	2,486,039	1,860,961
3,167,371	2,723,467	2,898,898	2,598,193	2,134,860	3,188,229
5,226,665	4,676,156	4,576,688	4,601,373	4,718,609	5,146,002
\$1,905,049	\$1,759,580	\$1,766,139	\$1,673,767	\$1,410,482	\$1,183,988
2,063,371	1,885,288	1,925,192	2,951,029	2,043,936	1,830,120
36,929	36,251	31,783	31,471	30,660	30,103
4,005,349	3,681,119	3,723,114	4,656,267	3,485,078	3,044,211
\$9,232,014	\$8,357,275	\$8,299,802	\$9,257,640	\$8,203,687	\$8,190,213

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

	2022	2021	2020	2019
Revenues				
Property Taxes	\$549,931	\$548,958	\$490,172	\$488,361
Income Taxes	5,952,350	7,428,639	7,192,772	7,497,519
Kilowatt Per Hour Tax	981,900	887,390	858,760	911,934
Special Assessments	0	242	2,094	214
Intergovernmental	1,648,241	1,848,978	1,955,112	2,375,680
Investment Earnings/Interest	(2,374,058)	(641,663)	567,591	578,761
Fines, Licenses, Permits, and Settlements	91,673	121,041	109,286	92,549
Rentals	1,155	852	595	165
Charges for Services	1,116,431	1,143,150	961,325	1,001,462
Contributions and Donations	31,840	50,852	32,698	76,092
Other	174,978	88,767	305,006	138,206
<i>Total Revenues</i>	<u>8,174,441</u>	<u>11,477,206</u>	<u>12,475,411</u>	<u>13,160,943</u>
Expenditures				
Current:				
General Government	1,743,964	1,417,631	1,721,672	1,347,530
Security of Persons and Property:				
Police	2,891,273	3,001,491	2,440,971	2,451,829
Fire	639,869	920,612	454,021	412,049
Transportation	1,677,782	1,635,505	1,482,315	1,931,984
Public Health and Welfare	296,049	694,627	240,169	349,568
Leisure Time Activities	560,222	382,486	269,536	370,586
Basic Utility Service	583,120	569,128	630,747	481,223
Capital Outlay	3,502,116	1,651,321	1,613,943	3,396,978
Debt Service:				
Principal Retirement	24,023	36,033	12,011	24,022
Interest	0	0	0	0
<i>Total Expenditures</i>	<u>11,918,418</u>	<u>10,308,834</u>	<u>8,865,385</u>	<u>10,765,769</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,743,977)</u>	<u>1,168,372</u>	<u>3,610,026</u>	<u>2,395,174</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	36,679	0	4,882	0
OPWC Loan Issued	0	0	0	0
Transfers In	491,202	417,506	227,140	496,279
Transfers Out	(1,473,102)	(1,304,896)	(1,085,900)	(1,408,213)
<i>Total Other Financing Sources (Uses)</i>	<u>(945,221)</u>	<u>(887,390)</u>	<u>(853,878)</u>	<u>(911,934)</u>
<i>Net Change in Fund Balances</i>	<u>(\$4,689,198)</u>	<u>\$280,982</u>	<u>\$2,756,148</u>	<u>\$1,483,240</u>
Debt Service as a Percentage of Noncapital Expenditures	0.28%	0.55%	0.17%	0.33%

