

Dave Yost • Auditor of State

CITY OF ORRVILLE
WAYNE COUNTY

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' 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 the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Orrville, Wayne County, Ohio, (the City) as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 26, 2012. We noted governmental fund balances were restated due to changes in fund structure as a result of implementing Governmental Accounting Standards Board (GASB) Statement 54. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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, providing an opinion 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*.

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 26, 2012.

We intend this report solely for the information and use of management, the audit committee, City Council, and others within the City. We intend it for no one other than these specified parties.

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

Dave Yost
Auditor of State

June 26, 2012

City of Orrville, Ohio Comprehensive Annual Financial Report

For the Year Ended December 31, 2011



CITY OF ORRVILLE, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2011

Janet L. Strimlan
Finance Director

Prepared by the City Finance Department

Introductory Section

City of Orrville, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2011
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207 North Main Street | Orrville, Ohio 44667-1639 | Phone (330) 684-5000 | FAX (330) 684-5023 | www.orrville.com

June 26, 2012

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, 2011, and the Independent Accountants' 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 Accountants' 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

Timothy VanSickle
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, parks and recreation, building inspection, street maintenance and repairs, water, electric, internet, sewer, and refuse collection.

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

Local Economy

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

These companies not only provide significant job opportunities to our community, they provide 95 percent of our income tax revenues and you have now learned that products manufactured in Orrville Ohio end up everywhere in the world.

Utilities

Electric

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

A concern for our community-owned and operated electric plant is the proposed Boiler Mact Rule which was issued by the EPA in December 2011. The City will continue to monitor all proposed rules but is unsure of the ultimate impact they may have on the electric plant.

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

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

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

The electric utility operated at 66 percent of its capacity this year. The power plant burned 183,162 tons of coal in 2011 at a cost of \$10,557,586.

Wastewater

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

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

The sewer facility treated 850 million gallons of sewage during 2011. 124 million gallons of our effluent water was beneficially reused at our power plant. 181 dry tons of residual solids were land applied in 2011 to agricultural fields, returning their nutrients to the soil.

Water

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

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

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

Education

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

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

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

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

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

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

Recreational Facilities

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

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

Orr Park is the gem of a five-site City park system. Citizens have their choice of softball and baseball fields, tennis courts, playground equipment, and a new swimming pool with spacious bathhouse. They can also relax and enjoy the parks' picnic facilities or a concert and other entertainment activities at Rehm Performing Arts Pavilion. Citizens enjoyed eight concerts at Rehm Performing Arts Pavilion and four summer movies in 2011, and all events were well attended.

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

Cultural Opportunities

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

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

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

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

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

	Percent of Assessed Valuation
Residential	66.9 %
Commercial	16.5
Industrial	16.3
Agricultural	0.3

Source: County Auditor.

City Employees

The City has 175 employees; and 37 members of the City's volunteer fire department (who are paid on a per-call basis). The number of full-time employees has remained relatively constant over the past several years. A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining. Some full-time employees are represented by the following bargaining units:

Bargaining Unit	Expiration Date Of Current Agreement	Number of Employees
United City Workers	December 31, 2012	68
Ohio Patrolmen's Benevolent Association	December 31, 2012	18

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

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

Long-Term Financial Planning

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

The City has debt for two of its utilities. The electric utility paid off the majority of its debt in 2010 with the retirement of the Mortgage Revenue Bonds. The small remaining debt for the electric utility was retired in April, 2011. Future borrowings are not anticipated for the sewer utility however, borrowing may be required for the electric utility to meet future EPA requirements. The water utility will rely on grants and loans for its future capital projects. All three utilities will be subject to rate increases.

Relevant Financial Policies

The City has ordinances in place that determine the split of the revenue received from the municipal income tax. The current split is 20 percent to the capital improvement fund and 80 percent to the general fund.

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

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

Major Initiatives

The City and its various utilities have completed a number of projects in 2011.

The Service Department, with the help of grants from the Ohio Public Works Commission and the Community Development Block Grant resurfaced McGill, Mohican, Westwood, Walnut, Church and a portion of North Ella Street.

Major capital purchases in 2011 included a dump truck and a 2012 Chassis Cab Truck.

We also continued engineering on the Truck Route Project which started in 2007, and began engineering on a new loop road connecting North Main Street to Mill Street.

Despite the bleak economy surrounding us, organizations located within the City have also completed a number of projects in 2011. The total amount invested in property and capital improvements by the following organizations totaled in excess of \$5.7 million: Orrville City Schools, Bekaert, Brenn Field Nursing Center, Orrville YMCA, Dunlap Family Physicians, OrrVilla, Orrville Dairy Queen, Runions' Furniture, Wholesome Pet, Ventrac, Quality Castings, Heartland Point, and Orrville Area Boys and Girls Club. Without diminishing the significance of these investments within the City we would be remiss if we did not single out continued significant projects undertaken by one individual organization in 2011.

The J.M. Smucker Company completed the construction of their new corporate office and R & D expansion in 2011 and will complete construction of the state-of-the-art manufacturing plant in 2012. Total investments in the three facilities will surpass \$200 million. We are thrilled that they are part of the Orrville community.

Awards and Acknowledgements

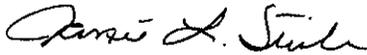
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Orrville for its comprehensive financial report for the fiscal year ended December 31, 2010. This was the tenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

A sincere thanks also goes to the Local Government Services Section of Auditor of State Dave Yost's Office for their assistance in the organization and final review of our 2011 Comprehensive Annual Financial Report.

Respectfully submitted,



Janet L. Strimlan
Director of Finance

City of Orrville, Ohio

City Officials

ELECTED OFFICIALS

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

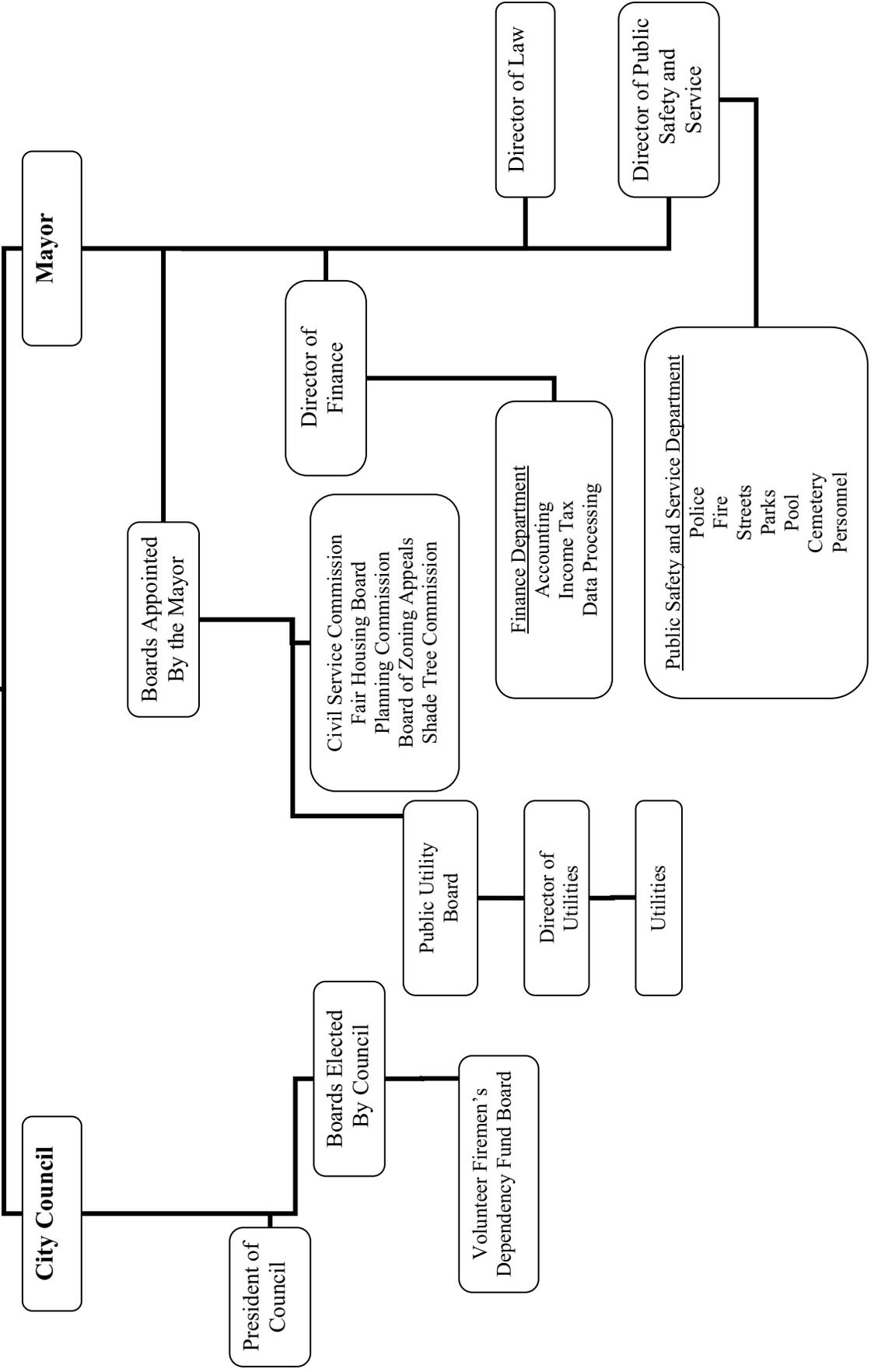
APPOINTED OFFICIALS

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

UTILITY BOARD MEMBERS

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

**Citizens of Orrville
(Voters)**



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Orrville
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Dandson

President

Jeffrey R. Emer

Executive Director

Financial Section

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Mayor and City Council Members:

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, 2011, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orrville, Wayne County, Ohio, as of December 31, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2012, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A-s further described Note 3 to the basic financial statements, the City restated its January 1, 2011 governmental fund balances due to changes in fund structure as result of implementing Governmental Accounting Standards Board (GASB) Statement 54.

Accounting principles generally accepted in the United States of America require this presentation to include Management's Discussion and Analysis, as 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise 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 provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject 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.



Dave Yost
Auditor of State

June 26, 2012

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2011
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, 2011. 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 2011 are as follows:

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

Using this Annual Financial Report

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

The Statement of Net Assets and the Statement of Changes in Net Assets provides summarized information showing the effects of the operations for the year 2011 and how they effected the operations of the City as a whole.

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

Reporting the City of Orrville as a Whole

Statement of Net Assets and Statement of Activities

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

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

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2011
Unaudited

In the Statement of Net Assets 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 16. Fund financial reports give a detailed report of the activities within the funds. The City currently has twenty-seven funds, as presented in this report. These funds are in existence to provide a multitude of services to the citizens of Orrville. Some funds provide for safety forces, some provide for streets, some provide for electric service, some provide for water service, and some provide for sewer service. Some provide for purchase of capital assets and infrastructure. One even provides health care for the City's employees. Each fund is in some way an entity unto itself. Each fund has a designated revenue stream and restricted uses for the monies within the fund.

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

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

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

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

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2011
Unaudited

The City of Orrville as a Whole

The Statement of Net Assets provides an overall view of the City. Table one shows a summary of the City's net assets for 2011 as they compare to 2010.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets						
Current and Other Assets	\$7,700,086	\$7,326,725	\$31,710,887	\$30,721,408	\$39,410,973	\$38,048,133
Capital Assets, Net	43,405,454	43,642,313	43,106,300	45,071,825	86,511,754	88,714,138
<i>Total Assets</i>	<u>51,105,540</u>	<u>50,969,038</u>	<u>74,817,187</u>	<u>75,793,233</u>	<u>125,922,727</u>	<u>126,762,271</u>
Liabilities						
Current Liabilities	1,064,857	1,092,738	2,691,973	3,258,714	3,756,830	4,351,452
Long-Term Liabilities:						
Due Within One Year	58,492	68,142	1,397,480	1,338,801	1,455,972	1,406,943
Due in More Than One Year	138,013	107,219	5,728,217	6,909,343	5,866,230	7,016,562
<i>Total Liabilities</i>	<u>1,261,362</u>	<u>1,268,099</u>	<u>9,817,670</u>	<u>11,506,858</u>	<u>11,079,032</u>	<u>12,774,957</u>
Net Assets						
Invested in Capital Assets, Net of Related Debt	43,370,414	43,589,853	36,501,762	36,065,932	79,872,176	79,655,785
Restricted for:						
Capital Projects	148,516	587,129	0	0	148,516	587,129
Debt Service	188,601	210,504	757,162	758,544	945,763	969,048
Street Repair and Maintenance	449,189	428,875	0	0	449,189	428,875
Law Enforcement and Education	21,075	19,377	0	0	21,075	19,377
Cemetery Maintenance	334,225	315,730	0	0	334,225	315,730
Replacement and Improvement	0	0	800,000	800,000	800,000	800,000
Unrestricted	5,332,158	4,549,471	26,940,593	26,661,899	32,272,751	31,211,370
<i>Total Net Assets</i>	<u>\$49,844,178</u>	<u>\$49,700,939</u>	<u>\$64,999,517</u>	<u>\$64,286,375</u>	<u>\$114,843,695</u>	<u>\$113,987,314</u>

Total assets decreased from 2010. Capital assets accounted for the majority of this decrease, as annual depreciation outpaced additions in 2011.

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

Total net assets increased, largely as a result of the decrease to liabilities mentioned above.

The City also works hard to increase net assets through our investment program. Investment earnings for the City were much lower than in 2010. This decrease reflects the decline in interest rates received on investments due to the overall economy.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2011
Unaudited

Table 2 shows the changes in net assets for the year ended December 31, 2011, for both our Governmental Activities and our Business-Type Activities.

Table 2
Change in Net Assets

	Governmental Activities		Business - Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues:						
Charges for Services	\$793,653	\$840,783	\$31,372,681	\$29,367,579	\$32,166,334	\$30,208,362
Operating Grants and Contributions	559,982	499,122	0	0	559,982	499,122
Capital Grants and Contributions	184,461	539,436	249,780	0	434,241	539,436
Total Program Revenues	1,538,096	1,879,341	31,622,461	29,367,579	33,160,557	31,246,920
General Revenues:						
Property Taxes	445,836	477,264	0	0	445,836	477,264
Income Taxes	4,315,780	4,567,081	0	0	4,315,780	4,567,081
Kilowatt Per Hour Tax	884,285	880,337	0	0	884,285	880,337
Grants and Entitlements	540,040	722,404	0	0	540,040	722,404
Investment Earnings	27,685	49,763	166,028	202,507	193,713	252,270
Other	42,833	74,112	661,252	622,492	704,085	696,604
Total General Revenues	6,256,459	6,770,961	827,280	824,999	7,083,739	7,595,960
Total Revenues	\$7,794,555	\$8,650,302	\$32,449,741	\$30,192,578	\$40,244,296	\$38,842,880
Program Expenses						
General Government	\$1,113,080	\$1,000,403	\$0	\$0	\$1,113,080	\$1,000,403
Security of Persons and Property:						
Police	1,741,290	1,761,008	0	0	1,741,290	1,761,008
Fire	727,641	513,253	0	0	727,641	513,253
Transportation	2,120,596	2,657,883	0	0	2,120,596	2,657,883
Public Health and Welfare	193,614	358,574	0	0	193,614	358,574
Leisure Time Activities	395,350	382,833	0	0	395,350	382,833
Basic Utility Service	418,618	407,762	0	0	418,618	407,762
Interest and Fiscal Charges	56,842	64,704	0	0	56,842	64,704
Enterprise Operations	0	0	32,620,884	30,315,028	32,620,884	30,315,028
Total Program Expenses	6,767,031	7,146,420	32,620,884	30,315,028	39,387,915	37,461,448

(continued)

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2011
Unaudited

Table 2
Change in Net Assets (continued)

	Governmental Activities		Business - Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Increase (Decrease) in Net Assets Before Transfers	1,027,524	1,503,882	(171,143)	(122,450)	856,381	1,381,432
Transfers	(884,285)	(880,337)	884,285	880,337	0	0
Increase in Net Assets	143,239	623,545	713,142	757,887	856,381	1,381,432
Net Assets Beginning of Year	49,700,939	49,077,394	64,286,375	63,528,488	113,987,314	112,605,882
Net Assets End of Year	\$49,844,178	\$49,700,939	\$64,999,517	\$64,286,375	\$114,843,695	\$113,987,314

Governmental Activities

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

The City's income tax was established by ordinance to be effective January 1, 1961 at a rate of .6 percent. The rate was later increased by resolution to 1 percent effective October 1, 1970. The rate has remained at that level since then. This rate is much lower than the State average for municipalities that have an income tax. The income tax accounted for revenues of \$4,315,780 in 2011. These revenues were split between the general fund and the capital improvements fund with an allocation of 80 percent to the general fund and 20 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 65 - 35 percent, 60 - 40 percent as well as 70 - 30 percent. This practice of putting a percentage of income tax revenue into the capital improvements fund has been an excellent tool for the City in making capital improvements without the need to issue debt. In the last several years some major projects have been accomplished with monies from the capital improvements fund, such as the repaving of several small streets and the purchase of a new fire truck.

The level of revenue from income tax on a cash basis increased in 2011 however, on a GAAP basis decreased due to the estimate of receivables from 2010. In 2011, the majority of businesses in the City had strong financial performance and some even expanded their workforce.

Charges for service revenues decreased on a GAAP basis in 2011 due to the estimate of receivables from 2010. Capital grants decreased as new Community Development Block Grants were not applied for in 2011. The City did not submit a competitive application for these grants in 2011, as the need for these grants in the City was not as competitive as in prior years.

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 decreased in 2011 as maintenance projects were completed and work continued on the truck route project.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2011
Unaudited

Our Police Department is also funded through the general fund. The Department is a full-time 24-hour a day, 365-days a year Department. The expenses for the Department for the year 2011 decreased slightly due to a newly hired work force which is lower on the salary schedule.

Our Fire Department is a part-time department with a full-time Chief. The City is very 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 rose in 2011 primarily due to a 21 percent increase in service hours provided by the Department which was spread over 68 additional calls responded to in 2011.

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 2011, the electric utility sold 292,712,248 KWH of electricity to generate \$26,613,199 in charges for services revenue. They burned 183,162 tons of coal at a cost of \$10,557,586. The overhaul of Number 11 Turbine continued in 2011 and was completed in February 2012. The Energy Efficiency Program that was implemented in 2010 began in 2011 and is proving beneficial to many of the City's industrial customers. The EPA issued a proposed Rule for Boiler MACT in December 2011. We are currently exploring all compliance options as the Rule is not yet finalized.

The water utility treated an average of 1.7 million gallons of water per day in 2011. The water plant is the newest of the utility facilities. It was put into service in 1996. The raw water is supplied from various wells and continued to produce a high quality of water while meeting or exceeding all EPA requirements. The plant currently serves approximately 3,200 residential customers and over 350 industrial and commercial customers.

The sewer facility treated 850 million gallons of sewage during 2011. 124 million gallons of our effluent water was beneficially reused at our Power Plant. 181 dry tons of residual solids were land applied in 2011 to agricultural fields, returning their nutrients to the soil. The facility is currently operating at approximately 75 percent of its rated capacity and continues to maintain its operations to assure reliable wastewater collection and treatment for Orrville's residents, businesses and industries.

The revenues and expenses for all three of these utilities are reported under the business-type activities on Table 2. Reviewing this table shows the majority of the City's revenues and expenses flow through the Utility Department. The revenues for the Utility Department come primarily from charges for service. In 2011 this amount accounted for approximately 97 percent of the revenues. The increase in the revenues in the utility funds during 2011 was primarily due to the increase in the electric fund created by more wholesale sales than in the previous year and increased usage of all utilities. Usage was up due to several local companies increasing production. The revenues and transfers in exceeded total expenses for the utilities, increasing net assets \$713,142 in the business-type activities.

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2011
Unaudited

The City's Funds

Information about the City's governmental funds begins on page 16. These funds are accounted for using the modified accrual method of accounting. The general fund revenues of \$5,828,737 are higher than 2010, due to higher income tax revenue, partially offset by decreased intergovernmental and property taxes revenues. Expenditures of \$4,309,114 are higher than 2010, due to increased services provided by the Fire Department responding to 68 more calls than in 2010. Although this shows a surplus of \$1,519,623, the true picture is somewhat different. Some of the revenue collected in the general fund is from the collection of the Kilowatt-hour tax that is then passed back through the Electric Revenue Fund by way of a transfer. When these receipts and other transfers are eliminated, the true surplus is \$297,324. The capital improvements fund revenues of \$1,141,551 are smaller than 2010 because of less grants and contributions received by the City. The expenditures of \$780,709 are less than 2010, due to less street projects being completed during 2010. Revenues exceeding expenditures creates a surplus of \$360,842.

Information about the business-type funds starts on page 21. These funds are accounted for on an accrual basis. The sewer fund had operating revenues of \$1,985,999 and operating expenses of \$2,090,773, the electric fund had operating revenues of \$27,254,662 and operating expenses of \$27,621,122 and the water fund had operating revenues of \$2,793,272 and operating expenses of \$2,489,687. As a result, the sewer and electric utility funds reflected an operating loss and the water utility fund had operating income. After non-operating revenues (expenses) and transfers are taken into consideration, only the sewer fund had a decrease in net assets.

Budgeting Highlights

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

For the general fund, the original budgeted revenues and the final budgeted revenues were \$4,510,550 and \$5,244,569. The actual revenues were \$5,851,108. Of this \$606,539 difference between final budgeted and actual revenues, most was due to higher than anticipated income tax revenues and property tax revenues. The final expenditures of \$4,782,687 compare favorably with the final budget figure of \$5,210,573. The final budget was higher than actual expenditures in every department, due to conservative budgeting by the City's administration.

