



**CITY OF ORRVILLE
WAYNE COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2019

CITY OF ORRVILLE
WAYNE COUNTY

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

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

To the Mayor and City Council Members:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orrville, Wayne County, (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 17, 2020, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, and the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Keith Faber
Auditor of State

Columbus, Ohio

June 17, 2020



City of Orrville, Ohio Comprehensive Annual Financial Report

For the Year Ended December 31, 2019

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CITY OF ORRVILLE, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2019

Janet L. Strimlan
Finance Director

Prepared by the City Finance Department

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Introductory Section

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City of Orrville, Ohio
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For the Year Ended December 31, 2019
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June 17, 2020

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

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

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

State statutes require the City of Orrville (the City) to be subjected to an annual examination by the Auditor of State. The Auditor of State's office rendered an opinion on the City's financial statements as of December 31, 2019, and the Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

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

Profile of the Government

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

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

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

Steven M. Wheeler
Safety-Service Director

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

David T. Handwerk
Mayor

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

Phillip C. McFarren
Personnel Manager

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

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

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

Local Economy

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

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

Air service is easily accessible to both residents and industry through the Wayne County Airport, the Holmes County Airport, and the Wadsworth Municipal Airport (Medina County). All are easily reached and able to handle small aircraft traffic. Commercial passenger and air freight services are available through the Akron-Canton Regional Airport and the Cleveland Hopkins International Airport. Cleveland Hopkins Airport is located 50 miles from Orrville. It is the largest airport in Ohio and the 41st largest in the United States. The airport handles nearly 9 million passengers annually from nearly 200 thousand operations (takeoffs and landings). The airport handles 156 daily nonstop flights to over 50 destinations. A total of ten carriers provide service to Cleveland Hopkins, including Air Canada, Allegiant, American Airlines, Delta, Frontier Airlines, jetBlue, Southwest, Spirit, Sun Country Airlines, and United.

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

Orrville offers companies a number of competitive advantages including a skilled workforce with a heritage of a substantial work ethic, perhaps passed down from the pioneering generations who started their farms and small businesses in the area more than 170 years ago and built the City into a prosperous center for commerce. Other advantages include the excellent Orrville School District, proximity to numerous colleges and universities, the excellent City services and infrastructure, municipally owned electric utility, affordable housing, and Aultman Orrville Hospital.

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

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

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

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

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

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

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

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

In operation since 1933, The Quality Castings Company is a recognized leader in both high-volume and short-run production of the finest quality castings available in gray iron and ductile iron. Their experts offer casting engineering assistance to customers. Once the design is finalized, their outstanding engineers review

the casting processes in every detail in order to meet the customer's specifications at the most economical price. Quality Castings parts and products can be found in construction machinery, compressors and pumps, electric motors, farm machinery, internal combustion engines, water and sewer fittings, axles, brackets, bearings, hubs, crankshafts, and transmissions to name just a few.

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

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

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

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

Utilities

Wastewater

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

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

The sewer facility treated 927 million gallons of sewage during 2019. 297 dry tons of residual solids were land applied in 2019 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 2019, the power plant generated 4 percent of the energy required for our customers. The Fremont gas plant delivered 28 percent, the open market 29 percent, Prairie State 9 percent, and hydro projects with 30 percent. At the end of 2019, 15.2 percent of our energy came from renewables, with the most coming from the hydro projects at 13.2 percent. In the future, the power plant will only generate about 15 percent of our customer requirements; however, the plant is capable of providing additional energy required during peak times or on an emergency basis. We will continue to explore new generation and/or power purchase agreements to meet base load and peaking requirements for the long term needs. We will also begin work on the addition of a second interconnection to the grid to enhance reliability due to the operational changes at the plant.

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

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

The electric utility operated at 2.9 percent of its capacity this year. The power plant burned 6,870 tons of coal in 2019.

Water

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

The \$13 million facility was completed in 1997. The plant is capable of treating 3.7 million gallons per day (MGD), with current usage of 1.4 MGD. The department is frequently recognized for its safe and high-quality water and programs.

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

Education

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

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

An enriched, expanded curriculum is available for students with exceptional ability, and Orrville schools feature computer education experiences from 1st through 12th grades. Full-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 33 vocational programs, from auto mechanics to welding and metal fabrication. In addition, Orrville Public Library represents a priceless community resource, which continues to grow as a member of the regional network and as a member of CLEVNET, a system that gives patrons access to more than a million titles from over two dozen Ohio libraries.

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

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

Recreational Facilities

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

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

Orr Park is the gem of a five-site City park system. Citizens have their choice of softball and baseball fields, tennis courts, playground equipment, and a new swimming pool with spacious bathhouse. They can also relax and enjoy the parks' picnic facilities or a concert and other entertainment activities at Rehm Performing Arts Pavilion. Citizens enjoyed four concerts at Rehm Performing Arts Pavilion and three summer movies in 2019; all events were well attended.

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

Cultural Opportunities

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

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

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

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

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

City Employees

The City has 118 full-time employees, 26 volunteer firemen (who are paid on a per-call basis), and 20 part-time positions (including City Council, Utility Board, and Civil Service Commission). The number of full-time employees has remained relatively constant over the past several years. A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining. Some full-time employees are represented by the following bargaining units:

<u>Bargaining Unit</u>	<u>Expiration Date of Current Agreement</u>	<u>Number of Employees</u>
United City Workers	December 31, 2019	53
Ohio Patrolmen's Benevolent Association	December 31, 2019	14

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

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

Long-Term Financial Planning

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

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

Relevant Financial Policies

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

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

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

Major Initiatives

The City completed a number of projects in 2019. The Safety Services Department, in partnership with the Ohio Department of Transportation (ODOT), completed construction of a new portion of Pine Street. In addition, City capital proceeds and grant monies from the Ohio Public Works Commission (OPWC) were utilized to resurface High Street. Capital funds were also utilized to resurface S. Elm Street, Crown Hill, Beaver Street, and Magnolia Drive. The City also repaired and replaced concrete on several streets, including Sunset Drive, Maple Street, Collins Boulevard, and the intersection of Hostetler Road and Dairy Lane.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Orrville for its comprehensive financial report for the fiscal year ended December 31, 2018. This was the eighth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

A sincere thank you also to the Local Government Services Section of Auditor of State Keith Faber's Office for their assistance in the organization and final review of our 2019 Comprehensive Annual Financial Report.

Respectfully submitted,

Janet L. Strimlan

Janet L. Strimlan
Director of Finance



City of Orrville

Mayor

David T. Handwerk

City Council President

Lyle Baker

City Council Members

Ricardo Aspiras, Jr.

Ricardo Aspiras, Sr.

Rich Corfman

Mike Hamsher

John Lorson

Arthur Shupp

Travis Wilson

Public Utility Board President

Michele Abel

Public Utility Board Members

Steve Combs

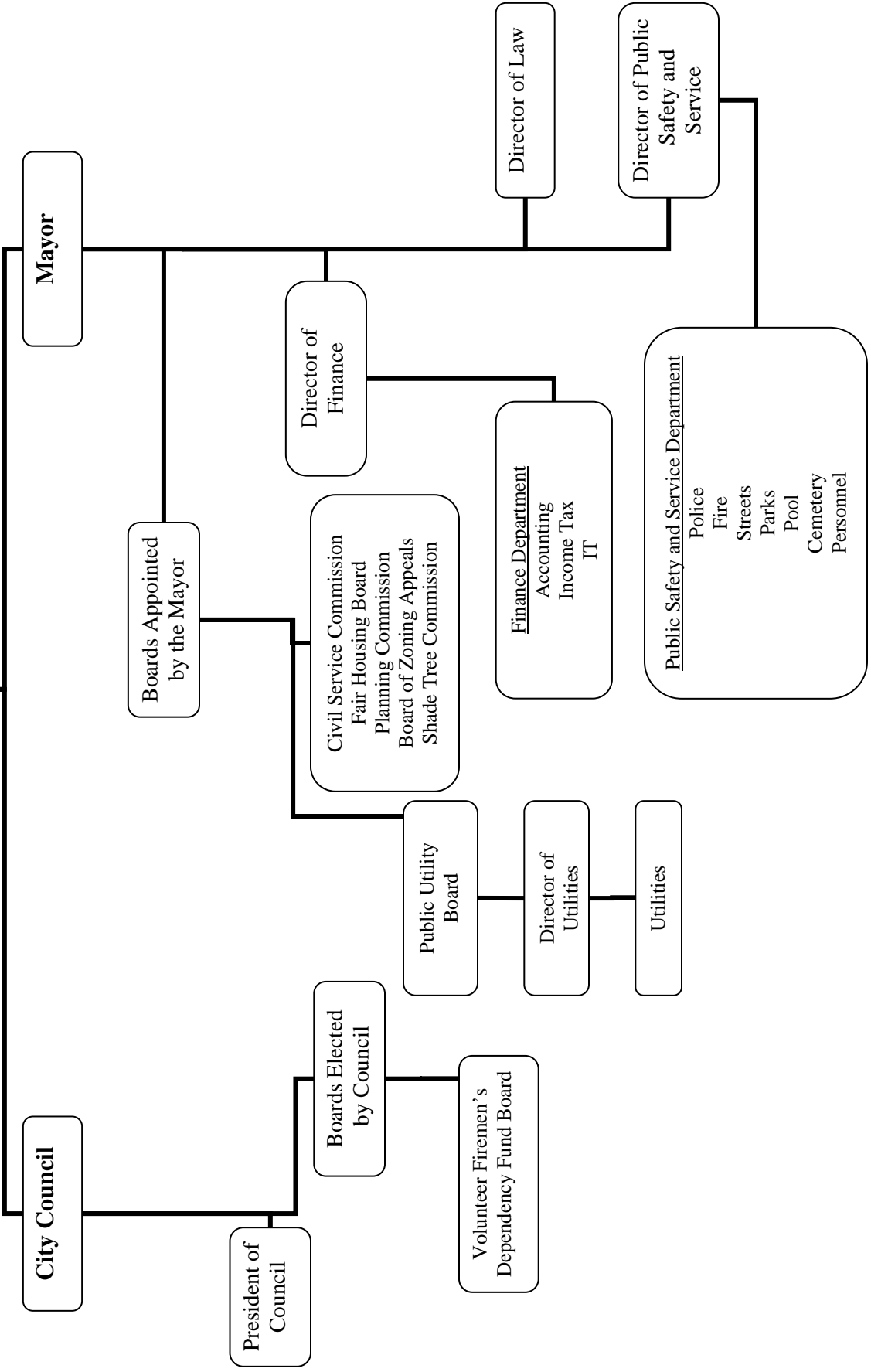
Don McFarlin

Russell Miller

Paul Vance

December 31, 2019

**Citizens of Orrville
(Voters)**





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Orrville
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrill

Executive Director/CEO

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Financial Section

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OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5th Floor
Columbus, Ohio 43215-3506
(614) 466-3402 or (800) 443-9275
CentralRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

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

To the Mayor and City Council Members:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orrville, Wayne County, Ohio (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orrville, Wayne County, Ohio, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2019, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We did not modify our opinion regarding this matter.

Also, as discussed in Note 21 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2020, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

June 17, 2020

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City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
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, 2019. 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 2019 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 2019 by \$140,887,620. Of this amount, the unrestricted balance is \$52,843,610. The unrestricted net position of the City's business-type activities is \$48,522,021 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 \$9,224,734. Net position of the governmental activities increased by \$5,843,898. Net position of the business-type activities increased by \$3,380,836, which combined with governmental, represented a 7 percent increase from 2018.
- The total cost of the City's programs decreased by \$2,842,510, or a 6 percent decrease. The cost of governmental activities decreased by \$1,113,601, while the cost of business-type activities decreased by \$1,728,909. The decrease in governmental expenses was mostly driven by a change in benefit terms for the OPEB plan. The business-type activities expenses decrease was driven by a decrease in materials and supplies expenses in the electric fund.
- At the close of the current year, the City's governmental funds reported a combined ending fund balance of \$10,715,254. The combined governmental funds balance increased by \$1,483,240 from the prior year's ending fund balance. Approximately 39 percent of this amount, \$4,127,313, is considered unassigned at December 31, 2019, and is available for spending at the City's discretion.
- The general fund reported an unassigned fund balance of \$4,127,313 at the end of 2019. This balance for the general fund was 62.37 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 2019 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, 2019
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. The City currently has twenty-six funds, as presented in this report. These funds are in existence to provide a multitude of services to the citizens of Orrville. Some funds provide for safety forces, some provide for streets, some provide for electric service, some provide for water service, and some provide for sewer service. Some provide for purchase of capital assets and infrastructure. 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.

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.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

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

The City of Orrville as a Whole

The statement of net position provides an overall view of the City. Table 1 shows a summary of the City's net position for 2019 as it compares to 2018.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018 (1)	2019	2018	2019	2018 (1)
Assets						
Current and Other Assets	\$15,210,305	\$12,011,121	\$64,745,853	\$59,327,259	\$79,956,158	\$71,338,380
Net Pension Asset	22,754	27,094	72,055	90,711	94,809	117,805
Capital Assets, Net	54,045,113	52,363,506	33,763,159	34,834,936	87,808,272	87,198,442
<i>Total Assets</i>	<u>69,278,172</u>	<u>64,401,721</u>	<u>98,581,067</u>	<u>94,252,906</u>	<u>167,859,239</u>	<u>158,654,627</u>
Deferred Outflows of Resources						
Pension	2,091,063	984,769	3,141,027	1,570,234	5,231,748	2,555,003
OPEB	441,347	468,771	424,706	359,081	866,053	815,237
<i>Total Deferred Outflows of Resources</i>	<u>2,532,410</u>	<u>1,453,540</u>	<u>3,565,733</u>	<u>1,929,315</u>	<u>6,097,801</u>	<u>3,370,240</u>
Liabilities						
Current Liabilities	1,429,548	1,020,753	2,502,103	3,029,691	3,931,651	4,050,444
Long-Term Liabilities:						
Due Within One Year	149,674	121,027	279,447	283,307	429,121	404,334
Due in More Than One Year:						
Other Amounts	532,030	546,849	1,089,103	1,089,297	1,621,133	1,636,146
Net Pension Liability	7,386,325	5,103,389	10,514,907	6,535,161	17,901,232	11,638,550
Net OPEB Liability	2,101,797	4,309,695	5,219,360	4,689,202	7,321,157	8,998,897
<i>Total Liabilities</i>	<u>11,599,374</u>	<u>11,101,713</u>	<u>19,604,920</u>	<u>15,626,658</u>	<u>31,204,294</u>	<u>26,728,371</u>
Deferred Inflows of Resources						
Property Taxes	514,900	504,300	0	0	514,900	504,300
Pension	176,095	656,712	641,506	1,868,273	817,259	2,524,985
OPEB	221,939	138,160	311,028	478,780	532,967	604,325
<i>Total Deferred Inflows of Resources</i>	<u>912,934</u>	<u>1,299,172</u>	<u>952,534</u>	<u>2,347,053</u>	<u>1,865,126</u>	<u>3,633,610</u>
Net Position						
Net Investment in Capital Assets	52,790,227	51,484,576	33,067,325	33,609,805	85,857,552	85,094,381
Restricted for:						
Debt Service	216,939	211,619	0	0	216,939	211,619
Capital Projects	569,590	406,222	0	0	569,590	406,222
Street Repair and Maintenance	1,077,857	1,182,095	0	0	1,077,857	1,182,095
Law Enforcement and Education	22,026	20,666	0	0	22,026	20,666
Cemetery Maintenance	294,586	335,285	0	0	294,586	335,285
Other Purposes	5,460	0	0	0	5,460	0
Unrestricted	4,321,589	(186,087)	48,522,021	44,598,705	52,843,610	44,412,618
<i>Total Net Position</i>	<u>\$59,298,274</u>	<u>\$53,454,376</u>	<u>\$81,589,346</u>	<u>\$78,208,510</u>	<u>\$140,887,620</u>	<u>\$131,662,886</u>

(1) The City reported the impact of GASB Statement No. 84 beginning in 2018.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

The net pension liability (NPL) is one of the largest single liabilities reported by the City at December 31, 2019. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange; however, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Total assets increased over 2019 due to a large increase in current assets. The increase in current assets was mainly a result of a significant increase in equity in pooled cash and cash equivalents. Capital assets increased due to additions outpacing deletions and depreciation, overall.

The City also works hard to increase net position through our investment program. Investment earnings for the City were higher than 2018. This increase reflects the fair market valuation of the City's investments at December 31, 2019.

Table 2 shows the changes in net position for the years ended December 31, 2019 and 2018, 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, 2019
Unaudited

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018 (1)	2019	2018	2019	2018 (1)
Revenues						
Program Revenues:						
Charges for Services and Operating Assessments	\$1,093,565	\$1,015,137	\$37,824,448	\$38,698,861	\$38,918,013	\$39,713,998
Operating Grants and Contributions	567,734	487,873	0	0	567,734	487,873
Capital Grants and Contributions	1,566,742	903,100	370,553	82,023	1,937,295	985,123
Total Program Revenues	3,228,041	2,406,110	38,195,001	38,780,884	41,423,042	41,186,994
General Revenues:						
Property Taxes	486,041	483,583	0	0	486,041	483,583
Kilowatt Per Hour Tax	911,934	861,307	0	0	911,934	861,307
Income Taxes	8,761,814	7,095,690	0	0	8,761,814	7,095,690
Grants and Entitlements	301,720	247,738	0	0	301,720	247,738
Unrestricted Contributions	30,025	0	0	0	30,025	0
Investment Earnings	578,761	72,186	806,454	596,511	1,385,215	668,697
Other	138,206	171,549	671,483	771,397	809,689	942,946
Total General Revenues	11,208,501	8,932,053	1,477,937	1,367,908	12,686,438	10,299,961
Total Revenues	14,436,542	11,338,163	39,672,938	40,148,792	54,109,480	51,486,955
Program Expenses						
General Government	1,741,446	1,591,910	0	0	1,741,446	1,591,910
Security of Persons and Property:						
Police	716,168	2,686,829	0	0	716,168	2,686,829
Fire	405,203	516,725	0	0	405,203	516,725
Transportation	3,478,029	2,792,254	0	0	3,478,029	2,792,254
Public Health and Welfare	397,117	367,466	0	0	397,117	367,466
Leisure Time Activities	461,524	379,058	0	0	461,524	379,058
Basic Utility Service	481,223	460,069	0	0	481,223	460,069
Enterprise Operations	0	0	37,204,036	38,932,945	37,204,036	38,932,945
Total Program Expenses	7,680,710	8,794,311	37,204,036	38,932,945	44,884,746	47,727,256
Increase in Net Position Before Transfers	6,755,832	2,543,852	2,468,902	1,215,847	9,224,734	3,759,699
Transfers	(911,934)	(861,307)	911,934	861,307	0	0
Increase in Net Position	5,843,898	1,682,545	3,380,836	2,077,154	9,224,734	3,759,699
Net Position Beginning of Year	53,454,376	51,771,831	78,208,510	76,131,356	131,662,886	127,903,187
Net Position End of Year	<u>\$59,298,274</u>	<u>\$53,454,376</u>	<u>\$81,589,346</u>	<u>\$78,208,510</u>	<u>\$140,887,620</u>	<u>\$131,662,886</u>

(1) The City reported the impact of GASB Statement No. 84 beginning in 2018.

Governmental Activities

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

General revenues increased in 2019 mainly due to an increase in income tax. This fluctuation in revenue is due to an increase in business net profit taxes paid.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
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 \$8,761,814 in 2019. 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 funds increased in 2019 due to increases in all three types of program revenues. The majority of the increase was due to capital grants and contributions related to transportation projects.

General government expenses for 2019 increased over 2018 mainly due to increases related to the net pension liability.

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 third largest of the City. The expenses for the Department for 2019 decreased from the prior year due to a change in benefit terms for the OPEB plan. For 2019, OP&F recognized a change in benefit terms for their OPEB plan. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years. These changes contributed to OPEB expense decreasing from \$707,832 in 2018 to a negative OPEB expense of (\$1,773,054) for 2019.

The Fire Department is a part-time department with a full-time Chief. The City is committed to maintaining a very efficient department. Regular meetings, drills, and training sessions are held. The Department's functions include firefighting, emergency medical service including paramedic service, fire prevention education, and investigation. The Department also contracts with surrounding townships to provide firefighting and emergency medical services. The revenues generated by these contracts are reported under the charges for services area. The expenses for the Fire Department primarily decreased from the prior year due to the same OPEB change in benefit terms as the Police Department.

Transportation represents the largest expense of the governmental activities. These funds are used to maintain the streets and the equipment used for the streets. Transportation expenses increased in 2019 mainly due to increased contractual services for various projects.

Business-Type Activities

The City operates a Utility Department that consists of three utilities. The largest from an asset and revenue standpoint is the electric utility. This utility consists of a coal fired generation plant and distribution system that serves the City and surrounding area with reliable and competitively priced power. In 2019, the electric utility sold 302,308,852 KWH of electricity to generate \$32,105,319 in charges for services revenue. The utility burned 6,870 tons of coal. The plant produced 4 percent of the community's energy requirements, with 9 percent coming from our participation in the Prairie State Project and 28 percent coming from our participation in the Fremont Gas Project. Participation in wind, solar, and hydro projects generated 30 of the

City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

power requirements leaving 29 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 2019. The City continues to monitor and participate in federal legislative efforts to mitigate the increasing transmission cost trends that impact all US electric consumers.

The water utility treated an average of 1.4 million gallons of water per day in 2019. The water plant is the newest of the utility facilities. It was put into service in 1996. The raw water is supplied from various wells and the water plant continued to produce a high quality of water while meeting or exceeding all EPA requirements. The plant currently serves approximately 3,200 residential customers and over 350 industrial and commercial customers.

The sewer facility treated 927 million gallons of sewage during 2019. 297 dry tons of residual solids were land applied in 2019 to agricultural fields, returning their nutrients to the soil. The facility is currently operating at approximately 80 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 2019, this amount accounted for approximately 96 percent of the revenues. The decrease in the revenues in the utility funds during 2019 was primarily the result of fewer charges for services during the year. Although overall revenues were lower than the prior year, expenses were considerably lower in utility costs and personal services due to the change in operations for the electric utility. As a result net position increased by \$3,380,836 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 \$8,200,974 increased over 2018 revenues, primarily for income tax and interest revenues. Expenditures of \$5,402,202 are also higher than 2018 expenditures, mainly due to increases in expenditures for police, leisure time activities, and fire. Although this shows a surplus of \$2,798,772, the true picture is somewhat different. Some of the revenue collected in the general fund is from the collection of the Kilowatt-hour tax that is then passed back through the electric fund by way of a transfer. The general fund also provides transfers for gas tax motor vehicle license fund and solid waste fund operations. When these transfers are factored in, the net change in fund balance is an increase of \$1,390,559. The capital improvements fund revenues of \$2,730,396 are less than 2018, mainly due to decreased intergovernmental revenues, although offset largely by an increase in income tax revenues. The expenditures of \$2,350,312 are lower than 2018 expenditures, due primarily to a decrease in contractual services.

