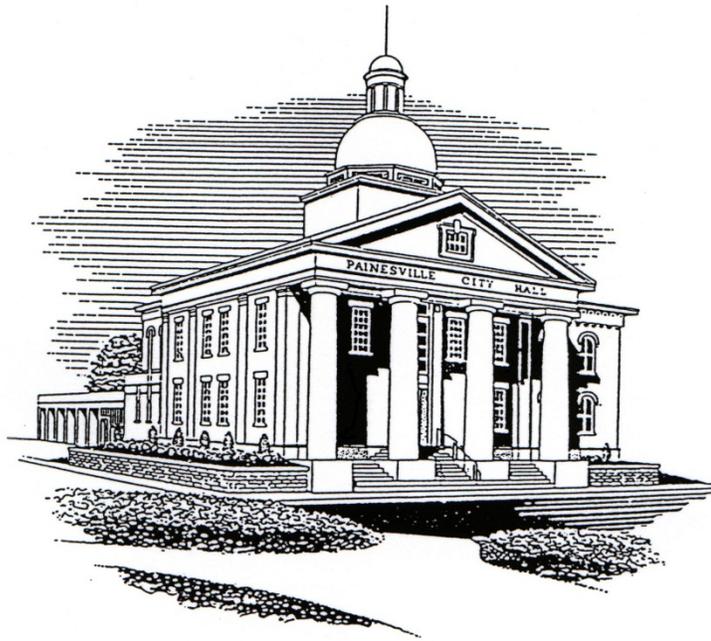
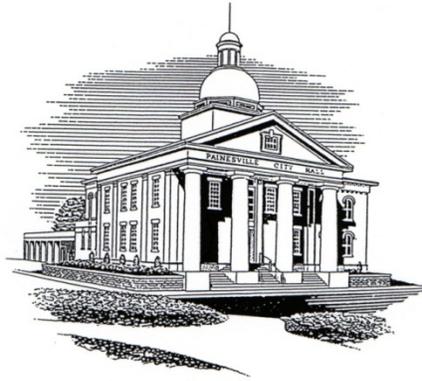


CITY OF PAINESVILLE, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2015



Lake County, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2015

Prepared by the Finance Department

Andrew A. Unetic
Director



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LAKE COUNTY, OHIO

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INTRODUCTORY SECTION





7 Richmond Street • P.O. Box 601 • Painesville, Ohio 44077 • 440.352.9301 • www.painesville.com

June 29, 2016

Honorable Members of Painesville City Council and
The Citizens of the City of Painesville, Ohio:

We are pleased to present this Comprehensive Annual Financial Report for the City of Painesville, Ohio for the fiscal year ended December 31, 2015. This report has been prepared in conformity with Generally Accepted Accounting Principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

INTRODUCTION

While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Painesville to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data, as presented, is accurate in all material respects, is presented in a manner designed to fairly set forth the financial position and results of operations of the City, and includes all disclosures necessary to enable the reader to gain an understanding of the City's financial activity.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The City of Painesville's MD&A can be found immediately following the report of the independent auditors.

The Reporting Entity

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (the "GASB") Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations Are Component Units"* and GASB Statement No. 61, *"The Financial Reporting Entity; Omnibus"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

***Letter of Transmittal
For the Year Ended December 31, 2015***

Based on the foregoing, the reporting entity of the City has no component units but includes the following services as authorized by its charter: public safety (police and fire), culture and recreation (parks and recreation), community environment (planning, zoning and community development), basic utility (water, electric, sanitation, public parking, wastewater pollution control and storm water), highways and streets (street and highway maintenance), and general government.

Certain organizations, although sharing some degree of name similarity with the City, are separate and distinct entities, not only from the City, but also from each other. The City is not financially accountable for these entities. Due to their independent nature, the following organizations are not part of the City of Painesville's reporting entity and are excluded from the City's financial statements:

The Painesville City Local School District and Riverside Local School District (the "Districts") are distinct governmental entities, independent of the City and one another. The members of boards of the Districts are elected by the voters. The Districts each represent a body both political and corporate and the City is not financially accountable for the Districts.

Painesville Township is a separate and distinct political subdivision governed by a Board of Trustees elected by the residents of the township. The City is not financially accountable for this legally separate organization.

The History of the City

The City of Painesville was incorporated as a town on February 11, 1832, reclassified as an incorporated village in 1852 and became a city in 1903. The City became a home rule municipal corporation operating under the laws of the State of Ohio in 1962. The City's current Charter has been amended four times since its original adoption. The State Constitution prevails when conflicts exist between the Charter and the Constitution and in matters where the Charter is silent. The City's Charter can only be amended by a majority of the City's voters.

Painesville is located approximately 35 miles east of the City of Cleveland in northeastern Ohio. It is the county seat for Lake County and is the fourth largest city, based upon population, within the County. According to the 2010 Census, Painesville is the 87th largest city in the State. Some of the City's major transportation arteries include State Routes 2, 44, 84 and 86, U. S. Highway 20 and Interstate Highway I-90. Lake Erie College, a private four-year college with an enrollment of approximately 1,100, is located near the center of the City.

The Management

The Council-Manager form of government is established by the Charter. The legislative power of the City is vested in a Council of seven members who are elected on a non-partisan basis for a term of four years. Four of the members are elected from wards and their current terms began on January 1, 2016; the remaining members are elected At-Large and their current term expires on December 31, 2017. The chief executive power of the City is vested in the City Manager who is appointed by the City Council. The Director of Finance and Law Director, as well as other administrative directors, are appointed by the City Manager, with the affirmation of City Council.

***Letter of Transmittal
For the Year Ended December 31, 2015***

The Painesville Municipal Court provides judicial services for the City of Painesville. The jurisdiction of the court, as established by the Ohio Revised Code, encompasses the east side of Lake County. The Court serves the following communities: Concord Township, Fairport Harbor Village, Grand River Village, Leroy Township, Madison Township, Madison Village, North Perry Village, Painesville Township, Perry Township and Perry Village.

Services Provided

As authorized by its Charter and codified ordinances, the City provides a full range of municipal services that include police and fire protection, emergency medical service, street construction, maintenance and repair, recreation and cultural activities, cemeteries, municipal court, community development, economic development, public improvements, planning and general administrative services. The City does not operate hospitals or schools, nor is it responsible for public assistance programs.

The City also operates seven enterprise activities: a water system, sanitary sewer system, storm water system, electric system, refuse, off-street parking facilities and a community program activity. These activities are accounted for in separate enterprise funds. Enterprise funds are used to account for operations financed and operated in a manner similar to private business enterprises. The intent of the City is that the costs of providing the goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The City's enterprise activities are not subject to rate review or determination by the Public Utilities Commission of Ohio or any similar regulatory body. The City's Council has the necessary authority to establish and amend appropriate user rates as required. The rates are monitored on an on-going basis to ensure their adequacy. Responsibility for the frequency and amount of rate change lies solely with the City Council.

The Organization

The municipal government consists of four chartered departments and one office. Four departments were also created at the direction of City Council. A director who is appointed by and reports directly to the City Manager heads each department. All directors work closely with the City Manager in providing the citizens of Painesville with the highest quality of services while maintaining efficiency and cost effectiveness.

The *Department of Public Safety* consists of two divisions: Police Division and Fire Division. The Police Division enforces local, state, and federal laws in addition to protecting citizens and their property. Most recently, the division has taken a more community oriented policing approach that has met with great success. Numerous programs are offered to citizens. The division is headed by the Police Chief. The Police Division is located in a separate section of City Hall. The Fire Division provides fire protection and emergency medical services to citizens, as well as placing strong emphasis on community involvement and education. The Fire Chief heads the division. A Fire Prevention unit focuses on the reduction of potential fires and loss of property within the City. The fire station is a separate section of City Hall.

***Letter of Transmittal
For the Year Ended December 31, 2015***

The Department of Public Service is comprised of three divisions and two enterprise activities administered by a director. The Public Works Division is responsible for the maintenance of all City vehicles, all non-contractual street repairs, snow and ice removal, leaf and yard waste pick-up and maintenance of storm and sanitary sewers. The Parking Division is in charge of installation, removal, maintenance of the City parking meters including collection and deposit of all monies from the meters. This division is also responsible for striping, cleaning and plowing snow from off-street parking areas. The Traffic Division consists of the fabrication and installation of regulatory, warning and informational signage within the City. This division is also responsible for the striping of traffic lanes, edge lines and parking stalls on the City streets. The enterprise functions within the Department of Public Service consist of the general operational maintenance of the parking garage (Off-Street Parking) and a storm water utility. The Off-Street Parking operation is sustained through a user-fee for hourly and monthly parkers as well as merchant validations for surrounding businesses. The Storm Water Division is responsible for the management and monitoring of the general maintenance of the storm water system of the City. This division is also responsible for providing long-range planning for the infrastructure improvements for the overall system. The operation of the Storm Water Utility is a part of the Public Works Division.

The Department of Finance is responsible for the accurate recording of all receipts and disbursements. The department also maintains the capital asset system. The department compiles the Annual Budget, and prepares the Comprehensive Annual Financial Report for residents, and assists the City Manager in all financial decisions.

The Department of Law advises Council, the City Manager, and all departments on legal matters concerning the City. The department prepares or reviews all contracts, legislation, and legal documents.

The City Manager's Office was established to ensure that the policies of City Council are followed and implemented by all of the City employees. There are several functions managed and maintained under the umbrella of this office. Community and public relations is managed through this office for the entire City. The retention, expansion and attraction of businesses to the City of Painesville are coordinated through the Economic Development activities in this office. The information technology management and maintenance is coordinated through this department.

The four departments created by City Council are the Recreation and Public Lands Department, the Human Resources Department, the Community Development Department, and the Department of Utilities. These departments are outlined below:

The Recreation and Public Lands Department provides numerous courses and programs throughout the year. This department provides a diverse range of leisure activities and services to improve the quality of life within the community. The Division of Parks within this department maintains the publicly owned parks and facilities of the City. The Cemetery Division is a non-profit enterprise activity that provides for the daily operation and maintenance of eighty-four acres of cemetery properties and their amenities.

***Letter of Transmittal
For the Year Ended December 31, 2015***

The Human Resources Department furnishes consistent and timely guidance to management and employees in all human resource functions including retirement, employee enhancement, employee orientation, development and training and labor relations. This department ensures compliance with established policies and procedures, labor contracts and employment laws. The department also handles all personnel matters, including health insurance.

The Community Development Department is responsible for implementing plans and programs that promote the comprehensive and orderly development of the City. The department works in conjunction with the Planning Commission and the Board of Zoning. This department is responsible for interpreting and enforcing all building codes in the City. The department issues permits and citations, conducts site inspections, and licenses all contractors. This department was reorganized in 2006 to include the engineering function. The engineering division must ensure that all contractors working in Painesville meet the general engineering requirements of the City. Engineering controls the review and implementation of plans and programs relating to the City's infrastructure.

The Department of Utilities consists of three divisions that are individually operated utility systems—Water, Water Pollution Control, and Electric. The Water Division consists of the plant and a water distribution system. The Water Division provides the highest quality service in a timely, safe and reliable manner to its customers. The Water Pollution Control Division consists of the wastewater treatment plant. The collection and transmission is maintained by the Department of Public Services as noted above. The goal of this division is to efficiently operate and maintain the wastewater treatment facility. The Electric Division consists of the plant and an electric distribution system. The Electric Division provides adequate, reliable and economical power to its customers in an efficient and professional manner.

Basis of Accounting

The basis of accounting used by the City is in conformity with GAAP as applicable to governmental units and is consistent with GASB Section 1600, "Basis of Accounting," except for accounting used for budgetary purposes. All governmental funds are accounted for using a flow of current financial resources measurement focus. The modified accrual basis of accounting is utilized for the governmental funds. Revenues are recognized when they are susceptible to accrual, both measurable and available. Expenditures are recognized when the related liability is incurred, except for the interest on long-term debt which is recorded when due.

The measurement focus for the City's proprietary and private-purpose trust funds is on "economic resources." All assets, liabilities, and deferred outflows/inflows of resources associated with the operation of these funds are included on the balance sheet. The accrual basis of accounting is used for the proprietary and private-purpose trust funds. Under the accrual basis of accounting, revenues are recognized when earned and expenses when they are incurred.

***Letter of Transmittal
For the Year Ended December 31, 2015***

The City's basis of accounting for budgetary purposes differs from GAAP in that revenues are recognized when received, rather than when susceptible to accrual. In addition, encumbrances are recorded as expenditures on the budgetary basis of accounting. A reconciliation of the results of these two methods appears in Note 1.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

The primary focus of the Office of Economic Development in 2015 was business retention during the tough economic recovery. With continued great uncertainty in the US economy, there was some positive feedback we began to see from local businesses in our manufacturing sector. At the same time, however, our commercial, retail and office sectors were still struggling to return to previous year's profits. In an effort to gain perspective on the conditions within our community we conducted several one-on-one company visits.

Painesville City remains a progressive and pro-business community and we have established many programs that enable us to work on business attraction, retention and expansion on a regular basis. These programs include the Synchronist program which enables us to collect valuable data on each of our largest employers to ascertain potential moves in climate and change within their industry and local operations. The Key Accounts and Direct Connections program through AMP, Inc. also provides us a one to one communication point on a technical basis with these largest employers as well as our largest energy users on an annual basis. The Office of Economic Development also meets with local business owners and managers monthly to identify resources and sources to aid their future business growth.

Some of the new and exciting things taking place at this time include the redevelopment of an 8 acre parcel in our downtown district and a new downtown master plan. These plans are a great compliment to our new downtown Streetscape Plan which was completed in 2016. In addition we took down the former hotel site to open this area of the downtown for new development opportunities as well.

We continue to work on our 2010 – 2015 Economic Development Strategic Plan designed to enhance our abilities to grow our local businesses here within the community to further new private investments.

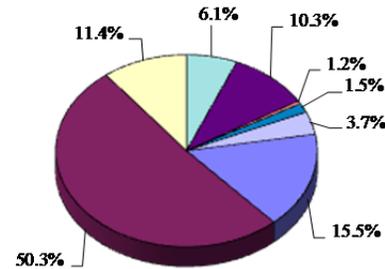
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***Letter of Transmittal
For the Year Ended December 31, 2015***

Local Business

The City of Painesville has 600 businesses which employ approximately 6,529 workers in all sectors of the economy. The percentage of businesses by sector breakdown is as follows:

<u>Sector</u>	<u>Businesses</u>	<u>Percentage of Total</u>
Retail	92	15.5%
Service	300	50.3%
Manufacturing	68	11.4%
Construction	36	6.1%
Finance, Insurance and Real Estate	61	10.3%
Other	7	1.2%
Wholesale	9	1.5%
Government	22	3.7%
Total	595	100.00%



The largest business sector of the City is the Service sector at 50.3% of all businesses in the City of Painesville. The remainder of the business composite is Retail at 15.5%, Manufacturing at 11.4%, Finance, Insurance and Real Estate at 10.3%, Construction at 6.1%, Government at 3.7% and Wholesale and Others at 2.7%.

The primary focus of the Office of Economic Development in 2015 was business retention and downtown redevelopment. With continued great uncertainty in the US economy, there was great uncertainty for the effects it may create on business overall in the region. We are now also focusing new efforts on attracting new customers, attracting new industry and business and continuing our business retention and expansion efforts.

This past year the Economic Development Office worked closely with and offered proposals on several leads on industrial investment in 2015 and the beginning of this year. This continues to be a good year for industrial investment and interest in industrial land has increased due to less industrial building inventory on the market. So we have put much of our resources into reevaluating our incentives for new construction and industrial investment.

The retention efforts of the department over the past year have been aggressive towards our existing industry and helping them determine where potential opportunities and cost saving measures could be obtained. We worked with several to identify key energy savings and worked closely with the Lake County Port Authority to try and identify re-financing and alternative creative financing solutions on new equipment that would enable them to gain new work contracts replacing customers they may have lost due to the economic downturn.

***Letter of Transmittal
For the Year Ended December 31, 2015***

Business Growth

The business growth in the City of Painesville is a direct result of the Economic Development Office's focus on business retention, expansion and attraction. The office continues to aggressively work to attract commercial, retail and manufacturing companies into various citywide developments including a business center and a business parkway. In addition to marketing those developments the City continues its focus on the Ohio Main Street Approach to economic restructuring for the downtown retail and commercial district.

Business connections and communication are also very important to the City of Painesville. Efforts have been placed on the State of the City, Bath Tub Race, Art in the Park, Taste of Painesville, and the Farmers Market. In addition, we publish our section of the City's newsletter "Speaking of Painesville" which is sent to each city business. This newsletter details new projects, new businesses and other on-going community events that are focused around the Painesville Business Community.