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

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

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2011
Unaudited

Capital Assets and Debt Administration

Capital Assets

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

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$2,512,207	\$2,512,207	\$1,386,307	\$1,360,391	\$3,898,514	\$3,872,598
Construction In Progress	1,170,771	1,145,150	230,117	0	1,400,888	1,145,150
Buildings and Improvements	3,454,779	3,530,478	10,179,879	10,635,229	13,634,658	14,165,707
Equipment	559,386	613,828	4,123,272	4,731,275	4,682,658	5,345,103
Vehicles	846,640	853,750	514,960	423,207	1,361,600	1,276,957
Electric - Generation/ Transmission/Distribution	0	0	15,761,764	16,568,701	15,761,764	16,568,701
Infrastructure	34,861,671	34,986,900	10,910,001	11,353,022	45,771,672	46,339,922
Totals	\$43,405,454	\$43,642,313	\$43,106,300	\$45,071,825	\$86,511,754	\$88,714,138

Total capital assets decreased in 2011, as annual depreciation was higher than additions of new assets during the year. Several projects were begun during 2010 and 2011 and some will continue into 2012. These projects are reflected in the construction in progress amounts above and include several street projects.

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

Debt

The following is the outstanding debt for the City of Orrville as of December 31, 2011:

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Special Assessment Bonds	\$35,040	\$52,460	\$0	\$0	\$35,040	\$52,460
Revenue Bonds	0	0	3,806,822	4,260,654	3,806,822	4,260,654
OWDA Loans	0	0	537,207	1,046,999	537,207	1,046,999
OPWC Loan	0	0	947,262	1,029,372	947,262	1,029,372
Notes	0	0	1,400,000	2,770,000	1,400,000	2,770,000
Totals	\$35,040	\$52,460	\$6,691,291	\$9,107,025	\$6,726,331	\$9,159,485

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2011
Unaudited

The Governmental Activities' only debt is \$35,040 of special assessment bonds, which were issued after our Downtown Improvement Project (Streetscape) was finished and for residential sidewalk installation. The bonds cover the amount of unpaid property owner assessments. The payments on these bonds come from the assessments collected by the County Auditor on property tax duplicates.

The Utility Department carries the vast majority of the debt, which is in the water and sewer funds. The water utility has an outstanding bond anticipation general obligation note. This was issued originally in 2007 to call a portion of the Mortgage Revenue Bonds and was due in 2008. In 2008, additional notes were issued to refinance the 2007 note and also to improve the water utility system. These notes were refinanced in 2009, 2010, and again in 2011. The water utility also carries two other kinds of debt. Water System Improvement Revenue Bonds were issued in 1994 for the construction of a new treatment plant and then refunded in 2002. They are scheduled to be paid off in 2018. The water utility also has three interest free loans from the OPWC; the oldest is scheduled to be paid off in 2018. The two newest loans which were both issued in 2007 are scheduled to be paid off in 2027 and 2037. The sewer utility has a loan from the Ohio Water Development Authority which was used to defease the original mortgage revenue bonds issued to construct the treatment plant. These loans will be paid off in 2013. Total debt service payments for the electric utility in 2011 were \$1,289,050, for the sewer utility \$542,767, and for the water utility \$2,301,466.

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

Current Financial Issues

The City's finances during 2011 reflected a positive outcome. While the rest of the county was struggling with very trying times we were fortunate to have companies that were experiencing stability and in some cases growth and expansion. The Office of Economic Development had an excellent year assisting with the expansion of existing industries in Orrville. Although future collections are not certain, income tax revenues were the highest collections in the City's history on a cash basis. The City as a whole operated in a surplus position due to continued controlled spending and strong income tax revenue. The strength of the City was evident, as the services to our citizens remained at a high level. Our street department continued to repair and improve streets and plow snow. Our park system continues to provide a high level of leisure activity for the citizens and visitors of Orrville. Revenues for the utilities are up from 2010 due to increased usage by the City's businesses. The Utility Department continues to review EPA rules which will dramatically impact the future operations of the power plant and will have a significant negative impact on the cost structure. Rate studies are in progress to determine what level of funding will be needed for current and future needs of our utilities. All three utilities continue to provide quality service at a reasonable cost. There were no lay-offs.

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

City of Orrville, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2011
Unaudited

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

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

Contacting the City's Finance Department

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

City of Orrville, Ohio

Statement of Net Assets

December 31, 2011

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$5,827,585	\$21,201,423	\$27,029,008
Cash Equivalents Held by Trustee	0	2,051	2,051
Investments Held by Trustee	0	757,162	757,162
Materials and Supplies Inventory	88,899	4,931,665	5,020,564
Accrued Interest Receivable	2,373	48,821	51,194
Accounts Receivable	89,619	3,556,316	3,645,935
Internal Balances	(997,368)	997,368	0
Intergovernmental Receivable	500,989	90,105	591,094
Prepaid Items	16,166	39,223	55,389
Deferred Charges	0	86,753	86,753
Income Taxes Receivable	1,615,442	0	1,615,442
Property Taxes Receivable	507,908	0	507,908
Special Assessments Receivable	48,473	0	48,473
Nondepreciable Capital Assets	3,682,978	1,616,424	5,299,402
Depreciable Capital Assets, Net	39,722,476	41,489,876	81,212,352
<i>Total Assets</i>	<u>51,105,540</u>	<u>74,817,187</u>	<u>125,922,727</u>
Liabilities			
Accounts Payable	211,742	1,855,883	2,067,625
Accrued Wages	100,550	106,835	207,385
Intergovernmental Payable	194,933	293,625	488,558
Accrued Interest Payable	20,846	37,772	58,618
Claims Payable	0	108,013	108,013
Deferred Revenue	448,500	0	448,500
Vacation Benefits Payable	88,286	189,845	278,131
Notes Payable	0	100,000	100,000
Long-Term Liabilities:			
Due Within One Year	58,492	1,397,480	1,455,972
Due In More Than One Year	138,013	5,728,217	5,866,230
<i>Total Liabilities</i>	<u>1,261,362</u>	<u>9,817,670</u>	<u>11,079,032</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	43,370,414	36,501,762	79,872,176
Restricted for:			
Capital Projects	148,516	0	148,516
Debt Service	188,601	757,162	945,763
Water Replacement and Improvement	0	800,000	800,000
Street Repair and Maintenance	449,189	0	449,189
Law Enforcement and Education	21,075	0	21,075
Cemetery Maintenance	334,225	0	334,225
Unrestricted	5,332,158	26,940,593	32,272,751
<i>Total Net Assets</i>	<u>\$49,844,178</u>	<u>\$64,999,517</u>	<u>\$114,843,695</u>

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Activities
For the Year Ended December 31, 2011

	Program Revenues			
	Expenses	Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$1,113,080	\$113,485	\$26,440	\$0
Security of Persons and Property:				
Police	1,741,290	20,247	300	0
Fire	727,641	69,197	0	0
Transportation	2,120,596	0	494,700	184,461
Public Health and Welfare	193,614	118,407	0	0
Leisure Time Activities	395,350	68,057	38,542	0
Basic Utility Service	418,618	404,260	0	0
Interest and Fiscal Charges	56,842	0	0	0
<i>Total Governmental Activities</i>	<u>6,767,031</u>	<u>793,653</u>	<u>559,982</u>	<u>184,461</u>
Business-Type Activities:				
Sewer	2,126,667	1,983,158	0	0
Electric	27,678,178	26,613,199	0	0
Water	2,816,039	2,776,324	0	249,780
<i>Total Business-Type Activities</i>	<u>32,620,884</u>	<u>31,372,681</u>	<u>0</u>	<u>249,780</u>
<i>Total - Primary Government</i>	<u>\$39,387,915</u>	<u>\$32,166,334</u>	<u>\$559,982</u>	<u>\$434,241</u>

General Revenues

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

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$973,155)	\$0	(\$973,155)
(1,720,743)	0	(1,720,743)
(658,444)	0	(658,444)
(1,441,435)	0	(1,441,435)
(75,207)	0	(75,207)
(288,751)	0	(288,751)
(14,358)	0	(14,358)
(56,842)	0	(56,842)
<u>(5,228,935)</u>	<u>0</u>	<u>(5,228,935)</u>
0	(143,509)	(143,509)
0	(1,064,979)	(1,064,979)
0	210,065	210,065
<u>0</u>	<u>(998,423)</u>	<u>(998,423)</u>
<u>(5,228,935)</u>	<u>(998,423)</u>	<u>(6,227,358)</u>
445,836	0	445,836
884,285	0	884,285
3,271,841	0	3,271,841
1,043,939	0	1,043,939
540,040	0	540,040
27,685	166,028	193,713
42,833	661,252	704,085
<u>6,256,459</u>	<u>827,280</u>	<u>7,083,739</u>
<u>(884,285)</u>	<u>884,285</u>	<u>0</u>
<u>5,372,174</u>	<u>1,711,565</u>	<u>7,083,739</u>
143,239	713,142	856,381
<u>49,700,939</u>	<u>64,286,375</u>	<u>113,987,314</u>
<u>\$49,844,178</u>	<u>\$64,999,517</u>	<u>\$114,843,695</u>

City of Orrville, Ohio

Balance Sheet

Governmental Funds

December 31, 2011

	<u>General</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$3,139,615	\$1,462,723	\$1,225,247	\$5,827,585
Materials and Supplies Inventory	88,899	0	0	88,899
Accrued Interest Receivable	2,288	0	85	2,373
Accounts Receivable	23,209	0	66,410	89,619
Intergovernmental Receivable	273,461	0	227,528	500,989
Prepaid Items	16,166	0	0	16,166
Income Taxes Receivable	1,292,354	323,088	0	1,615,442
Property Taxes Receivable	507,908	0	0	507,908
Special Assessments Receivable	0	0	48,473	48,473
<i>Total Assets</i>	<u>\$5,343,900</u>	<u>\$1,785,811</u>	<u>\$1,567,743</u>	<u>\$8,697,454</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$84,475	\$67,028	\$60,239	\$211,742
Accrued Wages	92,613	0	7,937	100,550
Intergovernmental Payable	174,184	0	20,749	194,933
Accrued Interest Payable	0	20,645	0	20,645
Interfund Payable	0	985,000	0	985,000
Deferred Revenue	1,018,103	82,770	204,867	1,305,740
<i>Total Liabilities</i>	<u>1,369,375</u>	<u>1,155,443</u>	<u>293,792</u>	<u>2,818,610</u>
Fund Balances				
Nonspendable	105,065	0	0	105,065
Restricted	0	0	991,795	991,795
Committed	0	630,368	252,559	882,927
Assigned	130,210	0	29,597	159,807
Unassigned	3,739,250	0	0	3,739,250
<i>Total Fund Balances</i>	<u>3,974,525</u>	<u>630,368</u>	<u>1,273,951</u>	<u>5,878,844</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,343,900</u>	<u>\$1,785,811</u>	<u>\$1,567,743</u>	<u>\$8,697,454</u>

See accompanying notes to the basic financial statements

City of Orrville, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2011*

Total Governmental Fund Balances	\$5,878,844
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*Amounts reported for governmental activities in the
 statement of net assets are different because*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	43,405,454
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property Taxes	59,408
Income Taxes	413,849
Grants	331,704
Special Assessments	48,473
Charges for Services	<u>3,806</u>

Total	857,240
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The accumulated underpayments to the internal service fund.	(12,368)
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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.	(88,286)
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Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(201)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Special Assessment Bonds	(35,040)
Compensated Absences	<u>(161,465)</u>

Total	<u>(196,505)</u>
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<i>Net Assets of Governmental Activities</i>	<u><u>\$49,844,178</u></u>
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See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$422,801	\$0	\$0	\$422,801
Income Taxes	3,561,564	1,116,369	0	4,677,933
Killowatt Per Hour Tax	884,285	0	0	884,285
Special Assessments	0	0	21,502	21,502
Intergovernmental	548,934	25,182	650,622	1,224,738
Interest	27,414	0	271	27,685
Fines, Licenses and Permits	34,172	0	3,552	37,724
Rentals	31,424	0	0	31,424
Charges for Services	243,950	0	480,137	724,087
Contributions and Donations	31,360	0	7,182	38,542
Other	42,833	0	0	42,833
<i>Total Revenues</i>	<u>5,828,737</u>	<u>1,141,551</u>	<u>1,163,266</u>	<u>8,133,554</u>
Expenditures				
Current:				
General Government	1,062,987	0	957	1,063,944
Security of Persons and Property:				
Police	1,721,065	0	3,339	1,724,404
Fire	544,662	0	0	544,662
Transportation	472,864	0	784,885	1,257,749
Public Health and Welfare	179,071	0	0	179,071
Leisure Time Activities	328,465	0	5,346	333,811
Basic Utility Service	0	0	418,618	418,618
Capital Outlay	0	727,393	143,679	871,072
Debt Service:				
Principal Retirement	0	0	17,420	17,420
Interest and Fiscal Charges	0	53,316	3,616	56,932
<i>Total Expenditures</i>	<u>4,309,114</u>	<u>780,709</u>	<u>1,377,860</u>	<u>6,467,683</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,519,623</u>	<u>360,842</u>	<u>(214,594)</u>	<u>1,665,871</u>
Other Financing Sources (Uses)				
Transfers In	0	0	338,014	338,014
Transfers Out	(1,222,299)	0	0	(1,222,299)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,222,299)</u>	<u>0</u>	<u>338,014</u>	<u>(884,285)</u>
<i>Net Change in Fund Balances</i>	297,324	360,842	123,420	781,586
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>3,677,201</u>	<u>269,526</u>	<u>1,150,531</u>	<u>5,097,258</u>
<i>Fund Balances End of Year</i>	<u>\$3,974,525</u>	<u>\$630,368</u>	<u>\$1,273,951</u>	<u>\$5,878,844</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, 2011*

Net Change in Fund Balances - Total Governmental Funds \$781,586

*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 depreciation exceeded capital outlays in the current period.

Capital Asset Additions	1,218,100
Current Year Depreciation	<u>(1,454,959)</u>

Total	(236,859)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	23,035
Income Taxes	(362,153)
Grants	21,203
Special Assessments	(21,502)
Charges for Services	<u>418</u>

Total	(338,999)
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

17,420

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

90

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	(38,564)
Vacation Benefits Payable	<u>(10,651)</u>

Total	(49,215)
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The change in the accumulated underpayments to the internal service fund for governmental funds is reported for the year.

(30,784)

Change in Net Assets of Governmental Activities

\$143,239

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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$390,000	\$390,000	\$422,801	\$32,801
Income Taxes	2,389,450	3,199,450	3,600,610	401,160
Kilowatt Per Hour Tax	890,000	890,000	884,285	(5,715)
Intergovernmental	518,000	472,019	533,458	61,439
Interest	63,500	33,500	25,889	(7,611)
Fines, Licenses and Permits	26,500	26,500	33,195	6,695
Rentals	30,000	30,000	31,424	1,424
Charges for Services	199,100	199,100	245,254	46,154
Contributions and Donations	3,000	3,000	31,360	28,360
Other	1,000	1,000	42,832	41,832
<i>Total Revenues</i>	<u>4,510,550</u>	<u>5,244,569</u>	<u>5,851,108</u>	<u>606,539</u>
Expenditures				
Current:				
General Government	1,277,466	1,269,413	1,155,620	113,793
Security of Persons and Property:				
Police	1,981,397	1,954,549	1,753,731	200,818
Fire	552,682	579,530	562,288	17,242
Transportation	670,464	625,795	578,990	46,805
Public Health and Welfare	196,432	217,700	197,098	20,602
Leisure Time Activities	365,484	366,586	338,710	27,876
Debt Service:				
Principal	140,000	140,000	140,000	0
Interest and Fiscal Charges	57,000	57,000	56,250	750
<i>Total Expenditures</i>	<u>5,240,925</u>	<u>5,210,573</u>	<u>4,782,687</u>	<u>427,886</u>
<i>Excess of Revenues</i>				
<i>Over (Under) Expenditures</i>	(730,375)	33,996	1,068,421	1,034,425
Other Financing Uses				
Transfers Out	(1,200,000)	(1,222,299)	(1,222,299)	0
<i>Net Change in Fund Balance</i>	(1,930,375)	(1,188,303)	(153,878)	1,034,425
<i>Fund Balance Beginning of Year</i>	2,833,925	2,833,925	2,833,925	0
Prior Year Encumbrances Appropriated	236,560	236,560	236,560	0
<i>Fund Balance End of Year</i>	<u>\$1,140,110</u>	<u>\$1,882,182</u>	<u>\$2,916,607</u>	<u>\$1,034,425</u>

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2011

	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	\$2,474,519	\$16,788,665	\$1,071,479	\$20,334,663	\$66,760
Restricted Assets:					
Cash Equivalents Held by Trustee	0	0	2,051	2,051	0
Investments Held by Trustee	0	0	528,189	528,189	0
Receivables:					
Accounts	234,631	3,012,100	309,585	3,556,316	0
Intergovernmental	0	0	90,105	90,105	0
Accrued Interest	41,979	6,156	658	48,793	28
Materials and Supplies Inventory	211,551	4,494,741	225,373	4,931,665	0
Prepaid Items	7,827	23,570	7,826	39,223	0
Interfund Receivable	985,000	0	0	985,000	0
<i>Total Current Assets</i>	<u>3,955,507</u>	<u>24,325,232</u>	<u>2,235,266</u>	<u>30,516,005</u>	<u>66,788</u>
<i>Non-Current Assets:</i>					
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents Held by Trustee:	0	0	800,000	800,000	0
Investments Held by Trustee	0	0	228,973	228,973	0
Deferred Charges	0	0	86,753	86,753	0
Nondepreciable Assets	112,497	570,094	933,833	1,616,424	0
Depreciable Capital Assets, Net	5,796,420	20,830,471	14,862,985	41,489,876	0
<i>Total Non-Current Assets</i>	<u>5,908,917</u>	<u>21,400,565</u>	<u>16,912,544</u>	<u>44,222,026</u>	<u>0</u>
<i>Total Assets</i>	<u>9,864,424</u>	<u>45,725,797</u>	<u>19,147,810</u>	<u>74,738,031</u>	<u>66,788</u>
Liabilities					
<i>Current Liabilities:</i>					
Accounts Payable	29,948	1,713,745	112,190	1,855,883	0
Accrued Wages	12,101	81,190	13,544	106,835	0
Intergovernmental Payable	33,135	224,463	36,027	293,625	0
Compensated Absences Payable	12,224	212,318	47,764	272,306	0
Accrued Interest Payable	9,767	0	28,005	37,772	0
Loans Payable	528,064	0	82,110	610,174	0
Vacation Benefits Payable	23,716	143,215	22,914	189,845	0
Revenue Bonds Payable	0	0	515,000	515,000	0
Notes Payable	0	0	100,000	100,000	0
Claims Payable	0	0	0	0	108,013
<i>Total Current Liabilities</i>	<u>648,955</u>	<u>2,374,931</u>	<u>957,554</u>	<u>3,981,440</u>	<u>108,013</u>
<i>Long-Term Liabilities:</i>					
Notes Payable (net of current portion)	0	0	1,300,000	1,300,000	0
Compensated Absences Payable (net of current portion)	43,355	167,315	51,430	262,100	0
Loans Payable (net of current portion)	9,143	0	865,152	874,295	0
Revenue Bonds Payable (net of current portion)	0	0	3,291,822	3,291,822	0
<i>Total Long-Term Liabilities</i>	<u>52,498</u>	<u>167,315</u>	<u>5,508,404</u>	<u>5,728,217</u>	<u>0</u>
<i>Total Liabilities</i>	<u>701,453</u>	<u>2,542,246</u>	<u>6,465,958</u>	<u>9,709,657</u>	<u>108,013</u>
Net Assets					
Invested in Capital Assets, Net of Related Debt	5,371,710	21,400,565	9,729,487	36,501,762	0
Restricted for					
Replacement and Improvement	0	0	800,000	800,000	0
Debt Service	0	0	757,162	757,162	0
Unrestricted (Deficit)	3,791,261	21,782,986	1,395,203	26,969,450	(41,225)
<i>Total Net Assets</i>	<u>\$9,162,971</u>	<u>\$43,183,551</u>	<u>\$12,681,852</u>	<u>65,028,374</u>	<u>(\$41,225)</u>

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

	(28,857)
Net assets of business-type activities	<u>\$64,999,517</u>

City of Orrville, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2011*

	Business-Type	
	Sewer	Electric
Operating Revenues		
Charges for Services	\$1,983,158	\$26,613,199
Other	2,841	641,463
<i>Total Operating Revenues</i>	<u>1,985,999</u>	<u>27,254,662</u>
Operating Expenses		
Personal Services	961,069	6,441,787
Purchased Services	131,892	2,826,241
Materials and Supplies	364,823	15,528,614
Utilities	19,363	824,041
Depreciation	613,626	2,000,439
Claims	0	0
<i>Total Operating Expenses</i>	<u>2,090,773</u>	<u>27,621,122</u>
<i>Operating Income (Loss)</i>	<u>(104,774)</u>	<u>(366,460)</u>
Non-Operating Revenues (Expenses)		
Interest and Fiscal Charges	(25,776)	(5,741)
Capital Grants	0	0
Interest	58,339	58,989
<i>Total Non-Operating Revenues (Expenses)</i>	<u>32,563</u>	<u>53,248</u>
<i>Income (Loss) before Transfers</i>	(72,211)	(313,212)
Transfers In	0	884,285
<i>Change in Net Assets</i>	(72,211)	571,073
<i>Net Assets Beginning of Year</i>	<u>9,235,182</u>	<u>42,612,478</u>
<i>Net Assets (Deficit) End of Year</i>	<u><u>\$9,162,971</u></u>	<u><u>\$43,183,551</u></u>

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

Change in net assets of business-type activities

See accompanying notes to the basic financial statements

Activities		Business-Type Activity - Internal Service Fund
Water	Total	
\$2,776,324	\$31,372,681	\$1,699,425
16,948	661,252	0
<u>2,793,272</u>	<u>32,033,933</u>	<u>1,699,425</u>
1,042,288	8,445,144	0
145,252	3,103,385	106,311
415,517	16,308,954	0
13,957	857,361	0
872,673	3,486,738	0
0	0	1,696,172
<u>2,489,687</u>	<u>32,201,582</u>	<u>1,802,483</u>
303,585	(167,649)	(103,058)
(315,511)	(347,028)	0
249,780	249,780	0
48,254	165,582	446
<u>(17,477)</u>	<u>68,334</u>	<u>446</u>
286,108	(99,315)	(102,612)
0	884,285	0
286,108	784,970	(102,612)
<u>12,395,744</u>		<u>61,387</u>
<u>\$12,681,852</u>		<u>(\$41,225)</u>
	<u>(71,828)</u>	
	<u>\$713,142</u>	