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 \$2,353,674 and operating expenses of \$2,831,605; the electric fund had operating revenues of \$32,665,102 and operating expenses of \$31,366,432; and the water fund had operating revenues of \$3,358,868 and operating expenses of \$2,887,083. Only the sewer fund had an operating loss.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
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 \$5,892,000 and \$5,899,000, respectively. The actual revenues were \$7,535,371. The \$1,636,371 difference between final budgeted and actual revenues was primarily due to higher than anticipated income tax and charges for services revenues. The actual expenditures of \$5,621,702 compare favorably with the final budget figure of \$6,101,959. The final budget was higher than actual expenditures in every department due to conservative budgeting by the City's administration.

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

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

Capital Assets and Debt Administration

Capital Assets

Total City capital assets increased in 2019 due to additions of new assets being higher than annual depreciation and disposals of assets during the year. Several projects were begun during 2011 through 2018 and continued into 2019. Outstanding projects at year end mainly consisted of paving projects, the Heartland Trail project, and the High Street waterline project. These projects are reflected as construction in progress.

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

Debt Administration

The Governmental Activities' only debt outstanding at December 31, 2019, is an Ohio Public Works Commission (OPWC) Loan, which was incurred to help finance the concrete streets improvement project begun in 2015.

The Utility Department carries the vast majority of the debt, which is in the water fund. The water utility had an outstanding bond anticipation general obligation note. The water utility carries two kinds of debt. Water System Improvement Revenue Bonds were issued in 1994 for the construction of a new treatment plant and then refunded in 2002. These bonds were refunded again in 2013 and are now general obligation bonds. The water utility also has two interest-free loans from the OPWC. These two loans, which were issued in 2007, are scheduled to be paid off in 2027 and 2037. Debt service payments for the water utility totaled \$131,666 in 2019.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
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 finances during 2019 reflected a positive outcome. The City is fortunate in that the majority of local businesses and industries remain stable. Although future collections are not certain, income tax revenues remain consistent. The City as a whole operated in a surplus position due to an increase in net profit tax and capital grants and contribution revenues. The strength of the City was evident, as the services to our citizens remained at a high level. Our street department continued to repair and improve streets and plow snow. Our park system continues to provide a high level of leisure activity and the police and fire assist our residents in an exemplary fashion, as needed.

The Safety Services Department operates under a comprehensive plan. This plan is updated every ten years and provides a structure for development within the City. The plan was updated in 2012. The Safety Service Director, the Mayor, and City Council spent a great deal of time working with a planning consultant and the citizens to develop the plan for the next ten years. The plan deals with land use, economic development, transportation, and community facilities/parks and recreation.

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

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

Contacting the City's Finance Department

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

Basic Financial Statements

City of Orrville, Ohio
Statement of Net Position
December 31, 2019

	Governmental Activities *	Business-Type Activities *	Total *
Assets			
Equity in Pooled Cash and Cash Equivalents	\$10,222,080	\$56,582,613	\$66,804,693
Materials and Supplies Inventory	94,337	3,931,305	4,025,642
Accrued Interest Receivable	27,264	163,246	190,510
Accounts Receivable	115,987	4,172,851	4,288,838
Internal Balances	151,592	(151,592)	0
Intergovernmental Receivable	837,192	0	837,192
Prepaid Items	21,014	47,430	68,444
Income Taxes Receivable	3,192,364	0	3,192,364
Property Taxes Receivable	527,365	0	527,365
Special Assessments Receivable	21,110	0	21,110
Net Pension Asset	22,754	72,055	94,809
Nondepreciable Capital Assets	6,998,204	1,418,959	8,417,163
Depreciable Capital Assets, Net	47,046,909	32,344,200	79,391,109
<i>Total Assets</i>	<u>69,278,172</u>	<u>98,581,067</u>	<u>167,859,239</u>
Deferred Outflows of Resources			
Pension	2,091,063	3,141,027	5,231,748
OPEB	441,347	424,706	866,053
<i>Total Deferred Outflows of Resources</i>	<u>2,532,410</u>	<u>3,565,733</u>	<u>6,097,801</u>
Liabilities			
Accounts Payable	126,739	1,834,291	1,961,030
Accrued Wages	156,245	259,220	415,465
Contracts Payable	846,508	0	846,508
Intergovernmental Payable	106,170	196,891	303,061
Deposits Held Payable	64,147	0	64,147
Accrued Interest Payable	0	1,789	1,789
Vacation Benefits Payable	129,739	209,912	339,651
Long-Term Liabilities:			
Due Within One Year	149,674	279,447	429,121
Due in More Than One Year:			
Other Amounts	532,030	1,089,103	1,621,133
Net Pension Liability (See Note 14)	7,386,325	10,514,907	17,901,232
Net OPEB Liability (See Note 15)	2,101,797	5,219,360	7,321,157
<i>Total Liabilities</i>	<u>11,599,374</u>	<u>19,604,920</u>	<u>31,204,294</u>
Deferred Inflows of Resources			
Property Taxes	514,900	0	514,900
Pension	176,095	641,506	817,259
OPEB	221,939	311,028	532,967
<i>Total Deferred Inflows of Resources</i>	<u>912,934</u>	<u>952,534</u>	<u>1,865,126</u>
Net Position			
Net Investment in Capital Assets	52,790,227	33,067,325	85,857,552
Restricted for:			
Debt Service	216,939	0	216,939
Capital Projects	569,590	0	569,590
Street Repair and Maintenance	1,077,857	0	1,077,857
Law Enforcement and Education	22,026	0	22,026
Cemetery Maintenance	294,586	0	294,586
Other Purposes	5,460	0	5,460
Unrestricted	4,321,589	48,522,021	52,843,610
<i>Total Net Position</i>	<u>\$59,298,274</u>	<u>\$81,589,346</u>	<u>\$140,887,620</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, 2019

	Program Revenues			
	Expenses	Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$1,741,446	\$147,141	\$18,274	\$0
Security of Persons and Property:				
Police	716,168	74,401	0	0
Fire	405,203	125,406	4,210	0
Transportation	3,478,029	62,436	516,071	1,566,742
Public Health and Welfare	397,117	149,269	0	0
Leisure Time Activities	461,524	84,459	29,179	0
Basic Utility Service	481,223	450,453	0	0
<i>Total Governmental Activities</i>	<u>7,680,710</u>	<u>1,093,565</u>	<u>567,734</u>	<u>1,566,742</u>
Business-Type Activities:				
Sewer	2,845,543	2,357,134	0	0
Electric	31,429,679	32,105,319	0	0
Water	2,928,814	3,361,995	0	370,553
<i>Total Business-Type Activities</i>	<u>37,204,036</u>	<u>37,824,448</u>	<u>0</u>	<u>370,553</u>
<i>Total - Primary Government</i>	<u><u>\$44,884,746</u></u>	<u><u>\$38,918,013</u></u>	<u><u>\$567,734</u></u>	<u><u>\$1,937,295</u></u>

General Revenues

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

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(\$1,576,031)	\$0	(\$1,576,031)
(641,767)	0	(641,767)
(275,587)	0	(275,587)
(1,332,780)	0	(1,332,780)
(247,848)	0	(247,848)
(347,886)	0	(347,886)
(30,770)	0	(30,770)
<u>(4,452,669)</u>	<u>0</u>	<u>(4,452,669)</u>
0	(488,409)	(488,409)
0	675,640	675,640
0	803,734	803,734
<u>0</u>	<u>990,965</u>	<u>990,965</u>
<u>(4,452,669)</u>	<u>990,965</u>	<u>(3,461,704)</u>
486,041	0	486,041
911,934	0	911,934
6,172,655	0	6,172,655
2,589,159	0	2,589,159
301,720	0	301,720
30,025	0	30,025
578,761	806,454	1,385,215
138,206	671,483	809,689
11,208,501	1,477,937	12,686,438
(911,934)	911,934	0
<u>10,296,567</u>	<u>2,389,871</u>	<u>12,686,438</u>
5,843,898	3,380,836	9,224,734
<u>53,454,376</u>	<u>78,208,510</u>	<u>131,662,886</u>
<u>\$59,298,274</u>	<u>\$81,589,346</u>	<u>\$140,887,620</u>

City of Orrville, Ohio

*Balance Sheet
Governmental Funds
December 31, 2019*

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$5,976,217	\$2,081,091	\$2,100,625	\$10,157,933
Materials and Supplies Inventory	94,337	0	0	94,337
Accrued Interest Receivable	25,794	0	1,470	27,264
Accounts Receivable	40,139	0	75,848	115,987
Intergovernmental Receivable	157,055	68,592	611,545	837,192
Prepaid Items	21,014	0	0	21,014
Income Taxes Receivable	2,234,655	957,709	0	3,192,364
Property Taxes Receivable	527,365	0	0	527,365
Special Assessments Receivable	0	0	21,110	21,110
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	64,147	0	0	64,147
<i>Total Assets</i>	<u>\$9,140,723</u>	<u>\$3,107,392</u>	<u>\$2,810,598</u>	<u>\$15,058,713</u>
Liabilities				
Accounts Payable	\$74,094	\$4,742	\$47,903	\$126,739
Accrued Wages	125,447	0	30,798	156,245
Contracts Payable	0	375,145	471,363	846,508
Intergovernmental Payable	83,455	0	22,715	106,170
Deposits Held Payable From Restricted Assets	64,147	0	0	64,147
<i>Total Liabilities</i>	<u>347,143</u>	<u>379,887</u>	<u>572,779</u>	<u>1,299,809</u>
Deferred Inflows of Resources				
Property Taxes	514,900	0	0	514,900
Unavailable Revenue	1,661,456	660,385	206,909	2,528,750
<i>Total Deferred Inflows of Resources</i>	<u>2,176,356</u>	<u>660,385</u>	<u>206,909</u>	<u>3,043,650</u>
Fund Balances				
Nonspendable	115,351	0	0	115,351
Restricted	0	0	1,610,627	1,610,627
Committed	0	2,067,120	382,070	2,449,190
Assigned	2,374,560	0	38,213	2,412,773
Unassigned	4,127,313	0	0	4,127,313
<i>Total Fund Balances</i>	<u>6,617,224</u>	<u>2,067,120</u>	<u>2,030,910</u>	<u>10,715,254</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$9,140,723</u>	<u>\$3,107,392</u>	<u>\$2,810,598</u>	<u>\$15,058,713</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, 2019*

Total Governmental Fund Balance \$10,715,254

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 54,045,113

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

Delinquent Property Taxes	\$12,465	
Income Taxes	2,201,282	
Delinquent Special Assessments	21,110	
Intergovernmental	267,017	
Fines, Licenses and Permits	22,597	
Charges for Services	4,279	
Total	2,528,750	2,528,750

The accumulated overpayments to the internal service fund. 151,592

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. (129,739)

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

Compensated Absences	(273,326)	
OPWC Loan	(408,378)	
Total	(681,704)	(681,704)

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

Net Pension Asset	22,754	
Deferred Outflows - Pension	2,091,063	
Deferred Outflows - OPEB	441,347	
Net Pension Liability	(7,386,325)	
Net OPEB Liability	(2,101,797)	
Deferred Inflows - Pension	(176,095)	
Deferred Inflows - OPEB	(221,939)	
Total	(7,330,992)	(7,330,992)

Net Position of Governmental Activities \$59,298,274

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, 2019

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$488,361	\$0	\$0	\$488,361
Income Taxes	5,287,649	2,209,870	0	7,497,519
Kilowatt Per Hour Tax	911,934	0	0	911,934
Special Assessments	0	0	214	214
Intergovernmental	299,480	520,076	1,556,124	2,375,680
Interest	571,747	0	7,014	578,761
Fines, Licenses and Permits	25,097	0	67,452	92,549
Rentals	165	0	0	165
Charges for Services	444,866	450	556,146	1,001,462
Contributions and Donations	41,096	0	34,996	76,092
Other	130,579	0	7,627	138,206
<i>Total Revenues</i>	<u>8,200,974</u>	<u>2,730,396</u>	<u>2,229,573</u>	<u>13,160,943</u>
Expenditures				
Current:				
General Government	1,344,207	0	3,323	1,347,530
Security of Persons and Property:				
Police	2,450,186	0	1,643	2,451,829
Fire	412,049	0	0	412,049
Transportation	601,419	0	1,330,565	1,931,984
Public Health and Welfare	220,750	0	128,818	349,568
Leisure Time Activities	349,569	0	21,017	370,586
Basic Utility Service	0	0	481,223	481,223
Capital Outlay	0	2,350,312	1,046,666	3,396,978
Debt Service:				
Principal Retirement	24,022	0	0	24,022
<i>Total Expenditures</i>	<u>5,402,202</u>	<u>2,350,312</u>	<u>3,013,255</u>	<u>10,765,769</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,798,772</u>	<u>380,084</u>	<u>(783,682)</u>	<u>2,395,174</u>
Other Financing Sources (Uses)				
Transfers In	0	0	496,279	496,279
Transfers Out	(1,408,213)	0	0	(1,408,213)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,408,213)</u>	<u>0</u>	<u>496,279</u>	<u>(911,934)</u>
<i>Net Change in Fund Balances</i>	1,390,559	380,084	(287,403)	1,483,240
<i>Fund Balances Beginning of Year</i>	<u>5,226,665</u>	<u>1,687,036</u>	<u>2,318,313</u>	<u>9,232,014</u>
<i>Fund Balances End of Year</i>	<u><u>\$6,617,224</u></u>	<u><u>\$2,067,120</u></u>	<u><u>\$2,030,910</u></u>	<u><u>\$10,715,254</u></u>

See accompanying notes to the basic financial statements

City of Orrville, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2019*

Net Change in Fund Balances - Total Governmental Funds \$1,483,240

*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	\$3,379,254	
Current Year Depreciation	(1,655,844)	
Total	1,723,410	1,723,410

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. (41,803)

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	(2,320)	
Income Taxes	1,264,295	
Delinquent Special Assessments	2,420	
Intergovernmental	14,449	
Fines, Licenses and Permits	(1,213)	
Charges for Services	(2,032)	
Total	1,275,599	1,275,599

Repayment of loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 24,022

The change in the accumulated overpayments to the internal service fund for governmental funds is reported for the year. 24,093

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Compensated Absences	(37,850)	
Vacation Benefits Payable	(3,143)	
Total	(40,993)	(40,993)

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

Pension	496,958	
OPEB	11,479	
Total	508,437	508,437

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	(1,197,323)	
OPEB	2,085,216	
Total	887,893	887,893

Change in Net Position of Governmental Activities \$5,843,898

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, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$445,000	\$445,000	\$488,361	\$43,361
Income Taxes	3,658,000	3,665,000	5,067,856	1,402,856
Kilowatt Per Hour Tax	1,170,000	1,170,000	911,934	(258,066)
Intergovernmental	252,500	239,500	300,117	60,617
Interest	48,100	48,100	123,660	75,560
Fines, Licenses and Permits	29,500	27,500	25,586	(1,914)
Rentals	400	400	165	(235)
Charges for Services	276,500	291,500	446,017	154,517
Contributions and Donations	11,000	11,000	41,096	30,096
Other	1,000	1,000	130,579	129,579
<i>Total Revenues</i>	<u>5,892,000</u>	<u>5,899,000</u>	<u>7,535,371</u>	<u>1,636,371</u>
Expenditures				
Current:				
General Government	1,502,864	1,590,851	1,360,082	230,769
Security of Persons and Property:				
Police	2,420,053	2,576,203	2,479,515	96,688
Fire	509,738	532,738	445,960	86,778
Transportation	698,902	744,902	715,609	29,293
Public Health and Welfare	211,458	231,488	230,488	1,000
Leisure Time Activities	396,762	400,777	366,026	34,751
Debt Service:				
Principal	25,000	25,000	24,022	978
<i>Total Expenditures</i>	<u>5,764,777</u>	<u>6,101,959</u>	<u>5,621,702</u>	<u>480,257</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	127,223	(202,959)	1,913,669	2,116,628
Other Financing Uses				
Transfers Out	(1,685,000)	(1,745,000)	(1,408,213)	336,787
<i>Net Change in Fund Balance</i>	(1,557,777)	(1,947,959)	505,456	2,453,415
<i>Fund Balance Beginning of Year</i>	4,903,491	4,903,491	4,903,491	0
Prior Year Encumbrances Appropriated	144,773	144,773	144,773	0
<i>Fund Balance End of Year</i>	<u>\$3,490,487</u>	<u>\$3,100,305</u>	<u>\$5,553,720</u>	<u>\$2,453,415</u>

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2019

	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	\$3,940,247	\$47,441,225	\$4,697,312	\$56,078,784	\$503,829
Receivables:					
Accounts	276,283	3,491,695	404,873	4,172,851	0
Accrued Interest	12,037	136,315	13,417	161,769	1,477
Materials and Supplies Inventory	185,259	3,518,211	227,835	3,931,305	0
Prepaid Items	9,486	28,458	9,486	47,430	0
Interfund Receivable	332,500	332,500	0	665,000	0
<i>Total Current Assets</i>	<u>4,755,812</u>	<u>54,948,404</u>	<u>5,352,923</u>	<u>65,057,139</u>	<u>505,306</u>
<i>Non-Current Assets:</i>					
Net Pension Asset	12,326	49,301	10,428	72,055	0
Nondepreciable Assets	178,815	492,211	747,933	1,418,959	0
Depreciable Capital Assets, Net	3,432,223	17,116,654	11,795,323	32,344,200	0
<i>Total Non-Current Assets</i>	<u>3,623,364</u>	<u>17,658,166</u>	<u>12,553,684</u>	<u>33,835,214</u>	<u>0</u>
<i>Total Assets</i>	<u>8,379,176</u>	<u>72,606,570</u>	<u>17,906,607</u>	<u>98,892,353</u>	<u>505,306</u>
Deferred Outflows of Resources					
Pension	546,171	2,149,995	455,240	3,151,406	0
OPEB	81,252	290,587	61,471	433,310	0
<i>Total Deferred Outflows of Resources</i>	<u>627,423</u>	<u>2,440,582</u>	<u>516,711</u>	<u>3,584,716</u>	<u>0</u>
Liabilities					
<i>Current Liabilities:</i>					
Accounts Payable	30,958	1,744,534	58,799	1,834,291	0
Accrued Wages	42,278	178,902	38,040	259,220	0
Intergovernmental Payable	32,189	135,708	28,994	196,891	0
Interfund Payable	0	0	665,000	665,000	0
Accrued Interest Payable	0	0	1,789	1,789	0
Vacation Benefits Payable	40,474	135,652	33,786	209,912	0
Compensated Absences Payable	18,758	72,932	61,924	153,614	0
General Obligation Bonds Payable	0	0	115,000	115,000	0
Loans Payable	0	0	10,833	10,833	0
<i>Total Current Liabilities</i>	<u>164,657</u>	<u>2,267,728</u>	<u>1,014,165</u>	<u>3,446,550</u>	<u>0</u>
<i>Long-Term Liabilities (net of current portion):</i>					
Compensated Absences Payable	58,775	334,899	125,428	519,102	0
General Obligation Bonds Payable	0	0	230,000	230,000	0
Loans Payable	0	0	340,001	340,001	0
Net Pension Liability	1,798,605	7,194,410	1,521,892	10,514,907	0
Net OPEB Liability	892,788	3,571,140	755,432	5,219,360	0
<i>Total Long-Term Liabilities</i>	<u>2,750,168</u>	<u>11,100,449</u>	<u>2,972,753</u>	<u>16,823,370</u>	<u>0</u>
<i>Total Liabilities</i>	<u>2,914,825</u>	<u>13,368,177</u>	<u>3,986,918</u>	<u>20,269,920</u>	<u>0</u>
Deferred Inflows of Resources					
Pension	39,261	534,013	78,611	651,885	0
OPEB	9,740	273,856	36,036	319,632	0
<i>Total Deferred Inflows of Resources</i>	<u>49,001</u>	<u>807,869</u>	<u>114,647</u>	<u>971,517</u>	<u>0</u>
Net Position					
Net Investment in Capital Assets	3,611,038	17,608,865	11,847,422	33,067,325	0
Unrestricted	2,431,735	43,262,241	2,474,331	48,168,307	505,306
<i>Total Net Position</i>	<u>\$6,042,773</u>	<u>\$60,871,106</u>	<u>\$14,321,753</u>	<u>81,235,632</u>	<u>\$505,306</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.

	353,714
Net position of business-type activities	\$81,589,346

City of Orrville, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2019*

	Business-Type Activities				Business-Type Activity - Internal Service Fund
	Sewer	Electric	Water	Total	
Operating Revenues					
Charges for Services	\$2,338,208	\$32,024,884	\$3,343,069	\$37,706,161	\$168,982
Other	15,466	640,218	15,799	671,483	0
<i>Total Operating Revenues</i>	<u>2,353,674</u>	<u>32,665,102</u>	<u>3,358,868</u>	<u>38,377,644</u>	<u>168,982</u>
Operating Expenses					
Personal Services	1,759,770	6,744,048	1,497,506	10,001,324	0
Purchased Services	194,331	2,209,162	233,874	2,637,367	7,556
Materials and Supplies	243,306	19,930,471	143,792	20,317,569	0
Utilities	129,549	694,608	219,537	1,043,694	0
Depreciation	504,649	1,788,143	792,374	3,085,166	0
Claims	0	0	0	0	88,672
<i>Total Operating Expenses</i>	<u>2,831,605</u>	<u>31,366,432</u>	<u>2,887,083</u>	<u>37,085,120</u>	<u>96,228</u>
<i>Operating Income (Loss)</i>	<u>(477,931)</u>	<u>1,298,670</u>	<u>471,785</u>	<u>1,292,524</u>	<u>72,754</u>
Non-Operating Revenues (Expenses)					
Interest	61,837	672,679	66,649	801,165	7,555
Loss on Disposal of Capital Assets	(3,160)	(17,443)	(3,160)	(23,763)	0
Interest and Fiscal Charges	0	0	(27,793)	(27,793)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>58,677</u>	<u>655,236</u>	<u>35,696</u>	<u>749,609</u>	<u>7,555</u>
<i>Income (Loss) Before Capital Contributions and Transfers</i>	<u>(419,254)</u>	<u>1,953,906</u>	<u>507,481</u>	<u>2,042,133</u>	<u>80,309</u>
Capital Contributions	0	0	370,553	370,553	0
Transfers In	0	911,934	0	911,934	0
<i>Change in Net Position</i>	<u>(419,254)</u>	<u>2,865,840</u>	<u>878,034</u>	<u>3,324,620</u>	<u>80,309</u>
<i>Net Position Beginning of Year</i>	<u>6,462,027</u>	<u>58,005,266</u>	<u>13,443,719</u>		<u>424,997</u>
<i>Net Position End of Year</i>	<u>\$6,042,773</u>	<u>\$60,871,106</u>	<u>\$14,321,753</u>		<u>\$505,306</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.