MAJOR INITIATIVES

Current Year Projects

The Citywide goals are the primary factor used in making determinations of the appropriateness of increased expenditures in any given budget year. The mission of the City of Painesville, City Council and City employees is to enhance and improve the quality of life and growth in the community by providing the highest level of service in an efficient and cost effective manner. In 2015, the City continued to uphold that mission by expanding and improving services, upgrading and constructing infrastructure, and enhancing public grounds and facilities.

During the year, vehicles were acquired by the Fire, Public Works, Engineering, Utilities Office, Water, and Electric Departments to enhance the overall operational effectiveness and readiness of the City. To maintain the public safety, the Police Department purchased three new patrol cars.

Public Works entered into its eleventh year of an intensive sanitary sewer maintenance program. Public Works along with the Department of Recreation and Public Lands maintains most City vehicles (with basic maintenance) resulting in a substantial savings to the City. In 2014 the City began receiving the funds from the new road levy. This road levy will allow the City to do some much needed repairs on the City roads.

In 2015, the City budgeted slightly less than \$2,000,000 for road paving projects that were paid for with General Fund monies, road levy monies, and several grants the City received.

The Water Department continues to replace water mains on several streets throughout the City and in communities outside the City that the City provides water to. The Water Department also made various improvements to the plant to make it more efficient and improve its technology. The Water Pollution Control Division made various improvements to the plants infrastructure as well as improving the plant's technology.

In 2015, the Electric Department had several capital projects to increase the plant's efficiency and improve the plant's technology. The Electric Department also made several improvements to the electric distribution system to make it more reliable.

***Letter of Transmittal
For the Year Ended December 31, 2015***

Future Projects

In 2016, the Water Department will begin construction on a new water intake line in Lake Erie that will cost approximately \$15,000,000. This new water in-take line will provide the consumers of Painesville Water with uninterrupted raw water and reduce the danger of the harmful algae blooms in the lake. The City is financing this project through a 20 year interest free loan through the EPA and will pay off the loan through the Water Department's Water Infrastructure fee, which generates \$1.2 million annually.

Public Works department will be purchasing several pieces of equipment to assist them with maintaining and repairing the roads. The City will also be repaving several roads in 2016.

In 2016, the electric plant will have several capital projects that will increase the efficiency and reliability of the Electric Department.

The City also will be spending close to \$3,000,000 on various storm water projects in 2016, which will alleviate flooding issues throughout the City.

MANAGEMENT PRACTICES

Internal Control

Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The Finance Department is committed to strengthening internal controls to assure the safeguarding of assets and to provide reasonable assurance that all financial transactions are properly recorded. A capital asset software system allows for detailed reporting and analysis. On an annual basis, the individual departments perform an inventory of their assets. These inventories are given to the Finance Department to assure accuracy and accountability. An independent appraisal is also done periodically to value and ensure the existence of capital assets within the City.

Budgetary System

Detailed provisions for the City's budget, tax levies, and appropriations are set forth in the Ohio Revised Code and in the City Charter. With the assistance of the Finance Director, the City Manager may submit to Council, a temporary appropriation ordinance to control expenditures for passage on or about January 1 of each year for the period January 1 through March 31. By charter, the City Manager must submit an annual appropriation ordinance, for the period January 1 through December 31, to City Council by March 31 of each year.

The primary level of budgetary control is at the program level (general government, public safety, highways and streets, public health and welfare, culture and recreation and community environment) and within each program at the level of personal services, certain other expenditures, capital outlay and transfers as required by Ohio law.

***Letter of Transmittal
For the Year Ended December 31, 2015***

The City maintains budgetary control on a cash basis by department for personal services, materials and supplies, other services and charges, utilities, other operating charges, capital outlay, debt service, and other financing uses. Estimated expenditure amounts must be encumbered prior to release of purchase orders to vendors or finalization of other contracts. Encumbrances which would exceed the available appropriation level are identified on an ongoing basis and are not approved or recorded until City Council authorizes additional appropriations or transfers. Unencumbered appropriations lapse at the end of each calendar year. As an additional control over expenditures, the City's Purchasing Policy requires that all contracts in excess of \$50,000 shall be authorized and directed by ordinance of City Council.

The City compiles its Annual Budget in document form. The budget presents anticipated revenues and expenditures by fund and department by category with additional supporting documentation that explains the budgetary process and individual departmental goals. The budget is submitted to the Government Finance Officers Association (GFOA) and has received the Distinguished Budget Presentation Award for the last fifteen consecutive years.

Accounting System

The City uses automated governmental accounting software developed and licensed by Civica CMI, Inc. This software controls budgetary accounting, payroll, utility billing, and capital assets. In 2003 the Finance Department purchased a new mainframe computer and updated software on all modules by September 2004.

The City's accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Generally accepted accounting principles determine the type of funds used. Prudent financial administration determines the number of individual funds established.

The City maintains records on a cash basis for all fund types. After year-end closing, adjusting entries are prepared for the various funds to convert the cash/budgetary basis records to the modified accrual basis of accounting for all governmental fund types and to the accrual basis of accounting for the proprietary fund types. The fund statements are then converted to entity-wide financial statements, and classified as either governmental or business-type activities, using the accrual basis of accounting. Modified accrual basis accounting requires that revenues be recognized when both measurable and available. Expenditures are recorded as fund liabilities when incurred, except for interest on long-term debt which is recorded when due. The accrual basis of accounting recognizes revenues when earned and expenses when incurred. A more detailed explanation of the basis of accounting for the various funds is included in the Notes to the Basic Financial Statements, located in the Financial Section of this report.

***Letter of Transmittal
For the Year Ended December 31, 2015***

OTHER INFORMATION

Independent Audit

Under federal law, the City is required to have an audit performed every year. The State of Ohio Auditor's Office performed the 2015 audit. The independent auditor's unmodified report has been included in this report. The Administration plans to continue this audit procedure as required by law as part of the preparation of its CAFR. The annual audit and management letter submitted by the independent auditor provides information to the City to enable it to maintain and strengthen the City's accounting and budgeting controls.

Awards

A Certificate of Achievement for Excellence in Financial Reporting was awarded to the City of Painesville, Ohio for its Comprehensive Annual Financial Report for the year ended December 31, 2014. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement represents a significant accomplishment by a governmental unit.

A Certificate of Achievement is valid for a period of one year. Painesville has received a Certificate of Achievement for the last twenty-eight consecutive years, fiscal years ended 1987 – 2014. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting the report to the GFOA to determine its eligibility for another certificate.

The Government Finance Officers Association of the United States and Canada (GFOA) also awarded the City with the Distinguished Budget Presentation Award. The GFOA established the Distinguished Budget Presentation Awards Program to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's recommended practices on budgeting and then to recognize individual governments that succeed in achieving that goal. The City of Painesville has received this award for fifteen consecutive years from 2001 – 2015.

Public Disclosure

The publication of this Comprehensive Annual Financial Report is indicative of the City's commitment to provide significantly enhanced financial information and accountability to its citizens. In addition to the citizens of Painesville, the recipients of this report include city, state and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization requesting it. The extensive effort to prepare and distribute this report is indicative of the continued efforts of the City to improve its overall financial accounting, management and reporting capabilities.

***Letter of Transmittal
For the Year Ended December 31, 2015***

Acknowledgements

We would like to thank the staff and extend special recognition to all members of the Finance Department and related departments within the City who assisted with the preparation of the Comprehensive Annual Financial Report and annual independent audit.

Special thanks are also due to Donald J. Schonhardt, President, Donald J. Schonhardt & Associates, Inc., Columbus, Ohio, and the members of his staff for their efforts in converting the City's budgetary basis accounting records to the generally accepted accounting principles (GAAP) basis. In addition, we would like to express appreciation to the State Auditors, for their assistance and review during this project.

In closing, without the leadership and support of the Painesville City Council, preparation of this report would not have been possible.

Sincerely,



Anthony J. Carson, Jr.
City Manager



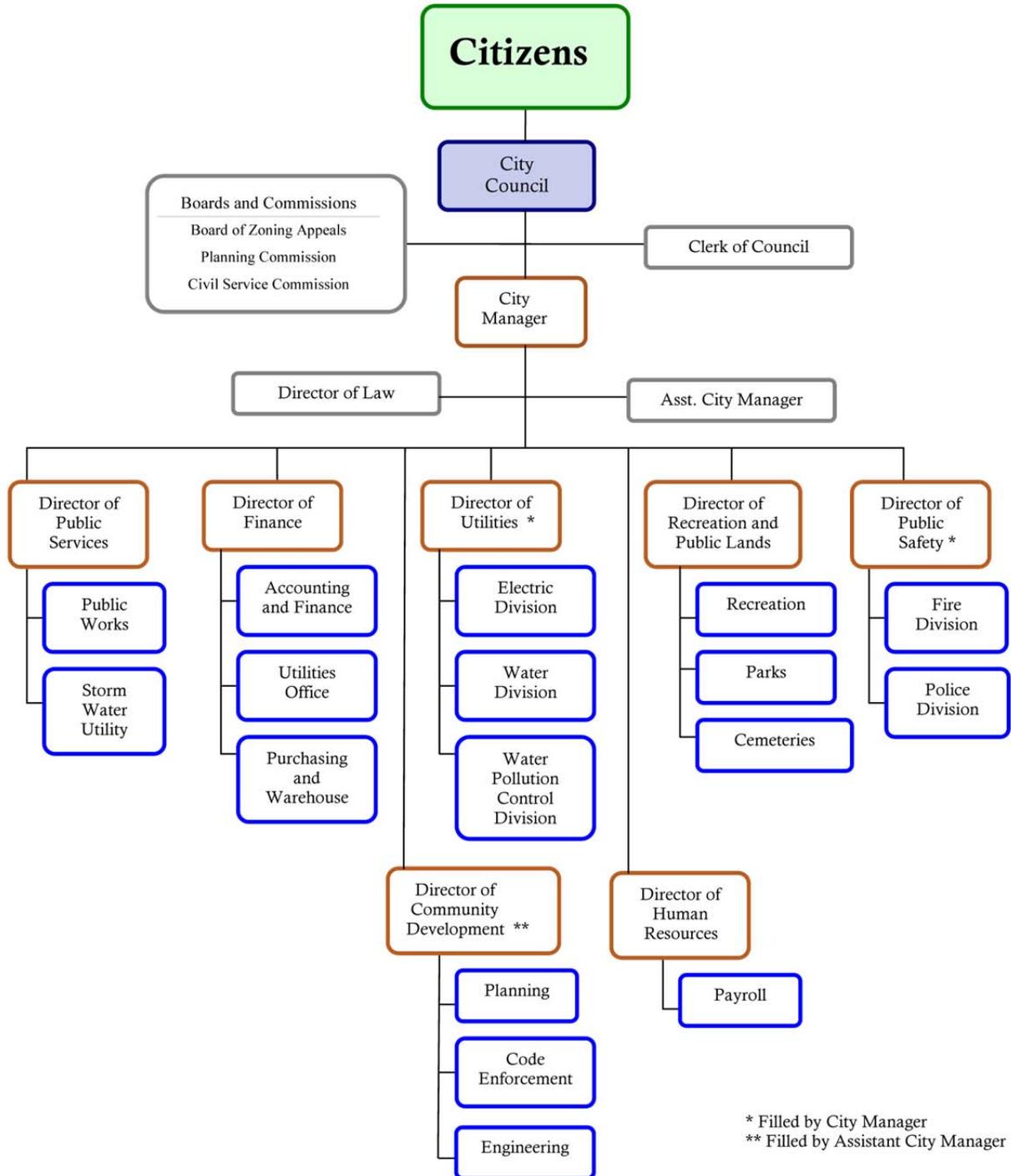
Andrew A. Unetic
Director of Finance

CITY OF PAINESVILLE, OHIO

**List of Principal Officials
For the Year Ended December 31, 2015**

Name	Title	Years of Municipal/Governmental Service			
		Position	City	Other Municipal/ Governmental Service	Total Public Service
CITY COUNCIL					
Paul W. Hach II	President (Ward 4)	2.0	12.0	0.0	12.0
Lori Dinallo	Vice President (at Large)	2.0	6.0	2.0	8.0
Tom Fitzgerald	Council Member (at Large)	2.0	2.0	0.0	2.0
Jim Fodor	Council Member (at Large)	6.0	6.0	0.0	6.0
Andrew Flock	Council Member (Ward 1)	20.5	20.5	0.0	20.5
Katie Jenkins	Council Member (Ward 2)	4.0	4.0	9.0	13.0
Mike DeLeone	Council Member (Ward 3)	4.0	4.0	13.0	17.0
Tara Diehl	Clerk of Council	2.4	2.4	6.8	9.2
CITY ADMINISTRATION					
Anthony Carson	City Manager	2.5	2.5	17.0	19.5
Doug Lewis	Assistant City Manager	7.6	7.6	13.0	20.6
Andrew A. Unetic	Director of Finance	8.1	8.1	14.1	22.2
Joseph M. Gurley	Director of Law	28.0	35.3	15.3	50.6
DEPARTMENT/DIVISION HEADS					
Brian Belfiore	Service Director	2.0	9.9	0.0	9.9
Leanne Exum	City Engineer	1.5	1.5	0.0	1.5
Jeffrey McHugh	Electric Power Superintendent	3.3	3.3	33.0	36.3
Randy Bruback	Water Pollution Control Superintendent	13.8	13.8	16.0	29.8
Mark Mlachak	Fire Chief	13.3	34.3	0.0	34.3
Anthony Powalie	Chief of Police	1.5	18.7	7.0	25.7
George Ginnis	Water Supt./Public Serv. Executive Dir.	2.0	4.7	19.9	24.6
Michelle LaPuma	Director of Recreation and Public Lands	0.3	3.2	0.0	3.2
Lynn White	City Planner	1.0	23.5	0.0	23.5

**City Organizational Chart
For the Year Ended December 31, 2015**





Government Finance Officers Association

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

Presented to

**City of Painesville
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014



Executive Director/CEO



FINANCIAL SECTION





Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of Painesville
Lake County
7 Richmond Street
Painesville, Ohio 44077

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Painesville, Lake County, Ohio (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Painesville, Lake County, Ohio, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Street Construction, Maintenance and Repair Fund, and Shamrock Business Center TIF Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended December 31, 2015, the City adopted Governmental Accounting Standard Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules 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, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

June 29, 2016



***Management's Discussion and Analysis
For the Year Ended December 31, 2015***

Unaudited

The discussion and analysis of the City of Painesville's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2015. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2015 are as follows:

- ❑ In total, net position increased \$3,461,049. Net position of governmental activities increased \$3,722,657, which represents a 10% increase from 2014. Net position of business-type activities decreased \$261,608, or less than 1% from 2014.
- ❑ General revenues accounted for \$13,256,178 in revenue, or 24% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$41,029,354, or 76% of total revenues of \$54,285,532.
- ❑ The City had \$15,785,534 in expenses related to governmental activities; only \$5,412,770 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$13,256,178 were adequate to fully provide for these programs.
- ❑ Among major funds, the general fund had \$13,645,786 in revenues, including other financing sources and \$13,024,651 in expenditures, including other financing uses. The general fund's fund balance increased \$621,135.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *Pension required supplemental information*, and an optional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the basic financial statements and provide more detailed data. The statements are followed by a section of supplementary information that further explains and supports the information in the financial statements.

Government-Wide Financial Statements

The government-wide statements report information about the City as a whole using accepted methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, liabilities, and deferred outflows/inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net-position is one way to measure the City's financial health.

- Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets.

The government-wide financial statements of the City are divided into two categories:

- Governmental Activities – Most of the City's programs and services are reported here including general government, public safety, highways and streets, public health and welfare, culture and recreation, community environment, interest and fiscal charges, and other expenses.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water, sewer, electric, refuse, off-street parking, storm water and community program services are reported as business-type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance governmental programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

CITY OF PAINESVILLE, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2015**

Unaudited

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a comparison of the City's net position at December 31, 2015 and 2014:

	Governmental Activities		Business-type Activities		Total	
	Restated		Restated			
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$21,713,352	\$19,365,108	\$32,119,477	\$32,418,945	\$53,832,829	\$51,784,053
Capital Assets, Net	46,960,259	45,490,279	63,522,208	63,788,596	110,482,467	109,278,875
Total Assets	68,673,611	64,855,387	95,641,685	96,207,541	164,315,296	161,062,928
Deferred Outflows of Resources	1,789,169	1,153,602	1,355,384	919,800	3,144,553	2,073,402
Net Pension Liability	13,029,863	12,336,302	7,795,383	7,596,402	20,825,246	19,932,704
Long-Term Liabilities	14,051,963	14,722,426	10,959,348	11,654,677	25,011,311	26,377,103
Other Liabilities	1,566,338	1,060,232	3,505,047	3,000,897	5,071,385	4,061,129
Total Liabilities	28,648,164	28,118,960	22,259,778	22,251,976	50,907,942	50,370,936
Deferred Inflows of Resources	2,385,132	2,183,202	123,534	0	2,508,666	2,183,202
Net Position						
Net Investment in Capital Assets	35,636,534	33,584,837	54,770,683	54,456,010	90,407,217	88,040,847
Restricted	7,102,200	6,309,396	0	0	7,102,200	6,309,396
Unrestricted	(3,309,250)	(4,187,406)	19,843,074	20,419,355	16,533,824	16,231,949
Total Net Position	\$39,429,484	\$35,706,827	\$74,613,757	\$74,875,365	\$114,043,241	\$110,582,192

During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions— an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

***Management's Discussion and Analysis
For the Year Ended December 31, 2015***

Unaudited

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014. The net pension liability reduced beginning of year net position by \$11,182,700 in governmental activities and \$6,676,602 in business-type activities.