City of Orrville, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011

	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	\$2,000,441	\$26,612,325	\$2,819,716	\$31,432,482	\$0
Cash Received from Transactions with Other Funds	0	0	0	0	1,699,425
Other Cash Receipts	2,841	641,463	16,948	661,252	0
Cash Payments to Employees for Services	(946,684)	(6,341,243)	(1,048,192)	(8,336,119)	0
Cash Payments for Goods and Services	(575,039)	(19,441,424)	(532,617)	(20,549,080)	(150,999)
Cash Payments for Claims	0	0	0	0	(1,714,376)
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>481,559</u>	<u>1,471,121</u>	<u>1,255,855</u>	<u>3,208,535</u>	<u>(165,950)</u>
Cash Flows from Noncapital Financing Activities					
Transfers In	0	884,285	0	884,285	0
Cash Flows from Capital and Related Financing Activities					
Capital Grants	0	0	159,675	159,675	0
Proceeds from Sale of Notes	0	0	1,400,000	1,400,000	0
Interfund Activity - Manuscript Bonds	140,000	0	0	140,000	0
Principal Paid on Revenue Bonds	0	0	(495,000)	(495,000)	0
Interest Paid on Revenue Bonds	0	0	(202,930)	(202,930)	0
Principal Paid on OWDA Loans	(509,792)	0	0	(509,792)	0
Interest Paid on OWDA Loans	(32,975)	0	0	(32,975)	0
Principal Paid on OPWC Loan	0	0	(82,110)	(82,110)	0
Principal Paid on Notes	0	(1,270,000)	(1,500,000)	(2,770,000)	0
Interest Paid on Notes	0	(19,050)	(21,426)	(40,476)	0
Disposal of Capital Assets	186	0	278	464	0
Payments for Capital Acquisitions	(76,536)	(917,666)	(527,475)	(1,521,677)	0
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(479,117)</u>	<u>(2,206,716)</u>	<u>(1,268,988)</u>	<u>(3,954,821)</u>	<u>0</u>
Cash Flows from Investing Activities					
Interest on Investments	65,357	68,026	8,421	141,804	592
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	67,799	216,716	(4,712)	279,803	(165,358)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,406,720</u>	<u>16,571,949</u>	<u>1,878,242</u>	<u>20,856,911</u>	<u>232,118</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$2,474,519</u>	<u>\$16,788,665</u>	<u>\$1,873,530</u>	<u>\$21,136,714</u>	<u>\$66,760</u>

(continued)

City of Orrville, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2011

	Business-Type Activities				Business-Type Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	(\$104,774)	(\$366,460)	\$303,585	(\$167,649)	(\$103,058)
Adjustments:					
Depreciation	613,626	2,000,439	872,673	3,486,738	0
(Increase) Decrease in Assets:					
Accounts Receivable	17,283	(874)	43,392	59,801	0
Prepaid Items	381	1,053	382	1,816	0
Materials and Supplies Inventory	710	(1,032,134)	42,696	(988,728)	0
Increase (Decrease) in Liabilities:					
Accounts Payable	(59,670)	774,084	(696)	713,718	(44,688)
Accrued Wages	2,640	17,461	3,287	23,388	0
Vacation Benefits Payable	2,168	19,509	4,488	26,165	0
Compensated Absences Payable	4,990	36,091	(17,794)	23,287	0
Intergovernmental Payable	4,205	21,952	3,842	29,999	0
Claims Payable	0	0	0	0	(18,204)
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>\$481,559</u>	<u>\$1,471,121</u>	<u>\$1,255,855</u>	<u>\$3,208,535</u>	<u>(\$165,950)</u>

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2011

	Private Purpose Trust	
	Cemetery Memorial	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$4,340	\$60,946
Accrued Interest Receivable	1	0
<i>Total Assets</i>	4,341	\$60,946
Liabilities		
Deposits Held and Due to Others	0	\$60,946
Net Assets		
Held in Trust for Cemetery	314	
Endowments	4,027	
<i>Total Net Assets</i>	\$4,341	

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Year Ended December 31, 2011

	Private-Purpose Trust
	Cemetery Memorial
Additions	
Interest	\$13
Deductions	
Materials and Supplies	80
<i>Change in Net Assets</i>	(67)
<i>Net Assets Beginning of Year</i>	4,408
<i>Net Assets End of Year</i>	\$4,341

See accompanying notes to the basic financial statements

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 1 - Description of the City and Reporting Entity

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

Reporting Entity

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

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

The City's management believes these financial statements present all activities for which the City is financially accountable.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds unless these pronouncements conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. The more significant of the City's accounting policies are described below.

Basis of Presentation

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

The statement of net assets 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 liabilities is reported as fund balance. The following are the City's major governmental funds:

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

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

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net assets, 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 health and dental benefits.

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

Measurement Focus

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

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

Basis of Accounting

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

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

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

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

Deferred Revenue Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2011, but which were levied to finance year 2012 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 2011, investments were limited to Federal Home Loan Bank Notes, Federal Farm Credit Bank Bonds, Commercial Paper, U.S. Treasury Bills and STAR Ohio, the State Treasurer’s Investment Pool.

Investments are reported at fair value which is based on quoted market prices.

STAROhio is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s net asset value per share which is the price the investment could be sold for on December 31, 2011.

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the general fund, state highway and performing arts special revenue funds, the special assessment bond retirement debt service fund, the park improvement capital projects fund, the employee self-insurance internal service fund, the cemetery memorial private-purpose trust fund, and the sewer, electric, and water enterprise funds. Interest revenue credited to the general fund during 2011 amounted to \$27,414 which includes \$12,492 assigned from other City funds.

The City utilizes a trustee to hold monies set aside for current and future debt service payments under the provisions of the bond indenture. The balances in these accounts are presented on the statement of fund net assets as “restricted assets – investments held by trustee” or “restricted assets – cash equivalents held by trustee.”

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2011, 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 the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the enterprise funds represent amounts set aside to satisfy bond indenture requirements for current and future debt payments and for the replacement and improvement of capital assets originally acquired with bond proceeds.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 assets 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 assets and in the respective funds.

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

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

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

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

Interfund Balances

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

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 assets 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.

Bond Issuance Costs

Bond issuance costs for underwriting fees and bond insurance for the sewer fund's OWDA water pollution control loan, and the water fund's revenue bonds are being amortized using the straight-line method over the life of the obligations in the City's enterprise funds. The straight-line method of amortization is not materially different from the effective-interest method.

As permitted by State statute, the City paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

Deferred Loss on Refunding

The difference between the reacquisition price (funds required to refund the old debt) of refunding loans and bonds and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is being amortized as a component of interest expense. This accounting loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a decrease of the face amount of the OWDA loan payable, mortgage revenue bonds and revenue bonds.

Bond Discount

Bond discounts are deferred and amortized over the term of the bonds using the straight-line method. Bond discounts are presented as a decrease of the face amount of the bonds payable. On fund financial statements, bond discounts are expended in the year the bond is issued.

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The classifications are as follows:

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

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

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance or resolution) 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, 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 are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance.

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 balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are reported as restricted when there are limitations imposed on their 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 assets 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.

Internal Activity

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

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence.

Estimates

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

Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the

City of Orrville, Ohio
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For the Year Ended December 31, 2011

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.

Note 3 – Change in Accounting Principles and Restatement of Fund Balance

Change in Accounting Principles

For fiscal year 2011, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions” and Statement No. 59, “Financial Instruments Omnibus”.

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that compromise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification of certain funds and the restatement of the City’s financial statements.

GASB Statement No. 59 addresses significant practice issues that have arisen when accounting for financial instruments and external investment pools. The implementation of this statement did not result in any change in the City’s financial statements.

Restatement of Fund Balance

During 2011, it was determined that the implementation of GASB Statement No. 54 had the following effect on fund balances of the major and nonmajor funds as they were previously reported.

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Fund Balance at December 31, 2010	\$3,667,589	\$269,526	\$1,160,143	\$5,097,258
Change in Fund Structure	9,612	0	(9,612)	0
Adjusted Fund Balance at December 31, 2010	<u>\$3,677,201</u>	<u>\$269,526</u>	<u>\$1,150,531</u>	<u>\$5,097,258</u>

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 4 – Fund Balances

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

Fund Balances	General	Capital Improvements	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Inventory	\$88,899	\$0	\$0	\$88,899
Prepays	16,166	0	0	16,166
<i>Total Nonspendable</i>	<u>105,065</u>	<u>0</u>	<u>0</u>	<u>105,065</u>
<u>Restricted for:</u>				
Police Department	0	0	21,075	21,075
Cemetery Maintenance	0	0	334,044	334,044
Debt Service Retirement	0	0	140,329	140,329
Street Maintenance	0	0	346,556	346,556
Community Development	0	0	113,868	113,868
Grants	0	0	35,923	35,923
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>991,795</u>	<u>991,795</u>
<u>Committed to:</u>				
Capital Improvements	0	630,368	0	630,368
Solid Waste Management	0	0	46,125	46,125
Fire and EMS Department	0	0	201,106	201,106
Performing Arts	0	0	5,328	5,328
<i>Total Committed</i>	<u>0</u>	<u>630,368</u>	<u>252,559</u>	<u>882,927</u>
<u>Assigned to:</u>				
Other Purposes	130,210	0	0	130,210
Park Improvements	0	0	29,597	29,597
<i>Total Assigned</i>	<u>130,210</u>	<u>0</u>	<u>29,597</u>	<u>159,807</u>
Unassigned	<u>3,739,250</u>	<u>0</u>	<u>0</u>	<u>3,739,250</u>
Total Fund Balances	<u><u>\$3,974,525</u></u>	<u><u>\$630,368</u></u>	<u><u>\$1,273,951</u></u>	<u><u>\$5,878,844</u></u>

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 5 - Budgetary Basis of Accounting

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

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

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

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

Net Change in Fund Balance	
GAAP Basis	\$297,324
Net Adjustment for Revenue Accruals	26,904
Excess of revenues and other financing sources and over (under) expenditure's and other financing users:	
Parking Meter	(640)
Beginning Fair Value Adjustments for Investments	3,784
Ending Fair Value Adjustments for Investments	(8,317)
Net Adjustment for Expenditure Accruals	(267,214)
Encumbrances	(205,719)
Budget Basis	<u><u>(\$153,878)</u></u>

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 6 - Deposits and Investments

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

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

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

Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement exceeds the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligation of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and,
8. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which is no default of principle, interest or coupons: and
3. Obligations of the City.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, the carrying amount of the City's deposits was \$8,007,369 and the bank balance was \$8,293,823. Of the bank balance \$8,293,823 was covered by Federal depository insurance. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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

Investments

As of December 31, 2011, the City had the following investments:

	Fair Value	Investment Maturities (in Years)	
		Less than 1	1-2
Federal Home Loan Bank Notes	\$3,626,163	\$0	\$3,626,163
Federal Farm Credit Bank Bonds	2,000,230	0	2,000,230
Commercial Paper	998,376	998,376	0
U.S. Treasury Bills	1,005,195	0	1,005,195
STAR Ohio	12,216,174	12,216,174	0
Total Portfolio	\$19,846,138	\$13,214,550	\$6,631,588

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

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

Custodial Credit Risk for an investment is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Federal Home Loan Bank Notes, Federal Farm Credit Bank Bonds, Commercial Paper and U.S. Treasury Bills are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty. The City has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee.

Concentration of Credit Risk is defined as having five percent or more of the City's investments invested in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but only states that the investments should be distributed as evenly as possible among the various instruments and institutions. The following is the City's allocation as of December 31, 2011:

Investment Issuer	Percentage of Investments
Federal Home Loan Bank Notes	18.27%
Federal Farm Credit Bank Bonds	10.08
US Treasury Bills	5.06
Commercial Paper	5.03

Note 7 - Receivables

Receivables at December 31, 2011, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments and accounts (billings for utility service). All allowances for uncollectibles represent estimates of uncollectible receivables in the accounts receivable classification. Taxes, intergovernmental, special assessments and interest receivable are deemed collectible in full. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

	Accounts Receivable	Allowance for Uncollectibles	Net Accounts Receivable
Governmental	\$89,622	\$3	\$89,619
Business-Type	3,556,493	177	3,556,316

Special assessments expected to be collected in more than one year amount to \$27,120 in the Special Assessment Bond Retirement Fund. The amount of delinquent special assessments outstanding at year-end is \$7,474.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2011 for real and public utility property taxes represents collections of 2010 taxes.

2011 real property taxes were levied after October 1, 2011, on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012.

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. 2011 public utility property taxes which became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2012 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2011, was \$2.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2011 property tax receipts were based are as follows:

Real Property	\$165,911,970
Public Utility Property	692,300
Tangible Personal Property	<u>199,220</u>
Total	<u><u>\$166,803,490</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2011, and for which there was an enforceable legal claim. In the governmental funds, the entire receivable has been deferred since current taxes were not levied to finance 2011 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the accrual basis, collectible delinquent property taxes have been recorded as revenue while on the modified accrual basis the revenue has been deferred.

Income Taxes

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

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The City's income tax ordinance requires twenty 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 2011, the proceeds were allocated to the general fund and the capital improvements fund.

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities	
Local Government	\$201,234
Gasoline Tax	145,559
OPWC Grants	1,164
Auto Regulation	70,069
Estate Tax	42,009
Homestead and Rollback	24,751
ODOT Grant	6,211
Miscellaneous	5,467
Permissive Motor Vehicle Tax	4,525
Total	<u>\$500,989</u>
Business-Type Activities	
Water	<u>\$90,105</u>

Note 8 - Contingent Liabilities

Litigation

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

Federal and State Grants

The City participates in several Federal and State assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2011, the audits of certain of these programs have not been completed. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 9 - Capital Assets

Capital asset activity for the year ended December 31, 2011, was as follows:

	Balance 12/31/10	Additions	Deductions	Balance 12/31/11
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$2,512,207	\$0	\$0	\$2,512,207
Construction in Progress	1,145,150	104,148	(78,527)	1,170,771
Total Capital Assets, not being Depreciated	<u>3,657,357</u>	<u>104,148</u>	<u>(78,527)</u>	<u>3,682,978</u>
Capital Assets, being Depreciated				
Buildings and Improvements	7,362,742	109,830	0	7,472,572
Equipment	2,687,914	124,015	(32,115)	2,779,814
Vehicles	3,016,784	122,469	(96,000)	3,043,253
Infrastructure	52,440,024	836,165	0	53,276,189
Total Capital Assets, being Depreciated	<u>65,507,464</u>	<u>1,192,479</u>	<u>(128,115)</u>	<u>66,571,828</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(3,832,264)	(185,529)	0	(4,017,793)
Equipment	(2,074,086)	(178,457)	32,115	(2,220,428)
Vehicles	(2,163,034)	(129,579)	96,000	(2,196,613)
Infrastructure	(17,453,124)	(961,394)	0	(18,414,518)
Total Accumulated Depreciation	<u>(25,522,508)</u>	<u>(1,454,959) *</u>	<u>128,115</u>	<u>(26,849,352)</u>
Total Capital Assets, being Depreciated, net	<u>39,984,956</u>	<u>(262,480)</u>	<u>0</u>	<u>39,722,476</u>
Governmental Activities Capital Assets, Net	<u>\$43,642,313</u>	<u>(\$158,332)</u>	<u>(\$78,527)</u>	<u>\$43,405,454</u>
Business-Type Activities				
Capital Assets, not being depreciated:				
Land	\$1,360,391	\$25,916	\$0	\$1,386,307
Construction In Progress	0	230,117	0	230,117
Total Capital Assets, not being depreciated	<u>1,360,391</u>	<u>256,033</u>	<u>0</u>	<u>1,616,424</u>
Capital Assets, being Depreciated				
Buildings and Improvements	21,589,263	232,040	0	21,821,303
Equipment	11,787,817	256,636	(3,715)	12,040,738
Vehicles	1,837,163	176,410	0	2,013,573
Electric - Generation/Transmission/Distribution	63,534,735	340,487	0	63,875,222
Infrastructure	27,367,164	260,071	0	27,627,235
Total Capital Assets, being Depreciated	<u>126,116,142</u>	<u>1,265,644</u>	<u>(3,715)</u>	<u>127,378,071</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(10,954,034)	(687,390)	0	(11,641,424)
Equipment	(7,056,542)	(864,175)	3,251	(7,917,466)
Vehicles	(1,413,956)	(84,657)	0	(1,498,613)
Electric - Generation/Transmission/Distribution	(46,966,034)	(1,147,424)	0	(48,113,458)
Infrastructure	(16,014,142)	(703,092)	0	(16,717,234)
Total Accumulated Depreciation	<u>(82,404,708)</u>	<u>(3,486,738)</u>	<u>3,251</u>	<u>(85,888,195)</u>
Total Capital Assets, being Depreciated, net	<u>43,711,434</u>	<u>(2,221,094)</u>	<u>(464)</u>	<u>41,489,876</u>
Business-Type Activities Capital Assets, Net	<u>\$45,071,825</u>	<u>(\$1,965,061)</u>	<u>(\$464)</u>	<u>\$43,106,300</u>

City of Orrville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

* Depreciation expense was charged to governmental activities as follows:

General Government	\$70,312
Security of Persons and Property:	
Police	14,387
Fire	145,012
Transportation	1,128,294
Public Health and Welfare	24,771
Leisure Time Activities	72,183
Total Depreciation Expense	\$1,454,959

Note 10 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2011, the City contracted with several companies for various types of insurance as follows:

Company	Type of Coverage	Deductible	Coverage
EMC Insurance	Commercial Property	\$50,000	\$159,270,143
	Auto Liability	250	1,000,000
	Auto Liability	500	1,000,000
	General Liability	0	1,000,000
	Umbrella Liability	0	10,000,000
	Public Officials Liability	3,000	1,000,000
	Boiler and Machinery	200,000	148,233,971
Scottsdale Insurance	Police Professional Liability	5,000	1,000,000
	Public Officials Liability	3,500	2,000,000
Selective Insurance	Commercial Property	500	13,954,521

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

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

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The City manages employee health benefits on a self-insured basis. The employee health benefit plan provides basic health and dental coverage through AultCare, the third party administrator of the program, which reviews and pays the claims. A specific excess loss coverage (stop-loss) insurance policy covers claims in excess of \$50,000 per employee, per year. The family/employee plus one/single premiums were \$1,238.00/\$797.00/\$380.00 for medical and \$100.00/\$64.00/\$31.00 for dental, respectively. AultCare charges the City a medical administration fee of \$28.60/\$18.20/\$8.75 per family/employee plus one/single per month and a dental administration fee of \$3.15/\$2.00/\$1.00 per family/employee plus one/single per month.

The claims liability of \$108,013 reported in the self-insurance fund at December 31, 2011, 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 follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2010	\$79,587	\$1,463,115	\$1,416,485	\$126,217
2011	126,217	1,696,172	1,714,376	108,013

Note 11 - Long-Term Debt

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
Governmental Activities			
Street Improvement Special Assessment - 1996	5.60%	\$93,242	December 1, 2011
Street Improvement Special Assessment - 2000	6.75	95,170	December 1, 2015
Business-Type Activities			
OPWC Water System Improvement Loan - 1999	0.00	1,208,853	July 1, 2018
OPWC Water System Improvement Loan - 2007 A	0.00	500,000	July 1, 2037
OPWC Water System Improvement Loan - 2007 B	0.00	100,000	July 1, 2027
OWDA Water Pollution Control Loan - 1993	3.54	7,185,000	July 1, 2012
OWDA Sewer Improvement Loan - 1972	5.50	157,361	July 1, 2013
Water Utility Project Note - 2011	1.30	1,400,000	April 20, 2012
Water System Refunding Revenue Bonds - 2002	1.90-4.75	8,135,000	December 1, 2018

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A schedule of changes in bonds and other long-term obligations of the City during 2011 follows:

	Amount Outstanding 12/31/10	Additions	Deletions	Amount Outstanding 12/31/11	Amounts Due in One Year
Governmental Activities					
<u>Special Assessment Bonds</u>					
<u>with Governmental Commitment</u>					
1996 Street Improvement	\$10,000	\$0	\$10,000	\$0	\$0
2000 Street Improvement	42,460	0	7,420	35,040	7,920
Total Special Assessment Bonds	52,460	0	17,420	35,040	7,920
Compensated Absences	122,901	44,328	5,764	161,465	50,572
Total Governmental Activities	<u>\$175,361</u>	<u>\$44,328</u>	<u>\$23,184</u>	<u>\$196,505</u>	<u>\$58,492</u>
Business-Type Activities					
OPWC Water System					
Improvement Loan - 1999	\$483,539	\$0	\$60,443	\$423,096	\$60,443
Improvement Loan - 2007 A	458,333	0	5,000	453,333	16,667
Improvement Loan - 2007 B	87,500	0	16,667	70,833	5,000
Total OPWC Water System	<u>1,029,372</u>	<u>0</u>	<u>82,110</u>	<u>947,262</u>	<u>82,110</u>
OWDA Water Pollution Control Loan	1,019,893	0	500,929	518,964	518,964
OWDA Sewer Improvement Loan	27,106	0	8,863	18,243	9,100
Total OWDA Loans	<u>1,046,999</u>	<u>0</u>	<u>509,792</u>	<u>537,207</u>	<u>528,064</u>
Water Utility Project Note	<u>1,400,000</u>	<u>1,300,000</u>	<u>1,400,000</u>	<u>1,300,000</u>	<u>1,300,000</u>
<u>Mortgage Revenue Bonds</u>					
Water System Refunding Revenue Bonds	4,590,000	0	495,000	4,095,000	515,000
Unamortized Accounting Loss	<u>(329,346)</u>	<u>0</u>	<u>(41,168)</u>	<u>(288,178)</u>	<u>0</u>
Net Water System Refunding Revenue Bonds	<u>4,260,654</u>	<u>0</u>	<u>453,832</u>	<u>3,806,822</u>	<u>515,000</u>
Compensated Absences	<u>511,119</u>	<u>141,629</u>	<u>118,342</u>	<u>534,406</u>	<u>272,306</u>
Total Business-Type Activities	<u>\$8,248,144</u>	<u>\$1,441,629</u>	<u>\$2,564,076</u>	<u>\$7,125,697</u>	<u>\$1,397,480</u>

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

On April 20, 2011, the City issued Water Utility Project Notes to retire the 2010 Water Utility Project Notes. The notes mature on April 20, 2012. The notes are bond anticipation notes and are backed by the full faith and credit of the City.