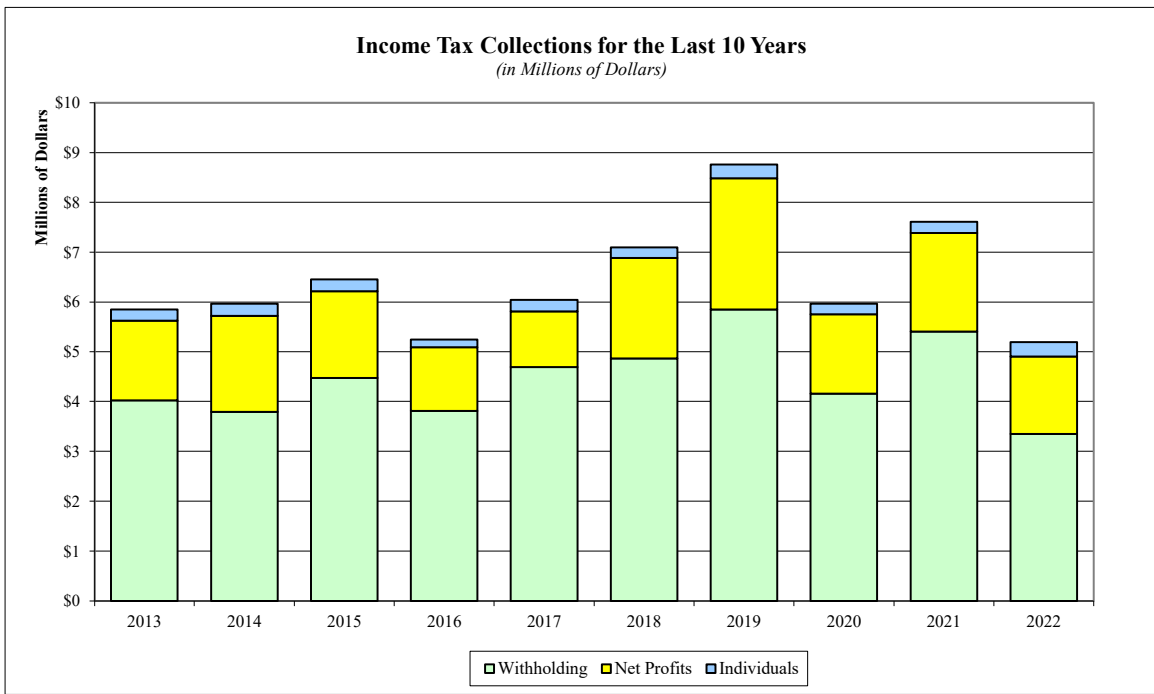
2018	2017	2016	2015	2014	2013
\$479,207	\$460,007	\$446,795	\$456,735	\$431,947	\$431,521
6,566,266	5,978,951	5,993,991	6,227,814	6,119,991	5,944,657
861,307	916,592	920,114	988,499	917,051	915,131
8,030	19,309	8,846	19,183	22,907	11,556
1,606,577	1,155,382	2,011,077	1,778,787	1,698,141	1,748,085
72,186	(26,698)	(45,800)	17,964	16,398	4,341
92,392	96,194	98,562	100,704	102,280	39,316
399	552	557	1,689	4,739	31,418
912,438	932,886	790,115	872,860	1,364,068	1,332,827
23,452	20,580	28,274	29,911	19,718	72,188
171,549	28,029	138,313	54,593	89,440	130,857
<u>10,793,803</u>	<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>
1,319,706	1,230,154	1,204,905	1,197,106	1,185,189	1,157,442
2,302,573	2,186,585	2,248,782	2,059,944	2,113,519	2,033,291
373,975	564,278	461,229	435,938	463,480	467,667
1,530,995	1,407,662	1,375,018	1,562,128	1,246,065	1,251,556
333,674	291,842	313,286	222,964	178,694	182,521
315,011	335,684	344,920	299,276	306,991	298,747
460,069	446,518	418,166	400,247	436,292	432,964
2,751,052	2,321,686	4,550,785	2,492,178	3,884,488	2,557,675
24,022	24,023	0	9,630	9,030	8,460
0	0	0	23,587	32,406	40,688
<u>9,411,077</u>	<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>1,382,726</u>	<u>773,352</u>	<u>(526,247)</u>	<u>1,845,741</u>	<u>930,526</u>	<u>2,230,886</u>
353,320	200,713	79,300	125,489	0	0
0	0	409,223	71,222	0	0
580,737	475,360	495,134	493,653	981,385	490,200
<u>(1,442,044)</u>	<u>(1,391,952)</u>	<u>(1,415,248)</u>	<u>(1,482,152)</u>	<u>(1,898,437)</u>	<u>(1,405,331)</u>
<u>(507,987)</u>	<u>(715,879)</u>	<u>(431,591)</u>	<u>(791,788)</u>	<u>(917,052)</u>	<u>(915,131)</u>
<u>\$874,739</u>	<u>\$57,473</u>	<u>(\$957,838)</u>	<u>\$1,053,953</u>	<u>\$13,474</u>	<u>\$1,315,755</u>
0.37%	0.39%	0.00%	0.57%	0.65%	0.83%

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
2022	1.00%	\$5,194,990	\$3,347,132	64.43%	\$1,555,900	29.95%	\$291,958	5.62%
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

(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 2022 and 2013

Tax Year 2022				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	244	11.17 %	\$39,316,108	35.02 %
75,001-100,000	213	9.75	18,419,478	16.40
50,001-75,000	397	18.18	24,485,664	21.81
25,000-50,000	592	27.11	22,078,796	19.66
Under 25,000	738	33.79	7,989,263	7.11
Total	<u>2,184</u>	<u>100.00 %</u>	<u>\$112,289,309</u>	<u>100.00 %</u>
Tax Year 2013				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	273	6.92 %	\$177,155,334	67.17 %
75,001-100,000	248	6.29	21,308,773	8.08
50,001-75,000	451	11.44	27,707,537	10.51
25,000-50,000	674	17.09	24,576,363	9.32
Under 25,000	1,353	34.30	12,979,653	4.92
Zero File	945	23.96	0	0.00
Total	<u>3,944</u>	<u>100.00 %</u>	<u>\$263,727,660</u>	<u>99.99 %</u>

Source: City Income Tax Department

(1) Includes individual filers only.