CITY OF PAINESVILLE, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2015**

Unaudited

Change in Net Position – The following table shows the change in net position for 2015 and 2014:

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues:						
Charges for Services and Sales	\$2,948,180	\$2,852,778	\$35,554,909	\$36,546,295	\$38,503,089	\$39,399,073
Operating Grants and Contributions	921,812	876,783	3,136	128,071	924,948	1,004,854
Capital Grants and Contributions	1,542,778	1,659,154	58,539	146	1,601,317	1,659,300
Total Program Revenues	5,412,770	5,388,715	35,616,584	36,674,512	41,029,354	42,063,227
General Revenues:						
Property Taxes	2,215,786	1,966,322	0	0	2,215,786	1,966,322
Municipal Income Taxes	9,190,538	7,900,150	0	0	9,190,538	7,900,150
Intergovernmental, Unrestricted	881,985	847,630	0	0	881,985	847,630
Investment Earnings	318,260	177,819	0	0	318,260	177,819
Miscellaneous	649,609	284,727	0	0	649,609	284,727
Total General Revenues	13,256,178	11,176,648	0	0	13,256,178	11,176,648
Total Revenues	18,668,948	16,565,363	35,616,584	36,674,512	54,285,532	53,239,875
Program Expenses						
General Government	3,848,049	3,921,566	0	0	3,848,049	3,921,566
Public Safety	7,172,546	6,752,510	0	0	7,172,546	6,752,510
Highways and Streets	3,189,101	2,637,941	0	0	3,189,101	2,637,941
Public Health and Welfare	491,545	488,651	0	0	491,545	488,651
Culture and Recreation	666,284	618,468	0	0	666,284	618,468
Community Environment	114,791	105,322	0	0	114,791	105,322
Interest and Fiscal Charges	303,218	318,637	0	0	303,218	318,637
Water	0	0	5,542,369	6,117,078	5,542,369	6,117,078
Sewer	0	0	4,257,321	4,387,215	4,257,321	4,387,215
Electric	0	0	24,875,586	24,835,860	24,875,586	24,835,860
Refuse	0	0	2,967	2,250	2,967	2,250
Off-Street Parking	0	0	127,751	117,292	127,751	117,292
Storm Water Utility	0	0	188,244	248,916	188,244	248,916
Community Programs	0	0	44,711	41,282	44,711	41,282
Total Expenses	15,785,534	14,843,095	35,038,949	35,749,893	50,824,483	50,592,988
Excess (Deficiency) Before Transfers	2,883,414	1,722,268	577,635	924,619	3,461,049	2,646,887
Transfers	839,243	1,118,310	(839,243)	(1,118,310)	0	0
Total Change in Net Position	3,722,657	2,840,578	(261,608)	(193,691)	3,461,049	2,646,887
Beginning Net Position - Restated	35,706,827	NA	74,875,365	NA	110,582,192	NA
Ending Net Position - Restated	\$39,429,484	\$35,706,827	\$74,613,757	\$74,875,365	\$114,043,241	\$110,582,192

***Management's Discussion and Analysis
For the Year Ended December 31, 2015***

Unaudited

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$1,153,602 for Governmental Activities and \$919,800 for Business-type Activities computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$1,303,879 for Governmental Activities and \$833,956 for Business-type Activities.

Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities	Business-type Activities
Total 2015 program expenses under GASB 68	\$15,785,534	\$35,038,949
Pension expense under GASB 68	(1,303,879)	(833,956)
2015 contractually required contribution	1,202,539	947,025
Adjusted 2015 program expenses	15,684,194	35,152,018
Total 2014 program expenses under GASB 27	14,843,095	35,749,893
Change in program expenses not related to pension	\$841,099	(\$597,875)

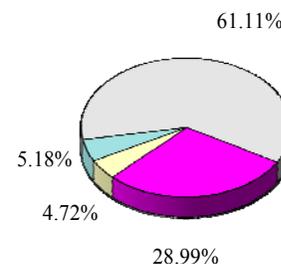
Governmental Activities

Net position of the City's governmental activities increased \$3,722,657. A significant increase in income tax collections can be attributed to the collection of approximately \$700,000 in delinquent income taxes and penalties from a corporation. An increase in property taxes can be attributed to additional tax increment revenues, which was due to new development in the tax increment area. An increase in public safety expense can be attributed to an increase in wage costs, due to raises and additional overtime.

The City also receives an income tax, which is based on 2.0% of all salaries, wages, commissions and other compensation and on net profits earned from residents living within the City and businesses operating in the City.

Taxes made up 61% of revenues for governmental activities in 2015. The City's reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2015	Percent of Total
Taxes	\$11,406,324	61.11%
Program Revenues	5,412,770	28.99%
Intergovernmental, Unrestricted	881,985	4.72%
General Other	967,869	5.18%
Total Revenue	\$18,668,948	100.00%



**Management's Discussion and Analysis
For the Year Ended December 31, 2015**

Unaudited

Business-Type Activities

Net position of the business-type activities decreased \$261,608. A decrease in charges for services can be attributed to a decrease in electric charges, which was the result of decreased consumption caused by a mild winter. A decrease in expenses can mostly be attributed to decreases in supplies and contractual costs in the Water and Storm Water Utility Funds.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$16,616,732, which is an increase from last year's balance of \$14,882,671. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2015 and 2014:

	Fund Balance December 31, 2015	Fund Balance December 31, 2014	Increase (Decrease)
General	\$8,185,745	\$7,564,610	\$621,135
Street Construction, Maintenance and Repair	1,972,522	1,623,233	349,289
Shamrock Business Center TIF	1,391,174	1,184,121	207,053
Other Governmental	5,067,291	4,510,707	556,584
Total	\$16,616,732	\$14,882,671	\$1,734,061

General Fund – The City's General Fund balance change is due to many factors. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2015 Revenues	2014 Revenues	Increase (Decrease)
Property Taxes	\$362,308	\$360,959	\$1,349
Municipal Income Taxes	9,190,538	7,900,150	1,290,388
Intergovernmental Revenues	874,510	831,379	43,131
Charges for Services	58,389	45,755	12,634
Licenses, Permits and Inspection Fees	551,881	476,660	75,221
Investment Earnings	373,102	147,069	226,033
Fines and Forfeitures	934,467	1,019,718	(85,251)
All Other Revenue	395,310	415,830	(20,520)
Total	\$12,740,505	\$11,197,520	\$1,542,985

General Fund revenues in 2015 increased approximately 14% when compared to 2014 revenues. A significant increase in income tax collections can be attributed to the collection of approximately \$700,000 in delinquent income taxes and penalties from a corporation.

CITY OF PAINESVILLE, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2015**

Unaudited

	2015 Expenditures	2014 Expenditures	Increase (Decrease)
Current:			
General Government	\$3,272,588	\$3,339,470	(\$66,882)
Public Safety	5,908,447	5,813,330	95,117
Highways and Streets	727,207	692,760	34,447
Public Health and Welfare	121,058	121,064	(6)
Culture and Recreation	634,046	574,406	59,640
Community Environment	112,913	113,556	(643)
Debt Service:			
Principal Retirement	59,604	67,592	(7,988)
Interest and Fiscal Charges	12,788	8,204	4,584
Total	<u>\$10,848,651</u>	<u>\$10,730,382</u>	<u>\$118,269</u>

General Fund expenditures remained consistent with the previous year, increasing \$118,269, or approximately 1% from the prior year.

Street Construction, Maintenance and Repair Fund – The Street Construction, Maintenance and Repair Fund reported an increase in fund balance of \$349,289, or 22%. In 2015 Ohio Department of Transportation grants were received for the Main Street and Erie Street improvement projects.

Shamrock Business Center TIF Fund – The Shamrock Business Center TIF Fund reported an increase in fund balance of \$207,053, or 17%. An increase in property taxes can be attributed to additional tax increment revenues, which was due to new development in the tax increment area. A decrease in expenditures was the result of the Shamrock Boulevard extension project concluding.

Water Fund – The City's Water Fund reported an increase in net position of 2%. Revenues were consistent with the previous year. Expenses decreased due to decreased costs for contractual services, supplies, and wages.

Sewer Fund – The City's Sewer Fund revenues and expenses remained stable when compared with the prior year, resulting in a decrease in net position of approximately 7%.

Electric Fund – The City's Electric Fund net position remained stable, decreasing approximately 1%. A decrease in charges for services can be attributed to decreased consumption caused by a mild winter. Expenses were consistent with the prior year.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2015 the City amended its General Fund budget several times, none significant.

For the General Fund, final revenue and other financing sources estimates were 16% higher than original revenue estimates due to an increase in income tax receipts. Actual budget basis revenues were not materially different from final revenue estimates. Original appropriations, final appropriations, and actual budget basis expenditures were not materially different. The General Fund had an adequate fund balance to cover expenditures.

**Management's Discussion and Analysis
For the Year Ended December 31, 2015**

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2015 the City had \$110,482,467 net of accumulated depreciation invested in land, construction in progress, buildings and improvements, improvements other than buildings, machinery and equipment, and infrastructure. Of this total, \$46,960,259 was related to governmental activities and \$63,522,208 to the business-type activities. The following tables show 2015 and 2014 balances:

	Governmental Activities		Increase (Decrease)
	2015	2014	
Land	\$9,838,526	\$9,838,526	\$0
Construction in Progress	15,666,789	13,477,193	2,189,596
Buildings and Improvements	5,459,295	5,444,096	15,199
Improvements other than Buildings	9,103,780	8,958,144	145,636
Machinery and Equipment	6,536,269	6,468,700	67,569
Infrastructure	24,929,303	24,929,303	0
Less: Accumulated Depreciation	(24,573,703)	(23,625,683)	(948,020)
Totals	<u>\$46,960,259</u>	<u>\$45,490,279</u>	<u>\$1,469,980</u>

	Business-Type Activities		Increase (Decrease)
	2015	2014	
Land	\$1,397,784	\$1,397,784	\$0
Construction in Progress	21,568,890	20,030,053	1,538,837
Buildings and Improvements	32,466,522	32,466,522	0
Improvements other than Buildings	46,214,506	46,000,972	213,534
Machinery and Equipment	28,496,048	28,306,275	189,773
Less: Accumulated Depreciation	(66,621,542)	(64,413,010)	(2,208,532)
Totals	<u>\$63,522,208</u>	<u>\$63,788,596</u>	<u>(\$266,388)</u>

Increases in construction in progress in the Governmental Activities capital assets can be attributed to the Millstone park project, Main Street project, and Brookstone/Shamrock Boulevard improvement project. In Business-Type capital assets, an increase in construction in progress can be attributed to water and storm water line replacement, the Richmond substation upgrade project, and a digester sludge heater replacement project. Additional information on the City's capital assets can be found in Note 11.

As of December 31, 2015, the City had contractual commitments of \$2,904,594 related to various projects throughout the City. Additional information on the City's construction commitments can be found in Note 17.

CITY OF PAINESVILLE, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2015**

Unaudited

Debt

At December 31, 2015, the City had \$8,373,080 in general obligation bonds outstanding, \$412,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2015 and 2014:

	2015	Restated 2014
	<u>2015</u>	<u>2014</u>
Governmental Activities:		
General Obligation Bonds	\$8,373,080	\$8,750,908
Special Assessment Bonds	250,000	270,000
Ohio Public Works Commission Loans	1,265,026	1,261,736
Long Term Notes Payable	1,060,365	1,205,271
Construction Loan	69,193	135,547
Net Pension Liability	13,029,863	12,336,302
Compensated Absences	1,390,014	1,399,984
Workers' Compensation Liability	695,033	752,891
Capital Leases	306,061	281,980
Police and Firemen's Accrued Pension	643,191	664,109
Total Governmental Activities	<u>27,081,826</u>	<u>27,058,728</u>
Business-Type Activities:		
Mortgage Revenue Bonds	536,294	795,089
Ohio Water Development Authority Loans	3,882,369	3,708,874
Ohio Public Works Commission Loans	24,587	67,896
Long Term Notes Payable	1,799,635	2,254,729
Capital Leases	3,044,934	3,301,087
Net Pension Liability	7,795,383	7,596,402
Compensated Absences	1,671,529	1,527,002
Total Business-Type Activities	<u>18,754,731</u>	<u>19,251,079</u>
Totals	<u>\$45,836,557</u>	<u>\$46,309,807</u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.50% of the total assessed value of real and personal property. At December 31, 2015, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 14.

ECONOMIC FACTORS

For the second year in a row, the 2015 General Fund original budget was balanced without having to use carryover to balance it. The City had an increase in General Fund revenues from 2014, which is a positive sign that the City is going in the right direction. The General Fund continues to be negatively affected by the state's decision to reduce the Local Government Fund revenue sharing and the elimination of the inheritance tax in 2013. The Enterprise funds 2015 revenues were down for water and electric, while the sewer revenues were slightly up. In 2013, the City of Painesville resident's approved a road levy and a new fire levy. The City continued to receive these levy monies in 2015 and was able to do some much needed paving on several roads in 2015 as well as buy some critical pieces of fire equipment for the Fire Department.

City Council continued a conservative spending pattern in 2015. Departments of the City were asked to maintain their 2015 operating budgets at 2014 levels and positions were eliminated through attrition. Only capital items that management and City Council determined necessary, or had off-setting grant revenues were appropriated. A close watch of current economic conditions is ongoing to determine if increased revenues, or further reductions in expenditures, are necessary in order to maintain fiscal stability.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Finance Department by calling 440-392-5796 or writing to City of Painesville Finance Department, 7 Richmond Street, Painesville, Ohio 44077.