The City has pledged future revenues to repay the Ohio Water Development Authority Sewer Improvement Loan and Water Pollution Control Loan. The loans are payable solely from net revenues and are payable through 2013. Annual principal and interest payments on the bonds are expected to require less than 27 percent of total revenues. The total principal and interest remaining to be paid on the loans is \$552,434. Principal and interest paid for the current year were \$542,767 total net revenues were \$567,191 and total revenues were \$2,044,338.

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

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Revenue Bonds

In 2002, the City issued \$8,135,000 in Water System Refunding Revenue Bonds. The refunded bonds have been completely repaid. The serial bonds were issued with interest rates varying from 1.90 percent to 4.75 percent. The bonds maturing after December 1, 2013 are subject to early redemption, at the sole option of the City, either in whole on any date or in part on any interest payment date, on or after December 1, 2012, in multiples of \$5,000, at the following redemption prices plus accrued interest:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
December 1, 2012 through November 30, 2013	101 percent
December 1, 2013 and thereafter	100 percent

Restricted assets relating to the water revenue bonds at December 31, 2011, were as follows:

Restricted Assets Held by City	
Replacement and Improvement	\$800,000
Restricted Assets Held by the Trustee	
Mortgage Revenue Bond Debt Service	\$757,162

The City has pledged future revenues to repay the Water System Refunding Revenue Bonds and the Ohio Public Works Commission Water Systems Loans. The bonds and loans are payable solely from net revenues and are payable through 2038. Annual principal and interest payments on the bonds and loans are expected to require less than 64 percent of net revenues and less than 27 percent of total revenues. The total principal and interest remaining to be paid on the bonds and loan is \$5,820,648. Principal and interest paid for the current year were \$780,040, total net revenues were \$1,224,512 and total revenues were \$2,841,526.

Mortgage Revenue Bonds

Mortgage Revenue Bonds are special obligations of the City secured by a mortgage upon all assets of the respective system. These bonds are payable solely from the gross revenues of the electric systems after provisions for reasonable operating and maintenance expenses. The bond indentures have certain restrictive covenants and principally require that bond reserve funds be maintained and charges for services to customers be in sufficient amounts to satisfy the obligations under the indenture agreements. In addition, special provisions exist regarding covenant violations, redemptions of principal, and maintenance of properties.

In 1997, the City issued \$15,230,000 in Electric System Mortgage Revenue Refunding and Improvement Bonds with a discount of \$71,850 to advance refund \$11,805,000 of outstanding electric system mortgage revenue bonds. The remaining portion of the 1989 revenue bonds were completely repaid by the City in 1999. The 1997 Electric System Mortgage Revenue Refunding and Improvement bonds included serial bonds (for refunding) which matured on December 1, 2010 and term bonds (for improvements) which were to mature on December 1, 2013 and December 1, 2017 in the amounts of \$500,000 and \$1,060,000, respectively. On September 18, 2007, the City issued a bond anticipation note for \$1,580,000 in order to redeem the callable portion of term bonds maturing after December 1, 2010.

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As of December 31, 2011, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$17,514,366 and the unvoted legal debt margin was \$9,174,192. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2011 are as follows:

Year Ending December 31	Governmental Activities	
	Special	
	Assessment Bonds	
	Principal	Interest
2012	\$7,920	\$2,365
2013	8,460	1,830
2014	9,030	1,260
2015	9,630	650
Total	\$35,040	\$6,105

Year Ending December 31	Business-Type Activities				
	Ohio Public Works Commission	OWDA Water Pollution Control		OWDA Sewer Improvement Loan	
	Principal	Principal	Interest	Principal	Interest
2012	\$82,110	\$518,964	\$13,677	\$9,100	\$1,029
2013	82,109	0	0	9,143	521
2014	82,109	0	0	0	0
2015	82,109	0	0	0	0
2016	82,109	0	0	0	0
2017-2021	229,221	0	0	0	0
2022-2026	108,335	0	0	0	0
2027-2031	90,835	0	0	0	0
2032-2036	83,335	0	0	0	0
2037-2038	24,990		0	0	0
Total	\$947,262	\$518,964	\$13,677	\$18,243	\$1,550

Year Ending December 31	Business-Type Activities	
	Water System Refunding	
	Revenue Bonds	
	Principal	Interest
2012	\$515,000	\$182,883
2013	535,000	161,510
2014	555,000	138,773
2015	580,000	114,353
2016	605,000	88,252
2017-2018	1,305,000	92,615
Total	\$4,095,000	\$778,386

City of Orrville, Ohio
Notes to the Basic Financial Statements
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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 \$6,719,349 at December 31, 2011. The City is not obligated in any way to pay debt charges on the bonds from any of its funds, and therefore they have been excluded entirely from the City's debt presentation. There has not been and is not any condition of default under the bonds or the related financing documents.

American Municipal Power Generating Station Project

The City of Orrville is a member of American Municipal Power (AMP) and is a participant in the American Municipal Power Generating Station Project (AMPGS). This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The City executed a take-or-pay contract on November 1, 2007 in order to participate in the AMPGS Project. The City's share was 6,000 kW of a total of 771,281 kW, giving the City a 0.78 percent share.

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

The executed take or pay contract requires that participants of the project are obligated to pay any costs incurred for this project. To date it has not been determined what those total final costs are for the project participants. At December 31, 2011 AMP has a regulatory asset for the recovery of the abandoned construction costs. Based on an allocation to Orrville of 6,000 kW and the allocation methodology, both approved as the same by the AMP Board of Trustees, as of December 31, 2011 the City of Orrville has a potential stranded cost obligation of \$981,331 for the AMPGS Project.

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

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

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

City of Orrville, Ohio
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Note 12 - Notes Payable

A summary of the note transactions for the year ended December 31, 2011, follows:

	Outstanding 12/31/10	Issued	Retired	Outstanding 12/31/11
Enterprise Funds:				
2.77% Electric Improvement Note	\$1,270,000	\$0	(\$1,270,000)	\$0
2.77% Water Utility Project Note	100,000	0	(100,000)	0
1.30% Water Utility Project Note	0	100,000	0	100,000
Total	<u>\$1,370,000</u>	<u>\$100,000</u>	<u>(\$1,370,000)</u>	<u>\$100,000</u>

On April 20, 2011, the City issued Water Utility Project Notes to retire the 2010 Water Utility Project Notes. The notes mature on April 20, 2012.

The notes are bond anticipation notes and are backed by the full faith and credit of the City. The note liability is reflected in the fund which received the proceeds and will repay the debt.

Note 13 - Compensated Absences

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

City employees earn sick leave at the rate of eight hours per each month worked. Sick leave accrual is continuous, without limit. In the case of death or retirement, employees (or the employees' estates) are paid a maximum of 960 hours of accumulated, unused sick leave.

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

Note 14 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

City of Orrville, Ohio
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similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions and 12 percent for law enforcement and public safety members. For the year ended December 31, 2011, members in state and local divisions contributed 10 percent of covered payroll while public safety and law enforcement members contributed 11.0 percent and 11.6 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2011, member and employer contribution rates were consistent across all three plans.

The City's 2011 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.10 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.00 percent for 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2011. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$793,551, \$728,347, and \$649,580, respectively. For 2011, 83.01 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009. Contributions to the Member-Directed Plan for 2011 were \$35,906 made by the City and \$25,647 made by plan members.

Ohio Police and Fire Pension Fund

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

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

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The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters pension were \$112,028 and \$13,802 for the year ended December 31, 2011, \$108,945 and \$13,515 for the year ended December 31, 2010, and \$105,219 and \$12,544 for the year ended December 31, 2009, respectively. For 2011, 69.61 percent for police and 55.80 percent for firefighters has been contributed with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

Social Security

As of December 31, 2011, the City's part-time firefighters are covered by Social Security rather than OP&F. The employees' liability is 6.2 percent of wages paid.

Note 15 – Postemployment Benefits

Ohio Public Employees Retirement System

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

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

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

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

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

City of Orrville, Ohio
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Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent for 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2011.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were \$317,420, \$415,183, and \$469,696, respectively. For 2011, 83.01 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law enforcement and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

Police and Firemen's Disability and Pension Fund

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

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$59,309 and \$5,401 for the year ended December 31, 2011, \$57,677 and \$5,288 for the year ended December 31, 2010, and \$55,704 and \$4,908 for the year ended December 31, 2009. For 2011, 69.61 percent has been contributed for police and 55.80 percent has been contributed for firefighters with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

Note 16 - Interfund Transfers and Balances

Interfund Transfers

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

\$324,259 and \$13,755 was transferred from the general fund to the gas tax motor vehicle license and solid waste services special revenue funds to supplement the funds available for maintaining City streets and for solid waste services. \$884,285 was transferred from the general fund, giving the electric enterprise fund the kilowatt per hour taxes.

Interfund Balances

The capital improvements major capital projects fund had an interfund payable balance of \$985,000 and the sewer major enterprise fund had an interfund receivable balance in the amount of \$985,000 due to the issuance of manuscript bonds.

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

Note 17 – Donor Restricted Endowments

The City's private purpose trust fund includes donor restricted endowments. Endowments, in the amount of \$4,027, represent the principal portion. The amount of interest on donor restricted investments that is available for expenditures by the City is \$314 and is included as held in trust for cemetery. State law permits the City to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise. The endowments indicate that the interest should be used for the decoration of specifically named graves.

Note 18 – Subsequent Event

On April 18, 2012, the City issued \$1,300,000 in bond anticipation notes to retire the 2011 Water Utilities Project Notes. The notes mature on April 18, 2013 and have an interest rate of .65 percent.

Combining and Individual Fund Statements and Schedules

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

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

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

Nonmajor Debt Service Funds

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

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

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

Nonmajor Capital Projects Funds

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

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

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

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

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

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$908,023	\$140,276	\$176,948	\$1,225,247
Accrued Interest Receivable	31	53	1	85
Accounts Receivable	66,410	0	0	66,410
Intergovernmental Receivable	220,153	0	7,375	227,528
Special Assessments Receivable	0	48,473	0	48,473
<i>Total Assets</i>	<u>\$1,194,617</u>	<u>\$188,802</u>	<u>\$184,324</u>	<u>\$1,567,743</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$54,028	\$0	\$6,211	\$60,239
Accrued Wages	7,937	0	0	7,937
Intergovernmental Payable	20,749	0	0	20,749
Deferred Revenue	156,394	48,473	0	204,867
<i>Total Liabilities</i>	<u>239,108</u>	<u>48,473</u>	<u>6,211</u>	<u>293,792</u>
Fund Balances				
Restricted	702,950	140,329	148,516	991,795
Committed	252,559	0	0	252,559
Assigned	0	0	29,597	29,597
<i>Total Fund Balances</i>	<u>955,509</u>	<u>140,329</u>	<u>178,113</u>	<u>1,273,951</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,194,617</u>	<u>\$188,802</u>	<u>\$184,324</u>	<u>\$1,567,743</u>

City of Orrville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Special Assessments	\$0	\$21,502	\$0	\$21,502
Intergovernmental	491,343	0	159,279	650,622
Interest	261	0	10	271
Fines, Licenses and Permits	3,452	0	100	3,552
Charges for Services	480,137	0	0	480,137
Contributions and Donations	7,182	0	0	7,182
<i>Total Revenues</i>	<u>982,375</u>	<u>21,502</u>	<u>159,389</u>	<u>1,163,266</u>
Expenditures				
Current:				
General Government	0	957	0	957
Security of Persons and Property:				
Police	3,339	0	0	3,339
Transportation	784,885	0	0	784,885
Leisure Time Activities	5,346	0	0	5,346
Basic Utility Service	418,618	0	0	418,618
Capital Outlay	0	0	143,679	143,679
Debt Service:				
Principal Retirement	0	17,420	0	17,420
Interest and Fiscal Charges	0	3,616	0	3,616
<i>Total Expenditures</i>	<u>1,212,188</u>	<u>21,993</u>	<u>143,679</u>	<u>1,377,860</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(229,813)	(491)	15,710	(214,594)
Other Financing Sources				
Transfers In	338,014	0	0	338,014
<i>Net Change in Fund Balances</i>	108,201	(491)	15,710	123,420
<i>Fund Balances Beginning of Year</i>	<u>847,308</u>	<u>140,820</u>	<u>162,403</u>	<u>1,150,531</u>
<i>Fund Balances End of Year</i>	<u><u>\$955,509</u></u>	<u><u>\$140,329</u></u>	<u><u>\$178,113</u></u>	<u><u>\$1,273,951</u></u>

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	<u>Gas Tax</u> <u>Motor Vehicle License</u>	<u>State</u> <u>Highway</u>	<u>Permissive</u> <u>Motor Vehicle License</u>
Assets			
Equity in Pooled Cash and			
Cash Equivalents	\$26,037	\$71,246	\$56,353
Accrued Interest Receivable	0	29	0
Accounts Receivable	0	0	3,400
Intergovernmental Receivable	199,456	16,172	0
<i>Total Assets</i>	<u>\$225,493</u>	<u>\$87,447</u>	<u>\$59,753</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$5,192	\$0	\$0
Accrued Wages	7,937	0	0
Intergovernmental Payable	20,749	0	0
Deferred Revenue	144,497	11,716	0
<i>Total Liabilities</i>	<u>178,375</u>	<u>11,716</u>	<u>0</u>
Fund Balances			
Restricted	47,118	75,731	59,753
Committed	0	0	0
<i>Total Fund Balances</i>	<u>47,118</u>	<u>75,731</u>	<u>59,753</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$225,493</u>	<u>\$87,447</u>	<u>\$59,753</u>

Solid Waste	Law Enforcement	Enforcement and Education	Cemetery Maintenance
\$26,454	\$8,461	\$12,385	\$334,044
0	0	0	0
53,877	169	60	181
0	0	0	0
<u>\$80,331</u>	<u>\$8,630</u>	<u>\$12,445</u>	<u>\$334,225</u>
\$34,206	\$0	\$0	\$0
0	0	0	0
0	0	0	0
0	0	0	181
<u>34,206</u>	<u>0</u>	<u>0</u>	<u>181</u>
0	8,630	12,445	334,044
46,125	0	0	0
<u>46,125</u>	<u>8,630</u>	<u>12,445</u>	<u>334,044</u>
<u>\$80,331</u>	<u>\$8,630</u>	<u>\$12,445</u>	<u>\$334,225</u>

(continued)

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2011

	Permissive	Emergency Medical Service Equipment	Performing Arts
Assets			
Equity in Pooled Cash and Cash Equivalents	\$174,059	\$192,383	\$5,326
Accrued Interest Receivable	0	0	2
Accounts Receivable	0	8,723	0
Intergovernmental Receivable	4,525	0	0
<i>Total Assets</i>	<u>\$178,584</u>	<u>\$201,106</u>	<u>\$5,328</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$14,630	\$0	\$0
Accrued Wages	0	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	0	0	0
<i>Total Liabilities</i>	<u>14,630</u>	<u>0</u>	<u>0</u>
Fund Balances			
Restricted	163,954	0	0
Committed	0	201,106	5,328
<i>Total Fund Balances</i>	<u>163,954</u>	<u>201,106</u>	<u>5,328</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$178,584</u>	<u>\$201,106</u>	<u>\$5,328</u>

Continuing Professional Training Grant	Total Nonmajor Special Revenue Funds
\$1,275	\$908,023
0	31
0	66,410
0	220,153
<u>\$1,275</u>	<u>\$1,194,617</u>
\$0	\$54,028
0	7,937
0	20,749
0	156,394
<u>0</u>	<u>239,108</u>
1,275	702,950
0	252,559
<u>1,275</u>	<u>955,509</u>
<u>\$1,275</u>	<u>\$1,194,617</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, 2011

	Gas Tax Motor Vehicle License	State Highway	Permissive Motor Vehicle License
Revenues			
Intergovernmental	\$366,437	\$29,713	\$34,970
Interest	0	242	0
Fines, Licenses and Permits	0	0	0
Charges for Services	0	0	0
Contributions and Donations	0	0	0
<i>Total Revenues</i>	<u>366,437</u>	<u>29,955</u>	<u>34,970</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police	0	0	0
Transportation	696,142	19,167	34,971
Public Health and Welfare	0	0	0
Leisure Time Activities	0	0	0
Basic Utility Service	0	0	0
<i>Total Expenditures</i>	<u>696,142</u>	<u>19,167</u>	<u>34,971</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(329,705)	10,788	(1)
Other Financing Sources			
Transfers In	324,259	0	0
<i>Net Change in Fund Balances</i>	(5,446)	10,788	(1)
<i>Fund Balances Beginning of Year</i>	<u>52,564</u>	<u>64,943</u>	<u>59,754</u>
<i>Fund Balances End of Year</i>	<u><u>\$47,118</u></u>	<u><u>\$75,731</u></u>	<u><u>\$59,753</u></u>

Solid Waste	Law Enforcement	Enforcement and Education	Cemetery Maintenance
\$0	\$0	\$0	\$0
0	0	0	0
0	2,415	1,037	0
404,260	0	0	18,475
0	0	0	0
404,260	2,415	1,037	18,475
0	1,707	47	0
0	0	0	0
0	0	0	0
0	0	0	0
418,618	0	0	0
418,618	1,707	47	0
(14,358)	708	990	18,475
13,755	0	0	0
(603)	708	990	18,475
46,728	7,922	11,455	315,569
\$46,125	\$8,630	\$12,445	\$334,044

(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, 2011

	Permissive	Emergency Medical Service Equipment	Performing Arts
Revenues			
Intergovernmental	\$59,923	\$0	\$0
Interest	0	0	19
Fines, Licenses and Permits	0	0	0
Charges for Services	0	57,402	0
Contributions and Donations	0	0	7,182
<i>Total Revenues</i>	<u>59,923</u>	<u>57,402</u>	<u>7,201</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police	0	0	0
Transportation	34,605	0	0
Public Health and Welfare	0	0	0
Leisure Time Activities	0	0	5,346
Basic Utility Service	0	0	0
<i>Total Expenditures</i>	<u>34,605</u>	<u>0</u>	<u>5,346</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	25,318	57,402	1,855
Other Financing Sources			
Transfers In	0	0	0
<i>Net Change in Fund Balances</i>	25,318	57,402	1,855
<i>Fund Balances Beginning of Year</i>	<u>138,636</u>	<u>143,704</u>	<u>3,473</u>
<i>Fund Balances End of Year</i>	<u><u>\$163,954</u></u>	<u><u>\$201,106</u></u>	<u><u>\$5,328</u></u>

Continuing Professional Training Grant	Total Nonmajor Special Revenue Funds
\$300	\$491,343
0	261
0	3,452
0	480,137
0	7,182
300	982,375
1,585	3,339
0	784,885
0	0
0	5,346
0	418,618
1,585	1,212,188
(1,285)	(229,813)
0	338,014
(1,285)	108,201
2,560	847,308
\$1,275	\$955,509

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2011

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$4,152	\$136,124	\$140,276
Accrued Interest Receivable	0	53	53
Special Assessments Receivable	0	48,473	48,473
<i>Total Assets</i>	<u>\$4,152</u>	<u>\$184,650</u>	<u>\$188,802</u>
Liabilities and Fund Balances			
Liabilities			
Deferred Revenue	\$0	\$48,473	\$48,473
Fund Balances			
Restricted	4,152	136,177	140,329
<i>Total Fund Balances</i>	<u>4,152</u>	<u>136,177</u>	<u>140,329</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,152</u>	<u>\$184,650</u>	<u>\$188,802</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, 2011

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Special Assessments	\$0	\$21,502	\$21,502
Interest	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>21,502</u>	<u>21,502</u>
Expenditures			
Current:			
General Government	0	957	957
Debt Service:			
Principal Retirement	0	17,420	17,420
Interest and Fiscal Charges	0	3,616	3,616
<i>Total Expenditures</i>	<u>0</u>	<u>21,993</u>	<u>21,993</u>
<i>Net Change in Fund Balances</i>	0	(491)	(491)
<i>Fund Balances Beginning of Year</i>	<u>4,152</u>	<u>136,668</u>	<u>140,820</u>
<i>Fund Balances End of Year</i>	<u><u>\$4,152</u></u>	<u><u>\$136,177</u></u>	<u><u>\$140,329</u></u>

City of Orrville, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2011

	Park Improvement	Recreation and Park	Grants	Community Development Block Grant	Total Nonmajor Capital Projects Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$2,261	\$27,335	\$33,484	\$113,868	\$176,948
Accrued Interest Receivable	1	0	0	0	1
Intergovernmental Receivable	0	0	7,375	0	7,375
<i>Total Assets</i>	<u>\$2,262</u>	<u>\$27,335</u>	<u>\$40,859</u>	<u>\$113,868</u>	<u>\$184,324</u>
Liabilities and Fund Balances					
Accounts Payable	\$0	\$0	\$6,211	\$0	\$6,211
Fund Balances					
Restricted	0	0	34,648	113,868	148,516
Assigned	2,262	27,335	0	0	29,597
<i>Total Fund Balances</i>	<u>2,262</u>	<u>27,335</u>	<u>34,648</u>	<u>113,868</u>	<u>178,113</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,262</u>	<u>\$27,335</u>	<u>\$40,859</u>	<u>\$113,868</u>	<u>\$184,324</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, 2011