56,216

Change in net position of business-type activities

\$3,380,836

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	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	\$2,316,173	\$32,167,138	\$3,311,114	\$37,794,425	\$0
Cash Received from Transactions with Other Funds	0	0	0	0	168,982
Other Cash Receipts	15,466	640,218	15,799	671,483	0
Cash Payments to Employees for Services	(1,342,583)	(5,762,939)	(1,162,437)	(8,267,959)	0
Cash Payments for Goods and Services	(567,337)	(23,029,399)	(614,337)	(24,211,073)	(7,556)
Cash Payments for Claims	0	0	0	0	(88,672)
<i>Net Cash Provided by Operating Activities</i>	421,719	4,015,018	1,550,139	5,986,876	72,754
Cash Flows from Noncapital Financing Activities					
Transfers In	0	911,934	0	911,934	0
Cash Flows from Capital and Related Financing Activities					
Capital Contributions	0	0	370,553	370,553	0
Interfund Activity - Manuscript Bonds - Water	107,500	107,500	(215,000)	0	0
Interest Paid on Manuscript Bonds - Water	0	0	(18,700)	(18,700)	0
Principal Paid on Refunding GO Bonds	0	0	(110,000)	(110,000)	0
Interest Paid on Refunding GO Bonds	0	0	(9,668)	(9,668)	0
Principal Paid on OPWC Loan	0	0	(21,666)	(21,666)	0
Payments for Capital Acquisitions	(130,868)	(757,329)	(1,546,586)	(2,434,783)	0
<i>Net Cash Provided by (Used in) Capital and Related Financing Activities</i>	(23,368)	(649,829)	(1,551,067)	(2,224,264)	0
Cash Flows from Investing Activities					
Interest on Investments	61,239	665,536	67,169	793,944	7,400
<i>Net Increase in Cash and Cash Equivalents</i>	459,590	4,942,659	66,241	5,468,490	80,154
<i>Cash and Cash Equivalents Beginning of Year</i>	3,480,657	42,498,566	4,631,071	50,610,294	423,675
<i>Cash and Cash Equivalents End of Year</i>	\$3,940,247	\$47,441,225	\$4,697,312	\$56,078,784	\$503,829

(continued)

City of Orrville, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2019

	Business-Type Activities				Business-Type Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating Income (Loss)	(\$477,931)	\$1,298,670	\$471,785	\$1,292,524	\$72,754
Adjustments:					
Depreciation	504,649	1,788,143	792,374	3,085,166	0
(Increase) Decrease in Assets:					
Accounts Receivable	(22,035)	142,254	(31,955)	88,264	0
Materials and Supplies Inventory	3,080	14,953	7,612	25,645	0
Prepaid Items	(115)	(346)	(115)	(576)	0
Net Pension Asset	(3,702)	(14,804)	(3,132)	(21,638)	0
(Increase) Decrease in Deferred Outflows of Resources:					
Pension	397,146	1,595,658	343,702	2,336,506	0
OPEB	50,830	187,462	39,578	277,870	0
Increase (Decrease) in Liabilities:					
Accounts Payable	(3,116)	(209,765)	(24,631)	(237,512)	0
Accrued Wages	4,164	10,266	3,281	17,711	0
Intergovernmental Payable	11,496	45,489	10,352	67,337	0
Vacation Benefits Payable	4,363	15,589	3,130	23,082	0
Compensated Absences Payable	55,804	8,169	63,639	127,612	0
Net Pension Liability	(1,952)	(7,806)	(1,651)	(11,409)	0
Net OPEB Liability	48,906	195,620	41,381	285,907	0
Increase (Decrease) in Deferred Inflows of Resources					
Pension	(128,122)	(841,588)	(132,905)	(1,102,615)	0
OPEB	(21,746)	(212,946)	(32,306)	(266,998)	0
<i>Net Cash Provided by Operating Activities</i>	<u>\$421,719</u>	<u>\$4,015,018</u>	<u>\$1,550,139</u>	<u>\$5,986,876</u>	<u>\$72,754</u>

Non Cash Transactions:

At December 31, 2018, the City had contracts payable related to the acquisition of capital assets of \$397,631 in the water fund

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Fiduciary Net Position
Private-Purpose Trust Fund
December 31, 2019

	Private-Purpose Trust
	Cemetery Memorial
Assets	
Equity in Pooled Cash and Cash Equivalents	\$4,235
Accrued Interest Receivable	12
<i>Total Assets</i>	4,247
Net Position	
Held in Trust for Cemetery	220
Endowments	4,027
<i>Total Net Position</i>	\$4,247

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, 2019

	Private-Purpose Trust
	Cemetery Memorial
Additions	
Interest	\$70
Deductions	0
<i>Change in Net Position</i>	70
<i>Net Position Beginning of Year</i>	4,177
<i>Net Position End of Year</i>	\$4,247

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

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

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 designated by Council for the purpose of improving, constructing, maintaining, and purchasing those items necessary to enhance the operation of the City.

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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, 2019

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

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

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

Basis of Accounting

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

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

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

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

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, unavailable revenue, pension, and OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance 2020 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, income taxes, delinquent special assessments, intergovernmental revenue, fines, licenses and permits, and charges for services. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities found on page 19. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 14 and 15).

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

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

Cash and Cash Equivalents

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

During 2019, investments were limited to a money market mutual fund, a United States Treasury note, commercial paper, negotiable certificates of deposit, federal farm credit bank bonds, federal home loan bank bonds, federal home loan mortgage corporation bonds, federal national mortgage association bonds, and STAR Ohio, the State Treasurer’s Investment Pool.

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 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates; however, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transactions to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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, and performing arts special revenue funds, the special assessment bond retirement debt service fund, the park improvement capital projects fund, the employee self-insurance internal service fund, the cemetery memorial private-purpose trust fund, and the sewer, electric, and water enterprise funds. Interest revenue credited to the general fund during 2019 amounted to \$571,747, which includes \$448,775 assigned from other City funds.

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

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019, 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 deposits held payable from restricted assets.

Capital Assets

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

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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

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

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

Interfund Balances

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

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

Compensated Absences

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

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

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Pensions/Other Postemployment Benefits (OPEB)

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

Accrued Liabilities and Long-Term Obligations

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

Fund Balance

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

The classifications are as follows:

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

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

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

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter, ordinance or State statute. State statute authorizes the Director of Finance to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance primarily for City administration, safety services, and street maintenance and to cover a gap between estimated revenues and appropriations for 2020 operations.

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

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

Net Position

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

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

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

Operating Revenues and Expenses

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Internal Activity

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

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

Estimates

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

Budgetary Process

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

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

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 – Changes in Accounting Principles

The Governmental Accounting Standards Board (GASB) recently issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The City evaluated implementing these certain GASB pronouncements based on the guidance in GASB 95.

For 2019, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, and related guidance from (GASB) Implementation Guide No. 2019-2, *Fiduciary Activities*.

GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. At December 31, 2018, the City's agency funds reported assets and liabilities of \$91,348. The City's only agency fund was reclassified as governmental funds. GASB Statement No. 84 was incorporated into the City's 2019 financial statements; however, these changes had no effect on beginning net position/fund balance as the amounts reclassified to governmental funds were offset by corresponding liabilities.

GASB Statement No. 88 improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. These changes were incorporated in the City's fiscal year 2019 financial statements; however, there was no effect on beginning net position/fund balance.

Also, for 2019, the City implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2018-1*. These changes were incorporated in the City's 2019 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 – Compliance

Contrary to Ohio Revised Code Section 5705.39, the grants fund had original appropriations in excess of certified available resources in the amount of \$143,560.

Although this budgetary violation was not corrected by year end, management has indicated that this will be closely monitored to ensure no future violations.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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	\$94,337	\$0	\$0	\$94,337
Prepays	21,014	0	0	21,014
<i>Total Nonspendable</i>	<u>115,351</u>	<u>0</u>	<u>0</u>	<u>115,351</u>
<u>Restricted for:</u>				
Police Department	0	0	22,026	22,026
Cemetery Maintenance	0	0	293,182	293,182
Debt Service	0	0	195,829	195,829
Street Maintenance	0	0	846,878	846,878
Community Development	0	0	252,712	252,712
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>1,610,627</u>	<u>1,610,627</u>
<u>Committed to:</u>				
Capital Improvements	0	2,067,120	0	2,067,120
Solid Waste Management	0	0	106,667	106,667
First Responders Program	0	0	18,402	18,402
Fire and EMS Department	0	0	248,784	248,784
Performing Arts	0	0	8,217	8,217
<i>Total Committed</i>	<u>0</u>	<u>2,067,120</u>	<u>382,070</u>	<u>2,449,190</u>
<u>Assigned to:</u>				
2020 Operations	2,192,735	0	0	2,192,735
Parking Meters	312	0	0	312
<u>Purchases on Order:</u>				
City Administration	14,061	0	0	14,061
Police Department	10,008	0	0	10,008
Fire Department	20,568	0	0	20,568
Street Maintenance	111,709	0	0	111,709
Recreation Department	16,211	0	38,213	54,424
Public Health	8,956	0	0	8,956
<i>Total Assigned</i>	<u>2,374,560</u>	<u>0</u>	<u>38,213</u>	<u>2,412,773</u>
Unassigned	4,127,313	0	0	4,127,313
Total Fund Balances	<u><u>\$6,617,224</u></u>	<u><u>\$2,067,120</u></u>	<u><u>\$2,030,910</u></u>	<u><u>\$10,715,254</u></u>

Note 6 – Budgetary Basis of Accounting

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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	\$1,390,559
Net Adjustment for Revenue Accruals	(220,009)
Beginning Fair Value Adjustments for Investments	(214,296)
Ending Fair Value Adjustments for Investments	(231,298)
Net Adjustment for Expenditure Accruals	35,534
Encumbrances	(255,035)
Budget Basis	\$505,455

Note 7 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

City of Orrville, Ohio
Notes to the Basic Financial Statements
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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.

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.

City of Orrville, Ohio
Notes to the Basic Financial Statements
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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, 2019, \$1,501,038 of the City's total bank balance of \$23,538,961 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the City's financial institutions participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent, resulting in the uninsured and uncollateralized balance.

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

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

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

Investments

Investments are reported at fair value. As of December 31, 2019, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Fair Value - Level 2 Inputs:				
Money Market Mutual Fund	\$4,108,646	Less Than One Year	AAA	9.42 %
United States Treasury Note	1,178,148	Less Than One Year	N/A	2.70
Commercial Paper	8,554,847	Less Than One Year	A-1 - A-1+	19.61
Negotiable Certificates of Deposit	3,756,027	Less Than Five Years	N/A	8.61
Federal Farm Credit Bank Bonds	8,898,991	Less Than Five Years	AA+	20.40
Federal Home Loan Bank Bonds	2,119,420	Less Than Five Years	AA+	4.86
Federal Home Loan Mortgage Corporation Bonds	9,836,024	Less Than Five Years	AA+	22.55
Federal National Mortgage Association Bonds	5,164,506	Less Than Five Years	AA+	11.84
Total Fair Value - Level 2 Inputs	<u>43,616,609</u>			<u>99.99</u>
Net Asset Value Per Share:				
STAR Ohio	2,272	55.7 Days	AAAm	<u>0.01</u>
Total Investments	<u>\$43,618,881</u>			<u>100.00 %</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The preceding chart identifies the City's recurring fair value measurements as of December 31, 2019. The City's 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).

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

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

Custodial Credit Risk for an investment is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The federal farm credit bank bonds, federal home loan bank bonds, federal home loan mortgage corporation bonds, federal national mortgage association bonds are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty. The City has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee.

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

Note 8 – Receivables

Receivables at December 31, 2019, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from grants, entitlements and shared revenues, special assessments, accrued interest on investments and accounts (billings for refuse and utility services). All allowances for uncollectibles represent estimates of uncollectible receivables in the accounts receivable classification. Taxes, intergovernmental, special assessments and interest receivable are deemed collectible in full. All receivables except property taxes and special assessments that are addressed as follows, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

	Accounts Receivable	Allowance for Uncollectibles	Net Accounts Receivable
Governmental	\$116,182	\$195	\$115,987
Business-Type	4,185,527	12,676	4,172,851
Total	\$4,301,709	\$12,871	\$4,288,838

The amount of delinquent special assessments outstanding at year-end is \$21,110. 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 2019 for real and public utility property taxes represents collections of 2018 taxes.

City of Orrville, Ohio
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2019 real property taxes were levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

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. 2018 public utility property taxes, which became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2019, was \$2.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2019 property tax receipts were based are as follows:

Real Property	\$190,882,570
Public Utility Property	696,950
Total	\$191,579,520

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, 2019, and for which there was an enforceable legal claim. In governmental funds, the portion of receivable not levied to finance 2019 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amount
Governmental Activities	
Ohio Public Works Commission Grants	\$390,930
Gasoline Tax	181,794
Local Government	122,850
Auto Regulation	73,977
Permissive Tax	33,295
Homestead and Rollback	25,048
Stark-Tuscarawas-Wayne Joint Solid Waste District Grant	4,738
Other	2,740
Lodging Tax	1,820
Total	\$837,192

City of Orrville, Ohio
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Income Taxes

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

The City's income tax ordinance requires thirty percent of the income tax revenues to be used to finance governmental and business-type capital improvements. As a result, this portion of the revenue is allocated to the capital improvements capital projects fund each year. The remaining income tax proceeds are to be used to pay the cost of administering the tax, general fund operations, capital improvements, debt service and other governmental functions when needed, as determined by Council. In 2019, the proceeds were allocated to the general fund and the capital improvements fund.

Note 9 – Tax Abatements

As of December 31, 2019, the City provides tax abatements through three programs: The Community Reinvestment Area Tax Abatements (CRA), Local Job Creation Tax Credit (JCTC), and Enterprise Zone Tax Exemptions (EZ).

Community Reinvestment Area Tax Abatements (CRA)

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

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

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

City of Orrville, Ohio
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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.

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.

City of Orrville, Ohio
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Information relevant to the disclosure of these programs for the year ended December 31, 2019, is as follows:

Tax Abatement Program	Amount of 2019 Taxes Abated
<i>Community Reinvestment Area (CRA):</i>	
Retail	\$164,307
Professional	3,030
<i>Local Job Creation Tax Credit (JCTC):</i>	
Manufacturing	338,715
<i>Enterprise Zone Tax Exemptions (EZ):</i>	
Manufacturing	561,256
Total	\$1,067,308

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 2019, the City contracted with several companies for various types of insurance as follows:

Company	Type of Coverage	Coverage
EMC Insurance:	Commercial Property	\$182,481,752
	Auto Liability	1,000,000
	General Liability	1,000,000
	Umbrella Liability	10,000,000
	Public Officials Liability	1,000,000
	Boiler and Machinery	160,092,627
	Selective Insurance:	Commercial Property (\$500 deductible)
Commercial General Liability:		
General Aggregate Limit (Other Than Products)		2,000,000
Products - Completed Operations (Aggregate)		2,000,000
Personal and Advertising Injury Limit		1,000,000
Damage to Rented Premises		1,000,000
Each Occurrence Limit		1,000,000
Business Automobile Liability		1,000,000
Employer's Liability (Stop-Gap)		1,000,000
Employee Benefits:		
Aggregate Limit		2,000,000
Per Claim Limit (\$1,000 deductible each employee)		1,000,000
Commercial Umbrella Liability Coverage (Aggregate)		10,000,000
Scottsdale Insurance:	Police Professional Liability	1,000,000
Travelers Insurance:	Computer Fraud - Single Loss (\$25,000 retention)	1,000,000
	Funds Transfer Fraud - Single Loss (\$25,000 retention)	1,000,000
	Employee Theft - Single Loss (\$25,000 retention)	1,000,000

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

City of Orrville, Ohio
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Workers' Compensation

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

Self-Insurance

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

The claims liability of \$0 reported in the self-insurance fund at December 31, 2019, is estimated by the third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustments expenses and does not include other allocated or unallocated claim adjustment expenses.

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

Year	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2018	\$0	\$82,550	\$82,550	\$0
2019	0	88,672	88,672	0

City of Orrville, Ohio
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Note 11 – Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

	Balance 12/31/18	Additions	Deductions	Balance 12/31/19
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$1,799,203	\$0	\$0	\$1,799,203
Construction in Progress	4,326,014	2,474,904	(1,601,917)	5,199,001
Total Capital Assets, not being Depreciated	<u>6,125,217</u>	<u>2,474,904</u>	<u>(1,601,917)</u>	<u>6,998,204</u>
Capital Assets, being Depreciated				
Buildings and Improvements	8,572,388	109,152	0	8,681,540
Equipment	3,758,426	117,256	0	3,875,682
Vehicles	3,420,756	129,622	(46,803)	3,503,575
Infrastructure	67,126,492	2,150,237	0	69,276,729
Total Capital Assets, being Depreciated	<u>82,878,062</u>	<u>2,506,267</u>	<u>(46,803)</u>	<u>85,337,526</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(5,281,571)	(173,734)	0	(5,455,305)
Equipment	(2,689,142)	(212,302)	0	(2,901,444)
Vehicles	(2,842,134)	(85,839)	5,000	(2,922,973)
Infrastructure	(25,826,926)	(1,183,969)	0	(27,010,895)
Total Accumulated Depreciation	<u>(36,639,773)</u>	<u>(1,655,844)*</u>	<u>5,000</u>	<u>(38,290,617)</u>
Total Capital Assets, being Depreciated, net	<u>46,238,289</u>	<u>850,423</u>	<u>(41,803)</u>	<u>47,046,909</u>
Governmental Activities Capital Assets, Net	<u>\$52,363,506</u>	<u>\$3,325,327</u>	<u>(\$1,643,720)</u>	<u>\$54,045,113</u>

* Depreciation expense was charged to governmental activities as follows:

General Government	\$165,386
Security of Persons and Property:	
Police	49,144
Fire	135,870
Transportation	1,208,969
Public Health and Welfare	26,067
Leisure Time Activities	70,408
Total Depreciation Expense	<u>\$1,655,844</u>

City of Orrville, Ohio
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	Balance 12/31/18	Additions	Deductions	Balance 12/31/19
Business-Type Activities:				
Capital Assets, not being Depreciated:				
Land	\$1,139,783	\$0	\$0	\$1,139,783
Construction In Progress	959,013	881,855	(1,561,692)	279,176
Total Capital Assets, not being Depreciated	<u>2,098,796</u>	<u>881,855</u>	<u>(1,561,692)</u>	<u>1,418,959</u>
Capital Assets, being Depreciated				
Buildings and Improvements	24,577,915	16,798	0	24,594,713
Equipment	17,897,713	504,284	(14,293)	18,387,704
Vehicles	2,472,792	64,189	(15,885)	2,521,096
Electric - Generation/Transmission/Distribution	67,746,495	371,297	0	68,117,792
Infrastructure	28,945,113	1,760,421	0	30,705,534
Total Capital Assets, being Depreciated	<u>141,640,028</u>	<u>2,716,989</u>	<u>(30,178)</u>	<u>144,326,839</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(16,309,041)	(656,857)	0	(16,965,898)
Equipment	(13,596,921)	(924,638)	0	(14,521,559)
Vehicles	(1,680,735)	(115,922)	6,415	(1,790,242)
Electric - Generation/Transmission/Distribution	(55,801,160)	(759,958)	0	(56,561,118)
Infrastructure	(21,516,031)	(627,791)	0	(22,143,822)
Total Accumulated Depreciation	<u>(108,903,888)</u>	<u>(3,085,166)</u>	<u>6,415</u>	<u>(111,982,639)</u>
Total Capital Assets, being Depreciated, net	<u>32,736,140</u>	<u>(368,177)</u>	<u>(23,763)</u>	<u>32,344,200</u>
Business-Type Activities Capital Assets, Net	<u>\$34,834,936</u>	<u>\$513,678</u>	<u>(\$1,585,455)</u>	<u>\$33,763,159</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	0.00 %	\$480,445
Business-Type Activities:		
Water System Refunding General Obligation Bonds - 2013	2.125	1,035,000
<i>Loans from Direct Borrowing:</i>		
OPWC Water System Improvement Loan - 2007 A	0.00	500,000
OPWC Water System Improvement Loan - 2007 B	0.00	100,000

City of Orrville, Ohio
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A schedule of changes in bonds and other long-term obligations of the City during 2019 follows:

	Amount Outstanding 12/31/18	Additions	Deletions	Amount Outstanding 12/31/19	Amounts Due in One Year
Governmental Activities:					
OPWC Loan from Direct Borrowing:					
Concrete Streets Loan - 2015	\$432,400	\$0	\$24,022	\$408,378	\$12,011
Compensated Absences	235,476	134,855	97,005	273,326	137,663
Net Pension Liability:					
OPERS	1,952,237	1,368,437	0	3,320,674	0
OPF	3,151,152	914,499	0	4,065,651	0
Total Net Pension Liability	5,103,389	2,282,936	0	7,386,325	0
Net OPEB Liability:					
OPERS	1,400,671	247,547	0	1,648,218	0
OPF	2,909,024	0	2,455,445	453,579	0
Total Net OPEB Liability	4,309,695	247,547	2,455,445	2,101,797	0
Total Governmental Activities	\$10,080,960	\$2,665,338	\$2,576,472	\$10,169,826	\$149,674
Business-Type Activities:					
Water System Refunding General					
Obligation Bonds - 2013	\$455,000	\$0	\$110,000	\$345,000	\$115,000
OPWC Loans from Direct Borrowing:					
Water System Improvement Loan - 2007 A	325,000	0	16,666	308,334	8,333
Water System Improvement Loan - 2007 B	47,500	0	5,000	42,500	2,500
Total OPWC Loans from Direct Borrowing	372,500	0	21,666	350,834	10,833
Compensated Absences	545,104	279,252	151,640	672,716	153,614
Net Pension Liability - OPERS:					
Sewer	1,018,467	780,138	0	1,798,605	0
Electric	4,583,102	2,611,308	0	7,194,410	0
Water	933,592	588,300	0	1,521,892	0
Total Net Pension Liability - OPERS	6,535,161	3,979,746	0	10,514,907	0
Net OPEB Liability - OPERS:					
Sewer	730,784	162,004	0	892,788	0
Electric	3,288,532	282,608	0	3,571,140	0
Water	669,886	85,546	0	755,432	0
Total Net OPEB Liability - OPERS	4,689,202	530,158	0	5,219,360	0
Total Business-Type Activities	\$12,596,967	\$4,789,156	\$283,306	\$17,102,817	\$279,447

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

City of Orrville, Ohio
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The City has entered into contractual agreements for construction loans from the Ohio Public Works Commission (OPWC). Under the terms of these agreements, the OPWC will reimburse, advance or directly pay the construction costs of approved projects. The OPWC loans are interest free. These loans from direct borrowing of \$408,378 related to governmental activities and \$350,834 related to business-type activities contain provisions that in the event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that such payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

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

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

The City has pledged future water customer revenues to repay the Ohio Public Works Commission Water Systems Loans. The loans are payable solely from net revenues and are payable through 2038. Proceeds of these loans provided financing for various water projects. Annual principal payments on the loans are expected to require about 6 percent of net revenues and less than 3 percent of total revenues. The total principal remaining to be paid on the loans is \$350,834. Principal paid for the current year was \$21,666, total net revenues were \$1,330,808, and total revenues were \$3,425,517.