CITY OF PAINESVILLE, OHIO

**Statement of Net Position
December 31, 2015**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled Cash and Investments	\$ 13,636,405	\$ 26,316,981	\$ 39,953,386
Receivables:			
Taxes	4,229,675	0	4,229,675
Accounts	255,184	3,048,902	3,304,086
Intergovernmental	1,015,235	8,927	1,024,162
Interest	55,861	0	55,861
Special Assessments	137,752	0	137,752
Internal Balances	359,480	(359,480)	0
Inventory of Supplies at Cost	0	633,316	633,316
Land Held for Resale	785,000	0	785,000
Prepaid Items	103,645	350,357	454,002
Investment in Joint Venture	0	866,005	866,005
Restricted Assets:			
Cash and Cash Equivalents	1,135,115	1,254,469	2,389,584
Capital Assets:			
Capital Assets Not Being Depreciated	25,505,315	22,966,674	48,471,989
Capital Assets Being Depreciated, Net	21,454,944	40,555,534	62,010,478
Total Assets	68,673,611	95,641,685	164,315,296
Deferred Outflows of Resources:			
Pension:			
OPERS	446,401	1,261,050	1,707,451
OP&F	1,342,768	94,334	1,437,102
Total Deferred Outflows of Resources	1,789,169	1,355,384	3,144,553
Liabilities:			
Accounts Payable	593,794	1,646,087	2,239,881
Accrued Wages and Benefits	510,195	524,004	1,034,199
Intergovernmental Payable	4,554	195	4,749
Claims Payable	368,384	0	368,384
Refundable Deposits	0	1,254,469	1,254,469
Accrued Interest Payable	89,411	80,292	169,703
Noncurrent Liabilities:			
Due Within One Year	1,357,565	1,854,541	3,212,106
Due in More Than One Year:			
Net Pension Liability	13,029,863	7,795,383	20,825,246
Other Amounts Due in More Than One Year	12,694,398	9,104,807	21,799,205
Total Liabilities	28,648,164	22,259,778	50,907,942
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	2,341,786	0	2,341,786
Pension:			
OPERS	43,346	123,534	166,880
Total Deferred Inflows of Resources	2,385,132	123,534	2,508,666

CITY OF PAINESVILLE, OHIO

	Governmental Activities	Business-Type Activities	Total
Net Position:			
Net Investment in Capital Assets	35,636,534	54,770,683	90,407,217
Restricted For:			
Capital Projects	489,137	0	489,137
Debt Service	445,371	0	445,371
Highways	3,812,598	0	3,812,598
Public Safety	863,014	0	863,014
Cemetery Operations:			
Nonexpendable	1,135,115	0	1,135,115
Expendable	356,965	0	356,965
Unrestricted (Deficit)	(3,309,250)	19,843,074	16,533,824
Total Net Position	\$ 39,429,484	\$ 74,613,757	\$ 114,043,241

See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

**Statement of Activities
For the Year Ended December 31, 2015**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 3,848,049	\$ 1,446,087	\$ 45,920	\$ 0
Public Safety	7,172,546	811,277	101,861	0
Highways and Streets	3,189,101	67,287	764,031	1,379,002
Public Health and Welfare	491,545	133,515	0	0
Culture and Recreation	666,284	7,580	0	163,776
Community Environment	114,791	482,434	10,000	0
Interest and Fiscal Charges	303,218	0	0	0
Total Governmental Activities	15,785,534	2,948,180	921,812	1,542,778
Business-Type Activities:				
Water	5,542,369	5,956,836	3,136	8,578
Sewer	4,257,321	3,822,411	0	0
Electric	24,875,586	25,264,720	0	49,961
Refuse	2,967	3,392	0	0
Off Street Parking	127,751	36,921	0	0
Storm Water Utility	188,244	431,537	0	0
Community Programs	44,711	39,092	0	0
Total Business-Type Activities	35,038,949	35,554,909	3,136	58,539
Totals	\$ 50,824,483	\$ 38,503,089	\$ 924,948	\$ 1,601,317

General Revenues and Transfers

Property Taxes
Municipal Income Taxes
Intergovernmental, Unrestricted
Investment Earnings
Miscellaneous
Transfers
Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year - Restated

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (2,356,042)	\$ 0	\$ (2,356,042)
(6,259,408)	0	(6,259,408)
(978,781)	0	(978,781)
(358,030)	0	(358,030)
(494,928)	0	(494,928)
377,643	0	377,643
(303,218)	0	(303,218)
<u>(10,372,764)</u>	<u>0</u>	<u>(10,372,764)</u>
0	426,181	426,181
0	(434,910)	(434,910)
0	439,095	439,095
0	425	425
0	(90,830)	(90,830)
0	243,293	243,293
0	(5,619)	(5,619)
<u>0</u>	<u>577,635</u>	<u>577,635</u>
\$ (10,372,764)	\$ 577,635	\$ (9,795,129)
2,215,786	0	2,215,786
9,190,538	0	9,190,538
881,985	0	881,985
318,260	0	318,260
649,609	0	649,609
839,243	(839,243)	0
<u>14,095,421</u>	<u>(839,243)</u>	<u>13,256,178</u>
3,722,657	(261,608)	3,461,049
<u>35,706,827</u>	<u>74,875,365</u>	<u>110,582,192</u>
\$ 39,429,484	\$ 74,613,757	\$ 114,043,241

CITY OF PAINESVILLE, OHIO

**Balance Sheet
Governmental Funds
December 31, 2015**

	General	Street Construction, Maintenance and Repair	Shamrock Business Center TIF
Assets:			
Pooled Cash and Investments	\$ 5,618,622	\$ 1,899,151	\$ 1,391,174
Receivables:			
Taxes	2,259,498	0	660,000
Accounts	56,356	0	0
Intergovernmental	431,226	504,513	0
Interest	55,861	0	0
Special Assessments	0	0	0
Interfund Loans Receivable	190,000	0	0
Land Held for Resale	785,000	0	0
Prepaid Items	92,739	0	0
Restricted Assets:			
Cash and Cash Equivalents	0	0	0
Total Assets	\$ 9,489,302	\$ 2,403,664	\$ 2,051,174
Liabilities:			
Accounts Payable	\$ 58,403	\$ 222,362	\$ 0
Accrued Wages and Benefits Payable	444,908	12,827	0
Intergovernmental Payable	0	0	0
Interfund Loans Payable	0	0	0
Compensated Absences Payable	12,420	0	0
Total Liabilities	515,731	235,189	0
Deferred Inflows of Resources:			
Unavailable Amounts	330,134	195,953	0
Property Tax Levy for Next Fiscal Year	457,692	0	660,000
Total Deferred Inflows of Resources	787,826	195,953	660,000
Fund Balances:			
Nonspendable	877,739	0	0
Restricted	0	1,972,522	1,391,174
Committed	0	0	0
Assigned	1,091,861	0	0
Unassigned	6,216,145	0	0
Total Fund Balances	8,185,745	1,972,522	1,391,174
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,489,302	\$ 2,403,664	\$ 2,051,174

See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 4,368,325	\$ 13,277,272
1,310,177	4,229,675
187,614	243,970
79,496	1,015,235
0	55,861
137,752	137,752
0	190,000
0	785,000
10,906	103,645
<u>1,135,115</u>	<u>1,135,115</u>
<u>\$ 7,229,385</u>	<u>\$ 21,173,525</u>
\$ 312,811	\$ 593,576
52,460	510,195
4,554	4,554
190,000	190,000
0	12,420
<u>559,825</u>	<u>1,310,745</u>
378,175	904,262
<u>1,224,094</u>	<u>2,341,786</u>
<u>1,602,269</u>	<u>3,246,048</u>
1,146,021	2,023,760
2,234,496	5,598,192
1,702,514	1,702,514
0	1,091,861
(15,740)	6,200,405
<u>5,067,291</u>	<u>16,616,732</u>
<u>\$ 7,229,385</u>	<u>\$ 21,173,525</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2015***

Total Governmental Fund Balances	\$ 16,616,732
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	46,960,259
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	904,262
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.	(11,284,040)
Internal service funds are used by management to charge the costs of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(333,808)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(13,433,921)</u>
<i>Net Position of Governmental Activities</i>	<u>\$ 39,429,484</u>

See accompanying notes to the basic financial statements



CITY OF PAINESVILLE, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2015**

	General	Street Construction, Maintenance and Repair	Shamrock Business Center TIF
Revenues:			
Property Taxes	\$ 362,308	\$ 0	\$ 705,249
Municipal Income Taxes	9,190,538	0	0
Intergovernmental Revenues	874,510	2,017,358	0
Charges for Services	58,389	48,000	0
Licenses, Permits and Inspection Fees	551,881	0	0
Investment Earnings	373,102	0	0
Special Assessments	0	0	0
Fines and Forfeitures	934,467	0	0
All Other Revenues	395,310	21,783	204,170
Total Revenues	12,740,505	2,087,141	909,419
Expenditures:			
Current:			
General Government	3,272,588	0	0
Public Safety	5,908,447	0	0
Highways and Streets	727,207	2,336,330	213,049
Public Health and Welfare	121,058	0	0
Culture and Recreation	634,046	0	0
Community Environment	112,913	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	59,604	735,117	730,000
Interest and Fiscal Charges	12,788	42,030	207,497
Total Expenditures	10,848,651	3,113,477	1,150,546
Excess (Deficiency) of Revenues Over Expenditures			
	1,891,854	(1,026,336)	(241,127)
Other Financing Sources (Uses):			
Sale of Capital Assets	6,038	0	0
Long Term Note Issuance	0	585,625	440,000
Issuance of OPWC Loans	0	0	8,180
Transfers In	899,243	790,000	0
Transfers Out	(2,176,000)	0	0
Other Financing Sources - Capital Leases	0	0	0
Total Other Financing Sources (Uses)	(1,270,719)	1,375,625	448,180
Net Change in Fund Balances	621,135	349,289	207,053
Fund Balance at Beginning of Year	7,564,610	1,623,233	1,184,121
Fund Balance End of Year	\$ 8,185,745	\$ 1,972,522	\$ 1,391,174

See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 1,153,442	\$ 2,220,999
0	9,190,538
471,305	3,363,173
717,252	823,641
0	551,881
322	373,424
205,700	205,700
379,533	1,314,000
28,346	649,609
<u>2,955,900</u>	<u>18,692,965</u>
515,927	3,788,515
1,206,584	7,115,031
903,454	4,180,040
368,728	489,786
0	634,046
0	112,913
612,219	612,219
228,713	1,753,434
48,794	311,109
<u>3,884,419</u>	<u>18,997,093</u>
(928,519)	(304,128)
13,363	19,401
34,740	1,060,365
0	8,180
1,326,000	3,015,243
0	(2,176,000)
111,000	111,000
<u>1,485,103</u>	<u>2,038,189</u>
556,584	1,734,061
<u>4,510,707</u>	<u>14,882,671</u>
<u>\$ 5,067,291</u>	<u>\$ 16,616,732</u>

***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, 2015***

Net Change in Fund Balances - Total Governmental Funds \$ 1,734,061

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. 1,493,057

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets net of proceeds received. (23,077)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (24,017)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 1,202,539

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (1,303,879)

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position. In addition, repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 602,635

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 63

Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. 20,556

The internal service funds are used by management to charge the costs of services to individual funds and is not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities. 20,719

Change in Net Position of Governmental Activities \$ 3,722,657

See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 372,000	\$ 372,000	\$ 362,308	\$ (9,692)
Municipal Income Taxes	7,410,500	8,910,500	8,938,493	27,993
Intergovernmental Revenue	815,200	815,200	876,580	61,380
Charges for Services	100,230	100,230	57,189	(43,041)
Licenses, Permits and Inspection Fees	338,400	338,400	549,869	211,469
Investment Earnings	265,876	325,000	360,911	35,911
Fines and Forfeitures	1,004,950	1,004,950	934,467	(70,483)
All Other Revenues	329,920	329,920	391,096	61,176
Total Revenues	<u>10,637,076</u>	<u>12,196,200</u>	<u>12,470,913</u>	<u>274,713</u>
Expenditures:				
Current:				
General Government	4,003,003	3,948,852	3,608,301	340,551
Public Safety	6,348,725	6,341,990	6,199,518	142,472
Highways and Streets	696,261	866,904	848,193	18,711
Public Health and Welfare	121,111	121,111	121,058	53
Culture and Recreation	608,822	694,762	671,708	23,054
Community Environment	120,528	121,197	116,537	4,660
Debt Service:				
Principal Retirement	68,538	67,913	67,912	1
Interest and Fiscal Charges	5,064	5,065	5,064	1
Total Expenditures	<u>11,972,052</u>	<u>12,167,794</u>	<u>11,638,291</u>	<u>529,503</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,334,976)	28,406	832,622	804,216
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	6,038	6,038
Transfers In	750,000	1,025,000	1,024,243	(757)
Transfers Out	(376,000)	(2,301,000)	(2,301,000)	0
Advances In	20,000	20,000	20,000	0
Total Other Financing Sources (Uses):	<u>394,000</u>	<u>(1,256,000)</u>	<u>(1,250,719)</u>	<u>5,281</u>
Net Changes in Fund Balance	(940,976)	(1,227,594)	(418,097)	809,497
Fund Balance at Beginning of Year	4,592,456	4,592,456	4,592,456	0
Prior Year Encumbrances	647,743	647,743	647,743	0
Fund Balance at End of Year	<u>\$ 4,299,223</u>	<u>\$ 4,012,605</u>	<u>\$ 4,822,102</u>	<u>\$ 809,497</u>

See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenue	\$ 1,711,875	\$ 1,790,000	\$ 1,849,022	\$ 59,022
Charges for Services	0	0	48,000	48,000
All Other Revenues	0	0	21,783	21,783
Total Revenues	<u>1,711,875</u>	<u>1,790,000</u>	<u>1,918,805</u>	<u>128,805</u>
Expenditures:				
Current:				
Highways and Streets	2,523,072	2,867,017	2,856,997	10,020
Debt Service:				
Principal Retirement	735,117	735,118	735,117	1
Interest and Fiscal Charges	42,155	42,154	42,030	124
Total Expenditures	<u>3,300,344</u>	<u>3,644,289</u>	<u>3,634,144</u>	<u>10,145</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,588,469)	(1,854,289)	(1,715,339)	138,950
Other Financing Sources (Uses):				
Sale of General Obligation Notes	585,625	585,625	585,625	0
Transfers In	96,000	890,000	890,000	0
Total Other Financing Sources (Uses):	<u>681,625</u>	<u>1,475,625</u>	<u>1,475,625</u>	<u>0</u>
Net Changes in Fund Balance	(906,844)	(378,664)	(239,714)	138,950
Fund Balance at Beginning of Year	686,268	686,268	686,268	0
Prior Year Encumbrances	736,897	736,897	736,897	0
Fund Balance at End of Year	<u>\$ 516,321</u>	<u>\$ 1,044,501</u>	<u>\$ 1,183,451</u>	<u>\$ 138,950</u>

See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Shamrock Business Center TIF Fund
For the Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 515,000	\$ 700,000	\$ 705,249	\$ 5,249
All Other Revenues	0	200,000	204,170	4,170
Total Revenues	515,000	900,000	909,419	9,419
Expenditures:				
Current:				
Highways and Streets	593,874	634,249	223,408	410,841
Debt Service:				
Principal Retirement	790,000	749,625	730,000	19,625
Interest and Fiscal Charges	223,265	223,265	207,497	15,768
Total Expenditures	1,607,139	1,607,139	1,160,905	446,234
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,092,139)	(707,139)	(251,486)	455,653
Other Financing Sources (Uses):				
Issuance of OPWC Loans	0	8,000	8,180	180
General Obligation Notes Issued	440,000	440,000	440,000	0
Total Other Financing Sources (Uses)	440,000	448,000	448,180	180
Net Change in Fund Balance	(652,139)	(259,139)	196,694	455,833
Fund Balance at Beginning of Year	696,247	696,247	696,247	0
Prior Year Encumbrances	487,874	487,874	487,874	0
Fund Balance at End of Year	\$ 531,982	\$ 924,982	\$ 1,380,815	\$ 455,833

CITY OF PAINESVILLE, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2015**

	Business-Type Activities			
	Enterprise Funds			
	Water	Sewer	Electric	Other Enterprise Funds
Assets				
Current Assets:				
Pooled Cash and Investments	\$ 2,982,182	\$ 1,858,631	\$ 20,811,862	\$ 664,306
Receivables:				
Accounts	482,973	323,936	2,194,870	47,123
Intergovernmental Receivable	8,773	23	131	0
Inventory of Supplies at Cost	0	0	633,316	0
Prepaid Items	94,131	72,985	179,275	3,966
Total Current Assets	<u>3,568,059</u>	<u>2,255,575</u>	<u>23,819,454</u>	<u>715,395</u>
Noncurrent Assets:				
Restricted Assets:				
Cash and Cash Equivalents	446,466	0	804,050	3,953
Total Restricted Assets	<u>446,466</u>	<u>0</u>	<u>804,050</u>	<u>3,953</u>
Investment in Joint Venture	0	0	866,005	0
Capital Assets:				
Capital Assets Not Being Depreciated	4,020,668	1,085,343	17,179,975	680,688
Capital Assets Being Depreciated, Net	18,065,338	8,108,619	12,095,038	2,286,539
Total Noncurrent Assets	<u>22,532,472</u>	<u>9,193,962</u>	<u>30,945,068</u>	<u>2,971,180</u>
Total Assets	<u>26,100,531</u>	<u>11,449,537</u>	<u>54,764,522</u>	<u>3,686,575</u>
Deferred Outflows of Resources:				
Pension:				
OPERS	287,346	258,153	693,458	22,093
OP&F	6,426	19,275	68,633	0
Total Deferred Outflows of Resources	<u>293,772</u>	<u>277,428</u>	<u>762,091</u>	<u>22,093</u>
Liabilities				
Current Liabilities:				
Accounts Payable	152,500	40,863	1,435,782	16,942
Accrued Wages and Benefits	116,792	105,826	293,158	8,228
Intergovernmental Payable	0	195	0	0
Claims Payable - Current	0	0	0	0
Refundable Deposits	446,466	0	804,050	3,953
Accrued Interest Payable	24,307	52,382	337	3,266
Capital Leases Payable - Current	194,020	36,030	24,976	10,759
Revenue Bonds Payable - Current	0	0	259,337	0
OWDA Loans Payable - Current	100,017	142,315	0	0
OPWC Loans Payable - Current	0	2,048	0	0
Long Term Notes Payable - Current	332,250	51,930	0	63,844
Compensated Absences Payable - Current	136,740	107,712	382,021	10,542
Total Current Liabilities	<u>1,503,092</u>	<u>539,301</u>	<u>3,199,661</u>	<u>117,534</u>