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Type of Customer:										
Residential	\$10,229,590	\$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
Industrial	17,233,645	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
Commercial	10,498,517	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
Government	368,248	339,299	307,783	329,961	342,939	372,172	456,521	420,379	424,792	386,048
Total	\$38,330,000	\$33,563,850	\$30,889,745	\$32,024,884	\$33,054,962	\$33,871,967	\$34,090,946	\$32,203,765	\$35,801,650	\$32,232,307

City of Orrville, Ohio
Principal Electric Customers
 2022 and 2013

<u>2022</u>		
<u>Customer</u>	<u>Electric Charges for Services</u>	<u>Percentage of Total Electric Charges for Services</u>
Quality Castings Company	\$5,802,670	15.14 %
J.M. Smucker Company	3,696,232	9.64
SmithFoods, Incorporated	1,850,276	4.83
Bekaert Corporation	1,306,209	3.41
Orrvilon	920,130	2.40
Marshallville Corporation	621,025	1.62
Venture Products	422,709	1.10
Will-Burt Company, Incorporated	394,184	1.03
Aultman Orrville Hospital	387,526	1.01
Morgan Corporation	328,048	0.86
Total	<u>\$15,729,009</u>	<u>41.04 %</u>
Total Electric Charges for Services	<u>\$38,330,000</u>	

<u>2013</u>		
<u>Customer</u>	<u>Electric Charges for Services</u>	<u>Percentage of Total Electric Charges for Services</u>
Quality Castings Company	\$4,776,133	14.82 %
J.M. Smucker Company	3,563,100	11.05
SmithFoods, Incorporated	1,706,819	5.29
Bekaert Corporation	1,221,146	3.79
JLG	714,631	2.22
Marshallville Corporation	665,884	2.07
Orrvilon	492,501	1.53
Will-Burt Company, Incorporated	485,795	1.51
Aultman Orrville Hospital	409,381	1.27
Buehler's	259,040	0.80
Total	<u>\$14,294,430</u>	<u>44.35 %</u>
Total Electric Charges for Services	<u>\$32,232,307</u>	

Source: City Records

City of Orrville, Ohio

Electric Rates Per Month

Last Ten Years

	2022	2021	2020	2019
Residential:				
First 50 KWH	\$8.2400	\$8.2400	\$8.2400	\$8.2400
Next 250 KWH - per KWH	0.1004	0.1004	0.1004	0.1004
Next 750 KWH - per KWH	0.0936	0.0936	0.0936	0.0936
All Over 1050 KWH - per KWH	0.0877	0.0877	0.0877	0.0877
General Service:				
Small:				
Minimum Charge	13.3700	13.3700	13.3700	13.3700
First 100 KWH - per KWH	0.1334	0.1334	0.1334	0.1334
Next 200 KWH - per KWH	0.1123	0.1123	0.1123	0.1123
All Over 300 KWH - per KWH	0.1013	0.1013	0.1013	0.1013
Medium (per KVA):				
Minimum Charge - per KVA	1.7600	1.7600	1.7600	1.7600
First 60 KWH Block - per KWH	0.1422	0.1422	0.1422	0.1422
Second 60 KWH Block - per KWH	0.1182	0.1182	0.1182	0.1182
Third 80 KWH Block - per KWH	0.0936	0.0936	0.0936	0.0936
Fourth 100 KWH Block - per KWH	0.0861	0.0861	0.0861	0.0861
All Over 300 KWH - per KWH	0.0805	0.0805	0.0805	0.0805
Large (per KVA):				
Minimum Charge - per KVA	1.6200	1.6200	1.6200	1.6200
First 50 KWH Block - per KWH	0.1383	0.1383	0.1383	0.1383
Second 50 KWH Block - per KWH	0.0984	0.0984	0.0984	0.0984
Over 100 KWH Block but not				
Exceeding 100,000 KWH - per KWH	0.0822	0.0822	0.0822	0.0822
All Over Sum of Prior Amounts - per KWH	0.0774	0.0774	0.0774	0.0774
Industrial (per KVA):				
Minimum Charge - per KVA	3.2000	3.2000	3.2000	3.2000
First 30 KWH Block - per KWH	0.1622	0.1622	0.1622	0.1622
Second 170 KWH Block per KVA:				
2,000 KWH - per KWH	0.1148	0.1148	0.1148	0.1148
8,000 KWH - per KWH	0.1054	0.1054	0.1054	0.1054
90,000 KWH - per KWH	0.0936	0.0936	0.0936	0.0936
Over 100,000 KWH - per KWH	0.0811	0.0811	0.0811	0.0811
Third Block Over 200,000 KWH - per KWH	0.0741	0.0741	0.0741	0.0741
All Over Sum of Prior Amounts - per KWH	0.0733	0.0733	0.0733	0.0733