As of December 31, 2019, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$19,770,850 and the unvoted legal debt margin was \$10,191,874. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2019, are as follows:

Year Ending December 31	Governmental Activities	Business-Type Activities		
	OPWC Loans from Direct Borrowing	Water System General Obligation Refunding		OPWC Loans from Direct Borrowing
	Principal	Principal	Interest	Principal
	Principal	Principal	Interest	Principal
2020	\$12,011	\$115,000	\$7,331	\$10,833
2021	36,033	115,000	4,887	32,499
2022	24,022	115,000	2,444	21,666
2023	24,022	0	0	21,666
2024	24,022	0	0	21,666
2025-2029	120,110	0	0	100,830
2030-2034	120,110	0	0	83,330
2035-2038	48,048	0	0	58,344
Total	\$408,378	\$345,000	\$14,662	\$350,834

City of Orrville, Ohio
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Industrial Revenue Bonds

The City authorized the issuance of industrial development revenue bonds for two commercial entities. The aggregate outstanding principal amount was \$2,031,267 at December 31, 2019. The City is not obligated in any way to pay debt charges on the bonds from any of its funds, and therefore they have been excluded entirely from the City's debt presentation. There has not been and is not any condition of default under the bonds or the related financing documents.

Note 13 – Contingent Liabilities

Litigation

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

Federal and State Grants

The City participates in several Federal and State assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2019, 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) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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.

City of Orrville, Ohio
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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* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 15 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

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 CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

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

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

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

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2019 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.

For 2019, The City’s contractually required contribution was \$953,497 for the traditional plan, \$52,682 for the combined plan and \$50,603 for the member-directed plan. Of these amounts, \$226,102 is reported as an intergovernmental payable for the traditional plan, \$12,489 for the combined plan, and \$12,004 for the member-directed plan.

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

Plan Description – 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.

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.

City of Orrville, Ohio
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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 CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3 percent or the percent increase, if any, in the Consumer Price Index over the 13 month period ending on September 30th of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.

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

	Police	Firefighters
2019 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2019 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 \$255,476 for 2019. Of this amount, \$40,357 is reported as an intergovernmental payable.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2018, 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, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. 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:

City of Orrville, Ohio
Notes to the Basic Financial Statements
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	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.05051700%	0.08478500%	0.04980800%	
Prior Measurement Date	0.05410100%	0.08653800%	0.05134300%	
Change in Proportionate Share	<u>-0.00358400%</u>	<u>-0.00175300%</u>	<u>-0.00153500%</u>	
Proportionate Share of the:				
Net Pension Liability	\$13,835,581	\$0	\$4,065,651	\$17,901,232
Net Pension Asset	0	94,809	0	94,809
Pension Expense	2,597,417	26,065	539,382	3,162,864

2019 pension expense for the member-directed defined contribution plan was \$50,603. The aggregate pension expense for all pension plans was \$3,213,467 for 2019.

At December 31, 2019, 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	\$639	\$0	\$167,041	\$167,680
Changes of assumptions	1,204,421	21,175	107,786	1,333,382
Net difference between projected and actual earnings on pension plan investments	1,877,876	20,423	500,885	2,399,184
Changes in proportion and differences between City contributions and proportionate share of contributions	0	1,342	68,505	69,847
City contributions subsequent to the measurement date	953,497	52,682	255,476	1,261,655
Total Deferred Outflows of Resources	<u>\$4,036,433</u>	<u>\$95,622</u>	<u>\$1,099,693</u>	<u>\$5,231,748</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$181,669	\$38,722	\$3,796	\$224,187
Changes in proportion and differences between City contributions and proportionate share of contributions	505,854	681	86,537	593,072
Total Deferred Inflows of Resources	<u>\$687,523</u>	<u>\$39,403</u>	<u>\$90,333</u>	<u>\$817,259</u>

\$1,261,655 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 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

City of Orrville, Ohio
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	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Year Ending December 31:				
2020	\$935,633	\$3,272	\$239,261	\$1,178,166
2021	412,216	(807)	129,732	541,141
2022	174,212	(376)	146,650	320,486
2023	873,352	6,019	224,451	1,103,822
2024	0	(2,377)	13,790	11,413
Thereafter	0	(2,194)	0	(2,194)
Total	<u>\$2,395,413</u>	<u>\$3,537</u>	<u>\$753,884</u>	<u>\$3,152,834</u>

Actuarial Assumptions – OPERS

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

Projections of 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, 2018, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2018, are presented as follows:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change was effective beginning with the 2018 valuation.

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

City of Orrville, Ohio
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improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

The long-term 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.

During 2018, 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 a loss of 2.94 percent for 2018.

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 table the follows displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

Discount Rate For 2018, the discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. For 2017, the discount rate used to measure the total pension liability was 7.5 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability (asset):			
OPERS Traditional Plan	\$20,439,178	\$13,835,581	\$8,347,934
OPERS Combined Plan	(31,370)	(94,809)	(140,743)

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, 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 reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2018, are presented as follows:

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

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

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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 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

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, 2018, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income *	23.00	2.60
High Yield Fixed Income	7.00	4.80
Private Credit	5.00	7.50
U.S. Inflation Linked Bonds*	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
Total	120.00 %	

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 above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$5,344,015	\$4,065,651	\$2,997,389

Note 15 – Defined Benefit OPEB Plans

See Note 14 for a description of the net OPEB liability

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – 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 to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

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

City of Orrville, Ohio
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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, health care was no longer being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, 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. As recommended by OPERS’ actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the 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 2019 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 \$20,241 for 2019. Of this amount, \$4,801 is reported as an intergovernmental payable.

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

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

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

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

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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 2019, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded.

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

The City’s contractually required contribution to OP&F was \$6,621 for 2019. Of this amount, \$1,044 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, 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, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City’s proportion of the net OPEB liability was based on the City’s share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.05267500%	0.04980800%	
Prior Measurement Date	<u>0.05608000%</u>	<u>0.05134300%</u>	
Change in Proportionate Share	<u>-0.00340500%</u>	<u>-0.00153500%</u>	
			<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$6,867,578	\$453,579	\$7,321,157
OPEB Expense	\$462,541	(\$2,235,595)	(\$1,773,054)

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For the Year Ended December 31, 2019

At December 31, 2019, 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	\$2,326	\$0	\$2,326
Changes of assumptions	221,419	235,113	456,532
Net difference between projected and actual earnings on OPEB plan investments	314,838	15,354	330,192
Changes in proportion and differences between City contributions and proportionate share of contributions	0	50,141	50,141
City contributions subsequent to the measurement date	<u>20,241</u>	<u>6,621</u>	<u>26,862</u>
Total Deferred Outflows of Resources	<u><u>\$558,824</u></u>	<u><u>\$307,229</u></u>	<u><u>\$866,053</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$18,634	\$12,152	\$30,786
Changes of assumptions	0	125,572	125,572
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>308,954</u>	<u>67,655</u>	<u>376,609</u>
Total Deferred Inflows of Resources	<u><u>\$327,588</u></u>	<u><u>\$205,379</u></u>	<u><u>\$532,967</u></u>

\$26,862 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2020	\$68,163	\$17,557	\$85,720
2021	(63,907)	17,557	(46,350)
2022	48,134	17,557	65,691
2023	158,605	22,201	180,806
2024	0	14,879	14,879
Thereafter	<u>0</u>	<u>5,478</u>	<u>5,478</u>
Total	<u><u>\$210,995</u></u>	<u><u>\$95,229</u></u>	<u><u>\$306,224</u></u>

Actuarial Assumptions – OPERS

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

City of Orrville, Ohio
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For the Year Ended December 31, 2019

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	3.71 percent
Prior Measurement date	3.31 percent
Health Care Cost Trend Rate:	
Current measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Prior Measurement date	7.25 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age Normal

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change was be effective for the 2018 valuation.

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

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

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

During 2018, 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, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and 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 a loss of 5.6 percent for 2018.

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 table that follows displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	100.00 %	5.16 %

Discount Rate A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. 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 3.71 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
City's proportionate share of the net OPEB liability	\$8,786,190	\$6,867,578	\$5,341,772

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

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 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuary's 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 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$6,601,231	\$6,867,578	\$7,174,335

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	4.66 percent
Prior measurement date	3.24 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

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 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

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 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

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

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

Discount Rate For 2019, the total OPEB liability was calculated using the discount rate of 4.66 percent. For 2018, the total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017, was blended with the long-

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

term rate of 8 percent, which resulted in a blended discount rate of 4.66 percent for 2018 and 3.24 percent for 2017. 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 2031. The long-term expected rate of return on health care investments was applied to projected costs through 2031, 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 4.66 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 (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$552,582	\$453,579	\$370,473

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

Note 16 – Other Employee Benefits

Compensated Absences

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

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

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Insurance Benefits

For 2019, 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 \$524.55, \$1,079.35, and \$1,664.40, respectively, for January through September. The City’s portions of the monthly premiums for employee, employee plus one, and family are \$576.05, \$1,182.20, and \$1,821.40, respectively, for October through December.

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 \$481,653 and \$14,626 to the gas tax motor vehicle license and solid waste special revenue funds, respectively, to supplement the funds available for maintaining City streets and for solid waste services. The general fund also made a transfer of \$911,934 to give the electric enterprise fund the kilowatt per hour taxes.

Interfund Balances

The water major enterprise fund had an interfund payable balance of \$665,000 and the sewer and electric major enterprise funds had interfund receivable balances of \$332,500 and \$332,500, respectively, due to the issuance of manuscript bonds and notes.

The \$665,000 in manuscript bonds are utility refunding bonds that were issued on April 17, 2013, at an original issue amount of \$1,880,000 at 2.125 percent. These bonds are due on December 1, 2022, and were used to refund a portion of the water system refunding revenue bonds that had been issued in 2002. These manuscript bonds were issued by the water fund and purchased by the sewer and electric funds as investments. Principal of \$215,000 was retired during 2019. Principal and interest requirements to retire the utility refunding manuscript bonds outstanding at December 31, 2019, are as follows:

Year	Utility Refunding Bonds	
	Principal	Interest
2020	\$220,000	\$14,132
2021	220,000	9,456
2022	225,000	4,782
Total	\$665,000	\$28,370

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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, 2019, were as follows:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Governmental Activities	\$9,257	\$342
Business-Type Activities:		
Sewer	9,177	488
Electric	830	19,148
Water	714	0
Total Business-Type Activities	10,721	19,636
Total	\$19,978	\$19,978

Balances related to the internal proportionate share for OPEB at December 31, 2019, were as follows:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Governmental Activities	\$6,584	\$0
Business-Type Activities:		
Sewer	8,604	0
Electric	0	15,188
Total Business-Type Activities	8,604	15,188
Total	\$15,188	\$15,188

Note 18 – Donor Restricted Endowments

The City’s private-purpose trust fund includes donor restricted endowments. Net position – endowments, 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 \$220 and is included as net position – held in trust for cemetery. State law permits the City to appropriate, for purposes consistent with the endowment’s intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise. The endowments indicate that the interest should be used for the decoration of specifically named graves.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 19 – Joint Venture

The City participates in the Wooster-Ashland Regional Council of Governments (the Council) which is a statutorily created political subdivision of the State. The Council is a joint venture between the City of Orrville, the City of Wooster and the City of Ashland. The Council is controlled by a Board of Directors which is composed of at least one elected public official of each municipal corporation which is a founding member (for a municipal corporation this is the mayor). Two additional directors are appointed by each founding member, plus an additional director appointed in alternate years beginning first with the City of Wooster, then the City of Ashland, and then the City of Orrville. There are three additional Directors, with one each appointed by the respective Presidents of the Council of the cities of Wooster, Orrville, and Ashland. Officers of the Council include a President, at least one Vice-President, a Secretary, a Treasurer and such other officers as the Directors deem advisable and appoint. Officers are chosen by the Directors. Each member's control over the operation of the Council is limited to its representation on the board. The Council was formed to plan for, create, and operate a joint dispatching system for police, fire, emergency medical services, and other related public safety services, and receive and expend funds, grants, or other contributions. Continued existence of the Council is dependent on the City's continued participation; however, the City does not have an equity interest in the Council. The Council is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. In 2019, the City did not make any contributions to the Council.

Note 20 – Significant Commitments

Contractual Commitments

At December 31, 2019, the City had a contractual commitment that consisted of the following:

Vendor	Contract Amount	Amount Paid	Remaining on Contract
Cavanaugh Building	\$1,061,453	\$955,308	\$106,145
Karvo Construction	530,683	397,426	133,257
Total	<u>\$1,592,136</u>	<u>\$1,352,734</u>	<u>\$239,402</u>

Remaining commitment amounts were encumbered at year end.

Encumbrances

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

<i>Governmental Funds:</i>		<i>Proprietary Funds:</i>	
General	\$255,035	Sewer	\$188,750
Capital Improvements	636,160	Electric	988,629
Other Governmental Funds	733,642	Water	733,341
Total	<u>\$1,624,837</u>	Total	<u>\$1,910,720</u>

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 21 – Subsequent Event

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City's investment portfolio and the investments of the pension and other employee benefit plans in which the City participates have incurred a significant decline in fair value, consistent with the general decline in financial markets; however, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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 Six Years (1) **

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

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

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

See accompanying notes to the required supplementary information

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

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

	2019	2018
City's Proportion of the Net Pension Asset	0.08478500%	0.08653800%
City's Proportionate Share of the Net Pension Asset	\$94,809	\$117,805
City's Covered Payroll	\$362,621	\$354,415
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	-26.15%	-33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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

See accompanying notes to the required supplementary information

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

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

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

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

See accompanying notes to the required supplementary information

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

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

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

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

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

See accompanying notes to the required supplementary information

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

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

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

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

See accompanying notes to the required supplementary information

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

	2019	2018	2017
Net Pension Liability - Traditional Plan			
Contractually Required Contribution	\$953,497	\$955,234	\$929,429
Contributions in Relation to the Contractually Required Contribution	(953,497)	(955,234)	(929,429)
Contribution Deficiency (Excess)	\$0	\$0	\$0
City Covered Payroll	\$6,810,693	\$6,823,100	\$7,149,454
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.00%
Net Pension Asset - Combined Plan (3)			
Contractually Required Contribution	\$52,682	\$50,767	\$46,074
Contributions in Relation to the Contractually Required Contribution	(52,682)	(50,767)	(46,074)
Contribution Deficiency (Excess)	\$0	\$0	\$0
City Covered Payroll	\$376,300	\$362,621	\$354,415
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.00%
Net OPEB Liability - OPEB Plan (4)			
Contractually Required Contribution	\$20,241	\$18,187	\$92,656
Contributions in Relation to the Contractually Required Contribution	(20,241)	(18,187)	(92,656)
Contribution Deficiency (Excess)	\$0	\$0	\$0
City Covered Payroll (2)	\$7,693,018	\$7,640,396	\$7,944,294
OPEB Contributions as a Percentage of Covered Payroll	0.26%	0.24%	1.17%

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

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

(3) Information prior to 2017 is not available.

(4) Information prior to 2016 is not available.

See accompanying notes to the required supplementary information

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

\$168,679
(168,679)
\$0
\$7,983,000
2.11%

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

	2019	2018	2017	2016
Net Pension Liability				
Contractually Required Contribution	\$255,476	\$243,654	\$229,748	\$226,450
Contributions in Relation to the Contractually Required Contribution	<u>(255,476)</u>	<u>(243,654)</u>	<u>(229,748)</u>	<u>(226,450)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$1,324,168	\$1,262,592	\$1,188,680	\$1,169,147
Contributions as a Percentage of Covered Payroll	<u>19.29%</u>	<u>19.30%</u>	<u>19.33%</u>	<u>19.37%</u>
Net OPEB Liability				
Contractually Required Contribution	\$6,621	\$6,313	\$5,943	\$5,846
Contributions in Relation to the Contractually Required Contribution	<u>(6,621)</u>	<u>(6,313)</u>	<u>(5,943)</u>	<u>(5,846)</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>19.79%</u>	<u>19.80%</u>	<u>19.83%</u>	<u>19.87%</u>

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

See accompanying notes to the required supplementary information

2015	2014	2013	2012	2011	2010
\$214,063	\$208,710	\$174,718	\$131,201	\$125,830	\$122,460
(214,063)	(208,710)	(174,718)	(131,201)	(125,830)	(122,460)
\$0	\$0	\$0	\$0	\$0	\$0
\$1,104,590	\$1,076,865	\$1,074,614	\$998,842	\$958,663	\$932,818
19.38%	19.38%	16.26%	13.14%	13.13%	13.13%
\$5,523	\$5,384	\$38,865	\$67,422	\$64,710	\$62,965
(5,523)	(5,384)	(38,865)	(67,422)	(64,710)	(62,965)
\$0	\$0	\$0	\$0	\$0	\$0
0.50%	0.50%	3.62%	6.75%	6.75%	6.75%
19.88%	19.88%	19.88%	19.89%	19.88%	19.88%

City of Orrville, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2019

Changes in Assumptions – OPERS Pension

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and in 2016 and prior are presented as follows:

	2019	2017	2016 and prior
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

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

City of Orrville, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2019

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

Amounts reported beginning in 2018 use valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the 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 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.

Changes in Assumptions – OPERS OPEB

For 2019, the single discount rate changed from 3.85 percent to 3.96 percent and the municipal bond rate changed from 3.31 percent to 3.71 percent. For 2019, the health care cost trend rate was 10 percent, initial; 3.25 ultimate in 2029. For 2018, the health care cost tend rate was 7.25 percent, initial; 3.25 percent ultimate in 2028.

For 2018, the single discount rate changed from 4.23 percent to 3.85 percent.

City of Orrville, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2019

Changes in Assumptions – OP&F OPEB

For 2019, the single discount rate changed from 3.24 percent to 4.66 percent.

For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

Changes in Benefit Terms – OP&F OPEB

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

**Combining and Individual
Fund Statements and Schedules**

Combining and Individual Fund Statements and Schedules

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds (continued)

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

Fire Trust Fund – To account for and report insurance proceeds restricted for the costs related to removing, repairing, and securing fire-damaged structures.

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

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 2019; 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 2019; therefore, budgetary information is not provided.

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

Nonmajor Capital Projects Funds

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

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

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

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

Community Development Block Grant Fund – To account for and report federal grant monies restricted for various capital projects of the City. The fund did not have any budgetary activity in 2019; therefore, budgetary information is not provided.