CITY OF PAINESVILLE, OHIO

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 26,316,981	\$ 359,133
3,048,902	11,214
8,927	0
633,316	0
350,357	0
<u>30,358,483</u>	<u>370,347</u>
<u>1,254,469</u>	<u>0</u>
<u>1,254,469</u>	<u>0</u>
866,005	0
22,966,674	0
<u>40,555,534</u>	<u>0</u>
<u>65,642,682</u>	<u>0</u>
<u>96,001,165</u>	<u>370,347</u>
1,261,050	0
<u>94,334</u>	<u>0</u>
<u>1,355,384</u>	<u>0</u>
1,646,087	218
524,004	0
195	0
0	635,564
1,254,469	0
80,292	0
265,785	0
259,337	0
242,332	0
2,048	0
448,024	0
<u>637,015</u>	<u>0</u>
<u>5,359,588</u>	<u>635,782</u>

(Continued)

CITY OF PAINESVILLE, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2015**

	Business-Type Activities			
	Enterprise Funds			
	Water	Sewer	Electric	Other Enterprise Funds
Noncurrent Liabilities:				
Capital Leases Payable	2,408,380	208,017	140,644	22,108
Claims Payable	0	0	0	0
Revenue Bonds Payable	0	0	276,957	0
OWDA Loans Payable	809,872	2,830,165	0	0
OPWC Loans Payable	0	22,539	0	0
Compensated Absences Payable	293,103	255,663	469,028	16,720
Long Term Notes Payable	1,024,899	62,000	0	264,712
Net Pension Liability	1,623,190	1,607,389	4,441,967	122,837
Total Noncurrent Liabilities	6,159,444	4,985,773	5,328,596	426,377
Total Liabilities	7,662,536	5,525,074	8,528,257	543,911
Deferred Inflows of Resources:				
Pension:				
OPERS	27,545	25,638	68,193	2,158
Total Deferred Inflows of Resources	27,545	25,638	68,193	2,158
Net Position				
Net Investment in Capital Assets	17,216,568	5,838,918	29,109,393	2,605,804
Unrestricted	1,487,654	337,335	17,820,770	556,795
Total Net Position	\$ 18,704,222	\$ 6,176,253	\$ 46,930,163	\$ 3,162,599

Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.
Net Position of Business-type Activities

See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
2,779,149	0
0	427,853
276,957	0
3,640,037	0
22,539	0
1,034,514	0
1,351,611	0
7,795,383	0
<u>16,900,190</u>	<u>427,853</u>
<u>22,259,778</u>	<u>1,063,635</u>
<u>123,534</u>	<u>0</u>
<u>123,534</u>	<u>0</u>
54,770,683	0
<u>20,202,554</u>	<u>(693,288)</u>
<u>\$ 74,973,237</u>	<u>\$ (693,288)</u>
<u>(359,480)</u>	
<u>\$ 74,613,757</u>	

CITY OF PAINESVILLE, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2015**

	Business-Type Activities			
	Enterprise Funds			
	Water	Sewer	Electric	Other Enterprise Funds
Operating Revenues:				
Charges for Services	\$ 4,342,918	\$ 3,525,688	\$ 24,788,149	\$ 497,964
Other Charges for Services	119,817	44,036	265,481	6,582
Other Operating Revenues	239,209	142,159	190,703	6,396
Total Operating Revenues	4,701,944	3,711,883	25,244,333	510,942
Operating Expenses:				
Personal Services	2,588,303	2,384,613	6,555,757	185,990
Contractual Services	942,022	586,048	2,066,860	68,348
Materials and Supplies	366,297	226,490	1,216,840	25,126
Utilities	401,310	266,851	14,118,945	18,262
Depreciation	1,068,898	611,114	704,807	61,390
Total Operating Expenses	5,366,830	4,075,116	24,663,209	359,116
Operating Income (Loss)	(664,886)	(363,233)	581,124	151,826
Non-Operating Revenue (Expenses):				
Interest and Fiscal Charges	(143,404)	(166,775)	(6,134)	(4,557)
Loss on Disposal of Assets	(100)	(776)	(100)	0
Loss on Investment in Joint Venture	0	0	(165,448)	0
Intergovernmental Grants	11,714	0	0	0
Other Nonoperating Revenue	1,254,992	111,304	20,487	0
Other Nonoperating Expense	(32,135)	(15,430)	(71,173)	0
Total Non-Operating Revenues (Expenses)	1,091,067	(71,677)	(222,368)	(4,557)
Income (Loss) Before Transfers and Contributions	426,181	(434,910)	358,756	147,269

CITY OF PAINESVILLE, OHIO

Total	Governmental Activities - Internal Service Funds
\$ 33,154,719	\$ 3,939,608
435,916	0
578,467	11,214
<u>34,169,102</u>	<u>3,950,822</u>
11,714,663	2,791,379
3,663,278	910,313
1,834,753	198,033
14,805,368	0
2,446,209	0
<u>34,464,271</u>	<u>3,899,725</u>
(295,169)	51,097
(320,870)	0
(976)	0
(165,448)	0
11,714	0
1,386,783	0
(118,738)	0
<u>792,465</u>	<u>0</u>
497,296	51,097

(Continued)

CITY OF PAINESVILLE, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2015**

	Business-Type Activities			
	Enterprise Funds			
	Water	Sewer	Electric	Other Enterprise Funds
Transfers and Contributions:				
Transfers In	0	0	0	60,000
Transfers Out	0	0	(899,243)	0
Capital Contributions	0	0	49,961	0
Total Transfers and Contributions	0	0	(849,282)	60,000
Change in Net Position	426,181	(434,910)	(490,526)	207,269
Net Position Beginning of Year - Restated	18,278,041	6,611,163	47,420,689	2,955,330
Net Position End of Year	\$ 18,704,222	\$ 6,176,253	\$ 46,930,163	\$ 3,162,599

Change in Net Position - Total Enterprise Funds

Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.

Change in Net Position - Business-type Activities

See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
60,000	0
(899,243)	0
<u>49,961</u>	<u>0</u>
(789,282)	0
(291,986)	51,097
<u>75,265,223</u>	<u>(744,385)</u>
<u>\$ 74,973,237</u>	<u>\$ (693,288)</u>
\$ (291,986)	
<u>30,378</u>	
<u>\$ (261,608)</u>	

CITY OF PAINESVILLE, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Electric
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$5,967,179	\$3,793,551	\$25,433,219
Cash Receipts from Interfund Services Provided	0	0	0
Cash Payments for Goods and Services	(1,757,563)	(1,100,760)	(17,499,330)
Cash Payments to Employees	(2,548,480)	(2,388,932)	(6,528,551)
Cash Payments for Employee Medical Claims	0	0	0
Net Cash Provided (Used) by Operating Activities	1,661,136	303,859	1,405,338
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Grants Received	3,136	0	0
Transfers In from Other Funds	0	0	0
Transfers Out to Other Funds	0	0	(899,243)
Net Cash Provided (Used) by Noncapital Financing Activities	3,136	0	(899,243)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds of General Obligation Notes	1,357,149	113,930	0
Principal Paid on General Obligation Notes	(1,689,399)	(172,930)	0
Intergovernmental Grants Received	0	0	49,961
Acquisition and Construction of Assets	(652,344)	(352,861)	(930,826)
Issuance of OPWC Loans	399,357	0	0
Principal Paid on Capital Leases	(186,270)	(35,044)	(24,299)
Principal Paid on Ohio Public Works Commission Loans	(41,261)	(2,048)	0
Principal Paid on Ohio Water Development Authority Loans	(103,861)	(122,001)	0
Interest Paid on All Debt	(147,992)	(116,742)	(6,342)
Net Cash Used for Capital and Related Financing Activities	(1,064,621)	(687,696)	(911,506)
Net Increase (Decrease) in Cash and Cash Equivalents	599,651	(383,837)	(405,411)
Cash and Cash Equivalents at Beginning of Year	2,828,997	2,242,468	22,021,323
Cash and Cash Equivalents at End of Year	\$3,428,648	\$1,858,631	\$21,615,912
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet</u>			
Cash and Cash Equivalents	\$2,982,182	\$1,858,631	\$20,811,862
Restricted Cash and Cash Equivalents	446,466	0	804,050
Cash and Cash Equivalents at End of Year	\$3,428,648	\$1,858,631	\$21,615,912

CITY OF PAINESVILLE, OHIO

Other Enterprise Funds	Total	Governmental Activities
		Internal Service Funds
\$508,551	\$35,702,500	\$0
0	0	3,939,608
(112,580)	(20,470,233)	(1,109,289)
(177,470)	(11,643,433)	(208,053)
0	0	(2,626,400)
<u>218,501</u>	<u>3,588,834</u>	<u>(4,134)</u>
0	3,136	0
60,000	60,000	0
0	(899,243)	0
<u>60,000</u>	<u>(836,107)</u>	<u>0</u>
328,556	1,799,635	0
(392,400)	(2,254,729)	0
0	49,961	0
(205,094)	(2,141,125)	0
0	399,357	0
(10,540)	(256,153)	0
0	(43,309)	0
0	(225,862)	0
(5,164)	(276,240)	0
<u>(284,642)</u>	<u>(2,948,465)</u>	<u>0</u>
(6,141)	(195,738)	(4,134)
674,400	27,767,188	363,267
<u>\$668,259</u>	<u>\$27,571,450</u>	<u>\$359,133</u>
\$664,306	\$26,316,981	\$359,133
3,953	1,254,469	0
<u>\$668,259</u>	<u>\$27,571,450</u>	<u>\$359,133</u>

(Continued)

CITY OF PAINESVILLE, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Electric
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$664,886)	(\$363,233)	\$581,124
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	1,068,898	611,114	704,807
Miscellaneous Nonoperating Revenues	1,287,463	111,304	64,308
Miscellaneous Nonoperating Expenses	(36,817)	(15,595)	(79,109)
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
(Increase) Decrease in Accounts Receivable	(22,228)	(29,636)	124,578
Increase in Intergovernmental Receivable	(195)	(23)	(131)
Increase in Inventory	0	0	(67,392)
Increase in Prepaid Items	(7,842)	(6,701)	(14,257)
Increase in Deferred Outflows of Resources	(293,772)	(277,428)	(762,091)
Increase (Decrease) in Accounts Payable	(1,100)	12,499	334,162
Increase in Accrued Wages and Benefits	10,794	5,608	21,569
Decrease in Intergovernmental Payable	(1,655)	(11,565)	(10,738)
Increase in Compensated Absences Payable	56,329	12,905	65,671
Decrease in Payable to Joint Venture	0	0	(258,795)
Decrease in Claims Liability	0	0	0
Increase in Net Pension Liability	238,602	228,972	633,439
Increase in Deferred Inflows of Resources	27,545	25,638	68,193
Total Adjustments	2,326,022	667,092	824,214
Net Cash Provided (Used) by Operating Activities	<u>\$1,661,136</u>	<u>\$303,859</u>	<u>\$1,405,338</u>

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2015 the Water, Sewer, Electric, and Storm Water Funds had outstanding liabilities of \$95,487, \$14,975, \$99,348, and \$16,722 respectively for the purchase of certain capital assets.

See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

Other Enterprise Funds	Total	Governmental Activities
		Internal Service Funds
\$151,826	(\$295,169)	\$51,097
61,390	2,446,209	0
24	1,463,099	0
0	(131,521)	0
(2,415)	70,299	(11,214)
0	(349)	0
0	(67,392)	0
(502)	(29,302)	0
(22,093)	(1,355,384)	0
(317)	345,244	(943)
1,040	39,011	0
0	(23,958)	0
9,622	144,527	0
0	(258,795)	0
0	0	(43,074)
17,768	1,118,781	0
2,158	123,534	0
<u>66,675</u>	<u>3,884,003</u>	<u>(55,231)</u>
<u>\$218,501</u>	<u>\$3,588,834</u>	<u>(\$4,134)</u>

CITY OF PAINESVILLE, OHIO

**Statement of Net Position
Fiduciary Funds
December 31, 2015**

	Private Purpose	
	Trust	
	Deposit Trust	Agency
Assets:		
Cash and Cash Equivalents	\$ 672,316	\$ 189,862
Receivables:		
Taxes	0	74,068
Total Assets	<u>672,316</u>	<u>263,930</u>
Liabilities:		
Accounts Payable	288	0
Intergovernmental Payable	153	55,551
Due to Others	0	208,379
Total Liabilities	<u>441</u>	<u>263,930</u>
Unrestricted	<u>671,875</u>	<u>0</u>
Total Net Position	<u>\$ 671,875</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

**Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended December 31, 2015**

	Private Purpose Trust
	<u>Deposit Trust</u>
Additions:	
Contributions:	
Private Donations	\$ 142,664
Total Additions	<u>142,664</u>
Deductions:	
Administrative Expenses	<u>104,999</u>
Total Deductions	<u>104,999</u>
Change in Net Position	37,665
Net Position at Beginning of Year	<u>634,210</u>
Net Position End of Year	<u>\$ 671,875</u>

See accompanying notes to the basic financial statements



***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Painesville, Ohio (the City), is a home-rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Council/Manager form of government, was adopted on November 6, 1962 and has been amended four times (1963, 1973, 1983 and 1989).

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (the "GASB") Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations Are Component Units"* and GASB Statement No. 61, *"The Financial Reporting Entity; Omnibus"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, agencies, boards and commissions that are part of the primary government, which includes the following services: public safety (police and fire), health (health department), culture and recreation (parks and recreation), community environment (planning, zoning and community development), basic utility (water, electric, sanitation, public parking and wastewater pollution control), highways and streets (street and highway maintenance), and general government (administrative services including the municipal court).

Joint Venture with Equity Interest – The City is a participant with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 2 (Omega JV-2). The Omega JV-2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economics of the participants' respective municipal electric utility systems. The Omega JV-2 is managed by AMP-Ohio, which acts as the joint venture's agent. See Note 16, "Joint Venture."

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows/inflows of resources, fund equity, revenues and expenditures (expenses).

The various funds are grouped into generic fund types and three broad fund categories for financial statement presentation purposes. Governmental funds include the general, special revenue, debt service, capital projects, and permanent funds. Proprietary funds include enterprise and internal service funds. Fiduciary funds include trust and agency funds. The following fund types are used by the City:

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds - Governmental funds are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's major governmental funds:

General Fund - This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the provisions of the City Charter.

Street Construction, Maintenance and Repair Fund - This fund accounts for state levied and controlled gasoline tax and motor vehicle license fees restricted for local street construction, maintenance and repair.

Shamrock Business Center TIF Fund - This fund accounts for bond proceeds to be used for the extension of Shamrock Boulevard. The debt is retired from payments received in lieu of taxes per the tax increment financing agreement.

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

Proprietary Funds - All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets, liabilities, and deferred outflows/inflows of resources associated with the operation of these funds are presented on the statement of net position. Proprietary fund type operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net position.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City maintains separate enterprise funds for its water, sewer, electricity, refuse, off-street parking, storm water utility services and community programs. The following are the City's major enterprise funds:

Water Fund - This fund is used to account for the operation of the City's water treatment and distribution systems.

Sewer Fund - This fund is used to account for the operation of the City's sewage treatment and collection systems.

Electric Fund - This fund is used to account for the operation of the City's electric generation and distribution systems.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Internal Service Funds - These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City uses internal service funds to account for costs associated with fuel, supplies, employee health insurance, and worker's compensation.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The City's fiduciary funds are private-purpose trust funds and agency funds. The City's private-purpose trust fund accounts for various deposits held by the City. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The City's agency funds account for monies that flow through the Municipal Court, monies from electric license fees, monies from the sale of property under the Land Bank Program, deposits from contractors, and income tax collections generated by the Concord Township Joint Economic Development District.

C. Basis of Presentation - Financial Statements

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. In order to avoid distorting the measurement of the cost of individual functional activities, entries are made to eliminate the activity provided by the internal service funds to those funds considered governmental and those considered business-type. These balances appear as internal balances on the statement of net position.

Interfund receivables and payables between governmental and business-type activities have been eliminated in the government-wide Statement of Net Position. These eliminations minimize the duplicating effect on assets and liabilities within the governmental and business-type activities total column. Interfund services provided and used are not eliminated in the process of consolidation.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. 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 and grants and contributions that are restricted to meeting the operational or capital requirements of 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 business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities, and deferred outflows/inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, liabilities, and deferred outflows/inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

The basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements and relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus. The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is considered to be 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. 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 specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Revenue considered susceptible to accrual at year end includes income taxes, interest on investments, fines and forfeitures, and state levied locally shared taxes (including motor vehicle license fees and local government assistance). Other revenue, including licenses, permits, certain charges for services, and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

Special assessment installments, including related accrued interest, which are measurable but not available at December 31, are recorded as deferred inflows of resources. Property taxes which are measurable at December 31, 2015, but which are not intended to finance 2015 operations or are not expected to be received within sixty (60) days after year end, are recorded as deferred inflows of resources. Property taxes are further described in Note 6.