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

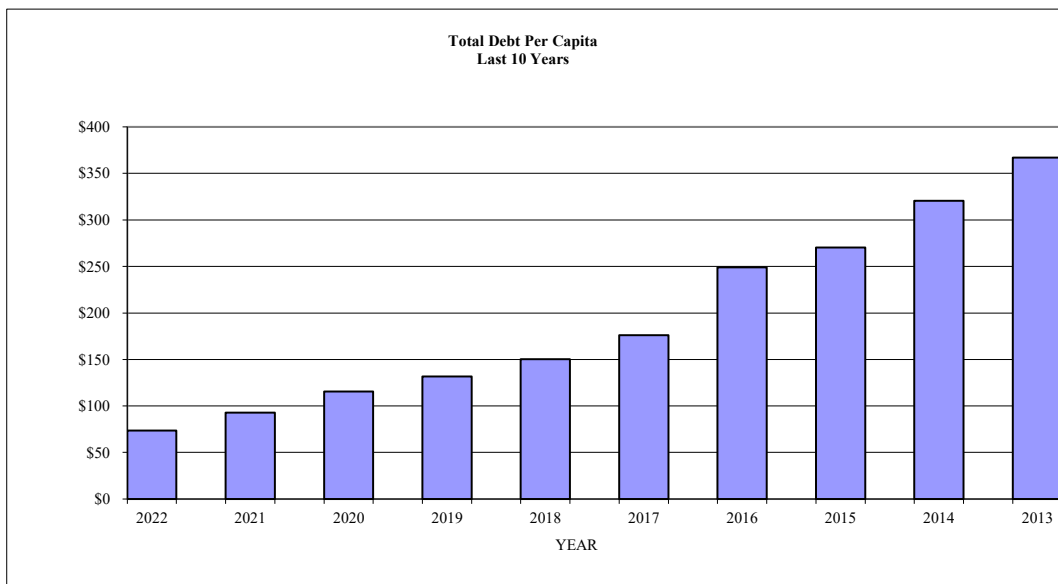
Source: City Records

2018	2017	2016	2015	2014	2013
\$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
2022	\$0	\$613,513,645	0.00 %	\$0	\$0	\$336,311
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

- (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	OPWC Loans	Total Debt	Percentage of Personal Income (3)	Per Capita (3)
\$0	\$0	\$285,833	\$622,144	0.27 %	\$74
0	115,000	307,500	782,834	0.34	93
0	230,000	340,000	966,367	0.57	115
0	345,000	350,834	1,104,212	0.65	132
0	455,000	372,500	1,259,900	0.74	150
0	565,000	454,610	1,476,032	0.86	176
400,000	670,000	536,718	2,087,163	1.22	249
800,000	775,000	618,824	2,265,046	1.32	270
1,100,000	875,000	700,933	2,685,563	1.57	320
1,300,000	975,000	783,042	3,076,702	1.80	367

City of Orrville, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2022

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Orrville			
OPWC Loans	\$336,311	100 %	\$336,311
Overlapping			
Orrville City School District:			
General Obligation Bonds	10,527,268	80.39	8,462,871
School Facilities Construction and Improvement Note	657,000	80.39	528,162
Certificates of Participation	7,610,000	80.39	6,117,679
Wayne County:			
OPWC Loans	194,967	8.74	17,040
Lease Purchase	375,306	8.74	32,802
<i>Total Overlapping Debt</i>	<u>19,364,541</u>		<u>15,158,554</u>
Total	<u><u>\$19,700,852</u></u>		<u><u>\$15,494,865</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	
2022	\$2,697,601	\$2,119,760	\$577,841	\$0	\$0	N/A
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

Water						
Year	Water Operating Revenues (2)	Water Operating Expenses (3)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2022	\$4,091,158	\$1,756,032	\$2,335,126	\$21,667	\$0	107.77
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