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,619,886	\$195,281	\$285,458	\$2,100,625
Accrued Interest Receivable	915	548	7	1,470
Accounts Receivable	75,848	0	0	75,848
Intergovernmental Receivable	289,207	0	322,338	611,545
Special Assessments Receivable	0	21,110	0	21,110
<i>Total Assets</i>	<u>\$1,985,856</u>	<u>\$216,939</u>	<u>\$607,803</u>	<u>\$2,810,598</u>
Liabilities				
Accounts Payable	\$47,903	\$0	\$0	\$47,903
Accrued Wages	30,798	0	0	30,798
Contracts Payable	149,025	0	322,338	471,363
Intergovernmental Payable	22,715	0	0	22,715
<i>Total Liabilities</i>	<u>250,441</u>	<u>0</u>	<u>322,338</u>	<u>572,779</u>
Deferred Inflows of Resources				
Unavailable Revenue	185,799	21,110	0	206,909
Fund Balances				
Restricted	1,167,546	195,829	247,252	1,610,627
Committed	382,070	0	0	382,070
Assigned	0	0	38,213	38,213
<i>Total Fund Balances</i>	<u>1,549,616</u>	<u>195,829</u>	<u>285,465</u>	<u>2,030,910</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,985,856</u>	<u>\$216,939</u>	<u>\$607,803</u>	<u>\$2,810,598</u>

City of Orrville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Special Assessments	\$0	\$214	\$0	\$214
Intergovernmental	509,458	0	1,046,666	1,556,124
Interest	4,200	2,780	34	7,014
Fines, Licenses and Permits	66,202	0	1,250	67,452
Charges for Services	556,146	0	0	556,146
Contributions and Donations	34,996	0	0	34,996
Other	7,627	0	0	7,627
<i>Total Revenues</i>	<u>1,178,629</u>	<u>2,994</u>	<u>1,047,950</u>	<u>2,229,573</u>
Expenditures				
Current:				
General Government	3,229	94	0	3,323
Security of Persons and Property:				
Police	1,643	0	0	1,643
Transportation	1,330,565	0	0	1,330,565
Public Health and Welfare	128,818	0	0	128,818
Leisure Time Activities	21,017	0	0	21,017
Basic Utility Service	481,223	0	0	481,223
Capital Outlay	0	0	1,046,666	1,046,666
<i>Total Expenditures</i>	<u>1,966,495</u>	<u>94</u>	<u>1,046,666</u>	<u>3,013,255</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(787,866)	2,900	1,284	(783,682)
Other Financing Sources				
Transfers In	496,279	0	0	496,279
<i>Net Change in Fund Balances</i>	(291,587)	2,900	1,284	(287,403)
<i>Fund Balances Beginning of Year</i>	<u>1,841,203</u>	<u>192,929</u>	<u>284,181</u>	<u>2,318,313</u>
<i>Fund Balances End of Year</i>	<u>\$1,549,616</u>	<u>\$195,829</u>	<u>\$285,465</u>	<u>\$2,030,910</u>

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

	Gas Tax Motor Vehicle License	State Highway	Permissive Motor Vehicle License	Solid Waste
Assets				
Equity in Pooled Cash and Cash Equivalents	\$80,326	\$296,426	\$63,003	\$83,082
Accrued Interest Receivable	65	826	0	0
Accounts Receivable	0	0	0	62,502
Intergovernmental Receivable	236,588	19,183	0	0
<i>Total Assets</i>	<u>\$316,979</u>	<u>\$316,435</u>	<u>\$63,003</u>	<u>\$145,584</u>
Liabilities				
Accounts Payable	\$4,148	\$0	\$0	\$38,917
Accrued Wages	30,798	0	0	0
Contracts Payable	0	94,686	0	0
Intergovernmental Payable	22,715	0	0	0
<i>Total Liabilities</i>	<u>57,661</u>	<u>94,686</u>	<u>0</u>	<u>38,917</u>
Deferred Inflows of Resources				
Unavailable Revenue	149,663	12,135	0	0
Fund Balances				
Restricted	109,655	209,614	63,003	0
Committed	0	0	0	106,667
<i>Total Fund Balances</i>	<u>109,655</u>	<u>209,614</u>	<u>63,003</u>	<u>106,667</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$316,979</u>	<u>\$316,435</u>	<u>\$63,003</u>	<u>\$145,584</u>

Law Enforcement	Enforcement and Education	Cemetery Maintenance	Permissive	First Responders	Blooming Orrville
\$5,699	\$5,944	\$292,382	\$508,246	\$18,606	\$5,460
0	0	0	0	0	0
0	0	2,204	0	0	0
140	0	0	33,296	0	0
<u>\$5,839</u>	<u>\$5,944</u>	<u>\$294,586</u>	<u>\$541,542</u>	<u>\$18,606</u>	<u>\$5,460</u>
\$0	\$0	\$0	\$0	\$204	\$0
0	0	0	0	0	0
0	0	0	54,339	0	0
0	0	0	0	0	0
0	0	0	54,339	204	0
0	0	1,404	22,597	0	0
5,839	5,944	293,182	464,606	0	5,460
0	0	0	0	18,402	0
<u>5,839</u>	<u>5,944</u>	<u>293,182</u>	<u>464,606</u>	<u>18,402</u>	<u>5,460</u>
<u>\$5,839</u>	<u>\$5,944</u>	<u>\$294,586</u>	<u>\$541,542</u>	<u>\$18,606</u>	<u>\$5,460</u>

(continued)

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2019

	Emergency Medical Service Equipment	Performing Arts	Continuing Professional Training Grant	Total Nonmajor Special Revenue Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$241,172	\$8,193	\$11,347	\$1,619,886
Accrued Interest Receivable	0	24	0	915
Accounts Receivable	11,142	0	0	75,848
Intergovernmental Receivable	0	0	0	289,207
<i>Total Assets</i>	<u>\$252,314</u>	<u>\$8,217</u>	<u>\$11,347</u>	<u>\$1,985,856</u>
Liabilities				
Accounts Payable	\$3,530	\$0	\$1,104	\$47,903
Accrued Wages	0	0	0	30,798
Contracts Payable	0	0	0	149,025
Intergovernmental Payable	0	0	0	22,715
<i>Total Liabilities</i>	<u>3,530</u>	<u>0</u>	<u>1,104</u>	<u>250,441</u>
Deferred Inflows of Resources				
Unavailable Revenue	0	0	0	185,799
Fund Balances				
Restricted	0	0	10,243	1,167,546
Committed	248,784	8,217	0	382,070
<i>Total Fund Balances</i>	<u>248,784</u>	<u>8,217</u>	<u>10,243</u>	<u>1,549,616</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$252,314</u>	<u>\$8,217</u>	<u>\$11,347</u>	<u>\$1,985,856</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, 2019

	Gas Tax Motor Vehicle License	State Highway	Permissive Motor Vehicle License	Solid Waste
Revenues				
Intergovernmental	\$471,249	\$38,209	\$0	\$0
Interest	64	4,019	0	0
Fines, Licenses and Permits	0	0	0	0
Charges for Services	0	0	0	450,453
Contributions and Donations	0	0	0	0
Other	7,627	0	0	0
<i>Total Revenues</i>	<u>478,940</u>	<u>42,228</u>	<u>0</u>	<u>450,453</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property:				
Police	0	0	0	0
Transportation	1,035,879	94,686	0	0
Public Health and Welfare	0	0	0	0
Leisure Time Activities	0	0	0	0
Basic Utility Service	0	0	0	481,223
<i>Total Expenditures</i>	<u>1,035,879</u>	<u>94,686</u>	<u>0</u>	<u>481,223</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(556,939)	(52,458)	0	(30,770)
Other Financing Sources				
Transfers In	481,653	0	0	14,626
<i>Net Change in Fund Balances</i>	(75,286)	(52,458)	0	(16,144)
<i>Fund Balances Beginning of Year</i>	<u>184,941</u>	<u>262,072</u>	<u>63,003</u>	<u>122,811</u>
<i>Fund Balances End of Year</i>	<u>\$109,655</u>	<u>\$209,614</u>	<u>\$63,003</u>	<u>\$106,667</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, 2019

	Law Enforcement	Enforcement and Education	Cemetery Maintenance	Permissive
Revenues				
Intergovernmental	\$0	\$0	\$0	\$0
Interest	0	0	0	0
Fines, Licenses and Permits	2,713	290	0	63,199
Charges for Services	0	0	14,549	0
Contributions and Donations	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>2,713</u>	<u>290</u>	<u>14,549</u>	<u>63,199</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property:				
Police	42	202	0	0
Transportation	0	0	0	200,000
Public Health and Welfare	0	0	54,146	0
Leisure Time Activities	0	0	0	0
Basic Utility Service	0	0	0	0
<i>Total Expenditures</i>	<u>42</u>	<u>202</u>	<u>54,146</u>	<u>200,000</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	2,671	88	(39,597)	(136,801)
Other Financing Sources				
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	2,671	88	(39,597)	(136,801)
<i>Fund Balances Beginning of Year</i>	<u>3,168</u>	<u>5,856</u>	<u>332,779</u>	<u>601,407</u>
<i>Fund Balances End of Year</i>	<u>\$5,839</u>	<u>\$5,944</u>	<u>\$293,182</u>	<u>\$464,606</u>

First Responders	Blooming Orrville	Emergency Medical Service Equipment	Performing Arts	Continuing Professional Training Grant	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$509,458
0	0	0	117	0	4,200
0	0	0	0	0	66,202
0	0	91,144	0	0	556,146
5,817	21,743	0	7,436	0	34,996
0	0	0	0	0	7,627
<u>5,817</u>	<u>21,743</u>	<u>91,144</u>	<u>7,553</u>	<u>0</u>	<u>1,178,629</u>
3,229	0	0	0	0	3,229
0	0	0	0	1,399	1,643
0	0	0	0	0	1,330,565
0	0	74,672	0	0	128,818
0	16,283	0	4,734	0	21,017
0	0	0	0	0	481,223
<u>3,229</u>	<u>16,283</u>	<u>74,672</u>	<u>4,734</u>	<u>1,399</u>	<u>1,966,495</u>
2,588	5,460	16,472	2,819	(1,399)	(787,866)
0	0	0	0	0	496,279
2,588	5,460	16,472	2,819	(1,399)	(291,587)
<u>15,814</u>	<u>0</u>	<u>232,312</u>	<u>5,398</u>	<u>11,642</u>	<u>1,841,203</u>
<u>\$18,402</u>	<u>\$5,460</u>	<u>\$248,784</u>	<u>\$8,217</u>	<u>\$10,243</u>	<u>\$1,549,616</u>

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2019

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$4,152	\$191,129	\$195,281
Accrued Interest Receivable	0	548	548
Special Assessments Receivable	0	21,110	21,110
<i>Total Assets</i>	<u>\$4,152</u>	<u>\$212,787</u>	<u>\$216,939</u>
Deferred Inflows of Resources			
Unavailable Revenue	\$0	\$21,110	\$21,110
Fund Balances			
Restricted	<u>4,152</u>	<u>191,677</u>	<u>195,829</u>
<i>Total Deferred Inflows of Resources and Fund Balances</i>	<u>\$4,152</u>	<u>\$212,787</u>	<u>\$216,939</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, 2019

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Special Assessments	\$0	\$214	\$214
Interest	0	2,780	2,780
<i>Total Revenues</i>	0	2,994	2,994
Expenditures			
Current:			
General Government	0	94	94
<i>Net Change in Fund Balances</i>	0	2,900	2,900
<i>Fund Balances Beginning of Year</i>	4,152	188,777	192,929
<i>Fund Balances End of Year</i>	<u>\$4,152</u>	<u>\$191,677</u>	<u>\$195,829</u>

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2019

	Park Improvement	Recreation and Park	Grants	Community Development Block Grant	Total Nonmajor Capital Projects Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$2,371	\$35,835	\$133,384	\$113,868	\$285,458
Accrued Interest Receivable	7	0	0	0	7
Intergovernmental Receivable	0	0	322,338	0	322,338
<i>Total Assets</i>	<u>\$2,378</u>	<u>\$35,835</u>	<u>\$455,722</u>	<u>\$113,868</u>	<u>\$607,803</u>
Liabilities					
Contracts Payable	\$0	\$0	\$322,338	\$0	\$322,338
Fund Balances					
Restricted	0	0	133,384	113,868	247,252
Assigned	2,378	35,835	0	0	38,213
<i>Total Fund Balances</i>	<u>2,378</u>	<u>35,835</u>	<u>133,384</u>	<u>113,868</u>	<u>285,465</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,378</u>	<u>\$35,835</u>	<u>\$455,722</u>	<u>\$113,868</u>	<u>\$607,803</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, 2019

	Park Improvement	Recreation and Park	Grants	Community Development Block Grant	Total Nonmajor Capital Projects Funds
Revenues					
Intergovernmental	\$0	\$0	\$1,046,666	\$0	\$1,046,666
Interest	34	0	0	0	34
Fines, Licenses and Permits	0	1,250	0	0	1,250
<i>Total Revenues</i>	34	1,250	1,046,666	0	1,047,950
Expenditures					
Capital Outlay	0	0	1,046,666	0	1,046,666
<i>Net Change in Fund Balances</i>	34	1,250	0	0	1,284
<i>Fund Balances Beginning of Year</i>	2,344	34,585	133,384	113,868	284,181
<i>Fund Balances End of Year</i>	<u>\$2,378</u>	<u>\$35,835</u>	<u>\$133,384</u>	<u>\$113,868</u>	<u>\$285,465</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, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$445,000	\$445,000	\$488,361	\$43,361
Income Taxes	3,658,000	3,665,000	5,067,856	1,402,856
Kilowatt Per Hour Tax	1,170,000	1,170,000	911,934	(258,066)
Intergovernmental	252,500	239,500	300,117	60,617
Interest	48,100	48,100	123,660	75,560
Fines, Licenses and Permits	29,500	27,500	25,586	(1,914)
Rentals	400	400	165	(235)
Charges for Services	276,500	291,500	446,017	154,517
Contributions and Donations	11,000	11,000	41,096	30,096
Other	1,000	1,000	130,579	129,579
<i>Total Revenues</i>	<u>5,892,000</u>	<u>5,899,000</u>	<u>7,535,371</u>	<u>1,636,371</u>
Expenditures				
Current:				
General Government:				
City Council:				
Personal Services	31,684	31,649	31,649	0
City Hall:				
Personal Services	197,475	196,450	196,450	0
Purchased Services	18,763	18,763	18,569	194
Materials and Supplies	6,187	6,187	6,187	0
Utilities	6,740	6,740	6,740	0
Total City Hall	<u>229,165</u>	<u>228,140</u>	<u>227,946</u>	<u>194</u>
Finance Department:				
Personal Services	96,333	99,783	99,783	0
Purchased Services	49,486	51,486	35,074	16,412
Materials and Supplies	1,902	1,902	1,902	0
Utilities	240	240	240	0
Total Finance Department	<u>147,961</u>	<u>153,411</u>	<u>136,999</u>	<u>16,412</u>
Personnel:				
Personal Services	119,805	119,335	119,335	0
Purchased Services	8,159	8,159	1,985	6,174
Materials and Supplies	1,455	1,455	1,455	0
Utilities	1,000	1,000	1,000	0
Total Personnel	<u>\$130,419</u>	<u>\$129,949</u>	<u>\$123,775</u>	<u>\$6,174</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, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Data Processing:				
Personal Services	\$24,539	\$25,739	\$25,739	\$0
Purchased Services	19,900	22,000	18,907	3,093
Materials and Supplies	20,723	22,723	22,723	0
Utilities	4,260	4,260	4,260	0
Total Data Processing	69,422	74,722	71,629	3,093
Income Tax:				
Personal Services	100,347	98,347	98,347	0
Purchased Services	1,691	1,691	1,691	0
Materials and Supplies	3,494	3,494	3,494	0
Utilities	491	491	491	0
Total Income Tax	106,023	104,023	104,023	0
Law Department:				
Personal Services	42,320	43,340	43,340	0
Purchased Services	16,745	67,645	25,632	42,013
Total Law Department	59,065	110,985	68,972	42,013
Mayor's Office:				
Personal Services	26,228	27,128	27,128	0
Purchased Services	350	350	0	350
Utilities	529	529	528	1
Total Mayor's Office	27,107	28,007	27,656	351
Administrative:				
Personal Services	323,295	330,995	330,995	0
Purchased Services	344,518	344,518	219,483	125,035
Materials and Supplies	14,205	14,205	14,205	0
Other	20,000	40,247	2,750	37,497
Total Administrative	702,018	729,965	567,433	162,532
Total General Government	1,502,864	1,590,851	1,360,082	230,769
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	2,013,531	2,104,681	2,044,249	60,432
Purchased Services	266,861	330,861	294,605	36,256
Materials and Supplies	101,331	100,631	100,631	0
Utilities	38,330	40,030	40,030	0
Total Police	\$2,420,053	\$2,576,203	\$2,479,515	\$96,688

(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, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fire:				
Fire Department:				
Personal Services	\$353,650	\$347,850	\$294,386	\$53,464
Purchased Services	71,893	83,693	50,379	33,314
Materials and Supplies	69,453	86,153	86,153	0
Utilities	14,742	15,042	15,042	0
Total Fire	<u>509,738</u>	<u>532,738</u>	<u>445,960</u>	<u>86,778</u>
Total Security of Persons and Property	<u>2,929,791</u>	<u>3,108,941</u>	<u>2,925,475</u>	<u>183,466</u>
Transportation:				
Street:				
Personal Services	360,301	406,301	392,180	14,121
Purchased Services	44,501	44,501	29,330	15,171
Materials and Supplies	294,100	294,100	294,099	1
Total Transportation	<u>698,902</u>	<u>744,902</u>	<u>715,609</u>	<u>29,293</u>
Public Health and Welfare:				
Animal Control:				
Purchased Services	0	11,000	10,000	1,000
Materials and Supplies	13,610	21,610	21,610	0
Total Animal Control	<u>13,610</u>	<u>32,610</u>	<u>31,610</u>	<u>1,000</u>
Cemetery:				
Personal Services	161,274	162,304	162,304	0
Purchased Services	8,678	8,678	8,678	0
Materials and Supplies	23,718	23,718	23,718	0
Utilities	4,178	4,178	4,178	0
Total Cemetery	<u>197,848</u>	<u>198,878</u>	<u>198,878</u>	<u>0</u>
Total Public Health and Welfare	<u>211,458</u>	<u>231,488</u>	<u>230,488</u>	<u>1,000</u>
Leisure Time Activities:				
Park:				
Personal Services	177,303	178,318	161,151	17,167
Purchased Services	19,549	19,549	4,131	15,418
Materials and Supplies	56,276	56,276	56,276	0
Utilities	5,922	5,922	5,922	0
Total Park	<u>\$259,050</u>	<u>\$260,065</u>	<u>\$227,480</u>	<u>\$32,585</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, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Pool:				
Personal Services	\$96,652	\$96,652	\$96,652	\$0
Purchased Services	4,200	4,200	2,034	2,166
Materials and Supplies	18,690	21,690	21,690	0
Utilities	15,692	15,692	15,692	0
Total Pool	135,234	138,234	136,068	2,166
Recreation:				
Materials and Supplies	2,478	2,478	2,478	0
Total Leisure Time Activities	396,762	400,777	366,026	34,751
Debt Service:				
Principal	25,000	25,000	24,022	978
Total Expenditures	5,764,777	6,101,959	5,621,702	480,257
<i>Excess of Revenues Over (Under) Expenditures</i>	127,223	(202,959)	1,913,669	2,116,628
Other Financing Uses				
Transfers Out	(1,685,000)	(1,745,000)	(1,408,213)	336,787
Net Change in Fund Balance	(1,557,777)	(1,947,959)	505,456	2,453,415
<i>Fund Balance Beginning of Year</i>	4,903,491	4,903,491	4,903,491	0
Prior Year Encumbrances Appropriated	144,773	144,773	144,773	0
Fund Balance End of Year	\$3,490,487	\$3,100,305	\$5,553,720	\$2,453,415

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, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Income Taxes	\$1,800,000	\$2,050,000	\$2,115,673	\$65,673
Intergovernmental	0	0	469,484	469,484
Charges for Services	0	0	450	450
<i>Total Revenues</i>	1,800,000	2,050,000	2,585,607	535,607
Expenditures				
Capital Outlay	2,684,346	3,653,528	2,886,041	767,487
<i>Net Change in Fund Balance</i>	(884,346)	(1,603,528)	(300,434)	1,303,094
<i>Fund Balance Beginning of Year</i>	1,053,837	1,053,837	1,053,837	0
Prior Year Encumbrances Appropriated	691,528	691,528	691,528	0
<i>Fund Balance End of Year</i>	<u>\$861,019</u>	<u>\$141,837</u>	<u>\$1,444,931</u>	<u>\$1,303,094</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, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$26,800	\$26,800	\$61,239	\$34,439
Charges for Services	2,264,000	2,264,000	2,316,068	52,068
Fees, Licenses and Permits	100	100	106	6
Other	300	300	15,466	15,166
<i>Total Revenues</i>	<u>2,291,200</u>	<u>2,291,200</u>	<u>2,392,879</u>	<u>101,679</u>
Expenses				
Personal Services	1,506,700	1,539,600	1,342,583	197,017
Purchased Services	335,350	343,850	290,003	53,847
Materials and Supplies	371,702	371,702	279,783	91,919
Utilities	178,410	178,410	147,887	30,523
Capital Outlay	851,937	851,937	169,282	682,655
<i>Total Expenses</i>	<u>3,244,099</u>	<u>3,285,499</u>	<u>2,229,538</u>	<u>1,055,961</u>
<i>Net Change in Fund Equity</i>	(952,899)	(994,299)	163,341	1,157,640
<i>Fund Equity Beginning of Year</i>	3,686,404	3,686,404	3,686,404	0
Prior Year Encumbrances Appropriated	<u>234,249</u>	<u>234,249</u>	<u>234,249</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$2,967,754</u>	<u>\$2,926,354</u>	<u>\$4,083,994</u>	<u>\$1,157,640</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, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$295,900	\$295,900	\$665,536	\$369,636
Charges for Services	31,890,000	31,890,000	32,167,139	277,139
Other	472,200	472,200	640,218	168,018
<i>Total Revenues</i>	<u>32,658,100</u>	<u>32,658,100</u>	<u>33,472,893</u>	<u>814,793</u>
Expenses				
Personal Services	6,545,800	6,289,700	5,779,325	510,375
Purchased Services	2,847,812	2,747,412	2,649,643	97,769
Materials and Supplies	21,605,859	24,179,659	20,243,883	3,935,776
Utilities	2,981,768	1,389,568	805,306	584,262
Capital Outlay	1,351,171	1,937,671	1,060,137	877,534
<i>Total Expenses</i>	<u>35,332,410</u>	<u>36,544,010</u>	<u>30,538,294</u>	<u>6,005,716</u>
<i>Excess of Revenues Over (Under) Expenses before Transfers</i>	(2,674,310)	(3,885,910)	2,934,599	6,820,509
Transfers In	2,000,000	900,000	911,934	11,934
Transfers Out	(1,000,000)	0	0	0
<i>Net Change in Fund Equity</i>	(1,674,310)	(2,985,910)	3,846,533	6,832,443
<i>Fund Equity Beginning of Year</i>	41,936,054	41,936,054	41,936,054	0
Prior Year Encumbrances Appropriated	1,002,110	1,002,110	1,002,110	0
<i>Fund Equity End of Year</i>	<u>\$41,263,854</u>	<u>\$39,952,254</u>	<u>\$46,784,697</u>	<u>\$6,832,443</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, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$22,500	\$22,500	\$67,169	\$44,669
Charges for Services	3,250,600	3,250,600	3,311,114	60,514
Capital Grants	0	0	370,553	370,553
Other	7,800	7,800	15,799	7,999
Sale of Capital Assets	1,000	1,000	0	(1,000)
<i>Total Revenues</i>	<u>3,281,900</u>	<u>3,281,900</u>	<u>3,764,635</u>	<u>482,735</u>
Expenses				
Personal Services	1,431,000	1,466,000	1,162,438	303,562
Purchased Services	502,060	476,660	306,231	170,429
Materials and Supplies	505,296	529,496	158,877	370,619
Utilities	317,406	316,906	244,049	72,857
Capital Outlay	2,014,353	2,719,353	2,185,106	534,247
Debt Service:				
Principal Retirement	325,000	348,000	346,666	1,334
Interest and Fiscal Charges	25,000	30,000	28,368	1,632
<i>Total Expenses</i>	<u>5,120,115</u>	<u>5,886,415</u>	<u>4,431,735</u>	<u>1,454,680</u>
<i>Net Change in Fund Equity</i>	(1,838,215)	(2,604,515)	(667,100)	1,937,415
<i>Fund Equity Beginning of Year</i>	3,429,857	3,429,857	3,429,857	0
Prior Year Encumbrances Appropriated	1,201,215	1,201,215	1,201,215	0
<i>Fund Equity End of Year</i>	<u>\$2,792,857</u>	<u>\$2,026,557</u>	<u>\$3,963,972</u>	<u>\$1,937,415</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, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$373,500	\$373,500	\$445,344	\$71,844
Interest	0	0	13	13
Other	0	0	7,627	7,627
<i>Total Revenues</i>	<u>373,500</u>	<u>373,500</u>	<u>452,984</u>	<u>79,484</u>
Expenditures				
Current:				
Transportation:				
Street Repair and Maintenance:				
Personal Services	924,919	961,719	932,125	29,594
Purchased Services	8,021	8,021	1,865	6,156
Materials and Supplies	112,028	112,028	82,742	29,286
Utilities	17,339	17,339	17,339	0
<i>Total Expenditures</i>	<u>1,062,307</u>	<u>1,099,107</u>	<u>1,034,071</u>	<u>65,036</u>
<i>Excess of Revenues Under Expenditures</i>	(688,807)	(725,607)	(581,087)	144,520
Other Financing Sources				
Transfers In	615,000	615,000	481,653	(133,347)
<i>Net Change in Fund Balance</i>	(73,807)	(110,607)	(99,434)	11,173
<i>Fund Balance Beginning of Year</i>	138,527	138,527	138,527	0
Prior Year Encumbrances Appropriated	19,288	19,288	19,288	0
<i>Fund Balance End of Year</i>	<u>\$84,008</u>	<u>\$47,208</u>	<u>\$58,381</u>	<u>\$11,173</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, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$30,500	\$30,500	\$36,109	\$5,609
Interest	520	520	3,938	3,418
<i>Total Revenues</i>	31,020	31,020	40,047	9,027
Expenditures				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	5,000	100,000	100,000	0
<i>Net Change in Fund Balance</i>	26,020	(68,980)	(59,953)	9,027
<i>Fund Balance Beginning of Year</i>	256,377	256,377	256,377	0
<i>Fund Balance End of Year</i>	<u>\$282,397</u>	<u>\$187,397</u>	<u>\$196,424</u>	<u>\$9,027</u>