The accrual basis of accounting is utilized for reporting purposes by all government wide statements, proprietary and fiduciary (including agency) funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in the proprietary funds.

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the annual tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

All funds, other than agency funds, are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the program level (general government, public safety, highways and streets, public health and welfare, culture and recreation and community environment) and within each program at the level of personal services, certain other expenditures, capital outlay and transfers as required by Ohio law. The City Manager is authorized to transfer appropriations between objects of expenditure budgeted within the same program, so long as total appropriations for each program do not exceed the amount approved by Council. Budgetary modifications, other than those noted previously, may only be made by ordinance of the City Council.

1. Tax Budget

By July 15, the City Manager submits an annual tax budget for the following fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20th of each year, for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1st of each year. As part of the certification process, the City receives an official certificate of estimated resources which states the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The estimated revenue amounts reported on the accompanying budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued for 2015.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1st of each year for the period January 1 through March 31. By Charter, the City Manager must submit an annual appropriation ordinance (for the period January 1 through December 31) to City Council by March 31 of each year. The primary level of budgetary control is at the program level (general government, public safety, highways and streets, public health and welfare, culture and recreation and community environment) and within each program at the level of personal services, certain other expenditures, capital outlay and transfers as required by Ohio law. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. During the year, several supplemental appropriations were necessary. The budgetary figures which appear in the Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual—General Fund, and major special revenue funds (Street Construction, Maintenance and Repair Fund and Shamrock Business Center TIF Fund) are presented on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

5. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

6. Budgetary Basis of Accounting

The City's budgetary process accounts for the City's transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on the cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. Encumbrances are recorded as the equivalent of expenditures on the budgetary basis. On the budgetary basis investment earnings are recognized when realized, whereas on a GAAP basis unrealized gains and losses are recognized when investments are adjusted to fair value.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

6. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the “Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual” for the General Fund and Major Special Revenue Funds:

	Net Change in Fund Balance		
	General Fund	Street Construction, Maintenance and Repair Fund	Shamrock Business Center TIF Fund
GAAP Basis (as reported)	\$621,135	\$349,289	\$207,053
Increase (Decrease):			
Accrued Revenues at December 31, 2015 received during 2016	(2,205,115)	(308,560)	0
Accrued Revenues at December 31, 2014 received during 2015	1,923,021	249,207	0
Accrued Expenditures at December 31, 2015 paid during 2016	515,731	235,189	0
Accrued Expenditures at December 31, 2014 paid during 2015	(435,913)	(88,672)	0
2014 Prepays for 2015	91,065	0	0
2015 Prepays for 2016	(92,739)	0	0
2014 Adjustment to Fair Value	(51,399)	0	0
2015 Adjustment to Fair Value	84,107	0	0
Outstanding Encumbrances	(856,836)	(667,184)	(10,359)
Perspective Difference:			
Activity of Funds Reclassified for GAAP Reporting Purposes	(11,154)	(8,983)	0
Budget Basis	<u>(\$418,097)</u>	<u>(\$239,714)</u>	<u>\$196,694</u>

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, the State Treasury Asset Reserve (STAR Ohio), and short-term certificates of deposit with original maturities of three months or less. The STAR Ohio is considered an investment for purposes of GASB Statement No. 3, but it is reported as a cash equivalent in the basic financial statements because it is a highly liquid instrument which is readily convertible to cash.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents (Continued)

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash, including the investment instrument described above, represents the balance on hand as if each fund maintained its own cash and investments account. For purposes of the statement of cash flows, the share of equity in the pooled cash and investments of the proprietary funds is considered to be a cash equivalent. See Note 5 "Cash and Cash Equivalents."

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution, the Ohio Revised Code, and the City Charter. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City reports its investments at fair value, except for nonparticipating investment contracts (certificates of deposit) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. Interest revenue credited to the General Fund during 2015 amounted to \$373,102, which includes \$340,433 assigned from other funds.

The City invested funds in the STAR Ohio during 2015. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but 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 share price which is the price the investment could be sold for on December 31, 2015. See Note 5 "Cash and Cash Equivalents."

H. Accounts Receivable

Receivables consist primarily of taxes in the governmental funds and accounts (billings for user charged services, including unbilled amounts) in the proprietary funds.

I. Inventory

On the government-wide financial statements and in the proprietary funds, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental funds when purchased.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life threshold of three or more years.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at fair market value at the date received. Capital assets include land, improvements to land, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems.

2. Property, Plant and Equipment – Business Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective funds.

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental and Business-Type Activities Estimated Lives (Years)</u>
Buildings and Improvements	40 - 60
Utility Plant in Service	20 - 60
Improvements other than Buildings	20
Infrastructure	25 - 50
Machinery, Equipment, Furniture, Fixtures and Vehicles	5 - 15

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, most of which are in the form of transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. To the extent that certain transactions between funds have not been paid or received as of year end, interfund receivables or payables have been recorded.

L. Compensated Absences

In accordance with GASB Statement No. 16, “*Accounting for Compensated Absences*,” the City records a liability for vacation time and sick leave when the obligation is attributable to services previously rendered, to rights that vest or accumulate, and where payment of the obligation is probable and can be reasonably determined. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account “Compensated Absences Payable.” The City only reports a “Compensated Absence Payable” in governmental funds if the liability has matured. In the government wide statement of net position, “Compensated Absences Payable” is recorded within the “Due within one year” account and the long-term portion of the liability is recorded within the “Due in more than one year” account. Compensated absences are expensed in the proprietary funds when earned and the related liability is reported within the fund.

Employees of the City earn vacation leave at various rates within limits specified under collective bargaining agreements or under statute. At termination or retirement, employees are paid at their full rate for 100% of their unused vacation leave.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments, as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

M. Long-Term Debt

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, and special termination benefits are reported in the government wide statement of net position as a liability to the extent that they will not be paid with current expendable available financial resources. Such liabilities are reported in the government wide statement of net position in the “Due within one year” account and the “Due in more than one year” account. Payments made more than 60 days after year end are generally considered not to have been paid with current available financial resources. Bonds are recognized as a liability in the government wide statement of net position. Long-term debt and other obligations to be paid from proprietary funds are reported in those funds.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Long-Term Debt (Continued)

Long-term liabilities are being repaid from the following funds:

Obligation	Fund
General Obligation Bonds	General Bond Retirement Fund
Special Assessment Bonds	Special Assessment Bond Retirement Fund
Ohio Public Works Commission (OPWC) Loans	Street Construction, Maintenance and Repair Fund Water Fund, Sewer Fund
Ohio Water Development Authority (OWDA) Loans	Water Fund Sewer Fund
Mortgage Revenue Bonds	Electric Fund
Police and Fire Pension Accrued Liability	General Fund
Workers' Compensation Liability	Workers' Compensation Retrospective Fund
Capital Leases	General Fund Street Construction, Maintenance and Repair Fund Cemeteries Fund Capital Equipment Reserve Fund Capital Improvement Fund Water Fund Sewer Fund Electric Fund Storm Water Utility Fund
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund Cemeteries Fund Water Fund Sewer Fund Electric Fund Off-Street Parking Fund Storm Water Utility Fund
Long-Term Notes Payable	General Fund, Water Fund, Sewer Fund, Storm Water Utility Fund

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. 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 (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

Assigned – Assigned fund balance consists of amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Assigned amounts represent intended uses established by policies of City Council, including giving the Finance Director the authority to constrain monies for intended purposes. City Council may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year’s appropriated budget. Through the City’s purchasing policy, City Council has given the Finance Director the authority to constrain monies for intended purposes, which are also reported as assigned fund balance.

Unassigned – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted (committed, assigned and unassigned) resources as they are needed.

O. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2015, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Restricted Assets

Certain cash and cash equivalents are classified as restricted on the balance sheet because these funds are being held by a trustee, an agent or by the City for specified purposes.

Q. Intergovernmental Revenues

In governmental funds, grants awarded on a non-reimbursement basis, entitlements and shared revenues are recorded as intergovernmental receivables and revenues when measurable and available. Reimbursable grants are recorded as intergovernmental receivables and revenues when the related expenditures are made. Grants received for proprietary fund operations are recognized as revenues when measurable and earned. Such resources restricted for the construction of capital assets are recorded as contributed capital.

R. Pensions

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

S. Net Position

Net position represents the difference between assets, liabilities, and deferred outflows/inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through the enabling legislation adopted by the City 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 resources are available.

T. 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. 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 water treatment and distribution, wastewater collection and treatment, maintenance of storm water collection systems, electric distribution, off-street parking and collection of solid waste refuse. Operating expenses are necessary costs incurred 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 nonoperating revenues and expenses.

V. 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 City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2015.

W. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. For the City, deferred outflows of resources are reported for pension amounts on the government-wide and proprietary funds statement of net position. See Note 12.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide and proprietary funds statement of net position. See Note 12.

CITY OF PAINESVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2015**

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

In 2015 the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure.

The implementation of GASB 68 had the following effect on net position as reported December 31, 2014:

	Governmental Activities	Business-type Activities	Water Fund	Sewer Fund
Net Position December 31, 2014	\$46,889,527	\$81,551,967	\$19,662,629	\$7,989,580
Adjustments:				
Net Pension Liability	(12,336,302)	(7,596,402)	(1,579,894)	(1,568,608)
Deferred Outflows - Payments Subsequent to Measurement Date	1,153,602	919,800	195,306	190,191
Restated Net Position December 31, 2014	<u>\$35,706,827</u>	<u>\$74,875,365</u>	<u>\$18,278,041</u>	<u>\$6,611,163</u>
	Electric Fund	Off Street Parking Fund	Storm Water Utility Fund	Community Programs Fund
Net Position December 31, 2014	\$51,229,217	\$1,322,662	\$1,713,583	\$11,020
Adjustments:				
Net Pension Liability	(4,327,850)	(35,600)	(71,009)	(13,441)
Deferred Outflows - Payments Subsequent to Measurement Date	519,322	4,443	8,861	1,677
Restated Net Position December 31, 2014	<u>\$47,420,689</u>	<u>\$1,291,505</u>	<u>\$1,651,435</u>	<u>(\$744)</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position of governmental activities as reported in the government-wide statement of net position. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

Other long-term assets not available to pay for current-period expenditures:

Tax Revenues	\$116,719
Shared Revenues	531,817
Interest Revenues	7,566
Charges for Services	110,408
Special Assessment Revenue	137,752
	<u>\$904,262</u>

Net Pension liability and related deferred outflows/inflows:

Deferred Outflows - Pension	\$1,789,169
Deferred Inflows - Pension	(43,346)
Net Pension Liability	(13,029,863)
	<u>(\$11,284,040)</u>

Long-Term liabilities not reported in the funds:

General Obligation Bonds Payable	(\$8,373,080)
Special Assessment Bonds Payable	(250,000)
Long Term Notes Payable	(1,060,365)
OPWC Loans Payable	(1,265,026)
Construction Loan Payable	(69,193)
Accrued Interest on Long-Term Debt	(89,411)
Capital Leases Payable	(306,061)
Police/Firemen's Pension Accrued Liability	(643,191)
Compensated Absences Payable	(1,377,594)
	<u>(\$13,433,921)</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2015**

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government – wide statement of activities. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

Amount by which capital outlay exceeded depreciation in the current period:

Capital Outlay	\$3,096,841
Depreciation Expense	(1,603,784)
	<u>\$1,493,057</u>

Governmental revenues not reported in the funds:

Decrease in Tax Revenue	(\$5,213)
Decrease in Intergovernmental Revenue	(16,598)
Decrease in Interest Revenue	(55,164)
Increase in Charges for Services	110,408
Decrease in Special Assessment Revenue	(57,450)
	<u>(\$24,017)</u>

Net amount of long-term debt issuance and principal payments:

Long-Term Note Issuance	(\$1,060,365)
Long-Term Note Principal Payment	1,205,271
Premium Amortization	7,828
General Obligation Bond Principal Payment	370,000
Special Assessment Bond Principal Payment	20,000
Construction Loan Principal Payment	66,354
OPWC Loan Principal Payment	4,890
OPWC Loan Issuance	(8,180)
Police/Firemen's Pension Liability Payment	20,918
Capital Lease Issuance	(111,000)
Capital Lease Payments	86,919
	<u>\$602,635</u>

Expenses not requiring the use of current financial resources:

Decrease in Compensated Absences Payable	\$20,556
	<u>\$20,556</u>

CITY OF PAINESVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2015**

NOTE 4 – FUND BALANCE CLASSIFICATION

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

Fund Balances	General Fund	Street Construction, Maintenance and Repair Fund	Shamrock Business Center TIF Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Land Held for Resale	\$785,000	\$0	\$0	\$0	\$785,000
Prepaid Items	92,739	0	0	10,906	103,645
Permanent Fund Corpus	0	0	0	1,135,115	1,135,115
Total Nonspendable	877,739	0	0	1,146,021	2,023,760
Restricted:					
Street Maintenance and Repair	0	1,972,522	0	224,544	2,197,066
Cemetery Maintenance	0	0	0	400,661	400,661
Law Enforcement	0	0	0	285,971	285,971
Fire Department Operations	0	0	0	311,732	311,732
Drug and Alcohol Treatment	0	0	0	72,021	72,021
Adult Probation Program	0	0	0	51,479	51,479
Court Computer Improvements	0	0	0	86,925	86,925
Brownfield Clean up	0	0	0	10,903	10,903
Debt Retirement	0	0	0	301,123	301,123
Capital Improvements	0	0	1,391,174	489,137	1,880,311
Total Restricted	0	1,972,522	1,391,174	2,234,496	5,598,192
Committed:					
Emergency Medical Services	0	0	0	333,347	333,347
Capital Improvements	0	0	0	1,369,167	1,369,167
Total Committed	0	0	0	1,702,514	1,702,514
Assigned:					
Budget Resource	288,794	0	0	0	288,794
Contractual Services and Supplies	803,067	0	0	0	803,067
Total Assigned	1,091,861	0	0	0	1,091,861
Unassigned (Deficits):	6,216,145	0	0	(15,740)	6,200,405
Total Fund Balances	\$8,185,745	\$1,972,522	\$1,391,174	\$5,067,291	\$16,616,732

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 5 - CASH AND CASH EQUIVALENTS

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments.

Statutes require the classification of funds held by the City into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- 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 or interest by the United States;
- 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;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets 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, and;
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2015**

NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of City cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the City's deposits was \$10,125,453 and the bank balance was \$10,605,391. Federal depository insurance covered \$760,019 of the bank balance and \$9,845,372 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	\$9,845,372
Total Balance	<u><u>\$9,845,372</u></u>

B. Investments

The City's investments at December 31, 2015 were as follows:

	Fair Value	Credit Rating	Concentration of Credit Risk	Investment Maturities (in Years)		
				less than 1	1-3	3-5
STAR Ohio	\$52,652	AAAm ¹	0.16%	\$52,652	\$0	\$0
Negotiable CD's	13,882,491	AAA ³	41.97%	4,720,070	7,929,551	1,232,870
FHLB	1,650,027	AA+ ¹ /Aaa ²	4.99%	0	1,000,020	650,007
FHLMC	13,010,620	AA+ ¹ /Aaa ²	39.33%	0	3,538,195	9,472,425
FNMA	4,483,905	AAA ¹ /Aaa ²	13.55%	0	2,982,570	1,501,335
Total Investments	<u>\$33,079,695</u>		<u>100.00%</u>	<u>\$4,772,722</u>	<u>\$15,450,336</u>	<u>\$12,856,637</u>

¹ Standard & Poor's

² Moody's Investor Service

³ All are fully FDIC insured and therefore have an implied AAA credit rating

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)

B. Investments (Continued)

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date.

Investment Credit Risk – The City has no investment policy that limits its investment choices other than the limitation of State statute for “interim” funds described previously.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. Allocation of the City’s investments by issuer is detailed in the table above.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

NOTE 6 - PROPERTY TAX

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2015 were levied after October 1, 2014 on assessed values as of January 1, 2014, the lien date. Assessed values are established by the county auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments are made in the third year following reappraisal. The last reappraisal was completed in 2012. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Painesville. The County Auditor periodically remits to the City its portion of the taxes collected.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2015**

NOTE 6 - PROPERTY TAX (Continued)

The full tax rate for all City operations for the year ended December 31, 2015 was \$8.17 per \$1,000 of assessed value. The assessed value upon which the 2015 collections were based was \$218,983,000. This amount constitutes \$216,664,960 in real property assessed value and \$2,318,040 in public utility assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Property taxes recorded as revenue in 2015 were based on a tax rate equal to .817% (8.17 mills) of assessed value.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2015 consisted of taxes, interest, accounts receivable, special assessments, and intergovernmental receivables arising from shared revenues.