(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

	2022	2021	2020	2019
Total Assessed Property Value	<u>\$215,319,160</u>	<u>\$213,605,200</u>	<u>\$193,414,790</u>	<u>\$191,579,520</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>22,608,512</u>	<u>22,428,546</u>	<u>20,308,553</u>	<u>20,115,850</u>
Debt Outstanding:				
Refunding General Obligation Bonds	\$0	\$115,000	\$230,000	\$345,000
Special Assessment Bonds	0	0	0	0
Bond Anticipation Notes	0	0	0	0
OPWC Loans	<u>622,144</u>	<u>667,834</u>	<u>736,367</u>	<u>759,212</u>
Total Gross Indebtedness	622,144	782,834	966,367	1,104,212
Less:				
Special Assessment Bonds	0	0	0	0
Bond Anticipation Notes	0	0	0	0
OPWC Loans	<u>(622,144)</u>	<u>(667,834)</u>	<u>(736,367)</u>	<u>(759,212)</u>
Total Net Debt Applicable to Debt Limit	<u>0</u>	<u>115,000</u>	<u>230,000</u>	<u>345,000</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$22,608,512</u>	<u>\$22,313,546</u>	<u>\$20,078,553</u>	<u>\$19,770,850</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	99.49%	98.87%	98.28%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$11,842,554</u>	<u>\$11,748,286</u>	<u>\$10,637,813</u>	<u>\$10,536,874</u>
Total Gross Indebtedness	622,144	782,834	966,367	1,104,212
Less:				
Special Assessment Bonds	0	0	0	0
Bond Anticipation Notes	0	0	0	0
OPWC Loans	<u>(622,144)</u>	<u>(667,834)</u>	<u>(736,367)</u>	<u>(759,212)</u>
Net Debt Within 5 ½ % Limitations	<u>0</u>	<u>115,000</u>	<u>230,000</u>	<u>345,000</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$11,842,554</u>	<u>\$11,633,286</u>	<u>\$10,407,813</u>	<u>\$10,191,874</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	99.02%	97.84%	96.73%

Source: City Financial Records

2018	2017	2016	2015	2014	2013
<u>\$187,578,300</u>	<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>19,695,722</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>
\$455,000	\$565,000	\$670,000	\$775,000	\$875,000	\$975,000
0	0	0	0	9,630	18,660
0	0	400,000	800,000	1,100,000	1,300,000
<u>804,900</u>	<u>911,032</u>	<u>1,017,163</u>	<u>690,046</u>	<u>700,933</u>	<u>783,042</u>
1,259,900	1,476,032	2,087,163	2,265,046	2,685,563	3,076,702
0	0	0	0	(9,630)	(18,660)
0	0	(400,000)	(800,000)	(1,100,000)	(1,300,000)
<u>(804,900)</u>	<u>(911,032)</u>	<u>(1,017,163)</u>	<u>(690,046)</u>	<u>(700,933)</u>	<u>(783,042)</u>
<u>455,000</u>	<u>565,000</u>	<u>670,000</u>	<u>775,000</u>	<u>875,000</u>	<u>975,000</u>
<u>\$19,240,722</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>
97.69%	97.00%	96.41%	95.88%	95.29%	94.62%
<u>\$10,316,807</u>	<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>
1,259,900	1,476,032	2,087,163	2,265,046	2,685,563	3,076,702
0	0	0	0	(9,630)	(18,660)
0	0	(400,000)	(800,000)	(1,100,000)	(1,300,000)
<u>(804,900)</u>	<u>(911,032)</u>	<u>(1,017,163)</u>	<u>(690,046)</u>	<u>(700,933)</u>	<u>(783,042)</u>
<u>455,000</u>	<u>565,000</u>	<u>670,000</u>	<u>775,000</u>	<u>875,000</u>	<u>975,000</u>
<u>\$9,861,807</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>
95.59%	94.28%	93.14%	92.13%	91.01%	89.73%

City of Orrville, Ohio

Principal Employers

2022 and 2013

2022

Employer	Employees
J.M. Smucker Company	1,800
Aultman Orrville Hospital	406
SmithFoods, Incorporated	392
Venture Products	375
Quality Castings Company	320
Jarrett Companies	270
Will-Burt Company, Incorporated	266
Orrville City School District	224
Buehler's Food Market	210
Bekaert Corporation	180
Total	4,443
Total Employment within the City	n/a

2013

Employer	Employees
J.M. Smucker Company	1,600
JLG, Incorporated	518
Will-Burt Company, Incorporated	351
Quality Castings Company	345
SmithFoods, Incorporated	271
Bekaert Corporation	219
Aultman Orrville Hospital	217
City of Orrville/Orrville Utilities (1)	198
Orrville City Schools	186
Scott Industries	115
Total	4,020
Total Employment within the City	n/a

Source: Wayne County Auditor

n/a - Information not available

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

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

Year	Population (1)	Total Personal Income (3)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Wayne County Unemployment Rate (2)
2022	8,452	\$229,404,184	\$27,142	\$58,211	37.1	3.2%
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