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Motor Vehicle License Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$25,000	\$25,000	\$0	(\$25,000)
Expenditures				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	0	50,000	0	50,000
Materials and Supplies	5,000	5,000	0	5,000
<i>Total Expenditures</i>	5,000	55,000	0	55,000
<i>Net Change in Fund Balance</i>	20,000	(30,000)	0	30,000
<i>Fund Balance Beginning of Year</i>	63,003	63,003	63,003	0
<i>Fund Balance End of Year</i>	\$83,003	\$33,003	\$63,003	\$30,000

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Solid Waste Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$430,000	\$430,000	\$447,967	\$17,967
Expenditures				
Current:				
Basic Utility Service:				
Solid Waste Services:				
Purchased Services	451,011	526,011	518,989	7,022
<i>Excess of Revenues Under Expenditures</i>	(21,011)	(96,011)	(71,022)	24,989
Other Financing Sources				
Transfers In	14,000	14,000	14,626	626
<i>Net Change in Fund Balance</i>	(7,011)	(82,011)	(56,396)	25,615
<i>Fund Balance Beginning of Year</i>	139,423	139,423	139,423	0
Prior Year Encumbrances Appropriated	11	11	11	0
<i>Fund Balance End of Year</i>	<u>\$132,423</u>	<u>\$57,423</u>	<u>\$83,038</u>	<u>\$25,615</u>

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines, Licenses and Permits	\$2,500	\$2,500	\$2,573	\$73
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Materials and Supplies	5,000	5,000	42	4,958
<i>Net Change in Fund Balance</i>	(2,500)	(2,500)	2,531	5,031
<i>Fund Balance Beginning of Year</i>	3,168	3,168	3,168	0
<i>Fund Balance End of Year</i>	<u>\$668</u>	<u>\$668</u>	<u>\$5,699</u>	<u>\$5,031</u>

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines, Licenses and Permits	\$400	\$400	\$326	(\$74)
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Materials and Supplies	3,251	3,251	202	3,049
<i>Net Change in Fund Balance</i>	(2,851)	(2,851)	124	2,975
<i>Fund Balance Beginning of Year</i>	5,569	5,569	5,569	0
Prior Year Encumbrances Appropriated	251	251	251	0
<i>Fund Balance End of Year</i>	<u>\$2,969</u>	<u>\$2,969</u>	<u>\$5,944</u>	<u>\$2,975</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, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$15,000	\$15,000	\$15,582	\$582
Expenditures				
Current:				
Public Health and Welfare:				
Cemetery Maintenance:				
Other	49,905	54,905	54,146	759
<i>Net Change in Fund Balance</i>	(34,905)	(39,905)	(38,564)	1,341
<i>Fund Balance Beginning of Year</i>	281,041	281,041	281,041	0
Prior Year Encumbrances Appropriated	49,905	49,905	49,905	0
<i>Fund Balance End of Year</i>	<u>\$296,041</u>	<u>\$291,041</u>	<u>\$292,382</u>	<u>\$1,341</u>

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines, Licenses and Permits	\$62,000	\$62,000	\$64,738	\$2,738
Expenditures				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	0	250,000	200,000	50,000
Materials and Supplies	25,000	25,000	0	25,000
<i>Total Expenditures</i>	<u>25,000</u>	<u>275,000</u>	<u>200,000</u>	<u>75,000</u>
<i>Net Change in Fund Balance</i>	37,000	(213,000)	(135,262)	77,738
<i>Fund Balance Beginning of Year</i>	<u>589,169</u>	<u>589,169</u>	<u>589,169</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$626,169</u>	<u>\$376,169</u>	<u>\$453,907</u>	<u>\$77,738</u>

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
First Responders Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Contributions and Donations	<u>\$3,500</u>	<u>\$3,500</u>	<u>\$5,817</u>	<u>\$2,317</u>
Expenditures				
Current:				
General Government:				
Administrative:				
Purchased Services	100	100	0	100
Materials and Supplies	<u>7,000</u>	<u>7,000</u>	<u>3,241</u>	<u>3,759</u>
<i>Total Expenditures</i>	<u>7,100</u>	<u>7,100</u>	<u>3,241</u>	<u>3,859</u>
<i>Net Change in Fund Balance</i>	(3,600)	(3,600)	2,576	6,176
<i>Fund Balance Beginning of Year</i>	<u>15,814</u>	<u>15,814</u>	<u>15,814</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$12,214</u></u>	<u><u>\$12,214</u></u>	<u><u>\$18,390</u></u>	<u><u>\$6,176</u></u>

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Blooming Orrville Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Contributions and Donations	\$30,000	\$30,000	\$21,743	(\$8,257)
Expenditures				
Current:				
Leisure Time Activity:				
Street Repair and Maintenance:				
Purchased Services	<u>25,000</u>	<u>25,000</u>	<u>16,283</u>	<u>8,717</u>
<i>Net Change in Fund Balance</i>	5,000	5,000	5,460	460
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,000</u></u>	<u><u>\$5,000</u></u>	<u><u>\$5,460</u></u>	<u><u>\$460</u></u>

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Medical Service Equipment Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$70,000	\$70,000	\$90,768	\$20,768
Expenditures				
Current:				
Public Health and Welfare:				
Emergency Medical Service:				
Materials and Supplies	<u>17,153</u>	<u>84,153</u>	<u>78,858</u>	<u>5,295</u>
<i>Net Change in Fund Balance</i>	52,847	(14,153)	11,910	26,063
<i>Fund Balance Beginning of Year</i>	216,384	216,384	216,384	0
Prior Year Encumbrances Appropriated	<u>7,153</u>	<u>7,153</u>	<u>7,153</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$276,384</u></u>	<u><u>\$209,384</u></u>	<u><u>\$235,447</u></u>	<u><u>\$26,063</u></u>

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Performing Arts Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$35	\$35	\$110	\$75
Contributions and Donations	4,750	4,750	7,436	2,686
<i>Total Revenues</i>	<u>4,785</u>	<u>4,785</u>	<u>7,546</u>	<u>2,761</u>
Expenditures				
Current:				
Leisure Time Activities:				
Performing Arts:				
Purchased Services	6,000	6,000	4,635	1,365
Materials and Supplies	750	750	99	651
<i>Total Expenditures</i>	<u>6,750</u>	<u>6,750</u>	<u>4,734</u>	<u>2,016</u>
<i>Net Change in Fund Balance</i>	(1,965)	(1,965)	2,812	4,777
<i>Fund Balance Beginning of Year</i>	<u>5,381</u>	<u>5,381</u>	<u>5,381</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$3,416</u>	<u>\$3,416</u>	<u>\$8,193</u>	<u>\$4,777</u>

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Trust Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
General Government:				
Fire Trust:				
Other	<u>0</u>	<u>29,253</u>	<u>29,253</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	(29,253)	(29,253)	0
<i>Fund Balance Beginning of Year</i>	<u>29,253</u>	<u>29,253</u>	<u>29,253</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$29,253</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Continuing Professional Training Grant Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$2,100	\$2,100	\$0	(\$2,100)
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Purchased Services	<u>3,000</u>	<u>3,000</u>	<u>295</u>	<u>2,705</u>
<i>Net Change in Fund Balance</i>	(900)	(900)	(295)	605
<i>Fund Balance Beginning of Year</i>	<u>11,642</u>	<u>11,642</u>	<u>11,642</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$10,742</u></u>	<u><u>\$10,742</u></u>	<u><u>\$11,347</u></u>	<u><u>\$605</u></u>

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	\$12,000	\$8,000	\$214	(\$7,786)
Interest	1,100	1,100	2,790	1,690
<i>Total Revenues</i>	13,100	9,100	3,004	(6,096)
Expenditures				
Current:				
General Government:				
Contractual Services	1,000	1,000	94	906
<i>Net Change in Fund Balance</i>	12,100	8,100	2,910	(5,190)
<i>Fund Balance Beginning of Year</i>	188,219	188,219	188,219	0
<i>Fund Balance End of Year</i>	<u>\$200,319</u>	<u>\$196,319</u>	<u>\$191,129</u>	<u>(\$5,190)</u>

City of Orrville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Park Improvement Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$10	\$10	\$34	\$24
Expenditures				
Capital Outlay	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	(990)	(990)	34	1,024
<i>Fund Balance Beginning of Year</i>	2,337	2,337	2,337	0
<i>Fund Balance End of Year</i>	<u>\$1,347</u>	<u>\$1,347</u>	<u>\$2,371</u>	<u>\$1,024</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, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines, Licenses and Permits	\$200	\$200	\$1,250	\$1,050
Expenditures				
Capital Outlay	500	500	0	500
<i>Net Change in Fund Balance</i>	(300)	(300)	1,250	1,550
<i>Fund Balance Beginning of Year</i>	34,585	34,585	34,585	0
<i>Fund Balance End of Year</i>	<u>\$34,285</u>	<u>\$34,285</u>	<u>\$35,835</u>	<u>\$1,550</u>

City of Orrville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Grants Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$2,004,000	\$1,818,900	\$883,298	(\$935,602)
Expenditures				
Capital Outlay	<u>2,280,944</u>	<u>1,760,172</u>	<u>1,434,672</u>	<u>325,500</u>
<i>Net Change in Fund Balance</i>	(276,944)	58,728	(551,374)	(610,102)
<i>Fund Deficit Beginning of Year</i>	(143,560)	(143,560)	(143,560)	0
Prior Year Encumbrances Appropriated	<u>276,944</u>	<u>276,944</u>	<u>276,944</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$143,560)</u></u>	<u><u>\$192,112</u></u>	<u><u>(\$417,990)</u></u>	<u><u>(\$610,102)</u></u>

City of Orrville, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Dental Health Insurance Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$1,800	\$1,800	\$7,400	\$5,600
Charges for Services	202,189	202,189	168,982	(33,207)
<i>Total Revenues</i>	<u>203,989</u>	<u>203,989</u>	<u>176,382</u>	<u>(27,607)</u>
Expenses				
Purchased Services	15,091	15,091	7,556	7,535
Claims	177,098	177,098	88,672	88,426
<i>Total Expenses</i>	<u>192,189</u>	<u>192,189</u>	<u>96,228</u>	<u>95,961</u>
<i>Net Change in Fund Equity</i>	11,800	11,800	80,154	68,354
<i>Fund Equity Beginning of Year</i>	<u>423,675</u>	<u>423,675</u>	<u>423,675</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$435,475</u></u>	<u><u>\$435,475</u></u>	<u><u>\$503,829</u></u>	<u><u>\$68,354</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, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$20	\$20	\$59	\$39
Expenses				
Materials and Supplies	<u>20</u>	<u>20</u>	<u>0</u>	<u>20</u>
<i>Net Change in Fund Equity</i>	0	0	59	59
<i>Fund Equity Beginning of Year</i>	<u>4,177</u>	<u>4,177</u>	<u>4,177</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$4,177</u></u>	<u><u>\$4,177</u></u>	<u><u>\$4,236</u></u>	<u><u>\$59</u></u>



Statistical Section

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Statistical Section

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

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

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

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

	2019	2018	2017 (1)	2016
Governmental Activities				
Net Investment in Capital Assets	\$52,790,227	\$51,484,576	\$51,042,719	\$50,035,165
Restricted:				
Debt Service	216,939	211,619	200,513	210,411
Capital Projects	569,590	406,222	246,852	264,380
Street Repair and Maintenance	1,077,857	1,182,095	1,018,093	1,026,796
Law Enforcement and Education	22,026	20,666	23,167	16,112
Cemetery Maintenance	294,586	335,285	363,798	420,852
Other Purposes	5,460	0	0	0
Unrestricted (1)	4,321,589	(186,087)	(1,123,311)	2,895,418
<i>Total Governmental Activities Net Position</i>	<u>59,298,274</u>	<u>53,454,376</u>	<u>51,771,831</u>	<u>54,869,134</u>
Business Type - Activities				
Net Investment in Capital Assets	33,067,325	33,609,805	35,568,935	36,134,763
Restricted:				
Debt Service	0	0	0	0
Replacement and Improvement	0	0	0	0
Unrestricted (1)	48,522,021	44,598,705	40,562,421	40,625,054
<i>Total Business-Type Activities Net Position</i>	<u>81,589,346</u>	<u>78,208,510</u>	<u>76,131,356</u>	<u>76,759,817</u>
Primary Government				
Net Investment in Capital Assets	85,857,552	85,094,381	86,611,654	86,169,928
Restricted	2,186,458	2,155,887	1,852,423	1,938,551
Unrestricted (1)	52,843,610	44,412,618	39,439,110	43,520,472
<i>Total Primary Government Net Position</i>	<u>\$140,887,620</u>	<u>\$131,662,886</u>	<u>\$127,903,187</u>	<u>\$131,628,951</u>

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

2015	2014 (1)	2013	2012	2011	2010
\$47,803,815	\$46,651,815	\$44,596,582	\$43,532,213	\$43,370,414	\$43,589,853
201,248	206,850	167,998	178,275	188,601	210,504
340,136	234,932	145,022	147,186	148,516	587,129
865,725	699,840	606,354	491,854	449,189	428,875
13,410	15,242	18,368	17,799	21,075	19,377
402,807	387,038	374,477	353,402	334,225	315,730
0	0	0	0	0	0
4,708,457	3,763,350	7,934,606	6,866,788	5,332,158	4,549,471
54,335,598	51,959,067	53,843,407	51,587,517	49,844,178	49,700,939
33,514,348	34,331,464	35,995,830	35,863,973	36,501,762	36,065,932
0	0	0	760,679	757,162	758,544
0	0	0	800,000	800,000	800,000
38,787,351	34,747,551	32,108,900	28,627,694	26,940,593	26,661,899
72,301,699	69,079,015	68,104,730	66,052,346	64,999,517	64,286,375
81,318,163	80,983,279	80,592,412	79,396,186	79,872,176	79,655,785
1,823,326	1,543,902	1,312,219	2,749,195	2,698,768	3,120,159
43,495,808	38,510,901	40,043,506	35,494,482	32,272,751	31,211,370
<u>\$126,637,297</u>	<u>\$121,038,082</u>	<u>\$121,948,137</u>	<u>\$117,639,863</u>	<u>\$114,843,695</u>	<u>\$113,987,314</u>

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

	2019	2018 (1)	2017	2016
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$147,141	\$105,259	\$165,112	\$75,424
Security of Persons and Property:				
Police	74,401	30,096	8,015	11,255
Fire	125,406	109,507	92,475	85,579
Transportation	62,436	66,071	65,313	96,369
Public Health and Welfare	149,269	173,486	158,260	144,051
Leisure Time Activities	84,459	86,157	101,221	72,747
Basic Utility Service	450,453	444,561	440,163	437,097
Subtotal - Charges for Services	<u>1,093,565</u>	<u>1,015,137</u>	<u>1,030,559</u>	<u>922,522</u>
Operating Grants and Contributions:				
General Government	18,274	26,631	17,457	22,453
Security of Persons and Property:				
Police	0	0	8,929	0
Fire	4,210	590	6,700	0
Transportation	516,071	454,235	445,373	480,954
Leisure Time Activities	29,179	6,417	4,520	4,963
Basic Utility Service	0	0	0	0
Subtotal - Operating Grants and Contributions	<u>567,734</u>	<u>487,873</u>	<u>482,979</u>	<u>508,370</u>
Capital Grants and Contributions:				
General Government	0	0	0	0
Transportation	1,566,742	903,100	452,870	1,289,750
Subtotal - Capital Grants and Contributions	<u>1,566,742</u>	<u>903,100</u>	<u>452,870</u>	<u>1,289,750</u>
<i>Total Governmental Activities Program Revenues</i>	<u>3,228,041</u>	<u>2,406,110</u>	<u>1,966,408</u>	<u>2,720,642</u>
Business-Type Activities:				
Charges for Services:				
Sewer	2,357,134	2,314,263	2,116,127	2,370,897
Electric	32,105,319	33,132,516	34,017,923	34,171,289
Water	3,361,995	3,252,082	2,954,895	3,228,704
Subtotal - Charges for Services	<u>37,824,448</u>	<u>38,698,861</u>	<u>39,088,945</u>	<u>39,770,890</u>
Capital Grants and Contributions				
Water	370,553	82,023	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>38,195,001</u>	<u>38,780,884</u>	<u>39,088,945</u>	<u>39,770,890</u>
<i>Total Primary Government Program Revenues</i>	<u>41,423,042</u>	<u>41,186,994</u>	<u>41,055,353</u>	<u>42,491,532</u>
Expenses				
Governmental Activities:				
General Government	1,741,446	1,591,910	1,455,297	1,415,466
Security of Persons and Property:				
Police	716,168	2,686,829	2,376,973	2,395,000
Fire	405,203	516,725	620,786	613,209
Transportation	3,478,029	2,792,254	2,650,728	1,915,963
Public Health and Welfare	397,117	367,466	313,670	334,538
Leisure Time Activities	461,524	379,058	400,247	1,130,301
Basic Utility Service	481,223	460,069	446,518	418,166
Interest and Fiscal Charges	0	0	0	0
<i>Total Governmental Activities Expenses</i>	<u>\$7,680,710</u>	<u>\$8,794,311</u>	<u>\$8,264,219</u>	<u>\$8,222,643</u>

2015 (1)	2014	2013	2012	2011	2010
\$122,519	\$161,761	\$145,721	\$223,260	\$113,485	\$150,200
9,414	11,473	17,514	27,483	20,247	21,428
62,813	59,193	77,582	87,585	69,197	68,219
168,085	673,483	590,096	0	0	0
114,464	114,070	141,024	135,591	118,407	118,637
77,883	77,503	74,946	69,579	68,057	65,857
424,502	425,837	416,782	418,811	404,260	416,442
979,680	1,523,320	1,463,665	962,309	793,653	840,783
36,606	20,923	22,141	18,150	26,440	14,670
2,120	1,676	0	0	300	320
21,516	21,483	15,000	0	0	0
616,218	412,876	499,012	464,131	494,700	471,099
5,012	6,235	6,897	29,993	38,542	13,033
0	0	0	0	0	0
681,472	463,193	543,050	512,274	559,982	499,122
0	0	0	0	0	98,755
877,275	968,753	911,860	432,284	184,461	440,681
877,275	968,753	911,860	432,284	184,461	539,436
2,538,427	2,955,266	2,918,575	1,906,867	1,538,096	1,879,341
2,242,742	2,022,412	2,197,638	1,984,559	1,983,158	2,057,237
32,203,765	35,801,650	32,232,307	32,256,760	26,613,199	24,448,148
3,229,736	3,294,770	3,153,951	2,865,074	2,776,324	2,862,194
37,676,243	41,118,832	37,583,896	37,106,393	31,372,681	29,367,579
0	0	0	18,596	249,780	0
37,676,243	41,118,832	37,583,896	37,124,989	31,622,461	29,367,579
40,214,670	44,074,098	40,502,471	39,031,856	33,160,557	31,246,920
1,235,682	1,284,010	1,256,080	1,524,270	1,113,080	1,000,403
2,137,154	2,168,366	2,057,208	2,035,706	1,741,290	1,761,008
534,086	607,537	601,627	583,869	727,641	513,253
2,464,622	2,737,924	2,359,161	2,178,927	2,120,596	2,657,883
238,586	199,487	201,826	355,785	193,614	358,574
359,038	389,909	357,702	388,379	395,350	382,833
400,247	436,292	432,964	434,596	418,618	407,762
23,532	32,354	40,640	48,529	56,842	64,704
\$7,392,947	\$7,855,879	\$7,307,208	\$7,550,061	\$6,767,031	\$7,146,420

(continued)

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

	2019	2018 (1)	2017	2016
Business-Type Activities:				
Sewer	\$2,845,543	\$2,554,122	\$2,653,891	\$2,210,618
Electric	31,429,679	33,553,708	34,648,875	32,019,658
Water	2,928,814	2,825,115	3,011,661	2,803,493
<i>Total Business-Type Activities Expenses</i>	<u>37,204,036</u>	<u>38,932,945</u>	<u>40,314,427</u>	<u>37,033,769</u>
<i>Total Primary Government Program Expenses</i>	<u>44,884,746</u>	<u>47,727,256</u>	<u>48,578,646</u>	<u>45,256,412</u>
Net (Expense)/Revenue				
Governmental Activities	(4,452,669)	(6,388,201)	(6,297,811)	(5,502,001)
Business-Type Activities	990,965	(152,061)	(1,225,482)	2,737,121
<i>Total Primary Government Net Expense</i>	<u>(3,461,704)</u>	<u>(6,540,262)</u>	<u>(7,523,293)</u>	<u>(2,764,880)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property and Other Local Taxes Levied for:				
General Purposes	486,041	483,583	459,213	447,328
Kilowatt per Hour Taxes Levied for:				
General Purposes	911,934	861,307	916,592	920,114
Municipal Income Taxes Levied for:				
General Purposes	6,172,655	5,002,790	4,251,620	3,695,374
Capital Outlay	2,589,159	2,092,900	1,790,831	1,555,310
Grants and Entitlements not Restricted to				
Specific Programs	301,720	247,738	258,486	212,873
Gain on Sale of Capital Assets	0	0	62,503	31,859
Unrestricted Contributions	30,025	0	600	280
Investment Income	578,761	72,186	(26,698)	(45,800)
Transfers	(911,934)	(861,307)	(916,592)	(920,114)
Other	138,206	171,549	28,029	138,313
<i>Total Governmental Activities</i>	<u>10,296,567</u>	<u>8,070,746</u>	<u>6,824,584</u>	<u>6,035,537</u>
Business-Type Activities:				
Gain on Sale of Capital Assets	0	0	104,381	14,715
Investment Income	806,454	596,511	396,252	227,924
Transfers	911,934	861,307	916,592	920,114
Other	671,483	771,397	597,386	558,244
Extraordinary Items	0	0	3,062,987	0
<i>Total Business-Type Activities</i>	<u>2,389,871</u>	<u>2,229,215</u>	<u>5,077,598</u>	<u>1,720,997</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>12,686,438</u>	<u>10,299,961</u>	<u>11,902,182</u>	<u>7,756,534</u>
Change in Net Position				
Governmental Activities	5,843,898	1,682,545	526,773	533,536
Business-Type Activities	3,380,836	2,077,154	3,852,116	4,458,118
<i>Total Primary Government Change in Net Position</i>	<u>\$9,224,734</u>	<u>\$3,759,699</u>	<u>\$4,378,889</u>	<u>\$4,991,654</u>