NOTE 8 - LAND HELD FOR RESALE

In December 1999, the City purchased 43.1 acres of land with the intent of resale as part of the City's economic development strategy. Additional land was purchased during 2001 for the same purpose. This land is instrumental in the development of commercial or industrial facilities to create and preserve jobs. At December 31, 2015 the City's Land Held for Resale balance was \$785,000.

NOTE 9 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2015 consist of the following individual fund receivables and payables:

Fund	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$190,000	\$0
Nonmajor Governmental Fund:		
Fire Levy Fund	0	190,000
Totals	\$190,000	\$190,000

The interfund loan balances result from the General Fund's advance of monies to the Fire Levy Fund to assist the fund's cashflow. The advance is scheduled to be repaid in 2016.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 10 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2015:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Fund	\$899,243	\$2,176,000
Street Construction, Maintenance and Repair Fund	790,000	0
Total Major Governmental Funds	<u>1,689,243</u>	<u>2,176,000</u>
Major Enterprise Funds:		
Electric Fund	0	899,243
Total Major Enterprise Funds	<u>0</u>	<u>899,243</u>
Nonmajor Governmental Funds:		
Cemeteries Fund	315,000	0
Underground Storage Tank Fund	11,000	0
Capital Equipment Reserve Fund	535,000	0
Capital Improvement Fund	450,000	0
Industrial Park Project Fund	15,000	0
Total Nonmajor Governmental Funds	<u>1,326,000</u>	<u>0</u>
Nonmajor Enterprise Funds:		
Off Street Parking Fund	60,000	0
Total Nonmajor Enterprise Funds	<u>60,000</u>	<u>0</u>
Total All Funds	<u>\$3,075,243</u>	<u>\$3,075,243</u>

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization. The City's transfers out were made in accordance to City ordinances as required by Ohio Revised Code.

The City's Electric Fund collects a State levied Kilowatt Hour Tax that is distributed to the State of Ohio and a portion to the City monthly. In 2015 the portion due to the City was \$899,243 which was transferred to the General Fund as required by Ohio Revised Code.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2015**

NOTE 11 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2015:

Historical Cost:

Class	December 31, 2014	Additions	Deletions	December 31, 2015
Capital assets not being depreciated:				
Land	\$9,838,526	\$0	\$0	\$9,838,526
Construction in Progress	13,477,193	2,323,798	(134,202)	15,666,789
Subtotal	23,315,719	2,323,798	(134,202)	25,505,315
Capital assets being depreciated:				
Buildings and Improvements	5,444,096	15,199	0	5,459,295
Improvements other than Buildings	8,958,144	145,636	0	9,103,780
Machinery and Equipment	6,468,700	746,410	(678,841)	6,536,269
Infrastructure	24,929,303	0	0	24,929,303
Subtotal	45,800,243	907,245	(678,841)	46,028,647
Total Cost	\$69,115,962	\$3,231,043	(\$813,043)	\$71,533,962

Accumulated Depreciation:

Class	December 31, 2014	Additions	Deletions	December 31, 2015
Buildings and Improvements	(\$2,501,212)	(\$57,828)	\$0	(\$2,559,040)
Improvements other than Buildings	(2,009,268)	(238,937)	0	(2,248,205)
Machinery and Equipment	(5,195,838)	(476,042)	655,764	(5,016,116)
Infrastructure	(13,919,365)	(830,977)	0	(14,750,342)
Total Depreciation	(\$23,625,683)	(\$1,603,784) *	\$655,764	(\$24,573,703)
Net Value:	\$45,490,279			\$46,960,259

* Depreciation expense was charged to governmental functions as follows:

General Government	\$148,972
Public Safety	200,091
Highways and Streets	1,183,396
Public Health and Welfare	15,923
Culture and Recreation	55,402
Total Depreciation Expense	\$1,603,784

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2015**

NOTE 11 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by category of changes in business-type activities capital assets at December 31, 2015:

Historical Cost:

Class	December 31, 2014	Additions	Deletions	December 31, 2015
Capital assets not being depreciated:				
Land	\$1,397,784	\$0	\$0	\$1,397,784
Construction In Progress	20,030,053	2,151,216	(612,379)	21,568,890
Subtotal	21,427,837	2,151,216	(612,379)	22,966,674
Capital assets being depreciated:				
Buildings and Improvements	32,466,522	0	0	32,466,522
Infrastructure	46,000,972	213,534	0	46,214,506
Machinery and Equipment	28,306,275	428,426	(238,653)	28,496,048
Subtotal	106,773,769	641,960	(238,653)	107,177,076
Total Cost	\$128,201,606	\$2,793,176	(\$851,032)	\$130,143,750

Accumulated Depreciation:

Class	December 31, 2014	Additions	Deletions	December 31, 2015
Buildings and Improvements	(\$20,824,211)	(\$495,411)	\$0	(\$21,319,622)
Infrastructure	(23,308,008)	(1,111,341)	0	(24,419,349)
Machinery and Equipment	(20,280,791)	(839,457)	237,677	(20,882,571)
Total Depreciation	(\$64,413,010)	(\$2,446,209)	\$237,677	(\$66,621,542)
Net Value:	\$63,788,596			\$63,522,208

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 12 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2015**

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2015**

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	<u>State and Local</u>	<u>Law Enforcement</u>
2015 Statutory Maximum Contribution Rates		
Employer	14.0 %	18.1 %
Employee	10.0 %	*
2015 Actual Contribution Rates		
Employer:		
Pension	12.0 %	16.1 %
Post-employment Health Care Benefits	<u>2.0</u>	<u>2.0</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	13.0 %

* This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$1,200,609 for 2015. Of this amount, \$110,525 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OPF)

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2015**

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
2015 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %
2015 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$948,955 for 2015. Of this amount, \$79,216 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$9,499,093	\$11,326,153	\$20,825,246
Proportion of the Net Pension Liability	0.078758%	0.218634%	
Pension Expense	\$1,033,229	\$1,104,606	\$2,137,835

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2015**

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$506,842	\$488,147	\$994,989
City contributions subsequent to the measurement date	<u>1,200,609</u>	<u>948,955</u>	<u>2,149,564</u>
Total Deferred Outflows of Resources	<u>\$1,707,451</u>	<u>\$1,437,102</u>	<u>\$3,144,553</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	<u>\$166,880</u>	<u>\$0</u>	<u>\$166,880</u>

\$2,149,564 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2016	\$49,712	\$122,036	\$171,748
2017	49,712	122,036	171,748
2018	113,828	122,036	235,864
2019	<u>126,710</u>	<u>122,039</u>	<u>248,749</u>
Total	<u>\$339,962</u>	<u>\$488,147</u>	<u>\$828,109</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The most recent experience study was completed for the five year period ended December 31, 2010.

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	100.00 %	5.28 %

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2015**

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$17,475,613	\$9,499,093	\$2,780,945

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2014 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00 %</u>	

* levered 2x

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2015**

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$15,665,783	\$11,326,153	\$7,651,806

NOTE 13 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (“OPERS”)

Plan Description – 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, which includes a medical plan, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B Premium reimbursement, to qualifying member 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.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 13 - POSTEMPLOYMENT BENEFITS (Continued)

A. Ohio Public Employees Retirement System (“OPERS”) (Continued)

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the ORC.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee’s Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2015. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

The City's contributions for health care to the OPERS for the years ending December 31, 2015, 2014, and 2013 were \$209,963, \$200,077 and \$101,534, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 13 - POSTEMPLOYMENT BENEFITS (Continued)

B. Ohio Police and Fire Pension Fund (“OP&F”)

Plan Description – The City contributes to the OP&F sponsored health care program, a cost-sharing multiple-employer defined postemployment 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 is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC permits, but does not mandate, OP&F to provide OPEB benefits. Authority to establish and amend benefits is provided in Chapter 742 of the ORC.

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F’s website at www.op-f.org.

Funding Policy – The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. 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 2015, the portion of employer contributions allocated to health care was 0.5% of covered payroll for both police officers and firefighters. 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 for health care to the OP&F for the years ending December 31, 2015, 2014, and 2013 were \$12,847, \$12,456 and \$104,614 for police and \$9,791, \$9,290 and \$73,690 for firefighters, respectively, which were equal to the required contributions for each year.

CITY OF PAINESVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2015**

NOTE 14 - LONG-TERM DEBT

Long-term debt of the City at December 31, 2015 is as follows:

		Restated Balance December 31, 2014	Issued	(Retired)	Balance December 31, 2015	Amount Due Within One Year	
Governmental Activities:							
General Obligation Bonds:							
4.250 - 5.000%	Various Purpose	2007	\$1,285,000	\$0	(\$100,000)	\$1,185,000	\$105,000
2.850%	Shamrock Blvd Improvement	2013	1,840,000	0	(80,000)	1,760,000	82,000
2.0 - 3.000%	Shamrock Blvd Improvement TIF	2012	5,485,000	0	(190,000)	5,295,000	225,000
	Premium on Debt Issuance		140,908	(7,828)	0	133,080	0
	Total General Obligation Bonds		<u>8,750,908</u>	<u>(7,828)</u>	<u>(370,000)</u>	<u>8,373,080</u>	<u>412,000</u>
Special Assessment Debt (with governmental commitment)							
4.75%	Renaissance Parkway	2005	270,000	0	(20,000)	250,000	20,000
Ohio Public Works Commission Loans (OPWC):							
0.000%	Chester Street Improvements	2008	63,571	0	(4,890)	58,681	4,890
0.000%	Brookstone Blvd Improvements	2013	1,198,165	8,180	0	1,206,345	0
	Total OPWC Loans		<u>1,261,736</u>	<u>8,180</u>	<u>(4,890)</u>	<u>1,265,026</u>	<u>4,890</u>
Long-Term Notes Payable:							
1.125%	Various Purpose	2011	1,205,271	1,060,365	(1,205,271)	1,060,365	161,976
Construction Loan Payable:							
4.250%	City Hall Construction		135,547	0	(66,354)	69,193	69,193
Net Pension Liability:							
	Ohio Public Employees Retirement System		2,411,613	58,225	0	2,469,838	0
	Ohio Police and Fire Pension Fund		9,924,689	635,336	0	10,560,025	0
	Total Net Pension Liability		<u>12,336,302</u>	<u>693,561</u>	<u>0</u>	<u>13,029,863</u>	<u>0</u>
	Compensated Absences		1,399,984	276,068	(286,038)	1,390,014	292,976
	Workers' Compensation Liability		752,891	695,033	(752,891)	695,033	267,180
	Capital Lease Payable		281,980	111,000	(86,919)	306,061	107,534
	Police/Firemen's Pension Accrued Liability		664,109	0	(20,918)	643,191	21,816
	Total Governmental Activities		<u>\$27,058,728</u>	<u>\$2,836,379</u>	<u>(\$2,813,281)</u>	<u>\$27,081,826</u>	<u>\$1,357,565</u>

CITY OF PAINESVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2015**

NOTE 14 - LONG-TERM DEBT (Continued)

Long-term debt of the City at December 31, 2015 is as follows:

	Restated Balance December 31, 2014	Issued	(Retired)	Balance December 31, 2015	Amount Due Within One Year
Business-Type Activities:					
Amp-Ohio Joint Venture Agreement:					
4.600 - 4.750% Joint Venture Agreement	\$1,301,584	\$0	(\$256,053)	\$1,045,531	\$259,337
Joint Venture Reserve Amount	(506,495)	0	(2,742)	(509,237)	0
Net Joint Venture Agreement	795,089	0	(258,795)	536,294	259,337
Ohio Water Development Authority Loans (OWDA):					
4.618% Safe Drinking Water	1998 524,793	0	(95,532)	429,261	100,017
3.420% WPCLF WWTP Upgrades	2009 3,094,481	0	(122,001)	2,972,480	142,315
4.300% Water Intake Design	2014 89,600	399,357	(8,329)	480,628	0
Total OWDA Loans	3,708,874	399,357	(225,862)	3,882,369	242,332
Ohio Public Works Commission Loans (OPWC):					
0.000% Pump Station	2005 41,261	0	(41,261)	0	0
0.000% Mentor Ave / Jackson Street Sewer	2008 26,635	0	(2,048)	24,587	2,048
Total OPWC Loans	67,896	0	(43,309)	24,587	2,048
Long-Term Notes Payable:					
1.125% Various Purpose	2011 2,254,729	1,799,635	(2,254,729)	1,799,635	448,024
Capital Leases Payable	3,301,087	0	(256,153)	3,044,934	265,785
Net Pension Liability:					
Ohio Public Employees Retirement System	6,872,929	156,326	0	7,029,255	0
Ohio Police and Fire Pension Fund	723,473	42,655	0	766,128	0
Total Net Pension Liability	7,596,402	198,981	0	7,795,383	0
Compensated Absences	1,527,002	711,867	(567,340)	1,671,529	637,015
Total Business-Type Activities	<u>\$19,251,079</u>	<u>\$3,109,840</u>	<u>(\$3,606,188)</u>	<u>\$18,754,731</u>	<u>\$1,854,541</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 14 - LONG-TERM DEBT (Continued)

A. Long Term Notes

Long term notes payable at December 31, 2015 consisted of Various Purpose Improvement Notes. All of the debt has a term of one year or less and was issued to finance improvements to City owned property and to acquire equipment. The City has been retiring a portion of the Various Purpose Improvement Notes as they mature and is issuing new notes for the remaining balance. The notes are dated February 25, 2015 and are due February 26, 2016, at an interest rate of 1.125%. Subsequent to year-end, the Various Purpose Improvement Notes, due February 26, 2016, were refinanced; therefore, these notes payable are recorded as long-term obligations.

B. Compensated Absences

City management staff and employees in each bargaining unit earn sick leave credit. Employees with at least 10 years of service are paid for one-third of their accumulated sick leave credit upon termination of employment, which may not exceed 120 days. This obligation amounted to \$1,839,599 for the City as of December 31, 2015.

In addition, management staff and personnel in each bargaining unit earn vacation at different rates based upon length of service. Vacation carried forward to the current year may not exceed one year's leave balance. In case of death, termination or retirement, an employee (or his estate) is paid for unused vacation up to a maximum of one year credit and two week accrual. The total obligation for accrued vacation for the City as a whole at December 31, 2015 amounted to \$1,221,944.

C. Police and Firemen's Pension Accrued Liability

The City's liability for past service costs related to the Police and Fire Pension Fund at December 31, 2015 was \$951,785 in principal and scheduled interest payments through the year 2035. Only the principal portion of the payments due is included in the government-wide statement of net position.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2015**

NOTE 14 - LONG-TERM DEBT (Continued)

D. Capital Leases

The City has entered into agreements to lease equipment. The original cost of the equipment was \$7,980,924. Such agreements are, in substance, lease purchases (capital leases) and are classified as long-term obligations in the financial statements. The costs of these assets are included in the capital asset balances of the Governmental Activities and Water Fund, Sewer Fund, Electric Fund (major enterprise funds) and the Storm Water Utility Fund (nonmajor enterprise fund). The capital leases payable are recorded in Governmental Activities and the Business-Type Activities in the amount of \$306,061, and \$3,044,934, respectively.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2015:

Year Ending December 31,	Governmental Activities	Business-Type Activities
2016	\$119,586	\$390,263
2017	67,826	390,264
2018	48,263	390,264
2019	28,698	314,896
2020	28,698	314,906
2021-2025	51,702	1,574,477
2026-2027	0	472,343
Minimum Lease Payments	344,773	3,847,413
Less: amount representing interest at the City's incremental borrowing rate of interest	(38,712)	(802,479)
Present value of minimum lease payments	<u>\$306,061</u>	<u>\$3,044,934</u>

E. Special Assessments with Governmental Commitment

The principal amount of the City's special assessment debt outstanding at December 31, 2015, \$250,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners. The fund balance of \$118,325 in the Special Assessment Bond Retirement Fund at December 31, 2015 is restricted for the retirement of outstanding special assessment bonds.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2015**

NOTE 14 - LONG-TERM DEBT (Continued)

F. Ohio Water Development Authority Loans

In 1998, the City entered into an agreement with the Ohio Water Development Authority to receive loans from the Water Supply Revolving Loan Account and the Freshwater Loan Agreement in the amount of \$1,644,613. The interest rate on the loan is 4.618% per annum. This loan is payable from water service charges. The City began repaying the loan in semiannual payments in 1999 based on a loan amount of \$1,664,613 to be paid through 2019. As of December 31, 2015, the loan had an outstanding balance of \$429,261.