	Park Improvement	Recreation and Park	Grants	Community Development Block Grant	Total Nonmajor Capital Projects Funds
Revenues					
Intergovernmental	\$0	\$0	\$159,279	\$0	\$159,279
Interest	10	0	0	0	10
Fines, Licenses and Permits	0	100	0	0	100
<i>Total Revenues</i>	10	100	159,279	0	159,389
Expenditures					
Capital Outlay	0	0	143,679	0	143,679
<i>Net Change in Fund Balances</i>	10	100	15,600	0	15,710
<i>Fund Balances Beginning of Year</i>	2,252	27,235	19,048	113,868	162,403
<i>Fund Balances End of Year</i>	\$2,262	\$27,335	\$34,648	\$113,868	\$178,113

Fund Descriptions - Fiduciary Funds

Fiduciary Funds

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

Private-Purpose Trust Fund

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

Agency Fund

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

City of Orrville, Ohio
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended December 31, 2011

	Beginning Balance <u>12/31/10</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>12/31/11</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$60,996</u>	<u>\$200</u>	<u>\$250</u>	<u>\$60,946</u>
Liabilities				
Deposits Held and Due to Others	<u>\$60,996</u>	<u>\$200</u>	<u>\$250</u>	<u>\$60,946</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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$390,000	\$390,000	\$422,801	\$32,801
Income Taxes	2,389,450	3,199,450	3,600,610	401,160
Kilowatt Per Hour Tax	890,000	890,000	884,285	(5,715)
Intergovernmental	518,000	472,019	533,458	61,439
Interest	63,500	33,500	25,889	(7,611)
Fines, Licenses and Permits	26,500	26,500	33,195	6,695
Rentals	30,000	30,000	31,424	1,424
Charges for Services	199,100	199,100	245,254	46,154
Contributions and Donations	3,000	3,000	31,360	28,360
Other	1,000	1,000	42,832	41,832
Total Revenues	4,510,550	5,244,569	5,851,108	606,539
Expenditures				
Current:				
General Government:				
City Council:				
Personal Services	36,300	36,300	34,891	1,409
City Hall:				
Personal Services	162,000	178,891	178,890	1
Purchased Services	17,585	20,758	20,758	0
Utilities	12,119	8,946	7,369	1,577
Materials and Supplies	10,733	10,733	9,220	1,513
Total City Hall	202,437	219,328	216,237	3,091
Finance Department:				
Personal Services	90,550	74,444	74,444	0
Purchased Services	47,063	46,854	46,616	238
Materials and Supplies	3,342	3,342	1,771	1,571
Utilities	73	282	282	0
Total Finance Department	141,028	124,922	123,113	1,809
Personnel:				
Personal Services	102,950	94,112	93,591	521
Purchased Services	7,919	7,919	4,586	3,333
Utilities	1,552	1,552	1,141	411
Materials and Supplies	6,639	6,639	3,173	3,466
Total Personnel	119,060	110,222	102,491	7,731
Data Processing:				
Personal Services	24,959	15,903	14,635	1,268
Purchased Services	19,069	14,761	14,761	0
Utilities	2,382	2,139	1,862	277
Materials and Supplies	5,342	15,719	15,718	1
Total Data Processing	\$51,752	\$48,522	\$46,976	\$1,546

(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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Income Tax:				
Personal Services	\$66,261	\$69,196	\$69,195	\$1
Purchased Services	369	536	536	0
Utilities	811	542	542	0
Materials and Supplies	8,540	10,258	10,258	0
Total Income Tax	75,981	80,532	80,531	1
Law Department:				
Personal Services	37,300	37,300	31,763	5,537
Purchased Services	21,598	11,221	10,771	450
Total Law Department	58,898	48,521	42,534	5,987
Mayor's Office:				
Personal Services	22,610	22,610	22,167	443
Purchased Services	400	400	116	284
Materials and Supplies	50	50	0	50
Utilities	686	686	455	231
Total Mayor's Office	23,746	23,746	22,738	1,008
Administrative:				
Personal Services	215,749	224,805	224,805	0
Purchased Services	327,043	327,043	254,516	72,527
Materials and Supplies	25,472	25,472	6,788	18,684
Total Administrative	568,264	577,320	486,109	91,211
Total General Government	1,277,466	1,269,413	1,155,620	113,793
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	1,752,500	1,725,652	1,569,714	155,938
Purchased Services	83,434	83,434	73,363	10,071
Utilities	27,647	27,647	17,184	10,463
Materials and Supplies	117,816	117,816	93,470	24,346
Total Police	1,981,397	1,954,549	1,753,731	200,818
Fire:				
Fire Department:				
Personal Services	374,200	401,048	401,048	0
Purchased Services	62,147	62,147	61,046	1,101
Utilities	19,332	19,332	15,412	3,920
Materials and Supplies	97,003	97,003	84,782	12,221
Total Fire	552,682	579,530	562,288	17,242
Total Security of Persons and Property	\$2,534,079	\$2,534,079	\$2,316,019	\$218,060

(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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Transportation:				
Street:				
Personal Services	\$302,650	\$280,280	\$275,329	\$4,951
Purchased Services	105,076	105,076	94,068	11,008
Materials and Supplies	262,738	240,439	209,593	30,846
Total Transportation	670,464	625,795	578,990	46,805
Public Health and Welfare:				
Animal Control:				
Purchased Services	925	925	514	411
Materials and Supplies	16,167	16,167	15,288	879
Total Animal Control	17,092	17,092	15,802	1,290
Cemetery:				
Personal Services	125,750	147,018	147,017	1
Purchased Services	5,746	5,746	3,958	1,788
Utilities	7,616	7,616	5,608	2,008
Materials and Supplies	40,228	40,228	24,713	15,515
Total Cemetery	179,340	200,608	181,296	19,312
Total Public Health and Welfare	196,432	217,700	197,098	20,602
Leisure Time Activities:				
Park:				
Personal Services	171,349	158,942	158,942	0
Purchased Services	10,064	10,064	9,881	183
Utilities	8,852	8,852	5,456	3,396
Materials and Supplies	40,141	40,141	36,724	3,417
Total Park	230,406	217,999	211,003	6,996
Pool:				
Personal Services	84,799	98,308	98,308	0
Purchased Services	8,298	8,298	4,099	4,199
Utilities	16,415	16,415	6,111	10,304
Materials and Supplies	23,016	23,016	16,689	6,327
Total Pool	132,528	146,037	125,207	20,830
Recreation:				
Materials and Supplies	2,550	2,550	2,500	50
Total Leisure Time Activities	365,484	366,586	338,710	27,876
Debt Service:				
Principal	140,000	140,000	140,000	0
Interest and Fiscal Charges	57,000	57,000	56,250	750
Total Debt Service	197,000	197,000	196,250	750
Total Expenditures	\$5,240,925	\$5,210,573	\$4,782,687	\$427,886

(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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<i>Excess of Revenues Over (Under) Expenditures</i>	(\$730,375)	\$33,996	\$1,068,421	\$1,034,425
Other Financing Uses				
Transfers Out	(1,200,000)	(1,222,299)	(1,222,299)	0
<i>Net Change in Fund Balance</i>	(1,930,375)	(1,188,303)	(153,878)	1,034,425
<i>Fund Balance Beginning of Year</i>	2,833,925	2,833,925	2,833,925	0
Prior Year Encumbrances Appropriated	236,560	236,560	236,560	0
<i>Fund Balance End of Year</i>	<u>\$1,140,110</u>	<u>\$1,882,182</u>	<u>\$2,916,607</u>	<u>\$1,034,425</u>

City of Orrville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvements Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Income Taxes	\$612,500	\$840,000	\$880,819	\$40,819
Intergovernmental	660,000	660,000	25,182	(634,818)
<i>Total Revenues</i>	1,272,500	1,500,000	906,001	(593,999)
Expenditures				
Capital Outlay	1,951,821	1,951,928	935,511	1,016,417
<i>Net Change in Fund Balance</i>	(679,321)	(451,928)	(29,510)	422,418
<i>Fund Balance Beginning of Year</i>	1,141,877	1,141,877	1,141,877	0
Prior Year Encumbrances Appropriated	107,678	107,678	107,678	0
<i>Fund Balance End of Year</i>	<u>\$570,234</u>	<u>\$797,627</u>	<u>\$1,220,045</u>	<u>\$422,418</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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$78,800	\$73,300	\$65,357	(\$7,943)
Charges for Services	2,012,000	2,025,000	2,000,441	(24,559)
Other	3,600	1,900	2,842	942
<i>Total Revenues</i>	<u>2,094,400</u>	<u>2,100,200</u>	<u>2,068,640</u>	<u>(31,560)</u>
Expenses				
Personal Services	990,550	990,550	946,684	43,866
Purchased Services	400,867	421,067	211,393	209,674
Materials and Supplies	215,853	423,586	415,366	8,220
Utilities	60,078	60,078	40,551	19,527
Capital Outlay	1,359,368	1,166,635	91,370	1,075,265
Debt Service:				
Principal Retirement	504,600	509,792	509,792	0
Interest and Fiscal Charges	38,200	33,008	32,975	33
<i>Total Expenses</i>	<u>3,569,516</u>	<u>3,604,716</u>	<u>2,248,131</u>	<u>1,356,585</u>
<i>Excess of Revenues Under Expenses before Transfers</i>	(1,475,116)	(1,504,516)	(179,491)	1,325,025
Transfers Out	<u>0</u>	<u>(164,000)</u>	<u>0</u>	<u>164,000</u>
<i>Net Change in Fund Equity</i>	(1,475,116)	(1,668,516)	(179,491)	1,489,025
<i>Fund Equity Beginning of Year</i>	3,294,707	3,294,707	3,294,707	0
Prior Year Encumbrances Appropriated	<u>237,016</u>	<u>237,016</u>	<u>237,016</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$2,056,607</u></u>	<u><u>\$1,863,207</u></u>	<u><u>\$3,352,232</u></u>	<u><u>\$1,489,025</u></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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$172,100	\$103,900	\$68,026	(\$35,874)
Charges for Services	22,916,000	28,291,200	26,612,325	(1,678,875)
Other	409,200	482,200	641,465	159,265
<i>Total Revenues</i>	<u>23,497,300</u>	<u>28,877,300</u>	<u>27,321,816</u>	<u>(1,555,484)</u>
Expenses				
Personal Services	7,060,550	7,060,550	6,341,243	719,307
Purchased Services	3,635,792	3,635,792	3,020,893	614,899
Materials and Supplies	16,098,427	18,715,166	16,679,358	2,035,808
Utilities	1,228,348	1,228,348	916,402	311,946
Capital Outlay	2,236,001	2,119,262	1,718,292	400,970
Debt Service:				
Principal Retirement	1,270,000	1,270,000	1,270,000	0
Interest and Fiscal Charges	75,000	75,000	19,050	55,950
<i>Total Expenses</i>	<u>31,604,118</u>	<u>34,104,118</u>	<u>29,965,238</u>	<u>4,138,880</u>
<i>Excess of Revenues Under Expenses Before Transfers</i>	(8,106,818)	(5,226,818)	(2,643,422)	2,583,396
Transfers In	1,640,000	1,130,000	884,285	(245,715)
<i>Net Change in Fund Equity</i>	(6,466,818)	(4,096,818)	(1,759,137)	2,337,681
<i>Fund Equity Beginning of Year</i>	15,093,280	15,093,280	15,093,280	0
Prior Year Encumbrances Appropriated	1,478,668	1,478,668	1,478,668	0
<i>Fund Equity End of Year</i>	<u>\$10,105,130</u>	<u>\$12,475,130</u>	<u>\$14,812,811</u>	<u>\$2,337,681</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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$52,076	\$52,076	\$7,343	(\$44,733)
Charges for Services	2,682,500	2,682,500	2,819,716	137,216
Capital Grants	80,967	515,966	159,675	(356,291)
Other	20,600	20,600	16,950	(3,650)
Notes Issued	1,600,000	1,600,000	1,400,000	(200,000)
<i>Total Revenues</i>	<u>4,436,143</u>	<u>4,871,142</u>	<u>4,403,684</u>	<u>(467,458)</u>
Expenses				
Personal Services	1,378,650	1,188,650	1,048,192	140,458
Purchased Services	206,638	230,172	138,430	91,742
Materials and Supplies	458,149	570,976	443,239	127,737
Utilities	188,201	188,201	20,000	168,201
Capital Outlay	1,076,288	963,461	635,566	327,895
Debt Service:				
Principal Retirement	2,025,000	2,077,110	2,077,110	0
Interest and Fiscal Charges	200,000	224,356	224,356	0
<i>Total Expenses</i>	<u>5,532,926</u>	<u>5,442,926</u>	<u>4,586,893</u>	<u>856,033</u>
<i>Excess of Revenues Under Expenses before Transfers</i>	(1,096,783)	(571,784)	(183,209)	388,575
Transfers In	216,247	0	0	0
Transfers Out	0	(83,753)	0	83,753
<i>Net Change in Fund Equity</i>	(880,536)	(655,537)	(183,209)	472,328
<i>Fund Equity Beginning of Year</i>	1,644,788	1,644,788	1,644,788	0
Prior Year Encumbrances Appropriated	232,476	232,476	232,476	0
<i>Fund Equity End of Year</i>	<u>\$996,728</u>	<u>\$1,221,727</u>	<u>\$1,694,055</u>	<u>\$472,328</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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$400,000	\$400,000	\$367,135	(\$32,865)
Interest	100	100	0	(100)
<i>Total Revenues</i>	<u>400,100</u>	<u>400,100</u>	<u>367,135</u>	<u>(32,965)</u>
Expenditures				
Current:				
Transportation:				
Street Repair and Maintenance:				
Personal Services	666,900	616,900	576,565	40,335
Contractual Services	8,726	8,726	5,872	2,854
Materials and Supplies	133,874	133,874	116,348	17,526
Utilities	24,429	24,429	22,762	1,667
<i>Total Expenditures</i>	<u>833,929</u>	<u>783,929</u>	<u>721,547</u>	<u>62,382</u>
<i>Excess of Revenues Under Expenditures</i>	(433,829)	(383,829)	(354,412)	29,417
Other Financing Sources				
Transfers In	410,000	410,000	324,259	(85,741)
<i>Net Change in Fund Balance</i>	(23,829)	26,171	(30,153)	(56,324)
<i>Fund Balance Beginning of Year</i>	3,413	3,413	3,413	0
Prior Year Encumbrances Appropriated	33,809	33,809	33,809	0
<i>Fund Balance End of Year</i>	<u>\$13,393</u>	<u>\$63,393</u>	<u>\$7,069</u>	<u>(\$56,324)</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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$32,000	\$32,000	\$29,770	(\$2,230)
Interest	1,500	1,500	264	(1,236)
<i>Total Revenues</i>	<u>33,500</u>	<u>33,500</u>	<u>30,034</u>	<u>(3,466)</u>
Expenditures				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	20,000	17,160	10,166	6,994
Materials and Supplies	6,211	9,051	9,051	0
<i>Total Expenditures</i>	<u>26,211</u>	<u>26,211</u>	<u>19,217</u>	<u>6,994</u>
<i>Net Change in Fund Balance</i>	7,289	7,289	10,817	3,528
<i>Fund Balance Beginning of Year</i>	59,219	59,219	59,219	0
Prior Year Encumbrances Appropriated	1,211	1,211	1,211	0
<i>Fund Balance End of Year</i>	<u>\$67,719</u>	<u>\$67,719</u>	<u>\$71,247</u>	<u>\$3,528</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$25,000	\$25,000	\$31,570	\$6,570
Expenditures				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	30,000	34,971	34,971	0
Materials and Supplies	5,000	29	0	29
Total Transportation	35,000	35,000	34,971	29
<i>Net Change in Fund Balance</i>	(10,000)	(10,000)	(3,401)	6,599
<i>Fund Balance Beginning of Year</i>	59,754	59,754	59,754	0
<i>Fund Balance End of Year</i>	\$49,754	\$49,754	\$56,353	\$6,599

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$445,000	\$445,000	\$407,306	(\$37,694)
Expenditures				
Current:				
Basic Utility Service:				
Solid Waste Services:				
Purchased Services	<u>444,014</u>	<u>435,014</u>	<u>420,169</u>	<u>14,845</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	986	9,986	(12,863)	(22,849)
Other Financing Sources				
Transfers In	<u>0</u>	<u>0</u>	<u>13,755</u>	<u>13,755</u>
<i>Net Change in Fund Balance</i>	986	9,986	892	(9,094)
<i>Fund Balance Beginning of Year</i>	25,491	25,491	25,491	0
Prior Year Encumbrances Appropriated	<u>14</u>	<u>14</u>	<u>14</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$26,491</u></u>	<u><u>\$35,491</u></u>	<u><u>\$26,397</u></u>	<u><u>(\$9,094)</u></u>

City of Orrville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines, Licenses and Permits	\$1,500	\$1,500	\$2,396	\$896
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Materials and Supplies	<u>3,000</u>	<u>3,000</u>	<u>1,707</u>	<u>1,293</u>
<i>Net Change in Fund Balance</i>	(1,500)	(1,500)	689	2,189
<i>Fund Balance Beginning of Year</i>	7,772	7,772	7,772	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$6,272</u></u>	<u><u>\$6,272</u></u>	<u><u>\$8,461</u></u>	<u><u>\$2,189</u></u>

City of Orrville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines, Licenses and Permits	\$800	\$800	\$1,029	\$229
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Materials and Supplies	1,000	1,000	68	932
<i>Net Change in Fund Balance</i>	(200)	(200)	961	1,161
<i>Fund Balance Beginning of Year</i>	11,424	11,424	11,424	0
<i>Fund Balance End of Year</i>	<u>\$11,224</u>	<u>\$11,224</u>	<u>\$12,385</u>	<u>\$1,161</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$15,000	\$15,000	\$18,625	\$3,625
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	15,000	15,000	18,625	3,625
<i>Fund Balance Beginning of Year</i>	<u>315,419</u>	<u>315,419</u>	<u>315,419</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$330,419</u>	<u>\$330,419</u>	<u>\$334,044</u>	<u>\$3,625</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$64,000	\$64,000	\$59,625	(\$4,375)
Expenditures				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	25,000	25,000	14,630	10,370
Materials and Supplies	29,426	29,426	21,902	7,524
<i>Total Expenditures</i>	<u>54,426</u>	<u>54,426</u>	<u>36,532</u>	<u>17,894</u>
<i>Net Change in Fund Balance</i>	9,574	9,574	23,093	13,519
<i>Fund Balance Beginning of Year</i>	130,033	130,033	130,033	0
Prior Year Encumbrances Appropriated	<u>4,426</u>	<u>4,426</u>	<u>4,426</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$144,033</u></u>	<u><u>\$144,033</u></u>	<u><u>\$157,552</u></u>	<u><u>\$13,519</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, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$35,000	\$35,000	\$55,746	\$20,746
Expenditures				
Current:				
Public Health and Welfare:				
Emergency Medical Service:				
Materials and Supplies	<u>15,037</u>	<u>15,037</u>	<u>0</u>	<u>15,037</u>
<i>Net Change in Fund Balance</i>	19,963	19,963	55,746	35,783
<i>Fund Balance Beginning of Year</i>	136,600	136,600	136,600	0
Prior Year Encumbrances Appropriated	<u>37</u>	<u>37</u>	<u>37</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$156,600</u></u>	<u><u>\$156,600</u></u>	<u><u>\$192,383</u></u>	<u><u>\$35,783</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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$0	\$0	\$21	\$21
Contributions and Donations	8,500	8,500	7,182	(1,318)
<i>Total Revenues</i>	<u>8,500</u>	<u>8,500</u>	<u>7,203</u>	<u>(1,297)</u>
Expenditures				
Current:				
Leisure Time Activities:				
Performing Arts:				
Purchased Services	8,625	8,625	5,346	3,279
Materials and Supplies	1,200	1,200	0	1,200
<i>Total Expenditures</i>	<u>9,825</u>	<u>9,825</u>	<u>5,346</u>	<u>4,479</u>
<i>Net Change in Fund Balance</i>	(1,325)	(1,325)	1,857	3,182
<i>Fund Balance Beginning of Year</i>	<u>3,469</u>	<u>3,469</u>	<u>3,469</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,144</u>	<u>\$2,144</u>	<u>\$5,326</u>	<u>\$3,182</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$2,100	\$2,100	\$300	(\$1,800)
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Purchased Services	<u>2,000</u>	<u>2,000</u>	<u>1,585</u>	<u>415</u>
<i>Net Change in Fund Balance</i>	100	100	(1,285)	(1,385)
<i>Fund Balance Beginning of Year</i>	<u>2,560</u>	<u>2,560</u>	<u>2,560</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,660</u></u>	<u><u>\$2,660</u></u>	<u><u>\$1,275</u></u>	<u><u>(\$1,385)</u></u>

City of Orrville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Emergency Management Assistance Grant Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$16,000	\$16,000	\$0	(\$16,000)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	16,000	16,000	0	(16,000)
<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>\$16,000</u>	<u>\$16,000</u>	<u>\$0</u>	<u>(\$16,000)</u>

City of Orrville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Parking Meter Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Transportation:				
Street Repair and Maintenance:				
Purchased Services	<u>3,700</u>	<u>3,700</u>	<u>640</u>	<u>3,060</u>
<i>Net Change in Fund Balance</i>	(3,700)	(3,700)	(640)	3,060
<i>Fund Balance Beginning of Year</i>	8,412	8,412	8,412	0
Prior Year Encumbrances Appropriated	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$5,912</u>	<u>\$5,912</u>	<u>\$8,972</u>	<u>\$3,060</u>