(1) 2022 from 2020 Federal Census; 2020-2013 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	2022	2021	2020	2019
General Government				
City Council	9.0	9.0	9.0	9.0
Finance	2.0	2.0	2.0	2.0
Tax	1.0	1.0	1.0	1.0
Law	1.0	1.0	1.0	1.0
Administration	19.0	16.0	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
Security of Persons and Property				
Police	16.0	18.0	17.0	17.0
Police - Dispatchers	0.0	0.0	0.0	0.0
School Crossing Guards	1.0	3.0	3.0	3.0
Fire	24.0	23.0	27.0	28.0
Community Development				
Economic Development	1.0	1.0	1.0	1.0
Transportation				
Street, Park & Cemetery	14.0	14.0	15.0	15.0
Basic Utility Services				
Electric - Meter Readers	1.0	1.0	1.0	1.0
Electric - Operations	0.0	0.0	7.0	7.0
Electric - Maintenance	22.0	24.0	16.0	16.0
Electric - Distribution	15.0	12.0	16.0	16.0
Electric - Fiber Optics	2.0	2.0	2.0	2.0
Water - Operations	5.0	6.0	6.0	6.0
Water - Maintenance	2.0	2.0	2.0	2.0
Sewer - Operations	8.0	7.0	7.0	7.0
Sewer - Maintenance	2.0	2.0	2.0	2.0
Totals:	<u>154.0</u>	<u>153.0</u>	<u>164.0</u>	<u>165.0</u>

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

2018	2017	2016	2015	2014	2013
9.0	9.0	9.0	9.0	9.0	9.0
2.0	2.0	2.0	2.0	2.0	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
20.0	19.0	19.0	18.0	17.0	18.0
1.0	1.0	1.0	1.0	1.0	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
16.0	14.0	15.0	15.0	14.0	15.0
1.0	1.0	1.0	5.0	6.0	6.0
3.0	3.0	3.0	3.0	3.0	4.0
26.0	28.0	28.0	28.0	28.0	34.0
1.0	1.0	1.0	1.0	1.0	1.0
14.0	15.0	15.0	15.0	15.0	14.0
1.0	1.0	1.0	1.0	1.0	1.0
9.0	12.0	13.0	15.0	19.0	19.0
17.0	17.0	18.0	21.0	21.0	24.0
16.0	15.0	17.0	17.0	18.0	20.0
2.0	2.0	2.0	2.0	3.0	3.0
5.0	5.0	5.0	5.0	5.0	5.0
2.0	2.0	3.0	3.0	3.0	3.0
7.0	7.0	7.0	7.0	8.0	6.0
2.0	2.0	1.0	1.0	1.0	1.0
164.0	166.0	171.0	179.0	185.0	198.0

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

Function/Program	2022	2021	2020	2019
General Government				
<i>Council and Clerk</i>				
Number of Ordinances Passed	5	16	5	6
Number of Resolutions Passed	54	52	49	48
Number of Planning Commission Docket Items	23	24	26	15
Zoning Board of Appeals Docket Items	2	3	2	2
<i>Finance Department</i>				
Number of Checks/Vouchers Issued	3,332	3,255	3,426	3,783
Amount of Checks Written	\$45,968,318	\$40,198,327	\$36,459,160	\$36,952,789
Interest Earnings for Fiscal Year (Cash Basis)	\$523,222	\$438,523	\$764,235	\$932,018
Number of Receipts Issued	1,893	2,311	1,945	2,203
Number of Journal Entries Issued	590	876	965	762
Number of Budget Adjustments Issued	2	3	5	5
<i>Income Tax Department</i>				
Number of Individual Returns	3,256	2,354	2,368	2,611
Number of Business Returns	546	833	564	579
Number of Business Withholding Accounts	986	1,094	921	713
Amount of Penalties and Interest Collected	\$0	\$237	\$547	\$1,056
Annual Number of Corporate Withholding Forms Processed	9,278	5,934	5,299	5,087
Annual Number of Balance Due Statement Forms Processed	433	88	82	366
Annual Number of Estimated Payment Forms Processed	83	856	738	772
Annual Number of Reconciliations of Withholdings Processed	522	646	650	609
<i>Civil Service</i>				
Number of Police Entry Tests Administered	1	0	0	0
Number of Police Promotional Tests Administered	0	0	0	0
Number of Hires of Police Officers from Certified Lists	1	0	0	0
Number of Promotions from Police Certified Lists	0	0	0	0
<i>Building Department Indicators</i>				
New Construction Permits Issued	22	40	55	43
Estimated Value of Construction	\$18,404,400	\$4,723,158	\$4,926,838	\$6,544,658
Number of Permits Issued	106	128	125	92
Amount of Revenue Generated from Permits	\$3,280	\$4,410	\$3,503	\$2,712
Security of Persons and Property				
<i>Police</i>				
Number of Traffic Citations Issued	0	0	0	0
Number of Criminal Arrests	102	71	90	157
Number of Accident Reports Completed	118	100	85	121
Part 1 Offenses (Major Offenses)	83	129	85	95
DUI Arrests	8	3	7	13
Motor Vehicle Accidents	118	100	85	121
Fatalities from Motor Vehicle Accidents	0	0	0	0
<i>Fire</i>				
EMS Calls	909	938	774	740
Ambulance Billing Collections (Net)	\$207,618	\$209,449	\$171,342	\$163,947
Fire Calls	231	234	215	234
Fires With Loss	4	10	8	11
Fire Losses	\$1,008,900	\$231,500	\$347,400	\$605,230
Fire Safety Inspections	43	64	38	85
Number of Times Mutual Aid Given to Fire and EMS	51	50	28	64
Number of Times Mutual Aid Received for Fire and EMS	9	9	6	9