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

2015 (1)	2014	2013	2012	2011	2010
\$2,712,050	\$2,516,612	\$2,301,197	\$2,087,164	\$2,126,667	\$2,190,719
30,796,025	31,828,365	31,893,556	32,778,792	27,678,178	25,515,336
2,831,465	2,656,914	3,161,055	3,169,501	2,816,039	2,608,973
36,339,540	37,001,891	37,355,808	38,035,457	32,620,884	30,315,028
43,732,487	44,857,770	44,663,016	45,585,518	39,387,915	37,461,448
(4,854,520)	(4,900,613)	(4,388,633)	(5,643,194)	(5,228,935)	(5,267,079)
1,336,703	4,116,941	228,088	(910,468)	(998,423)	(947,449)
(3,517,817)	(783,672)	(4,160,545)	(6,553,662)	(6,227,358)	(6,214,528)
440,314	433,672	397,725	407,917	445,836	477,264
988,499	917,051	915,131	916,240	884,285	880,337
3,985,729	3,884,203	4,214,928	4,344,025	3,271,841	3,474,663
2,469,190	2,081,797	1,634,785	1,788,870	1,043,939	1,092,418
262,761	266,350	261,887	437,914	540,040	722,404
0	0	0	0	0	0
500	600	0	0	0	0
17,964	16,398	4,341	24,179	27,685	49,763
(988,499)	(917,052)	(915,131)	(916,239)	(884,285)	(880,337)
54,593	89,440	130,857	383,627	42,833	74,112
7,231,051	6,772,459	6,644,523	7,386,533	5,372,174	5,890,624
0	0	194,281	0	0	0
209,879	162,258	106,958	148,673	166,028	202,507
988,499	917,052	915,131	916,239	884,285	880,337
687,603	641,980	607,926	898,385	661,252	622,492
0	0	0	0	0	0
1,885,981	1,721,290	1,824,296	1,963,297	1,711,565	1,705,336
9,117,032	8,493,749	8,468,819	9,349,830	7,083,739	7,595,960
2,376,531	1,871,846	2,255,890	1,743,339	143,239	623,545
3,222,684	5,838,231	2,052,384	1,052,829	713,142	757,887
\$5,599,215	\$7,710,077	\$4,308,274	\$2,796,168	\$856,381	\$1,381,432

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

	2019	2018	2017	2016
General Fund				
Nonspendable	\$115,351	\$117,682	\$91,153	\$111,330
Assigned	2,374,560	1,941,612	1,861,536	1,566,460
Unassigned	4,127,313	3,167,371	2,723,467	2,898,898
Total General Fund	<u>6,617,224</u>	<u>5,226,665</u>	<u>4,676,156</u>	<u>4,576,688</u>
All Other Governmental Funds				
Restricted	\$1,610,627	\$1,905,049	\$1,759,580	\$1,766,139
Committed	2,449,190	2,063,371	1,885,288	1,925,192
Assigned	38,213	36,929	36,251	31,783
Total All Other Governmental Funds	<u>4,098,030</u>	<u>4,005,349</u>	<u>3,681,119</u>	<u>3,723,114</u>
Total Governmental Funds	<u>\$10,715,254</u>	<u>\$9,232,014</u>	<u>\$8,357,275</u>	<u>\$8,299,802</u>

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

N/A - Not Applicable

2015	2014	2013	2012	2011	2010
\$104,828	\$97,710	\$96,812	\$93,934	\$105,065	\$99,349
1,898,352	2,486,039	1,860,961	1,776,606	130,210	9,612
2,598,193	2,134,860	3,188,229	2,704,525	3,739,250	3,568,240
4,601,373	4,718,609	5,146,002	4,575,065	3,974,525	3,677,201
\$1,673,767	\$1,410,482	\$1,183,988	\$1,055,428	\$991,795	\$927,139
2,951,029	2,043,936	1,830,120	1,214,063	882,927	463,431
31,471	30,660	30,103	29,902	29,597	29,487
4,656,267	3,485,078	3,044,211	2,299,393	1,904,319	1,420,057
\$9,257,640	\$8,203,687	\$8,190,213	\$6,874,458	\$5,878,844	\$5,097,258

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

	2019	2018	2017	2016
Revenues				
Property Taxes	\$488,361	\$479,207	\$460,007	\$446,795
Income Taxes	7,497,519	6,566,266	5,978,951	5,993,991
Kilowatt Per Hour Tax	911,934	861,307	916,592	920,114
Special Assessments	214	8,030	19,309	8,846
Intergovernmental	2,375,680	1,606,577	1,155,382	2,011,077
Interest	578,761	72,186	(26,698)	(45,800)
Fines, Licenses and Permits	92,549	92,392	96,194	98,562
Rentals	165	399	552	557
Charges for Services	1,001,462	912,438	932,886	790,115
Contributions and Donations	76,092	23,452	20,580	28,274
Other	138,206	171,549	28,029	138,313
<i>Total Revenues</i>	<u>13,160,943</u>	<u>10,793,803</u>	<u>9,581,784</u>	<u>10,390,844</u>
Expenditures				
Current:				
General Government	1,347,530	1,319,706	1,230,154	1,204,905
Security of Persons and Property:				
Police	2,451,829	2,302,573	2,186,585	2,248,782
Fire	412,049	373,975	564,278	461,229
Transportation	1,931,984	1,530,995	1,407,662	1,375,018
Public Health and Welfare	349,568	333,674	291,842	313,286
Leisure Time Activities	370,586	315,011	335,684	344,920
Basic Utility Service	481,223	460,069	446,518	418,166
Capital Outlay	3,396,978	2,751,052	2,321,686	4,550,785
Debt Service:				
Principal Retirement	24,022	24,022	24,023	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>10,765,769</u>	<u>9,411,077</u>	<u>8,808,432</u>	<u>10,917,091</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,395,174</u>	<u>1,382,726</u>	<u>773,352</u>	<u>(526,247)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	353,320	200,713	79,300
OPWC Loan Issued	0	0	0	409,223
Transfers In	496,279	580,737	475,360	495,134
Transfers Out	(1,408,213)	(1,442,044)	(1,391,952)	(1,415,248)
<i>Total Other Financing Sources (Uses)</i>	<u>(911,934)</u>	<u>(507,987)</u>	<u>(715,879)</u>	<u>(431,591)</u>
<i>Net Change in Fund Balances</i>	<u>\$1,483,240</u>	<u>\$874,739</u>	<u>\$57,473</u>	<u>(\$957,838)</u>
Debt Service as a Percentage of Noncapital Expenditure:	0.33%	0.37%	0.39%	0.00%

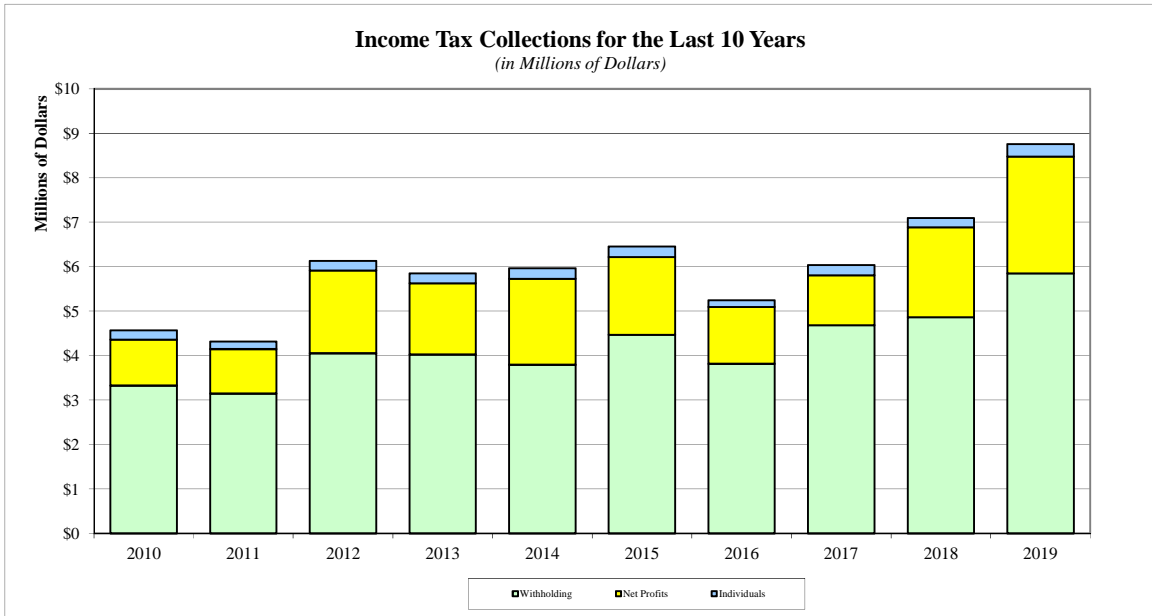
2015	2014	2013	2012	2011	2010
\$456,735	\$431,947	\$431,521	\$408,163	\$422,801	\$500,638
6,227,814	6,119,991	5,944,657	5,437,544	4,677,933	4,313,286
988,499	917,051	915,131	916,240	884,285	880,337
19,183	22,907	11,556	11,314	21,502	21,765
1,778,787	1,698,141	1,748,085	1,384,685	1,224,738	1,653,659
17,964	16,398	4,341	24,179	27,685	49,763
100,704	102,280	39,316	41,678	37,724	36,122
1,689	4,739	31,418	34,809	31,424	37,865
872,860	1,364,068	1,332,827	886,410	724,087	767,133
29,911	19,718	72,188	29,993	38,542	13,033
54,593	89,440	130,857	383,627	42,833	74,112
10,548,739	10,786,680	10,661,897	9,558,642	8,133,554	8,347,713
1,197,106	1,185,189	1,157,442	1,178,901	1,063,944	971,591
2,059,944	2,113,519	2,033,291	1,967,615	1,724,404	1,707,584
435,938	463,480	467,667	450,488	544,662	492,705
1,562,128	1,246,065	1,251,556	1,310,272	1,257,749	1,405,313
222,964	178,694	182,521	335,701	179,071	340,315
299,276	306,991	298,747	332,224	333,811	297,717
400,247	436,292	432,964	434,596	418,618	407,762
2,492,178	3,884,488	2,557,675	1,580,497	871,072	1,327,598
9,630	9,030	8,460	7,920	17,420	15,950
23,587	32,406	40,688	48,575	56,932	64,786
8,702,998	9,856,154	8,431,011	7,646,789	6,467,683	7,031,321
1,845,741	930,526	2,230,886	1,911,853	1,665,871	1,316,392
125,489	0	0	0	0	0
71,222	0	0	0	0	0
493,653	981,385	490,200	420,024	338,014	332,787
(1,482,152)	(1,898,437)	(1,405,331)	(1,336,263)	(1,222,299)	(1,213,124)
(791,788)	(917,052)	(915,131)	(916,239)	(884,285)	(880,337)
\$1,053,953	\$13,474	\$1,315,755	\$995,614	\$781,586	\$436,055
0.57%	0.65%	0.83%	0.97%	1.42%	1.42%

City of Orrville, Ohio
Income Tax Revenue Base and Collections
Last Ten Years

Tax Year	Tax Rate	Total Tax Collected (1)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2019	1.00%	\$8,761,814	\$5,852,892	66.80%	\$2,628,544	30.00%	\$280,378	3.20%
2018	1.00	7,095,690	4,864,805	68.56	2,020,143	28.47	210,742	2.97
2017	1.00	6,042,451	4,688,942	77.60	1,122,687	18.58	230,822	3.82
2016	1.00	5,250,684	3,811,997	72.60	1,280,642	24.39	158,046	3.01
2015	1.00	6,454,919	4,469,386	69.24	1,746,701	27.06	238,832	3.70
2014	1.00	5,966,000	3,790,200	63.53	1,936,564	32.46	239,237	4.01
2013	1.00	5,849,713	4,024,603	68.80	1,600,481	27.36	224,629	3.84
2012	1.00	6,132,895	4,051,390	66.06	1,863,787	30.39	217,718	3.55
2011	1.00	4,315,780	3,142,751	72.82	1,004,282	23.27	168,747	3.91
2010	1.00	4,567,081	3,324,378	72.79	1,038,098	22.73	204,605	4.48

(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 2019 and 2010

Tax Year 2019				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	290	11.24 %	\$45,290,577	36.50 %
75,001-100,000	229	8.88	19,847,875	15.99
50,001-75,000	418	16.21	25,694,035	20.70
25,000-50,000	667	25.86	24,430,574	19.68
Under 25,000	863	33.46	8,844,952	7.13
Zero File	112	4.34	0	0.00
Total	<u>2,579</u>	<u>100.00 %</u>	<u>\$124,108,013</u>	<u>100.00 %</u>

Tax Year 2010				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	212	7.10 %	\$66,057,568	43.51 %
75,001-100,000	227	7.60	19,352,192	12.75
50,001-75,000	433	14.50	26,615,306	17.53
25,000-50,000	713	23.88	26,145,156	17.22
Under 25,000	1,401	46.92	13,654,004	8.99
Total	<u>2,986</u>	<u>100.00 %</u>	<u>\$151,824,226</u>	<u>100.00 %</u>

Source: City Income Tax Department

(1) Includes individual filers only.

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

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Type of Customer:										
Residential	\$8,468,372	\$8,794,878	\$8,619,074	\$9,110,174	\$8,697,723	\$9,773,938	\$8,652,645	\$7,574,562	\$6,651,550	\$6,399,821
Industrial	13,553,450	14,135,949	15,345,556	14,549,480	13,876,876	15,053,766	13,497,815	16,269,834	12,768,572	11,256,053
Commercial	9,673,101	9,781,197	9,535,165	9,974,771	9,208,787	10,549,154	9,695,799	8,105,393	6,919,880	6,569,498
Government	329,961	342,939	372,172	456,521	420,379	424,792	386,048	306,971	273,197	222,776
Total	\$32,024,884	\$33,054,962	\$33,871,967	\$34,090,946	\$32,203,765	\$35,801,650	\$32,232,307	\$32,256,760	\$26,613,199	\$24,448,148

Source: City Records

City of Orrville, Ohio
Principal Electric Customers
 2019 and 2010

<i>2019</i>		
Customer	Electric Charges for Services	Percentage of Total Electric Charges for Services
Quality Castings Company	\$5,875,347	18.34 %
J.M. Smucker Company	3,826,828	11.95
Smith Dairy Products Company	1,786,674	5.58
Bekaert Corporation	1,373,370	4.29
Orrvilon	1,085,992	3.39
Marshallville Corporation	643,620	2.01
Will-Burt Company, Incorporated	604,060	1.89
Aultman Orrville Hospital (Formerly Dunlap Hospital)	390,862	1.22
Buehler's Fresh Foods	292,574	0.91
JLG, Incorporated	222,747	0.70
Total	\$16,102,074	50.28 %
Total Electric Charges for Services	\$32,024,884	

<i>2010</i>		
Customer	Electric Charges for Services	Percentage of Total Electric Charges for Services
Quality Castings Company	\$3,487,189	14.26 %
J.M. Smucker Company	1,755,687	7.18
Smith Dairy Products Company	1,290,167	5.28
Ross Sandcastings	1,225,343	5.01
Contours Bekaert, Incorporated	1,082,718	4.43
Marshallville Corporation	539,446	2.21
JLG, Incorporated	395,103	1.62
Will-Burt Company, Incorporated	392,307	1.60
Dunlap Hospital	329,067	1.35
Buehler's Fresh Foods	208,863	0.85
Total	\$10,705,890	43.79 %
Total Electric Charges for Services	\$24,448,148	

Source: City Records

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

	2019	2018	2017	2016
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

2015	2014	2013	2012	2011	2010
\$8.2400	\$8.2400	\$8.2400	\$8.2400	\$6.4300	\$6.4300
0.1004	0.1004	0.1004	0.1004	0.0633	0.0633
0.0936	0.0936	0.0936	0.0936	0.0565	0.0565
0.0877	0.0877	0.0877	0.0877	0.0506	0.0506
13.3700	13.3700	13.3700	13.3700	9.6600	9.6600
0.1334	0.1334	0.1334	0.1334	0.0965	0.0965
0.1123	0.1123	0.1123	0.1123	0.0753	0.0753
0.1013	0.1013	0.1013	0.1013	0.0642	0.0642
1.7600	1.7600	1.7600	1.7600	1.7600	1.7600
0.1422	0.1422	0.1422	0.1422	0.1053	0.1053
0.1182	0.1182	0.1182	0.1182	0.0812	0.0812
0.0936	0.0936	0.0936	0.0936	0.0565	0.0565
0.0861	0.0861	0.0861	0.0861	0.0490	0.0490
0.0805	0.0805	0.0805	0.0805	0.0434	0.0434
1.6200	1.6200	1.6200	1.6200	1.6200	1.6200
0.1383	0.1383	0.1383	0.1383	0.1014	0.1014
0.0984	0.0984	0.0984	0.0984	0.0614	0.0614
0.0822	0.0822	0.0822	0.0822	0.0452	0.0452
0.0774	0.0774	0.0774	0.0774	0.0403	0.0403
3.2000	3.2000	3.2000	3.2000	3.2000	3.2000
0.1622	0.1622	0.1622	0.1622	0.1254	0.1254
0.1148	0.1148	0.1148	0.1148	0.0805	0.0805
0.1054	0.1054	0.1054	0.1054	0.0684	0.0684
0.0936	0.0936	0.0936	0.0936	0.0565	0.0565
0.0811	0.0811	0.0811	0.0811	0.0441	0.0441
0.0741	0.0741	0.0741	0.0741	0.0370	0.0370
0.0733	0.0733	0.0733	0.0733	0.0362	0.0362

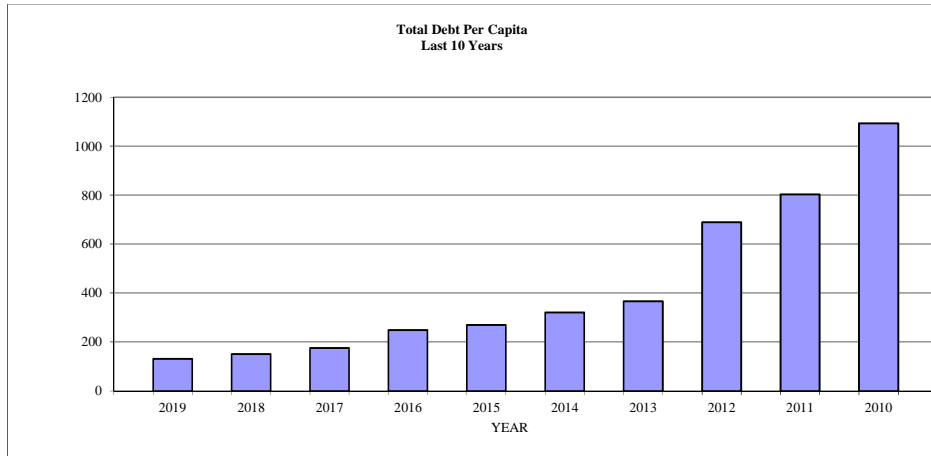
City of Orrville, Ohio
Ratios of Outstanding Debt
Last Ten Years

Year	General Obligation Bonds (1)	Estimated Actual Taxable Value of Property (2)	Percentage of Estimated Actual Taxable Value of Property	Per Capita (3)	Governmental Activities	
					Special Assessment Bonds	OPWC Loans
2019	\$345,000	\$546,170,760	0.06 %	\$41	\$0	\$408,378
2018	455,000	534,698,867	0.09	54	0	432,400
2017	565,000	511,762,098	0.11	67	0	456,422
2016	670,000	505,740,476	0.13	80	0	480,445
2015	775,000	510,614,807	0.15	92	0	71,222
2014	875,000	504,526,529	0.17	104	9,630	0
2013	975,000	491,869,509	0.20	116	18,660	0
2012	0	0	N/A	N/A	27,120	0
2011	0	0	N/A	N/A	35,040	0
2010	0	0	N/A	N/A	52,460	0

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

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

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



Business-Type Activities								
Notes	General Obligation Bonds	Revenue Bonds	Mortgage Revenue Bonds	OWDA Loans	OPWC Loans	Total Debt	Percentage of Personal Income (3)	Per Capita (3)
\$0	\$345,000	\$0	\$0	\$0	\$350,834	\$1,104,212	0.65 %	\$132
0	455,000	0	0	0	372,500	1,259,900	0.74	150
0	565,000	0	0	0	454,610	1,476,032	0.86	176
400,000	670,000	0	0	0	536,718	2,087,163	1.22	249
800,000	775,000	0	0	0	618,824	2,265,046	1.32	270
1,100,000	875,000	0	0	0	700,933	2,685,563	1.57	320
1,300,000	975,000	0	0	0	783,042	3,076,702	1.80	367
1,300,000	0	3,580,000	0	9,608	865,152	5,781,880	3.38	690
1,400,000	0	3,806,822	0	537,207	947,262	6,726,331	3.93	803
2,770,000	0	4,260,654	0	1,046,999	1,029,372	9,159,485	5.36	1,093