City of Orrville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2011

	<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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>4,152</u>	<u>4,152</u>	<u>4,152</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,152</u></u>	<u><u>\$4,152</u></u>	<u><u>\$4,152</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
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	\$23,000	\$23,000	\$17,420	(\$5,580)
Interest	1,000	1,000	4,163	3,163
<i>Total Revenues</i>	<u>24,000</u>	<u>24,000</u>	<u>21,583</u>	<u>(2,417)</u>
Expenditures				
Current:				
General Government:				
Contractual Services	1,000	1,000	957	43
Debt Service:				
Principal Retirement	17,420	17,420	17,420	0
Interest and Fiscal Charges	5,800	5,800	3,616	2,184
<i>Total Expenditures</i>	<u>24,220</u>	<u>24,220</u>	<u>21,993</u>	<u>2,227</u>
<i>Net Change in Fund Balance</i>	(220)	(220)	(410)	(190)
<i>Fund Balance Beginning of Year</i>	<u>136,535</u>	<u>136,535</u>	<u>136,535</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$136,315</u>	<u>\$136,315</u>	<u>\$136,125</u>	<u>(\$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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$50	\$50	\$11	(\$39)
Expenditures				
Capital Outlay	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
<i>Net Change in Fund Balance</i>	(950)	(950)	11	961
<i>Fund Balance Beginning of Year</i>	<u>2,250</u>	<u>2,250</u>	<u>2,250</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,300</u></u>	<u><u>\$1,300</u></u>	<u><u>\$2,261</u></u>	<u><u>\$961</u></u>

City of Orrville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation and Park Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines, Licenses and Permits	\$0	\$0	\$100	\$100
Expenditures				
Materials and Supplies	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
<i>Net Change in Fund Balance</i>	(500)	(500)	100	600
<i>Fund Balance Beginning of Year</i>	<u>27,235</u>	<u>27,235</u>	<u>27,235</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$26,735</u></u>	<u><u>\$26,735</u></u>	<u><u>\$27,335</u></u>	<u><u>\$600</u></u>

City of Orrville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Grants Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$1,434,000	\$1,434,000	\$156,021	(\$1,277,979)
Expenditures				
Contractual Services	<u>1,452,072</u>	<u>452,072</u>	<u>188,941</u>	<u>263,131</u>
<i>Net Change in Fund Balance</i>	(18,072)	981,928	(32,920)	(1,014,848)
<i>Fund Balance (Deficit) Beginning of Year</i>	(52,024)	(52,024)	(52,024)	0
Prior Year Encumbrances Appropriated	<u>71,072</u>	<u>71,072</u>	<u>71,072</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$976</u></u>	<u><u>\$1,000,976</u></u>	<u><u>(\$13,872)</u></u>	<u><u>(\$1,014,848)</u></u>

City of Orrville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$15,000	\$15,000	\$0	(\$15,000)
Expenditures				
Capital Outlay	<u>36,307</u>	<u>51,307</u>	<u>36,307</u>	<u>15,000</u>
<i>Net Change in Fund Balance</i>	(21,307)	(36,307)	(36,307)	0
<i>Fund Balance Beginning of Year</i>	77,561	77,561	77,561	0
Prior Year Encumbrances Appropriated	<u>36,307</u>	<u>36,307</u>	<u>36,307</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$92,561</u></u>	<u><u>\$77,561</u></u>	<u><u>\$77,561</u></u>	<u><u>\$0</u></u>

City of Orrville, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Employee Health Insurance Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$7,500	\$7,500	\$593	(\$6,907)
Charges for Services	1,593,800	1,759,000	1,699,425	(59,575)
<i>Total Revenues</i>	<u>1,601,300</u>	<u>1,766,500</u>	<u>1,700,018</u>	<u>(66,482)</u>
Expenses				
Contractual Services	153,500	153,500	150,999	2,501
Claims	1,620,000	1,795,000	1,714,376	80,624
<i>Total Expenses</i>	<u>1,773,500</u>	<u>1,948,500</u>	<u>1,865,375</u>	<u>83,125</u>
<i>Net Change in Fund Equity</i>	(172,200)	(182,000)	(165,357)	16,643
<i>Fund Equity Beginning of Year</i>	<u>232,118</u>	<u>232,118</u>	<u>232,118</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$59,918</u></u>	<u><u>\$50,118</u></u>	<u><u>\$66,761</u></u>	<u><u>\$16,643</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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$0	\$0	\$16	\$16
Expenses				
Materials and Supplies	<u>100</u>	<u>100</u>	<u>80</u>	<u>20</u>
<i>Net Change in Fund Equity</i>	(100)	(100)	(64)	36
<i>Fund Equity Beginning of Year</i>	<u>4,404</u>	<u>4,404</u>	<u>4,404</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$4,304</u></u>	<u><u>\$4,304</u></u>	<u><u>\$4,340</u></u>	<u><u>\$36</u></u>

Statistical Section

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	Pages(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 – S25</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>S26 – S27</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>S28 – S35</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 Assets By Component
Last Ten Years
(Accrual Basis of Accounting)

	2011	2010	2009	2008
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$43,370,414	\$43,589,853	\$43,659,336	\$43,619,685
Restricted:				
Capital Projects	148,516	587,129	300,589	215,741
Debt Service	188,601	210,504	230,546	243,223
Street Repair and Maintenance	449,189	428,875	415,535	462,630
Solid Waste Services	0	0	38,048	80,955
Law Enforcement and Education	21,075	19,377	20,975	19,651
Cemetery Maintenance	334,225	315,730	298,620	285,788
EMS Equipment	0	0	240,929	194,363
Performing Arts	0	0	3,073	1,070
Other Purposes	0	0	0	0
Unrestricted	5,332,158	4,549,471	3,869,743	2,976,958
<i>Total Governmental Activities Net Assets</i>	<u>49,844,178</u>	<u>49,700,939</u>	<u>49,077,394</u>	<u>48,100,064</u>
Business Type - Activities				
Invested in Capital Assets, Net of Related Debt	36,501,762	36,065,932	34,525,664	31,936,125
Restricted:				
Debt Service	757,162	758,544	2,715,024	3,016,575
Replacement and Improvement	800,000	800,000	2,300,000	2,300,000
Unrestricted	26,940,593	26,661,899	23,987,800	25,849,607
<i>Total Business-Type Activities Net Assets</i>	<u>64,999,517</u>	<u>64,286,375</u>	<u>63,528,488</u>	<u>63,102,307</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	79,872,176	79,655,785	78,185,000	75,555,810
Restricted	2,698,768	3,120,159	6,563,339	6,819,996
Unrestricted	32,272,751	31,211,370	27,857,543	28,826,565
<i>Total Primary Government Net Assets</i>	<u>\$114,843,695</u>	<u>\$113,987,314</u>	<u>\$112,605,882</u>	<u>\$111,202,371</u>

Note: 2003 was the first year other purposes was further classified.

2007	2006	2005	2004	2003	2002
\$41,910,539	\$41,706,949	\$42,058,605	\$42,024,483	\$41,548,787	\$41,466,826
1,484,362	1,613,790	2,050,035	1,913,814	2,626,487	2,253,537
215,007	240,462	240,691	247,391	254,609	108,155
470,584	424,442	370,016	431,651	457,891	0
54,643	68,355	43,100	42,187	38,324	0
20,024	19,951	19,323	23,157	25,870	0
263,763	236,639	220,720	203,195	177,957	0
162,903	134,874	107,040	74,640	151,004	0
5,354	5,859	7,475	7,195	7,035	0
0	0	0	0	0	815,174
3,225,688	2,114,835	2,060,999	1,658,350	1,828,711	2,325,102
47,812,867	46,566,156	47,178,004	46,626,063	47,116,675	46,968,794
30,554,543	29,057,655	27,780,982	26,780,181	25,498,301	22,993,813
3,022,749	2,949,687	2,891,452	3,347,240	0	0
2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000
20,099,892	19,065,639	17,395,231	16,059,704	20,711,414	24,116,145
55,977,184	53,372,981	50,367,665	48,487,125	48,509,715	49,409,958
72,465,082	70,764,604	69,839,587	68,804,664	67,047,088	64,460,639
7,999,389	7,994,059	8,249,852	8,590,470	6,039,177	5,476,866
23,325,580	21,180,474	19,456,230	17,718,054	22,540,125	26,441,247
\$103,790,051	\$99,939,137	\$97,545,669	\$95,113,188	\$95,626,390	\$96,378,752

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

	2011	2010	2009	2008
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$113,485	\$150,200	\$207,225	\$113,285
Security of Persons and Property:				
Police	20,247	21,428	21,878	18,697
Fire	69,197	68,219	63,973	23,280
Transportation	0	0	634	264
Public Health and Welfare	118,407	118,637	101,345	92,782
Leisure Time Activities	68,057	65,857	59,572	24,855
Basic Utility Service	404,260	416,442	439,532	430,026
Subtotal - Charges for Services	<u>793,653</u>	<u>840,783</u>	<u>894,159</u>	<u>703,189</u>
Operating Grants and Contributions:				
General Government	26,440	14,670	16,996	76,851
Security of Persons and Property:				
Police	300	320	1,520	0
Fire	0	0	0	2,500
Transportation	494,700	471,099	516,773	526,802
Public Health and Welfare	0	0	0	0
Leisure Time Activities	38,542	13,033	13,698	36,919
Basic Utility Service	0	0	52	13,633
Subtotal - Operating Grants and Contributions	<u>559,982</u>	<u>499,122</u>	<u>549,039</u>	<u>656,705</u>
Capital Grants and Contributions:				
General Government	0	98,755	341,100	140,552
Transportation	184,461	440,681	438,166	1,048,529
Subtotal - Capital Grants and Contributions	<u>184,461</u>	<u>539,436</u>	<u>779,266</u>	<u>1,189,081</u>
<i>Total Governmental Activities Program Revenues</i>	<u>1,538,096</u>	<u>1,879,341</u>	<u>2,222,464</u>	<u>2,548,975</u>
Business-Type Activities:				
Charges for Services:				
Sewer	1,983,158	2,057,237	1,871,276	2,048,402
Electric	26,613,199	24,448,148	21,309,884	28,780,366
Water	2,776,324	2,862,194	2,605,185	3,081,340
Subtotal - Charges for Services	<u>31,372,681</u>	<u>29,367,579</u>	<u>25,786,345</u>	<u>33,910,108</u>
Capital Grants and Contributions				
Water	249,780	0	631,711	41,402
<i>Total Business-Type Activities Program Revenues</i>	<u>31,622,461</u>	<u>29,367,579</u>	<u>26,418,056</u>	<u>33,951,510</u>
<i>Total Primary Government Program Revenues</i>	<u>33,160,557</u>	<u>31,246,920</u>	<u>28,640,520</u>	<u>36,500,485</u>
Expenses				
Governmental Activities:				
General Government	1,113,080	1,000,403	1,298,794	1,276,806
Security of Persons and Property:				
Police	1,741,290	1,761,008	1,756,470	1,631,577
Fire	727,641	513,253	601,035	617,200
Transportation	2,120,596	2,657,883	2,632,557	2,474,540
Public Health and Welfare	193,614	358,574	166,552	199,238
Leisure Time Activities	395,350	382,833	430,143	395,062
Basic Utility Service	418,618	407,762	444,941	417,347
Interest and Fiscal Charges	56,842	64,704	72,104	79,296
<i>Total Governmental Activities Expenses</i>	<u>\$6,767,031</u>	<u>\$7,146,420</u>	<u>\$7,402,596</u>	<u>\$7,091,066</u>

2007	2006	2005	2004	2003	2002
\$158,784	\$111,390	\$113,000	\$120,248	\$74,858	\$117,682
14,367	15,276	14,506	26,054	7,712	41,896
52,225	46,025	46,024	36,290	30,843	16,955
11,843	11,581	30,141	300	8,876	0
116,240	105,827	100,576	128,734	101,730	119,624
65,720	62,139	72,621	56,284	62,010	83,495
280,368	285,636	269,752	256,665	251,735	241,799
699,547	637,874	646,620	624,575	537,764	621,451
61,468	15,600	16,205	14,092	13,699	0
0	0	0	0	0	0
0	0	0	2,125	2,900	0
599,351	562,367	540,752	445,050	401,629	445,010
0	0	0	0	2,300	0
12,503	9,823	10,290	9,900	8,062	9,546
0	0	0	0	0	0
673,322	587,790	567,247	471,167	428,590	454,556
406,576	13,017	95,944	0	0	0
444,137	280,843	186,662	819,983	678,138	420,132
850,713	293,860	282,606	819,983	678,138	420,132
2,223,582	1,519,524	1,496,473	1,915,725	1,644,492	1,496,139
1,948,555	2,009,263	1,980,067	1,905,641	1,910,975	1,937,219
25,460,273	26,606,260	25,220,891	21,615,342	19,509,574	17,964,859
2,908,869	2,933,631	2,591,906	2,512,014	2,403,171	2,356,946
30,317,697	31,549,154	29,792,864	26,032,997	23,823,720	22,259,024
301,273	0	0	0	0	0
30,618,970	31,549,154	29,792,864	26,032,997	23,823,720	22,259,024
32,842,552	33,068,678	31,289,337	27,948,722	25,468,212	23,755,163
1,323,894	1,151,757	1,075,509	970,814	968,370	945,989
1,538,833	1,565,658	1,360,423	1,425,870	1,421,121	1,224,678
614,516	601,531	531,847	357,766	541,831	525,596
2,289,247	2,229,194	1,590,642	2,478,398	2,007,903	2,672,156
187,718	142,615	118,376	179,941	192,459	170,233
348,947	318,858	252,386	308,917	357,372	389,710
307,678	273,951	282,403	279,895	274,386	272,076
39,260	8,877	9,706	10,726	11,013	11,557
\$6,650,093	\$6,292,441	\$5,221,292	\$6,012,327	\$5,774,455	\$6,211,995

(continued)

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

	2011	2010	2009	2008
Business-Type Activities:				
Sewer	\$2,126,667	\$2,190,719	\$2,123,983	\$2,165,950
Electric	27,678,178	25,515,336	22,870,541	24,122,241
Water	2,816,039	2,608,973	3,211,725	2,792,044
<i>Total Business-Type Activities Expenses</i>	<u>32,620,884</u>	<u>30,315,028</u>	<u>28,206,249</u>	<u>29,080,235</u>
<i>Total Primary Government Program Expenses</i>	<u>39,387,915</u>	<u>37,461,448</u>	<u>35,608,845</u>	<u>36,171,301</u>
Net (Expense)/Revenue				
Governmental Activities	(5,228,935)	(5,267,079)	(5,180,132)	(4,542,091)
Business-Type Activities	(998,423)	(947,449)	(1,788,193)	4,871,275
<i>Total Primary Government Net Expense</i>	<u>(6,227,358)</u>	<u>(6,214,528)</u>	<u>(6,968,325)</u>	<u>329,184</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes:				
Property and Other Local Taxes Levied for:				
General Purposes	445,836	477,264	495,460	505,320
Kilowatt per Hour Taxes Levied for:				
General Purposes	884,285	880,337	847,907	881,904
Municipal Income Taxes Levied for:				
General Purposes	3,271,841	3,474,663	3,485,477	2,319,038
Capital Outlay	1,043,939	1,092,418	1,097,066	806,910
Grants and Entitlements not Restricted to				
Specific Programs	540,040	722,404	965,243	816,394
Investment Income	27,685	49,763	77,420	171,859
Gain on Sale of Capital Assets	0	0	0	0
Transfers	(884,285)	(880,337)	(847,907)	(881,904)
Other	42,833	74,112	36,796	209,767
<i>Total Governmental Activities</i>	<u>5,372,174</u>	<u>5,890,624</u>	<u>6,157,462</u>	<u>4,829,288</u>
Business-Type Activities:				
Investment Income	166,028	202,507	783,010	838,914
Transfers	884,285	880,337	847,907	881,904
Gain on Sale of Capital Assets	0	0	0	0
Other	661,252	622,492	583,457	533,030
<i>Total Business-Type Activities</i>	<u>1,711,565</u>	<u>1,705,336</u>	<u>2,214,374</u>	<u>2,253,848</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>7,083,739</u>	<u>7,595,960</u>	<u>8,371,836</u>	<u>7,083,136</u>
Change in Net Assets				
Governmental Activities	143,239	623,545	977,330	287,197
Business-Type Activities	713,142	757,887	426,181	7,125,123
<i>Total Primary Government Change in Net Assets</i>	<u>\$856,381</u>	<u>\$1,381,432</u>	<u>\$1,403,511</u>	<u>\$7,412,320</u>

2007	2006	2005	2004	2003	2002
\$2,235,400	\$2,064,871	\$1,942,249	\$2,035,090	\$1,957,912	\$1,951,178
25,725,633	25,754,322	25,247,053	23,143,664	21,681,059	20,841,038
2,712,945	2,874,257	2,425,269	2,682,953	2,554,952	3,077,462
30,673,978	30,693,450	29,614,571	27,861,707	26,193,923	25,869,678
37,324,071	36,985,891	34,835,863	33,874,034	31,968,378	32,081,673
(4,426,511)	(4,772,917)	(3,724,819)	(4,096,602)	(4,129,963)	(4,715,856)
(55,008)	855,704	178,293	(1,828,710)	(2,370,203)	(3,610,654)
(4,481,519)	(3,917,213)	(3,546,526)	(5,925,312)	(6,500,166)	(8,326,510)
485,053	469,385	524,516	536,388	476,914	446,237
897,363	851,218	837,438	802,505	782,502	767,505
3,490,470	2,299,733	2,195,463	2,013,058	2,088,233	1,705,027
858,389	560,677	534,765	365,734	872,403	588,206
514,543	579,014	717,533	497,937	631,092	620,248
236,379	217,144	139,056	80,061	81,948	107,127
0	0	0	0	0	500
(897,363)	(851,218)	(837,438)	(802,505)	(782,502)	(793,326)
88,388	35,116	165,427	112,812	127,254	201,020
5,673,222	4,161,069	4,276,760	3,605,990	4,277,844	3,642,544
1,138,233	965,009	325,135	292,975	357,932	511,810
897,363	851,218	837,438	802,505	782,502	793,326
0	0	0	17,131	1,754	4,700
623,615	333,385	539,674	693,509	327,772	590,621
2,659,211	2,149,612	1,702,247	1,806,120	1,469,960	1,900,457
8,332,433	6,310,681	5,979,007	5,412,110	5,747,804	5,543,001
1,246,711	(611,848)	551,941	(490,612)	147,881	(1,073,312)
2,604,203	3,005,316	1,880,540	(22,590)	(900,243)	(1,710,197)
\$3,850,914	\$2,393,468	\$2,432,481	(\$513,202)	(\$752,362)	(\$2,783,509)

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

	2011	2010	2009	2008
General Fund				
Nonspendable	\$105,065	\$99,349	N/A	N/A
Assigned	130,210	9,612	N/A	N/A
Unassigned	3,739,250	3,568,240	N/A	N/A
Reserved	N/A	N/A	\$149,410	\$139,093
Unreserved	N/A	N/A	3,287,216	2,721,157
Total General Fund	<u>3,974,525</u>	<u>3,677,201</u>	<u>3,436,626</u>	<u>2,860,250</u>
All Other Governmental Funds				
Nonspendable	\$0	\$0	N/A	N/A
Restricted	991,795	927,139	N/A	N/A
Committed	882,927	463,431	N/A	N/A
Assigned	29,597	29,487	N/A	N/A
Unassigned	0	0	N/A	N/A
Reserved	N/A	N/A	429,198	990,796
Unreserved, Undesignated, Reported in:				
Special Revenue funds	N/A	N/A	857,617	839,287
Debt Service funds	N/A	N/A	139,179	138,584
Capital Projects funds (Deficit)	N/A	N/A	(201,417)	(753,701)
Total All Other Governmental Funds	<u>1,904,319</u>	<u>1,420,057</u>	<u>1,224,577</u>	<u>1,214,966</u>
Total Governmental Funds	<u>\$5,878,844</u>	<u>\$5,097,258</u>	<u>\$4,661,203</u>	<u>\$4,075,216</u>

Note: Due to the implementation of GASB Statement No. 54, in 2010 and 2011 the parking meter fund is 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.