2018	2017	2016	2015	2014	2013
13	4	4	8	8	19
46	55	48	54	54	55
19	39	33	31	34	34
5	4	3	4	5	4
3,693	4,127	4,685	4,486	4,865	4,677
\$37,902,862	\$39,366,438	\$52,726,352	\$51,850,129	\$49,034,188	\$42,905,964
\$660,548	\$406,502	\$185,825	\$271,001	\$195,009	\$125,836
2,284	2,032	1,882	1,970	2,005	2,124
568	531	539	544	509	483
2	3	1	2	3	2
2,488	2,479	2,832	3,433	3,408	3,397
626	628	593	602	589	559
679	770	708	595	554	576
\$654	\$266	\$570	\$385	\$1,226	\$593
5,164	5,325	5,108	3,094	3,098	2,852
209	52	69	374	402	389
684	687	691	544	619	641
686	676	520	606	611	599
2	0	0	1	1	0
0	0	3	0	1	1
2	0	0	1	1	2
0	0	3	0	1	1
59	91	42	39	51	48
\$10,727,713	\$16,661,982	\$30,700,214	\$7,178,303	\$46,838,201	\$13,280,308
127	153	91	96	114	102
\$7,655	\$4,561	\$2,430	\$2,795	\$2,865	\$2,445
0	566	785	656	563	844
227	177	147	219	164	238
153	144	160	162	156	142
124	144	124	92	140	141
12	22	22	31	18	20
153	144	160	162	156	142
0	0	0	0	1	0
819	727	622	460	492	526
\$166,991	\$141,018	\$117,702	\$96,847	\$110,797	\$121,698
221	198	180	161	143	164
19	22	13	13	17	5
\$761,450	\$468,847	\$108,174	\$287,775	\$325,395	\$172,065
87	57	55	63	74	74
28	28	49	45	33	46
7	6	11	6	8	8

(continued)

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

Function/Program	2022	2021	2020	2019
Public Health and Welfare				
Cemetery Burials	74	71	87	72
Cemetery Sale of Lots	52	74	66	51
Cemetery Receipts	\$61,362	\$55,410	\$77,847	\$51,395
Leisure Time Activities				
<i>Recreation</i>				
Recreation Swimming Pool Receipts	\$42,717	\$36,802	\$16,451	\$47,303
Economic Development				
Grant Amounts Received Due to Economic Development Department	\$225,000	\$189,095	\$311,116	\$768,864
Basic Utility Services				
Refuse Disposal Per Year (In Tons)	3,273	3,389	3,132	3,024
Refuse Disposal Costs Per Year	\$636,207	\$601,583	\$463,482	\$479,813
Annual Recycling Tonnage (Excluding Leaf and Compost Items)	470	513	560	560
Percentage of Waste Recycled	12.50%	14.90%	15.20%	15.70%
Transportation				
Street Improvements - Asphalt Overlay (Linear Feet)	2,990	8,395	24,410	10,572
Street Repair (Curbs, Aprons, Berms, Asphalt) (Hours)	1,085	750	974	1,595
Paint Striping (Hours)	26	0	0	149
Street Sweeper (Hours)	190	260	319	428
Cold Patch (Hours)	53	41	48	95
Snow & Ice Removal Regular Hours	1,551	779	183	497
Snow & Ice Removal Overtime Hours	491	337	137	523
Sewer Crew (Hours)	131	455	511	934
Sewer Jet, Vac-All, Other Services (Hours)	456	589	256	557
Landscaping Stump-Chipper Service (Hours)	1,161	1,497	844	1,648
Leaf Collection (Hours)	1,173	1,539	1,240	1,471
Holiday Lights Setup (Hours)	101	270	112	80
Equipment Repair/Body Shop (Hours)	1,055	1,008	1,006	1,172
Sign Department (Hours)	216	340	2,634	913
Number of Trees Planted Per Year	10	50	114	30
Tons of Snow Melting Salt Purchased (November - March)	1,077	997	1,097	1,194
Cost of Salt Purchased	\$49,545	\$45,129	\$98,232	\$74,522
Vehicle Repair/Body Shop (Hours)	2,317	766	911	789
Water Department				
Water Rates Per 1st 100 Cu. Ft. of Water Used	\$4.76	\$4.76	\$4.23	\$3.99
Average Number of Water Accounts Billed Monthly (Cu. Ft.)	52,816	51,436	51,862	50,853
Total Water Collections Annually (Including P&I)	\$4,048,126	\$3,760,751	\$3,530,706	\$3,343,069
Sewer Department				
Sewer Rates Per 1st 100 Cu. Ft. of Water Used	\$3.81	\$3.59	\$3.39	\$3.20
Total Flow of Sewer Treatment Plant (Millions of Gallons)	786	826	843	927
Average Daily Flow (Millions of Gallons Per Day)	2.15	2.26	2.31	2.54
Tons of Dry Sludge Removed	308	300	445	297