City of Orrville, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2019

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Orrville			
OPWC Loans	\$408,378	100.00 %	\$408,378
Overlapping			
Orrville City School District:			
General Obligation Bonds	12,643,775	80.39	10,164,331
School Facilities Construction and Improvement Note	748,000	80.39	601,317
Certificates of Participation	9,100,000	80.39	7,315,490
Wayne County:			
General Obligation Bonds	2,449,552	8.74	214,091
OPWC Loans	161,776	8.74	14,139
<i>Total Overlapping Debt</i>	<u>25,103,103</u>		<u>18,309,368</u>
Total	<u><u>\$25,511,481</u></u>		<u><u>\$18,717,746</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	
2019	\$2,415,511	\$2,326,956	\$88,555	\$0	\$0	N/A
2018	2,385,486	1,974,240	411,246	0	0	N/A
2017	2,135,319	2,042,346	92,973	0	0	N/A
2016	2,383,704	1,584,144	799,560	0	0	N/A
2015	2,298,995	2,121,775	177,220	0	0	N/A
2014	2,085,775	1,898,652	187,123	0	0	N/A
2013	2,264,331	1,724,922	539,409	9,608	521	53.25
2012	2,074,359	1,459,271	615,088	527,599	15,169	1.13
2011	2,044,338	1,477,147	567,191	509,792	32,975	1.04
2010	2,133,390	1,405,974	727,416	492,056	50,711	1.34
Water						
Year	Water Operating Revenues (2)	Water Operating Expenses (3)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2019	\$3,425,517	\$2,094,709	\$1,330,808	\$21,666	\$0	61.42
2018	3,337,846	1,949,927	1,387,919	82,110	0	16.90
2017	2,974,184	2,094,716	879,468	82,108	0	10.71
2016	3,240,535	1,885,953	1,354,582	82,106	0	16.50
2015	3,263,671	1,908,147	1,355,524	82,109	0	16.51
2014	3,324,760	1,756,658	1,568,102	82,109	0	19.10
2013	3,188,911	1,941,241	1,247,670	82,110	0	15.20
2012	2,951,639	1,966,480	985,159	597,110	144,197	1.33
2011	2,841,526	1,617,014	1,224,512	577,110	202,930	1.57
2010	2,983,759	1,346,924	1,636,835	557,110	221,930	2.10

(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

	2019	2018	2017	2016
Total Assessed Property Value	<u>\$191,579,520</u>	<u>\$187,578,300</u>	<u>\$179,536,940</u>	<u>\$177,580,850</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>20,115,850</u>	<u>19,695,722</u>	<u>18,851,379</u>	<u>18,645,989</u>
Debt Outstanding:				
Refunding General Obligation Bonds	\$345,000	\$455,000	\$565,000	\$670,000
Revenue Bonds	0	0	0	0
Special Assessment Bonds	0	0	0	0
Bond Anticipation Notes	0	0	0	400,000
OPWC Loans	759,212	804,900	911,032	1,017,163
OWDA Loans	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Gross Indebtedness	1,104,212	1,259,900	1,476,032	2,087,163
Less:				
Revenue Bonds	0	0	0	0
Special Assessment Bonds	0	0	0	0
Bond Anticipation Notes	0	0	0	(400,000)
OPWC Loans	(759,212)	(804,900)	(911,032)	(1,017,163)
OWDA Loans	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Debt Applicable to Debt Limit	<u>345,000</u>	<u>455,000</u>	<u>565,000</u>	<u>670,000</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$19,770,850</u>	<u>\$19,240,722</u>	<u>\$18,286,379</u>	<u>\$17,975,989</u>
Legal Debt Margin as a Percentage of the Debt Limit	98.28%	97.69%	97.00%	96.41%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$10,536,874</u>	<u>\$10,316,807</u>	<u>\$9,874,532</u>	<u>\$9,766,947</u>
Total Gross Indebtedness	1,104,212	1,259,900	1,476,032	2,087,163
Less:				
Revenue Bonds	0	0	0	0
Special Assessment Bonds	0	0	0	0
Bond Anticipation Notes	0	0	0	(400,000)
OPWC Loans	(759,212)	(804,900)	(911,032)	(1,017,163)
OWDA Loans	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Debt Within 5 ½ % Limitations	<u>345,000</u>	<u>455,000</u>	<u>565,000</u>	<u>670,000</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$10,191,874</u>	<u>\$9,861,807</u>	<u>\$9,309,532</u>	<u>\$9,096,947</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	96.73%	95.59%	94.28%	93.14%

Source: City Financial Records

2015	2014	2013	2012	2011	2010
<u>\$179,137,960</u>	<u>\$176,987,320</u>	<u>\$172,574,570</u>	<u>\$166,122,650</u>	<u>\$166,803,490</u>	<u>\$165,160,006</u>
18,809,486	18,583,669	18,120,330	17,442,878	17,514,366	17,341,801
\$775,000	\$875,000	\$975,000	\$0	\$0	\$0
0	0	0	3,580,000	4,095,000	4,590,000
0	9,630	18,660	27,120	35,040	52,460
800,000	1,100,000	1,300,000	1,300,000	1,400,000	2,770,000
690,046	700,933	783,042	865,152	947,262	1,029,372
0	0	0	9,608	537,207	1,046,999
2,265,046	2,685,563	3,076,702	5,781,880	7,014,509	9,488,831
0	0	0	(3,580,000)	(4,095,000)	(4,590,000)
0	(9,630)	(18,660)	(27,120)	(35,040)	(52,460)
(800,000)	(1,100,000)	(1,300,000)	(1,300,000)	(1,400,000)	(2,770,000)
(690,046)	(700,933)	(783,042)	(865,152)	(947,262)	(1,029,372)
0	0	0	(9,608)	(537,207)	(1,046,999)
775,000	875,000	975,000	0	0	0
<u>\$18,034,486</u>	<u>\$17,708,669</u>	<u>\$17,145,330</u>	<u>\$17,442,878</u>	<u>\$17,514,366</u>	<u>\$17,341,801</u>
95.88%	95.29%	94.62%	100.00%	100.00%	100.00%
<u>\$9,852,588</u>	<u>\$9,734,303</u>	<u>\$9,491,601</u>	<u>\$9,136,746</u>	<u>\$9,174,192</u>	<u>\$9,083,800</u>
2,265,046	2,685,563	3,076,702	5,781,880	7,014,509	9,488,831
0	0	0	(3,580,000)	(4,095,000)	(4,590,000)
0	(9,630)	(18,660)	(27,120)	(35,040)	(52,460)
(800,000)	(1,100,000)	(1,300,000)	(1,300,000)	(1,400,000)	(2,770,000)
(690,046)	(700,933)	(783,042)	(865,152)	(947,262)	(1,029,372)
0	0	0	(9,608)	(537,207)	(1,046,999)
775,000	875,000	975,000	0	0	0
<u>\$9,077,588</u>	<u>\$8,859,303</u>	<u>\$8,516,601</u>	<u>\$9,136,746</u>	<u>\$9,174,192</u>	<u>\$9,083,800</u>
92.13%	91.01%	89.73%	100.00%	100.00%	100.00%

City of Orrville, Ohio
Principal Employers
 2019 and 2010

2019

Employer	Employees
J.M. Smucker Company	1,901
Quality Castings Company	348
Smith Dairy Products Company	334
Venture Products	295
Aultman Orrville Hospital (Formerly Dunlap Hospital)	292
Will-Burt Company, Incorporated	275
Bekaert Corporation	229
Orrville City School District	219
Orrvilon	170
City of Orrville/Orrville Utilities (1)	165
Total	4,228
Total Employment within the City	n/a

2010

Employer	Employees
J.M. Smucker Company	1,394
JLG, Incorporated	327
Quality Castings Company	305
Smith Dairy Products Company	310
Will-Burt Company, Incorporated	272
University of Akron - Wayne College	226
Dunlap Hospital	220
Orrville City School District	210
Bekaert Corporation	190
City of Orrville/Orrville Utilities (1)	137
Total	3,591
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)
2019	8,380	\$170,952,000	\$20,400	\$39,565	40.1	3.3%
2018	8,380	170,952,000	20,400	39,565	40.1	3.9
2017	8,380	170,952,000	20,400	39,565	40.1	3.9
2016	8,380	170,952,000	20,400	39,565	40.1	4.0
2015	8,380	170,952,000	20,400	39,565	40.1	3.9
2014	8,380	170,952,000	20,400	39,565	40.1	4.6
2013	8,380	170,952,000	20,400	39,565	40.1	6.3
2012	8,380	170,952,000	20,400	39,565	40.1	6.1
2011	8,380	170,952,000	20,400	39,565	40.1	6.6
2010	8,380	170,952,000	20,400	39,565	40.1	9.4

(1) 2010 Federal Census

(2) U.S. Bureau of Labor Statistics

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

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

Function/Program	2019	2018	2017	2016
General Government				
City Council	9.0	9.0	9.0	9.0
Finance	2.0	2.0	2.0	2.0
Tax	1.0	1.0	1.0	1.0
Law	1.0	1.0	1.0	1.0
Administration	20.0	20.0	19.0	19.0
Custodial	1.0	1.0	1.0	1.0
Civil Service	3.0	3.0	3.0	3.0
Utility Board	5.0	5.0	5.0	5.0
Security of Persons and Property				
Police	17.0	16.0	14.0	15.0
Police - Dispatchers	0.0	1.0	1.0	1.0
School Crossing Guards	3.0	3.0	3.0	3.0
Fire	28.0	26.0	28.0	28.0
Community Development				
Economic Development	1.0	1.0	1.0	1.0
Transportation				
Street, Park & Cemetery	15.0	14.0	15.0	15.0
Basic Utility Services				
Electric - Meter Readers	1.0	1.0	1.0	1.0
Electric - Operations	7.0	9.0	12.0	13.0
Electric - Maintenance	16.0	17.0	17.0	18.0
Electric - Distribution	16.0	16.0	15.0	17.0
Electric - Fiber Optics	2.0	2.0	2.0	2.0
Water - Operations	6.0	5.0	5.0	5.0
Water - Maintenance	2.0	2.0	2.0	3.0
Sewer - Operations	7.0	7.0	7.0	7.0
Sewer - Maintenance	2.0	2.0	2.0	1.0
Totals:	<u>165.0</u>	<u>164.0</u>	<u>166.0</u>	<u>171.0</u>

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

2015	2014	2013	2012	2011	2010
9.0	9.0	9.0	9.0	9.0	9.0
2.0	2.0	3.0	3.0	4.0	4.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
18.0	17.0	18.0	18.0	19.0	19.0
1.0	1.0	2.0	2.0	2.0	2.0
3.0	3.0	3.0	3.0	3.0	3.0
5.0	5.0	5.0	5.0	5.0	5.0
15.0	14.0	15.0	16.0	15.0	15.0
5.0	6.0	6.0	6.0	6.0	6.0
3.0	3.0	4.0	4.0	4.0	4.0
28.0	28.0	34.0	44.0	41.0	39.0
1.0	1.0	1.0	1.0	1.0	1.0
15.0	15.0	14.0	14.0	15.0	15.0
1.0	1.0	1.0	1.0	1.0	1.0
15.0	19.0	19.0	19.0	19.0	18.0
21.0	21.0	24.0	25.0	26.0	25.0
17.0	18.0	20.0	20.0	20.0	21.0
2.0	3.0	3.0	3.0	3.0	3.0
5.0	5.0	5.0	5.0	6.0	6.0
3.0	3.0	3.0	3.0	3.0	3.0
7.0	8.0	6.0	7.0	7.0	7.0
1.0	1.0	1.0	1.0	1.0	1.0
179.0	185.0	198.0	211.0	212.0	209.0

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

Function/Program	2019	2018	2017
General Government			
<i>Council and Clerk</i>			
Number of Ordinances Passed	6	13	4
Number of Resolutions Passed	48	46	55
Number of Planning Commission docket items	15	19	39
Zoning Board of Appeals docket items	2	5	4
<i>Finance Department</i>			
Number of checks/vouchers issued	3,783	3,693	4,127
Amount of checks written	\$36,952,789	\$37,902,862	\$39,366,438
Interest earnings for fiscal year (cash basis)	\$932,018	\$660,548	\$406,502
Number of Receipts issued	2,203	2,284	2,032
Number of Journal Entries issued	762	568	531
Number of Budget Adjustments issued	5	2	3
<i>Income Tax Department</i>			
Number of Individual Returns (1)	2,611	2,488	2,479
Number of Business Returns	579	626	628
Number of business withholding accounts	713	679	770
Amount of Penalties and Interest Collected	\$1,056	\$654	\$266
Annual number of Corporate withholding forms processed	5,087	5,164	5,325
Annual number of balance due statements forms processed	366	209	52
Annual number of estimated payment forms processed	772	684	687
Annual number of reconciliations of withholdings processed	609	686	676
<i>Civil Service</i>			
Number of police entry tests administered	0	2	0
Number of police promotional tests administered	0	0	0
Number of hires of Police Officers from certified lists	0	2	0
Number of promotions from police certified lists	0	0	0
<i>Building Department Indicators</i>			
New Construction Permits Issued	43	59	91
Estimated Value of Construction	\$6,544,658	\$10,727,713	\$16,661,982
Number of permits issued	92	127	153
Amount of Revenue generated from permits	\$2,712	\$7,655	\$4,561
Security of Persons and Property			
<i>Police</i>			
Number of traffic citations issued	0	0	566
Number of criminal arrests	157	227	177
Number of accident reports completed	121	153	144
Part 1 Offenses (major offenses)	95	124	144
DUI Arrests	13	12	22
Motor Vehicle Accidents	121	153	144
Fatalities from Motor Vehicle Accidents	0	0	0
<i>Fire</i>			
EMS Calls	740	819	727
Ambulance Billing Collections (net)	\$163,947	\$166,991	\$141,018
Fire Calls	234	221	198
Fires with Loss	11	19	22
Fire Losses	\$605,230	\$761,450	\$468,847
Fire Safety Inspections	85	87	57
Number of times Mutual Aid given to Fire and EMS	64	28	28
Number of times Mutual Aid received for Fire and EMS	9	7	6

2016	2015	2014	2013	2012	2011	2010
4	8	8	19	24	10	14
48	54	54	55	44	50	39
33	31	34	34	48	38	39
3	4	5	4	3	8	8
4,685	4,486	4,865	4,677	5,204	5,154	5,206
\$52,726,352	\$51,850,129	\$49,034,188	\$42,905,964	\$49,804,831	\$35,806,210	\$34,575,112
\$185,825	\$271,001	\$195,009	\$125,836	\$140,238	\$150,653	\$241,517
1,882	1,970	2,005	2,124	2,028	2,025	2,028
539	544	509	483	553	608	638
1	2	3	2	0	4	1
2,832	3,433	3,408	3,397	3,370	3,418	3,375
593	602	589	559	567	576	560
708	595	554	576	552	544	528
\$570	\$385	\$1,226	\$593	\$1,324	\$831	\$745
5,108	3,094	3,098	2,852	2,681	2,705	2,748
69	374	402	389	403	454	232
691	544	619	641	486	558	586
520	606	611	599	571	579	549
0	1	1	0	1	0	1
3	0	1	1	0	0	0
0	1	1	2	0	1	0
3	0	1	1	0	0	0
42	39	51	48	51	45	43
\$30,700,214	\$7,178,303	\$46,838,201	\$13,280,308	\$11,460,110	\$19,536,492	\$60,218,940
91	96	114	102	126	129	111
\$2,430	\$2,795	\$2,865	\$2,445	\$2,869	\$3,905	\$2,805
785	656	563	844	1,116	1,335	1,043
147	219	164	238	267	319	378
160	162	156	142	188	177	227
124	92	140	141	169	197	188
22	31	18	20	29	42	50
160	162	156	142	188	177	227
0	0	1	0	0	0	0
622	460	492	526	513	418	395
\$117,702	\$96,847	\$110,797	\$121,698	\$130,470	\$108,209	\$97,951
180	161	143	164	155	235	116
13	13	17	5	19	16	26
\$108,174	\$287,775	\$325,395	\$172,065	\$305,900	\$1,775,425	\$106,570
55	63	74	74	63	80	42
49	45	33	46	42	41	42
11	6	8	8	11	11	8

(continued)

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

Function/Program	2019	2018	2017
Public Health and Welfare			
Cemetery burials	72	61	80
Cemetery sale of lots	51	72	75
Cemetery receipts	\$51,395	\$56,469	\$59,313
Leisure Time Activities			
<i>Recreation</i>			
Recreation Swimming pool receipts	\$47,303	\$50,413	\$60,545
Economic Development			
Grant amounts received due to Economic Development Dept	\$768,864	\$279,305	\$292,379
Basic Utility Services			
Refuse disposal per year (in tons)	3,024	2,897	2,875
Refuse disposal costs per year	\$479,813	\$445,637	\$446,263
Annual recycling tonnage (excluding leaf, and compost items)	560	543	540
Percentage of waste recycled	15.70%	15.80%	16.00%
Transportation			
Street Improvements - asphalt overlay (linear feet)	10,572	27,112	14,500
Street Repair (Curbs, aprons, berms, asphalt) (hours)	1,595	1,453	1,644
Paint Striping (hours)	149	124	341
Street Sweeper (hours)	428	324	350
Cold Patch (hours)	95	204	100
Snow & Ice Removal regular hours	497	496	271
Snow & Ice Removal overtime hours	523	320	132
Sewer Crew (hours)	934	938	1,029
Sewer jet, Vac-all, other services (hours)	557	473	456
Landscaping Stump-Chipper service (hours)	1,648	1,547	920
Leaf collection (hours)	1,471	1,482	1,398
Holiday lights setup (hours)	80	98	129
Equipment repair/body shop (hours)	1,172	1,219	2,439
Sign department (hours)	913	4,327	3,309
Number of Trees Planted per year	30	10	31
Tons of snow melting salt purchased (Nov-Mar)	1,194	1,050	898
Cost of salt purchased	\$74,522	\$38,577	\$34,919
Vehicle repair/body shop (hours)	789	928	1,516
Water Department			
Water Rates per 1st 100 Cu. Ft. of water used	\$3.99	\$3.73	\$3.49
Avg. number of water accounts billed monthly (Cu. Ft.)	50,853	54,871	58,448
Total Water Collections Annually (Including P&I)	\$3,343,069	\$3,232,974	\$3,027,637
Sewer Department			
Sewer Rates per 1st 100 Cu. Ft. of water used	\$3.20	\$3.02	\$2.82
Total flow of sewer treatment plant (Billions of Gallons)	0.927	0.898	0.804
Average daily flow (Millions of gallons per day)	2.540	2.460	2.200
Tons of dry sludge removed	297	345	252

Source: City Records

2016	2015	2014	2013	2012	2011	2010
77	59	59	81	63	67	67
76	79	30	68	57	56	33
\$57,676	\$46,832	\$42,349	\$59,807	\$47,557	\$46,217	\$51,425
\$37,333	\$47,461	\$43,927	\$46,247	\$54,056	\$49,136	\$46,041
\$1,133,879	\$1,343,527	\$806,529	\$1,018,070	\$484,230	\$261,941	\$547,956
2,710	2,707	2,677	2,819	2,659	2,845	2,963
\$416,358	\$400,271	\$433,295	\$431,650	\$422,615	\$413,744	\$404,635
554	549	465	407	403	452	462
17.00%	17.00%	14.80%	14.45%	13.17%	13.70%	13.60%
14,157	21,000	4,916	7,770	4,350	11,045	15,475
1,835	1,907	1,657	1,596	2,245	1,176	2,589
161	226	0	455	0	3	132
353	280	332	369	342	354	278
68	239	157	46	4	213	177
540	1,228	909	588	453	613	853
388	1,237	756	302	301	436	385
1,224	1,495	1,050	793	330	710	1,239
258	319	281	337	301	333	331
2,857	1,384	923	2,410	1,473	1,369	1,032
1,619	1,251	1,608	1,161	1,205	1,286	937
106	76	141	93	111	94	90
826	1,018	1,121	1,943	2,014	1,137	1,359
386	280	195	521	439	382	162
34	36	1	63	2	2	40
982	50	375	942	884	1,089	1,290
\$56,477	\$69,437	\$12,870	\$35,994	\$44,417	\$56,601	\$66,656
1,320	1,793	2,015	3,189	3,029	1,975	1,986
\$3.23	\$3.23	\$3.23	\$3.04	\$2.87	\$2.71	\$2.71
72,654	73,210	75,321	84,702	85,820	109,594	100,193
\$3,224,102	\$3,326,271	\$3,296,454	\$3,180,759	\$2,803,423	\$2,819,716	\$2,831,193
\$2.64	\$2.64	\$2.64	\$2.64	\$2.64	\$2.64	\$2.64
0.734	0.763	0.756	0.807	0.697	0.850	0.730
2.010	2.090	2.070	2.210	1.910	2.330	2.000
459	441	387	652	192	181	186

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

Function/Program	2019	2018	2017	2016
General Government				
Square Footage Occupied	71,554	71,554	71,554	71,554
Administrative Vehicles	3	3	3	4
Inspection Vehicles	1	1	1	0
Police				
Stations	1	1	1	1
Square Footage of Building	11,700	11,700	11,700	11,700
Vehicles	14	14	14	11
Fire				
Stations	2	2	2	2
Square Footage of Building	10,900	10,900	10,900	10,900
Vehicles	14	14	14	13
Recreation				
Number of Parks	6	6	6	6
Number of Pools	1	1	1	1
Number of Tennis Courts	6	6	6	6
Number of Baseball Diamonds	7	7	7	7
Vehicles	1	1	1	1
Transportation				
Streets (miles)	51	51	50	50
Storm Sewers (miles)	151	151	151	151
Service Vehicles	26	26	26	23
Sewer Department				
Sanitary Sewers (miles)	42	42	42	42
Vehicles	6	6	6	6
Water Department				
Water Lines (miles)	61	61	61	61
Vehicles	10	10	9	10
Electric Department				
Electric Lines (miles)	300	300	300	300
Vehicles	24	24	24	24

Source: City Records

2015	2014	2013	2012	2011	2010
71,554	71,554	71,554	71,554	71,554	71,554
4	4	4	4	4	4
0	0	1	1	1	1
1	1	1	1	1	1
11,700	11,700	11,700	11,700	11,700	11,700
10	10	10	10	10	10
2	2	2	2	2	2
10,900	10,900	10,900	10,900	10,900	10,900
13	12	12	12	12	12
6	6	6	6	6	6
1	1	1	1	1	1
6	6	6	6	6	6
7	7	7	7	7	7
1	1	1	1	1	1
50	47	47	47	47	47
151	151	151	151	151	151
23	23	23	23	23	22
42	42	42	42	42	42
6	6	6	6	6	6
61	61	61	61	61	61
10	10	10	10	10	10
300	300	300	300	300	300
24	24	24	24	24	24

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF ORRVILLE

WAYNE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 28, 2020**