2007	2006	2005	2004	2003	2002
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
\$92,442	\$80,051	\$56,479	\$34,228	\$25,157	\$45,241
2,531,395	1,736,936	1,653,693	1,408,511	1,506,925	1,772,376
2,623,837	1,816,987	1,710,172	1,442,739	1,532,082	1,817,617
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
342,543	273,104	408,775	258,006	991,349	425,987
786,946	732,225	474,957	636,263	734,105	698,477
131,907	124,544	117,076	113,349	108,004	106,722
25,698	1,305,906	1,562,445	1,626,555	1,533,720	1,787,430
1,287,094	2,435,779	2,563,253	2,634,173	3,367,178	3,018,616
\$3,910,931	\$4,252,766	\$4,273,425	\$4,076,912	\$4,899,260	\$4,836,233

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

	2011	2010	2009	2008
Revenues				
Property Taxes	\$422,801	\$500,638	\$491,616	\$483,819
Income Taxes	4,677,933	4,313,286	4,208,090	3,735,209
Kilowatt Per Hour Tax	884,285	880,337	847,907	881,904
Special Assessments	21,502	21,765	19,048	25,148
Intergovernmental	1,224,738	1,653,659	2,215,934	2,469,813
Interest	27,685	49,763	77,420	171,859
Fines, Licenses and Permits	37,724	36,122	42,816	31,464
Rentals	31,424	37,865	36,981	39,239
Charges for Services	724,087	767,133	810,187	617,368
Contributions and Donations	38,542	13,033	98,698	158,919
Other	42,833	74,112	36,796	209,767
<i>Total Revenues</i>	<u>8,133,554</u>	<u>8,347,713</u>	<u>8,885,493</u>	<u>8,824,509</u>
Expenditures				
Current:				
General Government	1,063,944	971,591	1,194,191	1,125,756
Security of Persons and Property:				
Police	1,724,404	1,707,584	1,660,958	1,602,155
Fire	544,662	492,705	421,343	400,868
Transportation	1,257,749	1,405,313	1,457,344	1,347,487
Public Health and Welfare	179,071	340,315	140,300	177,486
Leisure Time Activities	333,811	297,717	318,017	291,169
Basic Utility Service	418,618	407,762	444,941	417,347
Capital Outlay	871,072	1,327,598	1,727,815	2,320,788
Debt Service:				
Principal Retirement	17,420	15,950	14,510	15,870
Interest and Fiscal Charges	56,932	64,786	72,180	79,394
<i>Total Expenditures</i>	<u>6,467,683</u>	<u>7,031,321</u>	<u>7,451,599</u>	<u>7,778,320</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,665,871</u>	<u>1,316,392</u>	<u>1,433,894</u>	<u>1,046,189</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0
Transfers In	338,014	332,787	327,310	272,848
Transfers Out	(1,222,299)	(1,213,124)	(1,175,217)	(1,154,752)
<i>Total Other Financing Sources (Uses)</i>	<u>(884,285)</u>	<u>(880,337)</u>	<u>(847,907)</u>	<u>(881,904)</u>
<i>Net Change in Fund Balances</i>	<u>\$781,586</u>	<u>\$436,055</u>	<u>\$585,987</u>	<u>\$164,285</u>
Debt Service as a Percentage of Noncapital Expenditures	1.42%	1.42%	1.46%	1.69%

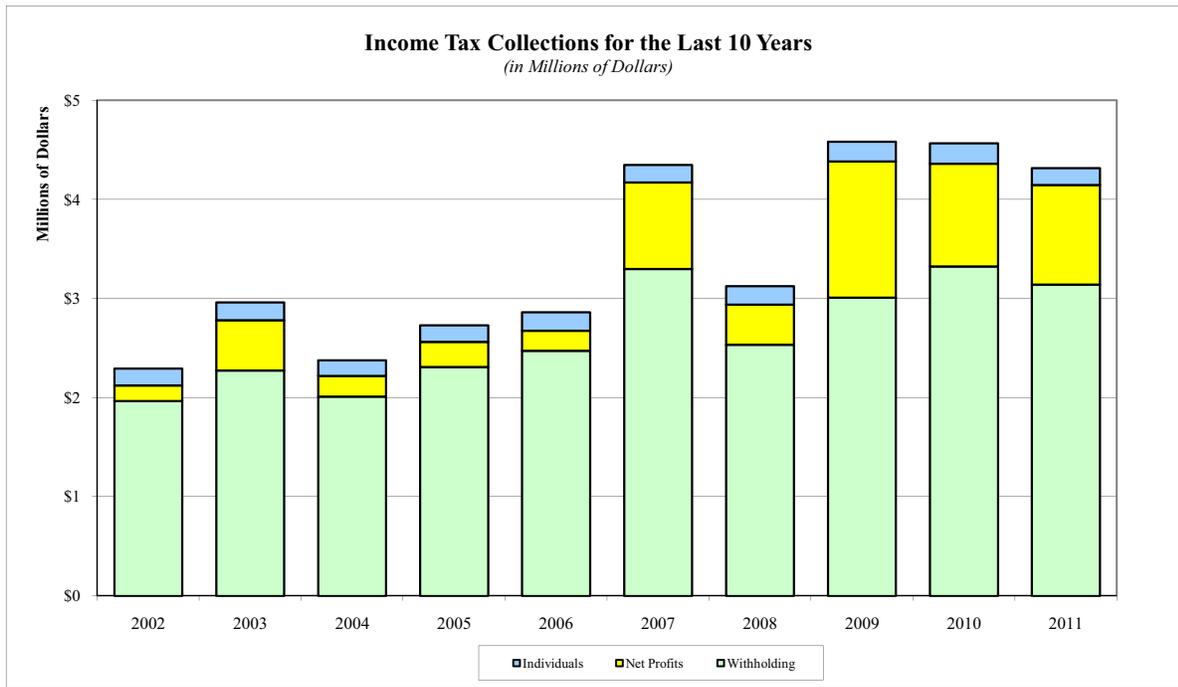
2007	2006	2005	2004	2003	2002
\$479,755	\$492,470	\$485,085	\$580,710	\$442,911	\$466,911
3,879,196	2,780,220	2,700,645	2,575,080	2,910,735	2,371,048
897,363	851,218	837,438	802,505	782,502	767,505
22,759	12,822	12,518	12,129	8,961	16,977
2,036,256	1,598,760	1,359,658	1,708,192	1,733,338	1,530,312
236,379	217,144	139,056	81,999	81,948	107,127
40,170	134,415	130,687	40,277	27,812	53,817
31,200	31,200	31,600	31,500	0	31,700
609,929	556,639	484,450	553,287	499,551	544,303
20,503	9,823	10,290	9,900	8,062	9,546
88,388	35,116	165,427	112,812	127,254	201,020
<u>8,341,898</u>	<u>6,719,827</u>	<u>6,356,854</u>	<u>6,508,391</u>	<u>6,623,074</u>	<u>6,100,266</u>
1,034,771	954,490	1,000,293	859,525	877,044	838,937
1,476,049	1,525,428	1,378,888	1,370,432	1,366,492	1,344,277
413,333	386,844	374,293	393,870	381,581	386,818
1,222,942	1,058,560	1,226,957	1,167,448	1,139,246	1,220,558
159,007	116,383	118,486	255,971	205,711	153,395
268,548	236,039	218,033	214,635	273,331	318,917
307,678	273,951	282,403	279,895	274,386	272,076
2,850,305	1,314,669	701,247	1,963,528	1,247,979	1,347,873
14,388	13,941	12,518	12,129	10,400	9,120
39,349	8,963	9,785	10,801	10,956	11,616
<u>7,786,370</u>	<u>5,889,268</u>	<u>5,322,903</u>	<u>6,528,234</u>	<u>5,787,126</u>	<u>5,903,587</u>
<u>555,528</u>	<u>830,559</u>	<u>1,033,951</u>	<u>(19,843)</u>	<u>835,948</u>	<u>196,679</u>
0	0	0	0	1,605	500
0	0	0	0	7,976	0
214,970	163,570	213,564	307,093	340,974	427,727
<u>(1,112,333)</u>	<u>(1,014,788)</u>	<u>(1,051,002)</u>	<u>(1,109,598)</u>	<u>(1,123,476)</u>	<u>(1,221,053)</u>
<u>(897,363)</u>	<u>(851,218)</u>	<u>(837,438)</u>	<u>(802,505)</u>	<u>(772,921)</u>	<u>(792,826)</u>
<u>(\$341,835)</u>	<u>(\$20,659)</u>	<u>\$196,513</u>	<u>(\$822,348)</u>	<u>\$63,027</u>	<u>(\$596,147)</u>
1.03%	0.48%	0.48%	0.50%	0.47%	0.46%

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
2011	1.00%	\$4,315,780	\$3,142,751	72.82%	\$1,004,282	23.27%	\$168,747	3.91%
2010	1.00	4,567,081	3,324,378	72.79	1,038,098	22.73	204,605	4.48
2009	1.00	4,582,543	3,010,960	65.70	1,371,928	29.94	199,655	4.36
2008	1.00	3,125,948	2,534,831	81.09	404,498	12.94	186,619	5.97
2007	1.00	4,348,859	3,299,393	75.87	873,005	20.07	176,461	4.06
2006	1.00	2,860,410	2,474,541	86.51	200,229	7.00	185,641	6.49
2005	1.00	2,730,228	2,308,681	84.56	254,184	9.31	167,363	6.13
2004	1.00	2,378,792	2,010,079	84.50	210,047	8.83	158,665	6.67
2003	1.00	2,960,636	2,273,472	76.79	508,637	17.18	178,526	6.03
2002	1.00	2,293,233	1,965,071	85.69	159,380	6.95	168,782	7.36

(1) Accrual Basis

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



City of Orrville, Ohio
Income Tax Filers by Income Level
Tax Years 2011 and 2002

Tax Year 2011

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

Tax Year 2002

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	79	6.99 %	\$23,035,114	49.46 %
75,001-100,000	39	3.45	3,419,381	7.34
50,001-75,000	109	9.65	6,551,473	14.06
25,000-50,000	231	20.44	8,310,654	17.84
Under 25,000	672	59.47	5,263,833	11.30
Total	<u>1,130</u>	<u>100%</u>	<u>\$46,580,455</u>	<u>100%</u>

Source: City Income Tax Department

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

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

Type of Customer:	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Residential	\$6,651,550	\$6,399,821	\$5,818,091	\$6,483,030	\$5,752,018	\$5,309,598	\$5,455,605	\$4,676,994	\$4,457,499	\$4,611,187
Industrial (1)	12,768,572	11,256,053	9,208,190	14,909,191	13,379,497	16,079,431	14,621,760	12,550,867	10,716,879	9,150,554
Commercial	6,919,881	6,569,498	6,089,237	7,133,605	6,091,331	5,001,317	4,930,071	4,196,891	4,141,717	3,989,364
Government	273,197	222,776	189,372	254,540	237,427	215,914	213,455	190,590	193,479	213,754
Total	\$26,613,199	\$24,448,148	\$21,304,890	\$28,780,366	\$25,460,273	\$26,606,260	\$25,220,891	\$21,615,342	\$19,509,574	\$17,964,859

(1) Industrial sales were higher in 2006 due to a larger amount of wholesale electric sold to other utilities.

Source: City Records

City of Orrville, Ohio
Principal Electric Customers
 2011 and 2002

<i>2011</i>		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
Quality Castings Company	\$3,991,975	15.00 %
J M Smucker Company	1,984,139	7.47
Bekaert - Formerly Contours	1,952,468	7.34
Smith Dairy	1,336,745	5.02
Marshallville Corporation	562,638	2.11
JLG	487,459	1.83
Will-Burt	455,302	1.71
Orrvilon	346,640	1.30
Aultman Orrville Hospital	337,859	1.27
Buehlers	216,334	0.81
Total	\$11,671,559	43.86 %
Total Electric Charges for Services	\$26,613,199	
<i>2002</i>		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
Quality Castings Company	\$1,990,006	11.09 %
J M Smucker Company	1,029,684	5.73
Technocast	1,052,064	5.86
Smith Dairy	773,313	4.30
Contours	634,260	3.53
Marshallville Corporation	379,755	2.11
JLG	294,067	1.64
WillBurt	253,875	1.41
Caraustar	165,180	0.92
Wayne College	145,996	0.81
Total	\$6,718,200	37.40 %
Total Electric Charges for Services	\$17,964,859	

Source: City Records

City of Orrville, Ohio

Electric Rates Per Month

Last Ten Years

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Residential:			
First 50 KWH	\$6.4300	\$6.4300	\$6.4300
Next 250 KWH - per KWH	0.0633	0.0633	0.0633
Next 750 KWH - per KWH	0.0565	0.0565	0.0565
All Over 1050 KWH - per KWH	0.0506	0.0506	0.0506
General Service:			
Small:			
Minimum Charge	9.6600	9.6600	9.6600
First 100 KWH - per KWH	0.0965	0.0965	0.0965
Next 200 KWH - per KWH	0.0753	0.0753	0.0753
All Over 300 KWH - per KWH	0.0642	0.0642	0.0642
Medium (per KVA):			
Minimum Charge - per KVA	1.7600	1.7600	1.7600
First 60 KWH Block - per KWH	0.1053	0.1053	0.1053
Second 60 KWH Block - per KWH	0.0812	0.0812	0.0812
Third 80 KWH Block - per KWH	0.0565	0.0565	0.0565
Fourth 100 KWH Block - per KWH	0.0490	0.0490	0.0490
All Over 300 KWH - per KWH	0.0434	0.0434	0.0434
Large (per KVA):			
Minimum Charge - per KVA	1.6200	1.6200	1.6200
First 50 KWH Block - per KWH	0.1014	0.1014	0.1014
Second 50 KWH Block - per KWH	0.0614	0.0614	0.0614
Over 100 KWH Block but not Exceeding 100,000 KWH - per KWH	0.0452	0.0452	0.0452
All Over Sum of Prior Amounts - per KWH	0.0403	0.0403	0.0403
Industrial (per KVA):			
Minimum Charge - per KVA	3.2000	3.2000	3.2000
First 30 KWH Block - per KWH	0.1254	0.1254	0.1254
Second 170 KWH Block per KVA:			
2,000 KWH - per KWH	0.0805	0.0805	0.0805
8,000 KWH - per KWH	0.0684	0.0684	0.0684
90,000 KWH - per KWH	0.0565	0.0565	0.0565
Over 100,000 KWH - per KWH	0.0441	0.0441	0.0441
Third Block Over 200,000 KWH - per KWH	0.0370	0.0370	0.0370
All Over Sum of Prior Amounts - per KWH	0.0362	0.0362	0.0362

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

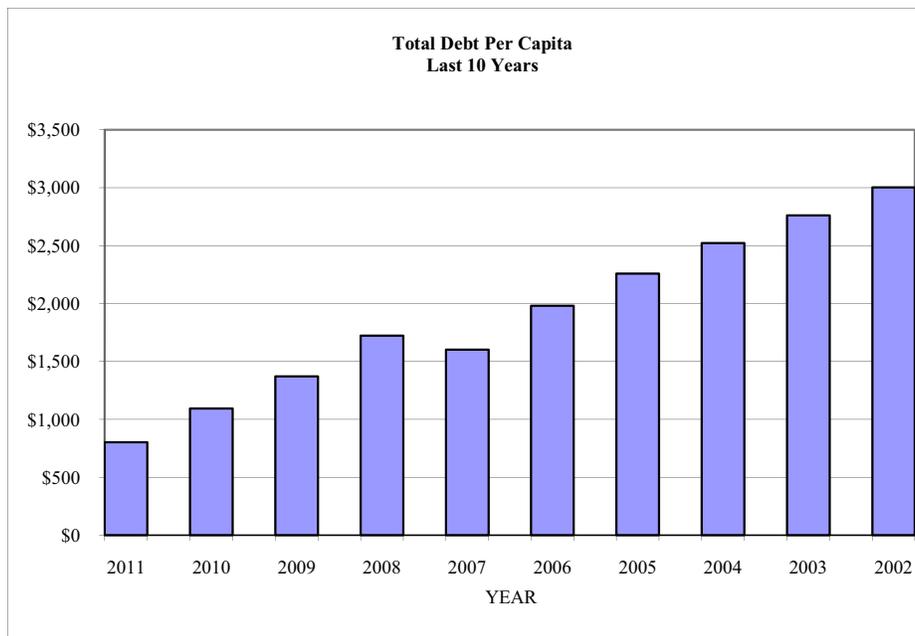
Source: City Records

2008	2007	2006	2005	2004	2003	2002
\$6.4300	\$6.4300	\$6.4300	\$6.3700	\$6.1300	\$6.1300	\$6.1300
0.0633	0.0633	0.0633	0.0627	0.0603	0.0603	0.0603
0.0565	0.0565	0.0565	0.0559	0.0537	0.0537	0.0537
0.0506	0.0506	0.0506	0.0501	0.0481	0.0481	0.0481
9.6600	9.6600	9.6600	9.5600	9.1900	9.1900	9.1900
0.0965	0.0965	0.0965	0.0955	0.0918	0.0918	0.0918
0.0753	0.0753	0.0753	0.0746	0.0717	0.0717	0.0717
0.0642	0.0642	0.0642	0.0636	0.0612	0.0612	0.0612
1.7600	1.7600	1.7600	1.7400	1.6800	1.6800	1.6800
0.1053	0.1053	0.1053	0.1043	0.1003	0.1003	0.1003
0.0812	0.0812	0.0812	0.0804	0.0773	0.0773	0.0773
0.0565	0.0565	0.0565	0.0559	0.0537	0.0537	0.0537
0.0490	0.0490	0.0490	0.0485	0.0466	0.0466	0.0466
0.0434	0.0434	0.0434	0.0430	0.0414	0.0414	0.0414
1.6200	1.6200	1.6200	1.6000	1.5400	1.5400	1.5400
0.1014	0.1014	0.1014	0.1004	0.0965	0.0965	0.0965
0.0614	0.0614	0.0614	0.0608	0.0584	0.0584	0.0584
0.0452	0.0452	0.0452	0.0448	0.0430	0.0430	0.0430
0.0403	0.0403	0.0403	0.0399	0.0383	0.0383	0.0383
3.2000	3.2000	3.2000	3.1700	3.0500	3.0500	3.0500
0.1254	0.1254	0.1254	0.0124	0.1194	0.1194	0.1194
0.0805	0.0805	0.0805	0.0797	0.0766	0.0766	0.0766
0.0684	0.0684	0.0684	0.0677	0.0651	0.0651	0.0651
0.0565	0.0565	0.0565	0.0559	0.0537	0.0537	0.0537
0.0441	0.0441	0.0441	0.0437	0.0420	0.0420	0.0420
0.0370	0.0370	0.0370	0.0366	0.0352	0.0352	0.0352
0.0362	0.0362	0.0362	0.0358	0.0344	0.0344	0.0344

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

Year	Governmental Activities		Business-Type	
	Special Assessment Bonds	Notes	Revenue Bonds	Mortgage Revenue Bonds
2011	\$35,040	\$1,400,000	\$3,806,822	\$0
2010	52,460	2,770,000	4,260,654	0
2009	68,410	3,170,000	4,694,486	1,777,103
2008	82,920	3,570,000	5,108,318	3,498,722
2007	98,790	0	5,507,150	5,072,004
2006	113,178	0	5,890,982	8,130,290
2005	127,119	0	6,264,814	9,563,576
2004	139,637	0	6,623,646	10,941,862
2003	151,766	0	6,977,478	12,255,148
2002	154,190	0	7,321,310	13,503,434

Note: Population and Personal Income data are presented on page S27.



Activities

<u>OWDA Loans</u>	<u>OPWC Loans</u>	<u>Total Debt</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$537,207	\$947,262	\$6,726,331	3.93%	\$803
1,046,999	1,029,372	9,159,485	6.27	1,093
1,477,014	1,111,482	12,298,495	7.87	1,370
1,889,701	1,193,592	15,343,253	9.63	1,722
2,285,881	1,264,868	14,228,693	10.60	1,601
2,666,132	725,311	17,525,893	11.37	1,981
3,031,009	785,754	19,772,272	12.97	2,259
3,381,049	846,197	21,932,391	14.48	2,522
3,716,768	906,639	24,007,799	15.85	2,761
4,039,068	967,082	25,985,084	17.23	3,002

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City of Orrville, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
 December 31, 2011

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Orrville			
Special Assessment Bonds	\$35,040	100.00 %	\$35,040
Overlapping			
Orrville City School District			
General Obligation Bonds	16,697,848	80.39	13,423,400
School Facilities Construction and Improvement Note	937,000	80.39	753,254
Capital Lease	12,358,323	80.39	9,934,856
Wayne County			
General Obligation Bonds	7,666,000	8.74	670,008
OPWC Loan	179,154	8.74	15,658
<i>Total Overlapping Debt</i>	<u>37,838,325</u>		<u>24,797,177</u>
Total	<u><u>\$37,873,365</u></u>		<u><u>\$24,832,217</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

Legal Debt Margin

Last Ten Years

	2011	2010	2009	2008
Total Assessed Property Value	<u>\$166,803,490</u>	<u>\$165,160,006</u>	<u>\$165,434,340</u>	<u>\$172,083,580</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>17,514,366</u>	<u>17,341,801</u>	<u>17,370,606</u>	<u>18,068,776</u>
Debt Outstanding:				
Revenue Bonds	\$4,095,000	\$4,590,000	\$5,065,000	\$5,520,000
Mortgage Revenue Bonds	0	0	1,805,000	3,530,000
Special Assessment Bonds	35,040	52,460	68,410	82,920
Bond Anticipation Notes	1,400,000	2,770,000	3,170,000	3,570,000
OPWC Loans	947,262	1,029,372	1,111,482	1,193,592
OWDA Loans	<u>537,207</u>	<u>1,046,999</u>	<u>1,539,055</u>	<u>2,013,783</u>
Total Gross Indebtedness	7,014,509	9,488,831	12,758,947	15,910,295
Less:				
Revenue Bonds	(4,095,000)	(4,590,000)	(5,065,000)	(5,520,000)
Mortgage Revenue Bonds	0	0	(1,805,000)	(3,530,000)
Special Assessment Bonds	(35,040)	(52,460)	(68,410)	(82,920)
Bond Anticipation Notes	(1,400,000)	(2,770,000)	(3,170,000)	(3,570,000)
OPWC Loans	(947,262)	(1,029,372)	(1,111,482)	(1,193,592)
OWDA Loans	<u>(537,207)</u>	<u>(1,046,999)</u>	<u>(1,539,055)</u>	<u>(2,013,783)</u>
Total Net Debt Applicable to Debt Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$17,514,366</u>	<u>\$17,341,801</u>	<u>\$17,370,606</u>	<u>\$18,068,776</u>
Legal Debt Margin as a Percentage of the Debt Limit	100%	100%	100%	100%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$9,174,192</u>	<u>\$9,083,800</u>	<u>\$9,098,889</u>	<u>\$9,464,597</u>
Total Gross Indebtedness	7,014,509	9,488,831	12,758,947	15,910,295
Less:				
Revenue Bonds	(4,095,000)	(4,590,000)	(5,065,000)	(5,520,000)
Mortgage Revenue Bonds	0	0	(1,805,000)	(3,530,000)
Special Assessment Bonds	(35,040)	(52,460)	(68,410)	(82,920)
Bond Anticipation Notes	(1,400,000)	(2,770,000)	(3,170,000)	(3,570,000)
OPWC Loans	(947,262)	(1,029,372)	(1,111,482)	(1,193,592)
OWDA Loans	<u>(537,207)</u>	<u>(1,046,999)</u>	<u>(1,539,055)</u>	<u>(2,013,783)</u>
Net Debt Within 5 ½ % Limitations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$9,174,192</u>	<u>\$9,083,800</u>	<u>\$9,098,889</u>	<u>\$9,464,597</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%