Source: City Records

2018	2017	2016	2015	2014	2013
61	80	77	59	59	81
72	75	76	79	30	68
\$56,469	\$59,313	\$57,676	\$46,832	\$42,349	\$59,807
\$50,413	\$60,545	\$37,333	\$47,461	\$43,927	\$46,247
\$279,305	\$292,379	\$1,133,879	\$1,343,527	\$806,529	\$1,018,070
2,897	2,875	2,710	2,707	2,677	2,819
\$445,637	\$446,263	\$416,358	\$400,271	\$433,295	\$431,650
543	540	554	549	465	407
15.80%	16.00%	17.00%	17.00%	14.80%	14.45%
27,112	14,500	14,157	21,000	4,916	7,770
1,453	1,644	1,835	1,907	1,657	1,596
124	341	161	226	0	455
324	350	353	280	332	369
204	100	68	239	157	46
496	271	540	1,228	909	588
320	132	388	1,237	756	302
938	1,029	1,224	1,495	1,050	793
473	456	258	319	281	337
1,547	920	2,857	1,384	923	2,410
1,482	1,398	1,619	1,251	1,608	1,161
98	129	106	76	141	93
1,219	2,439	826	1,018	1,121	1,943
4,327	3,309	386	280	195	521
10	31	34	36	1	63
1,050	898	982	50	375	942
\$38,577	\$34,919	\$56,477	\$69,437	\$12,870	\$35,994
928	1,516	1,320	1,793	2,015	3,189
\$3.73	\$3.49	\$3.23	\$3.23	\$3.23	\$3.04
54,871	58,448	72,654	73,210	75,321	84,702
\$3,232,974	\$3,027,637	\$3,224,102	\$3,326,271	\$3,296,454	\$3,180,759
\$3.02	\$2.82	\$2.64	\$2.64	\$2.64	\$2.64
898	804	734	763	756	807
2.46	2.20	2.01	2.09	2.07	2.21
345	252	459	441	387	652

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

Function/Program	2022	2021	2020	2019
General Government				
Square Footage Occupied	71,554	71,554	71,554	71,554
Administrative Vehicles	2	3	3	3
Inspection Vehicles	0	2	2	1
Police				
Stations	1	1	1	1
Square Footage of Building	11,700	11,700	11,700	11,700
Vehicles	15	18	16	14
Fire				
Stations	2	2	2	2
Square Footage of Building	12,436	10,900	10,900	10,900
Vehicles	12	14	13	14
Recreation				
Number of Parks	6	6	6	6
Number of Pools	1	1	1	1
Number of Tennis Courts	6	6	6	6
Number of Baseball Diamonds	7	7	7	7
Vehicles	2	1	1	1
Pickle Ball Courts	2	2	0	0
Splash Pad	1	0	0	0
Transportation				
Streets (miles)	51	51	51	51
Storm Sewers (miles)	11	151	151	151
Service Vehicles	25	27	27	26
Sewer Department				
Sanitary Sewers (miles)	42	42	42	42
Vehicles	7	7	6	6
Water Department				
Water Lines (miles)	61	61	61	61
Vehicles	9	10	10	10
Electric Department				
Electric Lines (miles)	334	334	334	300
Vehicles	22	26	25	24

Source: City Records

2018	2017	2016	2015	2014	2013
71,554	71,554	71,554	71,554	71,554	71,554
3	3	4	4	4	4
1	1	0	0	0	1
1	1	1	1	1	1
11,700	11,700	11,700	11,700	11,700	11,700
14	14	11	10	10	10
2	2	2	2	2	2
10,900	10,900	10,900	10,900	10,900	10,900
14	14	13	13	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
0	0	0	0	0	0
51	50	50	50	47	47
151	151	151	151	151	151
26	26	23	23	23	23
42	42	42	42	42	42
6	6	6	6	6	6
61	61	61	61	61	61
10	9	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, 2022**

Zupka & Associates
Certified Public Accountants

**CITY OF ORRVILLE
WAYNE COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022**

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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
207 North Main Street
Orrville, Ohio 44667

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2023.

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

June 30, 2023

**CITY OF ORRVILLE
WAYNE COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022**

The prior issued audit report, as of December 31, 2021, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF ORRVILLE

WAYNE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/21/2023

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