Source: City Financial Records

2007	2006	2005	2004	2003	2002
<u>\$172,706,200</u>	<u>\$179,868,790</u>	<u>\$174,782,986</u>	<u>\$175,391,238</u>	<u>\$186,133,520</u>	<u>\$173,436,672</u>
<u>18,134,151</u>	<u>18,886,223</u>	<u>18,352,214</u>	<u>18,416,080</u>	<u>19,544,020</u>	<u>18,210,851</u>
\$5,960,000	\$6,385,000	\$6,800,000	\$7,200,000	\$7,595,000	\$7,980,000
5,165,000	8,285,000	9,780,000	11,220,000	12,595,000	13,905,000
98,790	113,178	127,119	139,637	151,766	154,190
2,180,000	700,000	800,000	900,000	1,000,000	1,100,000
1,264,868	725,311	785,754	846,197	906,639	967,082
<u>2,472,004</u>	<u>2,914,296</u>	<u>3,341,214</u>	<u>3,753,295</u>	<u>4,151,055</u>	<u>4,535,396</u>
17,140,662	19,122,785	21,634,087	24,059,129	26,399,460	28,641,668
(5,960,000)	(6,385,000)	(6,800,000)	(7,200,000)	(7,595,000)	(7,980,000)
(5,165,000)	(8,285,000)	(9,780,000)	(11,220,000)	(12,595,000)	(13,905,000)
(98,790)	(113,178)	(127,119)	(139,637)	(151,766)	(154,190)
(2,180,000)	(700,000)	(800,000)	(900,000)	(1,000,000)	(1,100,000)
(1,264,868)	(725,311)	(785,754)	(846,197)	(906,639)	(967,082)
<u>(2,472,004)</u>	<u>(2,914,296)</u>	<u>(3,341,214)</u>	<u>(3,753,295)</u>	<u>(4,151,055)</u>	<u>(4,535,396)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$18,134,151</u>	<u>\$18,886,223</u>	<u>\$18,352,214</u>	<u>\$18,416,080</u>	<u>\$19,544,020</u>	<u>\$18,210,851</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>\$9,498,841</u>	<u>\$9,892,783</u>	<u>\$9,613,064</u>	<u>\$9,646,518</u>	<u>\$10,237,344</u>	<u>\$9,539,017</u>
17,140,662	19,122,785	21,634,087	24,059,129	26,399,460	28,641,668
(5,960,000)	(6,385,000)	(6,800,000)	(7,200,000)	(7,595,000)	(7,980,000)
(5,165,000)	(8,285,000)	(9,780,000)	(11,220,000)	(12,595,000)	(13,905,000)
(98,790)	(113,178)	(127,119)	(139,637)	(151,766)	(154,190)
(2,180,000)	(700,000)	(800,000)	(900,000)	(1,000,000)	(1,100,000)
(1,264,868)	(725,311)	(785,754)	(846,197)	(906,639)	(967,082)
<u>(2,472,004)</u>	<u>(2,914,296)</u>	<u>(3,341,214)</u>	<u>(3,753,295)</u>	<u>(4,151,055)</u>	<u>(4,535,396)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$9,498,841</u>	<u>\$9,892,783</u>	<u>\$9,613,064</u>	<u>\$9,646,518</u>	<u>\$10,237,344</u>	<u>\$9,539,017</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

City of Orrville, Ohio
Pledged Revenue Coverage
Electric System Mortgage Revenue Bonds
Last Eight Years (1)

Year	Electric Operating Revenues (2)	Electric Operating Expenses (3)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2009	\$23,313,294	\$20,332,367	\$2,980,927	\$1,725,000	\$170,765	1.57
2008	30,708,593	21,569,146	9,139,447	1,635,000	213,349	4.94
2007	27,683,413	22,730,769	4,952,644	3,120,000	358,983	1.42
2006	28,346,534	22,920,021	5,426,513	1,495,000	399,691	2.86
2005	26,694,430	22,803,540	3,890,890	1,440,000	327,995	2.20
2004	23,254,909	20,148,363	3,106,546	1,375,000	640,384	1.54
2003	20,852,917	19,022,457	1,830,460	1,310,000	544,252	0.99
2002	19,538,733	17,566,833	1,971,900	1,260,000	740,121	0.99

- (1) The electric system mortgage revenue bonds were paid in full in 2010.
- (2) Operating revenues include transfers in and interest revenue, in accordance with the bond indenture agreements.
- (3) Operating expenses do not include depreciation.

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

Water						
Year	Water Operating Revenues (2)	Water Operating Expenses (3)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2011	\$2,841,526	\$1,617,014	\$1,224,512	\$577,110	\$202,930	1.57
2010	2,983,759	1,346,924	1,636,835	557,110	221,930	2.10
2009	2,721,322	2,035,920	685,402	537,110	135,466	1.02
2008	3,241,088	1,622,561	1,618,527	511,276	200,191	2.27
2007	3,363,974	1,670,713	1,693,261	485,443	221,712	2.39
2006	3,090,791	1,741,923	1,348,868	475,443	242,379	1.88
2005	2,694,596	1,390,760	1,303,836	460,443	259,292	1.81
2004	2,590,025	1,619,417	970,608	455,442	304,307	1.28
2003	2,459,971	1,484,096	975,875	445,443	298,947	1.31
2002	2,454,413	1,931,137	523,276	323,737	272,061	0.88
Sewer						
Year	Sewer Operating Revenues (2)	Sewer Operating Expenses (3)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2011	\$2,044,338	\$1,477,147	\$567,191	\$509,792	\$32,975	1.04
2010	2,133,390	1,405,974	727,416	492,056	50,711	1.34
2009	1,961,833	1,309,116	652,717	474,728	68,039	1.20
2008	2,202,452	1,369,875	832,577	458,221	84,545	1.53
2007	2,169,523	1,483,668	685,855	442,292	100,476	1.26
2006	2,219,958	1,284,094	935,864	426,918	115,849	1.72
2005	2,114,431	1,175,672	938,759	412,081	130,685	1.73
2004	1,965,223	1,266,850	698,373	397,760	145,008	1.29
2003	1,967,270	1,185,668	781,602	384,341	158,426	1.44
2002	2,029,871	1,191,048	838,823	370,602	172,165	1.55

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

(2) Operating Revenues include transfers in and interest revenue, in accordance with the bond indenture agreements.

(3) Operating expenses do not include depreciation.

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

2011	
Employer	Employees
J.M. Smucker Company	1,394
JLG, Incorporated	366
Quality Castings Company	322
Smith Dairy Products Company	302
Will-Burt Company, Incorporated	294
Aultman Orrville Hospital	217
Orrville City Schools	204
Contours Bekaert, Incorporated	204
City of Orrville/Orrville Utilities (1)	146
Scott Industries	135
Total	<u>3,584</u>
Total Employment within the City	<u>n/a</u>

2002	
Employer	Employees
J.M. Smucker Company	600
Quality Castings Company	350
Smith Dairy Products Company	350
Contours, Incorporated	250
Will-Burt Company, Incorporated	200
University of Akron - Wayne College	200
Rosemount Analytical	186
Dunlap Hospital	175
Orrville City Schools	170
City of Orrville/Orrville Utilities (1)	156
Total	<u>2,637</u>
Total Employment within the City	<u>n/a</u>

Source: Wayne County, Ohio: County Auditor

n/a - Information not available

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

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

Year	Population (1)	Total Personal Income (4)	Personal Income Per Capita (2)	Median Household Income (2)	Median Age (2)	Wayne County Unemployment Rate (3)
2011	8,380	\$170,952,000	\$20,400	\$39,565	40.1	6.6%
2010	8,380	170,952,000	20,400	39,565	40.1	9.4
2009	8,975	156,335,525	17,419	36,500	35.5	10.5
2008	8,908	155,168,452	17,419	36,500	35.5	5.6
2007	8,886	154,785,234	17,419	36,500	35.5	5.0
2006	8,847	154,105,893	17,419	36,500	35.5	4.5
2005	8,751	152,433,669	17,419	36,500	35.5	5.0
2004	8,695	151,458,205	17,419	36,500	35.5	5.3
2003	8,695	151,458,205	17,419	36,500	35.5	5.1
2002	8,656	150,778,864	17,419	36,500	35.5	4.9

(1) Sources:

(a) Years 2010 through 2011 - 2010 Federal Census

(b) Years 2002 through 2009 - Orrville Safety Service Department Estimates

(2) Source: U.S. Census Bureau

(a) Years 2010 - 2011 - 2010 Federal Census

(b) Years 2002 - 2009 - 2000 Federal Census

(3) U.S. Bureau of Labor Statistics

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

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

Function/Program	2011	2010	2009	2008
General Government				
City Council	9.00	9.00	9.00	9.00
Finance	4.00	4.00	4.00	4.00
Tax	1.00	1.00	1.00	1.00
Law	1.00	1.00	1.00	1.00
Administration	19.00	19.00	18.00	19.00
Custodial	2.00	2.00	2.00	2.00
Civil Service	3.00	3.00	3.00	3.00
Utility Board	5.00	5.00	5.00	5.00
Security of Persons and Property				
Police	15.00	15.00	15.00	16.00
Police - Dispatchers	6.00	6.00	7.00	7.00
School Crossing Guards	4.00	4.00	4.00	5.00
Fire	41.00	39.00	37.00	39.00
Community Development				
Economic Development	1.00	1.00	1.00	1.00
Transportation				
Street, Park & Cemetery	15.00	15.00	16.00	16.00
Basic Utility Services				
Electric - Meter Readers	1.00	1.00	3.00	3.00
Electric - Operations	19.00	18.00	18.00	18.00
Electric - Maintenance	26.00	25.00	25.00	24.00
Electric - Distribution	20.00	21.00	21.00	21.00
Electric - Fiber Optics	3.00	3.00	3.00	3.00
Water - Operations	6.00	6.00	6.00	8.00
Water - Maintenance	3.00	3.00	3.00	4.00
Sewer - Operations	7.00	7.00	8.00	9.00
Sewer - Maintenance	1.00	1.00	1.00	2.00
Totals:	<u>212.00</u>	<u>209.00</u>	<u>211.00</u>	<u>220.00</u>

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

2007	2006	2005	2004	2003	2002
9.00	9.00	9.00	9.00	9.00	9.00
4.00	4.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
19.00	21.00	19.00	19.00	21.00	22.00
2.00	2.00	2.00	2.00	2.00	2.00
3.00	3.00	3.00	3.00	3.00	3.00
5.00	5.00	5.00	5.00	5.00	5.00
14.00	17.00	17.00	16.00	16.00	18.00
7.00	5.00	5.00	5.00	5.00	6.00
5.00	4.00	4.00	5.00	5.00	4.00
38.00	39.00	32.00	33.00	44.00	33.00
1.00	1.00	1.00	1.00	1.00	1.00
17.00	15.00	16.00	16.00	18.00	19.00
3.00	3.00	3.00	3.00	2.00	3.00
18.00	18.00	18.00	19.00	20.00	18.00
26.00	25.00	24.00	24.00	25.00	28.00
20.00	19.00	19.00	21.00	20.00	22.00
3.00	3.00	3.00	3.00	3.00	3.00
8.00	8.00	8.00	8.00	7.00	7.00
5.00	3.00	3.00	3.00	3.00	4.00
7.00	7.00	7.00	7.00	7.00	7.00
3.00	3.00	2.00	2.00	2.00	2.00
<u>219.00</u>	<u>216.00</u>	<u>206.00</u>	<u>210.00</u>	<u>224.00</u>	<u>222.00</u>

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

Function/Program	2011	2010	2009	2008
General Government				
<i>Council and Clerk</i>				
Number of Ordinances Passed	10	14	19	20
Number of Resolutions Passed	50	39	49	65
Number of Planning Commission docket items	38	39	41	44
Zoning Board of Appeals docket items	8	8	10	7
<i>Finance Department</i>				
Number of checks/ vouchers issued	5,154	5,206	5,756	5,746
Amount of checks written	\$35,806,210	\$34,575,112	\$43,032,027	\$52,403,383
Interest earnings for fiscal year (cash basis)	\$150,653	\$241,517	\$511,210	\$848,247
Number of Receipts issued	2,025	2,028	2,101	1,944
Number of Journal Entries issued	608	638	683	687
Number of Budget Adjustments issued	4	1	4	2
<i>Income Tax Department</i>				
Number of Individual Returns (1)	3,418	3,375	2,875	3,504
Number of Business Returns	576	560	560	520
Number of business withholding accounts	544	528	532	408
Amount of Penalties and Interest Collected	\$831	\$745	\$61	\$34
Annual number of Corporate withholding forms processed	2,705	2,748	2,694	2,627
Annual number of balance due statements forms processed	454	232	371	286
Annual number of estimated payment forms processed	558	586	630	634
Annual number of reconciliations of withholdings processed	579	549	567	531
<i>Civil Service</i>				
Number of police entry tests administered	0	1	0	1
Number of police promotional tests administered	0	0	0	2
Number of hires of Police Officers from certified lists	1	0	0	2
Number of promotions from police certified lists	0	0	0	1
<i>Building Department Indicators</i>				
New Construction Permits Issued	45	43	99	53
Estimated Value of Construction	\$19,536,492	\$60,218,940	\$31,299,126	\$16,792,395
Number of permits issued	129	111	160	113
Amount of Revenue generated from permits	\$3,905	\$2,805	\$4,335	\$2,783
Security of Persons and Property				
<i>Police</i>				
Total Calls for Services	N/A	N/A	N/A	N/A
Number of traffic citations issued	1,335	1,043	1,282	740
Number of parking citations issued	N/A	N/A	N/A	N/A
Number of criminal arrests	319	378	450	359
Number of accident reports completed	177	227	182	226
Part I Offenses (major offenses)	197	188	181	229
DUI Arrests	42	50	90	43
Motor Vehicle Accidents	177	227	182	226
<i>Fire</i>				
EMS Calls	418	395	341	435
Ambulance Billing Collections (net)	\$108,209	\$97,951	\$75,286	\$73,658
Fire Calls	235	116	172	104
Fires with Loss	16	26	18	22
Fire Losses	\$1,775,425	\$106,570	\$858,650	\$632,450
Fire Safety Inspections	80	42	42	52
Number of times Mutual Aid given to Fire and EMS	41	42	31	32
Number of times Mutual Aid received for Fire and EMS	11	8	9	13
Public Health and Welfare				
Cemetery burials	67	67	65	82
Cemetery sale of lots	56	33	42	66
Cemetery receipts	\$46,217	\$51,425	\$46,351	\$67,911

2007	2006	2005	2004	2003	2002
22	64	54	40	45	57
76	16	22	17	26	17
51	67	62	55	56	69
6	10	10	12	10	19
5,810	5,568	5,398	5,404	5,297	5,370
\$49,109,112	\$48,792,992	\$73,789,581	\$53,607,377	\$81,763,807	\$147,562,726
\$1,162,009	\$976,168	\$583,131	\$270,030	\$310,961	\$1,474,219
1,815	1,824	1,837	1,865	1,912	1,920
653	616	560	739	801	790
8	3	5	5	0	2
1,065	1,089	1,084	1,148	1,118	1,168
509	494	439	434	486	476
489	448	467	464	452	447
\$123	\$125	\$315	\$267	\$212	\$295
2,109	1,973	1,858	1,856	1,833	1,773
49	34	40	28	45	51
594	611	643	641	639	646
493	486	431	501	517	492
1	0	1	0	0	0
0	1	1	0	0	0
1	0	1	0	0	0
0	2	0	0	0	0
54	96	65	72	83	93
\$15,170,164	\$30,392,960	\$9,503,390	\$11,745,253	\$10,704,259	\$12,990,827
166	173	182	163	164	164
\$3,290	\$4,972	\$5,195	\$5,164	\$5,461	\$3,019
N/A	N/A	N/A	9,928	10,841	10,240
705	1,839	1,903	1,018	1,021	852
N/A	N/A	N/A	117	175	98
320	361	316	445	489	514
225	197	231	205	239	249
247	258	236	218	211	269
42	53	36	54	72	48
225	197	231	205	239	249
353	326	302	277	231	275
\$101,496	\$63,970	\$63,927	\$56,548	\$42,435	\$46,866
219	144	154	178	160	171
19	37	50	52	68	51
\$496,560	\$143,400	\$366,000	\$130,000	\$1,354,464	\$214,400
68	60	48	47	60	31
37	31	39	42	35	54
6	7	8	5	4	3
70	64	86	79	79	79
79	25	27	47	17	41
\$78,112	\$45,236	\$56,711	\$63,104	\$50,633	\$68,482

(continued)

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

Function/Program	2011	2010	2009	2008
Leisure Time Activities				
<i>Recreation</i>				
Recreation Swimming pool receipts	\$49,136	\$46,041	\$39,459	\$44,964
Economic Development				
Grant amounts received due to Economic Development Dept.	\$261,941	\$547,956	\$1,217,337	\$1,171,324
Basic Utility Services				
Refuse disposal per year (in tons)	2,845	2,963	2,881	3,106
Refuse disposal costs per year	\$413,744	\$404,635	\$443,454	\$423,010
Annual recycling tonnage (excluding leaf, and compost items)	452	462	374	329
Percentage of waste recycled	13.70%	13.60%	11.48%	11.86%
Transportation				
Street Improvements - asphalt overlay (linear feet)	11,045	15,475	14,604	5,020
Street Repair (Curbs, aprons, berms, asphalt) (hours)	1,176	2,589	1,916	1,949
Paint Striping (hours)	3	132	222	351
Street Sweeper (hours)	354	278	306	279
Cold Patch (hours)	213	177	189	22
Snow & Ice Removal regular hours	613	853	784	788
Snow & Ice Removal overtime hours	436	385	504	454
Sewer Crew (hours)	710	1,239	1,293	1,707
Sewer jet, Vac-all, other services (hours)	333	331	444	187
Landscaping Stump-Chipper service (hours)	1,369	1,032	1,255	1,608
Leaf collection (hours)	1,286	937	918	756
Holiday lights setup (hours)	94	90	85	64
Equipment repair/body shop (hours)	1,137	1,359	1,256	933
Sign department (hours)	382	162	318	378
Number of Trees Planted per year	2	40	40	31
Tons of snow melting salt purchased (Nov-Mar)	1,089	1,290	600	475
Cost of salt purchased	\$56,601	\$66,656	\$55,725	\$31,327
Vehicle repair/body shop (hours)	1,975	1,986	2,249	2,107
Water Department				
Water Rates per 1st 100 Cu ft of water used	\$2.71	\$2.71	\$2.71	\$2.71
Avg. number of water accounts billed monthly (Cu. Ft.)	109,594	100,193	73,120	107,405
Total Water Collections Annually (Including P&I)	\$2,819,716	\$2,831,193	\$2,734,271	\$3,049,297
Sewer Department				
Sewer Rates per 1st 100 Cu ft of water used	\$2.64	\$2.64	\$2.64	\$2.64
Total flow of sewer treatment plant (Billions of Gallons)	0.850	0.730	0.686	0.785
Average daily flow (Millions of gallons per day)	2.330	2.000	1.880	2.150
Tons of dry sludge removed	181	186	222	369

Source: City Records

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

2007	2006	2005	2004	2003	2002
\$41,963	\$42,854	\$49,730	\$37,947	\$41,751	\$51,722
\$1,350,126	\$292,053	\$344,679	\$581,799	\$1,183,125	\$365,825
3,229	2,966	3,108	3,835	3,391	3,126
\$306,670	\$299,057	\$282,402	\$280,861	\$273,066	\$271,458
368	334	364	393	345	384
11.39%	11.30%	11.70%	10.33%	10.00%	13.00%
15,797	500	610	761	827	691
2,463	1,210	1,058	692	481	423
340	247	347	256	169	558
471	340	207	376	382	485
66	243	343	290	426	274
707	109	216	481	155	90
386	48	359	53	248	158
815	1,269	768	1,317	1,312	1,972
142	307	88	79	421	469
1,099	183	N/A	N/A	N/A	N/A
933	803	684	621	544	684
66	50	47	22	46	66
808	1,110	788	1,061	884	921
173	157	85	67	393	257
27	117	73	93	73	80
332	305	1,154	835	350	1,416
\$13,334	\$11,236	\$24,348	\$19,475	\$8,636	\$22,702
1,821	1,765	1,574	1,374	1,219	1,596
\$2.71	\$2.63	\$2.56	\$2.48	\$2.41	\$2.34
103,533	204,347	224,383	112,465	105,356	101,650
\$2,973,543	\$2,902,394	\$2,681,687	\$2,541,640	\$2,433,893	\$2,465,341
\$2.64	\$2.64	\$2.64	\$2.64	\$2.64	\$2.64
0.795	0.777	0.717	0.790	0.743	0.639
2.163	2.130	2.040	2.250	2.110	1.750
338	178	395	377	133	334

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

Function/Program	2011	2010	2009	2008
General Government				
Square Footage Occupied	71,554	71,554	71,554	71,554
Administrative Vehicles	4	4	4	4
Inspection Vehicles	1	1	1	1
Police				
Stations	1	1	1	1
Square Footage of Building	11,700	11,700	11,700	11,700
Vehicles	10	10	10	9
Fire				
Stations	2	2	2	2
Square Footage of Building	10,900	10,900	10,900	10,900
Vehicles	12	12	12	12
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)	47	47	47	46
Storm Sewers (miles)	151	151	151	150
Service Vehicles	23	22	22	22
Sewer Department				
Sanitary Sewers (miles)	42	42	42	42
Vehicles	6	6	6	7
Water Department				
Water Lines (miles)	61	61	61	57
Vehicles	10	10	10	12
Electric Department				
Electric Lines (miles)	300	300	300	300
Vehicles	24	24	24	23

Source: City Records

2007	2006	2005	2004	2003	2002
71,554	71,554	71,554	71,554	71,554	71,554
4	4	4	3	3	3
1	1	1	1	1	1
1	1	1	1	1	1
11,700	11,700	11,700	11,700	11,700	11,700
9	9	9	9	9	9
2	2	2	2	2	2
10,900	10,900	10,900	10,900	10,900	10,900
12	12	12	12	11	11
6	6	6	6	6	6
1	1	1	1	1	1
6	6	6	6	6	6
7	7	7	7	7	7
1	1	1	1	1	1
46	46	46	46	46	46
150	150	150	150	150	150
22	22	22	22	22	22
42	42	42	42	42	42
7	7	7	7	7	7
57	57	57	57	57	57
12	12	12	12	12	12
300	260	260	260	260	260
23	23	23	23	23	23

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City of Orrville

Mayor

David T. Handwerk

City Council President

Lyle Baker

City Council Members

Ricardo Aspiras

Rich Corfman

Mike Hamsher

Julia Leathers

Denny Miller

Arthur Shupp

Paul Vance

Public Utility Board President

Brad Strausbaugh

Public Utility Board Members

Gary Gossard

Robert Maglio

Jon McGuire

Russell Miller

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Dave Yost • Auditor of State

CITY OF ORRVILLE

WAYNE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 17, 2012