In 2009, the City entered into an agreement with the Ohio Water Development Authority to receive loans for wastewater treatment plant upgrades in the amount of \$3,495,846. The interest rate on the loan is 3.42% per annum. This loan is payable from wastewater service charges. The loan can only be received by the City in increments as the project is completed. The City began repaying the loan in semiannual payments in 2015 based on a loan amount of \$3,495,846 to be paid through 2031. As of December 31, 2015, the loan had an outstanding balance of \$2,972,480.

In 2014, the City entered into an agreement with the Ohio Water Development Authority to receive loans for water system intake improvements in the amount of \$333,529. The interest rate on the loan is 4.30% per annum. This loan is payable from water service charges. The loan can only be received by the City in increments as the project is completed. As of December 31, 2015 the City had received \$488,957. As of December 31, 2015 the loan has not been finalized and there is no amortization schedule for the loan.

G. Ohio Public Works Commission Loan

In 2013 the City obtained financing through the Ohio Public Works Commission for improvements to Brookstone Boulevard at an interest rate of 0%. This loan is received by the City in increments as the project is completed. As of December 31, 2015, the City had received \$1,206,345 from OPWC. Subsequent amounts will be received in future years. As of December 31, 2015 the loan has not been finalized and there is no amortization schedule for the loan.

H. Principal and Interest Requirements

The principal and interest requirements to retire long-term debt and Police and Fire Pension Liability obligations at December 31, 2015, are as follows:

Years	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2016	\$412,000	\$256,423	\$20,000	\$12,500
2017	419,000	245,123	20,000	11,500
2018	427,000	233,554	20,000	10,500
2019	439,000	220,825	25,000	9,500
2020	457,000	207,688	25,000	8,250
2021-2025	2,249,000	819,335	140,000	17,250
2026-2030	2,164,000	463,629	0	0
2031-2034	1,673,000	120,957	0	0
Totals	<u>\$8,240,000</u>	<u>\$2,567,534</u>	<u>\$250,000</u>	<u>\$69,500</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2015**

NOTE 14 - LONG-TERM DEBT (Continued)

H. Principal and Interest Requirements (Continued)

Years	OWDA Loans		OPWC Loans		Police/Firemen's Pension Accrued Liability	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$242,332	\$119,341	\$6,938	\$0	\$21,816	\$27,106
2017	251,949	109,724	6,939	0	22,753	26,169
2018	261,969	99,704	6,939	0	23,730	25,192
2019	272,407	89,267	6,939	0	24,750	24,173
2020	162,987	79,778	6,939	0	25,813	23,110
2021-2025	903,258	310,580	34,694	0	146,678	97,935
2026-2030	1,070,158	128,282	13,880	0	181,004	63,610
2031-2035	236,681	6,088	0	0	196,647	21,299
Totals	<u>\$3,401,741</u>	<u>\$942,764</u>	<u>\$83,268</u>	<u>\$0</u>	<u>\$643,191</u>	<u>\$308,594</u>

Years	Construction Loan	
	Principal	Interest
2016	\$69,193	\$2,214
Totals	<u>\$69,193</u>	<u>\$2,214</u>

The repayment of the mortgage revenue bonds is secured by the revenues and a first mortgage on the property of the related utility operation. All other bonds, notes and the police and fire pension accrued liability are backed by the full faith and credit of the City. The Ohio Water Development Authority construction loans are secured by the revenues of the City's wastewater treatment operations. The loans require, among other things, that the City charge sufficient rates and fees for wastewater treatment services to enable the revenues to service the loan principal and provide resources for the payment of the necessary operating and maintenance expenses of the facility. The City was not required to pledge the general resources or general credit of the City to secure the repayment of the loans.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2015**

NOTE 15 - RISK MANAGEMENT

The City purchases insurance policies in varying amounts providing coverage for general liability, vehicle liability, property damage, employee and public officials liability, professional liability and errors and omissions liability. The City also pays unemployment claims to the State of Ohio as incurred.

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During 2015 the City contracted with several different insurance providers for various insurance coverages, as follows:

Insurance Provider	Coverage	Deductible
McGowan Underwriters of America	Public Employee Dishonesty/ Forgery	\$1,000
McGowan Underwriters of America	Law Enforcement Professional Liability	\$25,000
McGowan Underwriters of America	Public Officials Liability	\$25,000
McGowan Underwriters of America	Comprehensive General Liability	\$0
McGowan Underwriters of America	Ohio Employers Intentional Tort Liability	\$0
McGowan Underwriters of America	Commercial Umbrella Liability	\$0
McGowan Underwriters of America	Boiler and Machinery	\$25,000
McGowan Underwriters of America	Automobile	\$1,000
McGowan Underwriters of America	Commercial General Liability (Fire)	\$0
McGowan Underwriters of America	Commercial Umbrella	\$0

In 1993, the Workers' Compensation Retrospective Rating Fund was established to account for the funding of the City's workers' compensation plan. Under the plan, the City is charged by the State of Ohio for administrative fees, claims paid and premiums for individual and aggregate claim limits. All City funds are charged a premium per employee covered by the Workers' Compensation Retrospective Rating Fund based on claims experience. The City has a claims limit of \$300,000 per individual and a maximum yearly amount for all claims which varies each policy year. The claims liability of \$695,033 reported in the fund at December 31, 2015 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount for the past two years are as follows:

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Year Liability
2014	\$861,401	\$198,018	(\$306,528)	\$752,891
2015	752,891	150,195	(208,053)	695,033

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 15 - RISK MANAGEMENT (Continued)

In 2000, the Employee Health Insurance Fund was created to account for the City’s self-funded employee health insurance. Under this program, the City operates with a third party administrator and under stop-loss thresholds. The actual claims are passed through the City for payment. There is protection as to the amount of claims that can be passed through to the City—both specific and aggregate stop-loss protection. Under specific stop-loss, the City pays 100% for any one individual generating claims up to the specific level of \$75,000. Any dollar amount over this specific level is paid by the re-insurance carrier. The aggregate stop-loss protects the City from having a large number of claims exceeding the expected claims level by more than 20% or 25%. Any claims over the specific level do not count toward the aggregate level. Only claims less than the specific level are applied toward the aggregate level. The claims liability of \$368,384 reported in the fund at December 31, 2015 is based on the requirements of GASB Statement No. 30, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount for the past two years are as follows:

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2014	\$388,200	\$2,560,829	(\$2,595,429)	\$353,600
2015	353,600	2,641,184	(2,626,400)	368,384

NOTE 16 - JOINT VENTURE

The City of Painesville is a Financing Participant and a Purchaser Participant with percentages of liability and ownership of 6.66% and 5.22% respectively and shares participation with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency (OMEGA JV2). Owner Participants own undivided interests, as tenants in common, in the OMEGA JV2 Project in the amount of their respective Project Shares. Purchaser Participants agree to purchase the output associated with their respective Project shares, ownership of which is held in trust for such Purchaser Participants.

Pursuant to the OMEGA JV2 Agreement (Agreement), the participants jointly undertook as either Financing Participants or Non-Financing Participants and as either Owner Participants or Purchaser Participants, the acquisition, construction, and equipping of OMEGA JV2, including such portions of OMEGA JV2 as have been acquired, constructed or equipped by AMP and to pay or incur the costs of the same in accordance with the Agreement.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 16 - JOINT VENTURE (Continued)

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Distributive Generation Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. Under the terms of the Agreement each Financing Participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV2 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2015 the City of Painesville has met their debt coverage obligation.

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants' entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with the remaining principal balance now residing on the AMP credit facility. As of December 31, 2015, the outstanding debt was \$8,052,470. The City's net obligation for this amount at December 31, 2015 was \$536,294. The City's net investment and its share of operating results of OMEGA JV2 are reported in the City's electric fund (an enterprise fund). The City's net investment in OMEGA JV2 was \$866,005 at December 31, 2015. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

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CITY OF PAINESVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2015**

NOTE 16 - JOINT VENTURE (Continued)

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2015 are:

Municipality	Percent Ownership	Kw Entitlement	Municipality	Percent Ownership	Kw Entitlement
Hamilton	23.87%	32,000	Grafton	0.79%	1,056
Bowling Green	14.32%	19,198	Brewster	0.75%	1,000
Niles	11.49%	15,400	Monroeville	0.57%	764
Cuyahoga Falls	7.46%	10,000	Milan	0.55%	737
Wadsworth	5.81%	7,784	Oak Harbor	0.55%	737
Painesville	5.22%	7,000	Elmore	0.27%	364
Dover	5.22%	7,000	Jackson Center	0.22%	300
Galion	4.29%	5,753	Napoleon	0.20%	264
Amherst	3.73%	5,000	Lodi	0.16%	218
St. Mary's	2.98%	4,000	Genoa	0.15%	199
Montpelier	2.98%	4,000	Pemberville	0.15%	197
Shelby	1.89%	2,536	Lucas	0.12%	161
Versailles	1.24%	1,660	South Vienna	0.09%	123
Edgerton	1.09%	1,460	Bradner	0.09%	119
Yellow Springs	1.05%	1,408	Woodville	0.06%	81
Oberlin	0.91%	1,217	Haskins	0.05%	73
Pioneer	0.86%	1,158	Arcanum	0.03%	44
Seville	<u>0.79%</u>	<u>1,066</u>	Custar	<u>0.00%</u>	<u>4</u>
	95.20%	127,640		<u>4.80%</u>	<u>6,441</u>
			Grand Total	<u>100.00%</u>	<u>134,081</u>

The City's liability for the bonds is disclosed below:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2016	\$259,337	\$6,943	\$266,280
2017-2018	786,194	3,866	790,060
Total Gross Liability	<u>1,045,531</u>	<u>\$10,809</u>	<u>\$1,056,340</u>
Less: Amounts Held in Reserve	<u>(509,237)</u>		
Net Obligation	<u>\$536,294</u>		

CITY OF PAINESVILLE, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 17 – SIGNIFICANT COMMITMENTS

As of December 31, 2015, the City had the following contracts with respect to capital improvements:

Project	Remaining Construction Commitment	Expected Date of Completion
Various Street Repaving	\$874,418	2016
Storm Water Utility Improvements	103,679	2016
Waterline Replacement Project	700,258	2016
Electric Substation	203,108	2016
Raw Wash Basin Improvements	550,000	2016
Newell Street Railroad Crossing	473,131	2016
Total	\$2,904,594	

At December 31, 2015 the City had encumbrance commitments in the Governmental Funds as follows:

Fund	Encumbrances
General Fund	\$856,926
Street Construction, Maintenance and Repair Fund	667,184
Shamrock Business Center TIF Fund	10,359
Other Governmental Funds	877,807
Total Governmental Funds	\$2,412,276

NOTE 18 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equities - The fund deficits at December 31, 2015 of \$15,740 in the Fire Levy Fund (special revenue fund), \$6,363 in the Community Programs Fund (enterprise fund), \$325,123 in the Employee Health Insurance Fund and \$541,254 in the Workers' Compensation Retrospective Fund (internal service funds) arise from the recognition of expenditures/expenses on the modified accrual/accrual basis that are greater than expenditures/expenses recognized on the budgetary/cash basis. Deficits do not exist under the budgetary/cash basis of accounting. Transfers are provided when cash is required, not when accruals occur.

NOTE 19 - CONTINGENCIES

There are several lawsuits pending in which the City is involved. The City's management believes that the ultimate outcome of these matters will not significantly impact the City's financial position or operations.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2015***

NOTE 20 – PURCHASE COMMITMENT

American Municipal Power Generating Station Project (AMPGS)

The City is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The City's share was 13,000 kilowatts of a total 771,281 kilowatts, giving the City a 1.69 percent share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed *impaired* and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. As a result of a March 31, 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability.

The City's estimated share at March 31, 2014 of the impaired costs was \$2,240,514. The City received a credit of \$587,923 related to the AMPGS costs deemed to have future benefit for the project participants, and payments made of \$2,194,829 leaving a net credit balance of impaired cost estimate of \$542,238. The City will be leaving the credit balance with AMP to offset any additional costs in the future. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the City's credit balance. These amounts will be recorded as they become estimable. Since March 31, 2014 the City has maintained a net credit balance of the impaired cost estimate. Also since March 31, 2014, the City's allocation of additional costs incurred by the project is \$17,282 and interest has been credited to the City for the net credit balance of \$7,812, resulting in a net credit balance at December 31, 2015 of \$532,768.

NOTE 21 – SUBSEQUENT EVENT

In February 2016 the City issued \$2,250,000 of various purpose General Obligation Notes. These notes carry an interest rate of 1.125% and mature in February 2017.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF PAINESVILLE, OHIO

***Schedule of City's Proportionate Share of the Net Pension Liability
Last Two Years***

Ohio Public Employees Retirement System

Year	<u>2013</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	0.078758%	0.078758%
City's proportionate share of the net pension liability (asset)	\$9,284,542	\$9,499,093
City's covered-employee payroll	\$9,660,792	\$9,655,333
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	96.11%	98.38%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	<u>2013</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	0.218634%	0.218634%
City's proportionate share of the net pension liability (asset)	\$10,648,162	\$11,326,153
City's covered-employee payroll	\$4,943,828	\$4,373,483
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	215.38%	258.97%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability.

CITY OF PAINESVILLE, OHIO

***Schedule of City Contributions
Last Three Years***

Ohio Public Employees Retirement System

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$1,255,903	\$1,158,640	\$1,200,609
Contributions in relation to the contractually required contribution	<u>1,255,903</u>	<u>1,158,640</u>	<u>1,200,609</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$9,660,792	\$9,655,333	\$10,005,075
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$874,748	\$914,762	\$948,955
Contributions in relation to the contractually required contribution	<u>874,748</u>	<u>914,762</u>	<u>948,955</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$4,943,828	\$4,373,483	\$4,529,777
Contributions as a percentage of covered-employee payroll	17.69%	20.92%	20.95%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS, NONMAJOR ENTERPRISE FUNDS, NONMAJOR INTERNAL SERVICE FUNDS, AND FIDUCIARY FUNDS.

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to trusts or major capital projects) that are restricted or committed to expenditures for specified purposes.

State Highway Improvement Fund

Required by the Ohio Revised Code to account for 7.5% of the state gasoline tax and motor vehicle registration fees designated for maintenance of state highways within the City.

Cemeteries Fund

To account for revenue received from the operation of the City's two municipal cemeteries.

Police Pension Transfer Fund

To accumulate property taxes levied for the partial payment of the current and accrued liability for police disability and pension.

Fire Pension Transfer Fund

To accumulate property taxes levied for the partial payment of the current and accrued liability for fire disability and pension.

Law Enforcement Fund

To account for the proceeds from the confiscation of contraband.

Municipal Motor Vehicle License Tax Fund

To account for County-levied motor vehicle registration fees designated for street construction, maintenance and repair. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the Street Construction, Maintenance and Repair Fund on a GAAP basis.)

Indigent Drivers Alcohol Treatment Fund

To account for funds received pursuant to Ohio Revised Code Section 4511.191 (M) to be used for the incarceration and/or treatment of alcohol abuse by individuals that are determined by the courts to be indigent.

(Continued)

Special Revenue Funds

Enforcement and Education Fund

To account for funds received pursuant to Ohio Revised Code Section 4511.99 (A) to be used by the Painesville Police to pay the costs of educating the public about laws governing operation of a motor vehicle while under the influence of alcohol.

City Motor Vehicle License Tax Fund

To account for City-levied motor vehicle registration fees designated for street construction, maintenance and repair. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the Street Construction, Maintenance and Repair Fund on a GAAP basis.)

Fire Levy Fund

To account for a voted continuous property tax levy which is used to fund a portion of Fire Department salaries and the purchase of fire fighting apparatus.

Underground Storage Tank Fund

To account for monies to pay for the deductible amount of costs of third party damages and corrective actions necessary to clean up a petroleum release from an underground storage tank. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Probation Services Fund

To account for monies received pursuant to Ohio Revised Code Section 2951.021 to be used for operating expenses of the Probation Department.

Community Oriented Policing Services (COPS) Fast Grant Fund

To account for federal grant monies designated for the cost of additional police officers.

Skate Facility Fund

To account for monies designated for the costs to construct and maintain a skate facility. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

Fire Fund

To account for grants and donated monies received for funding the operations of the Fire Division.

Victim's Advocate Grant Fund

To account for the Victim's Advocate Grant the Court received.

Emergency Medical Services (EMS) Fund

To account for revenue received from the operation of the City's Emergency Medical Services.

(Continued)

Special Revenue Funds

Municipal Court Computerization Fund

To account for monies from fines to be used to place an updated computer system in the Municipal Court.

Brownfield Grant Fund

To account for grant revenues received from EPA for brownfield assessment, cleanup, revolving loans, and environmental job training.

Zoning Application Fund

To account for monies received and held by the City for zoning application requests. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

Fire Improvement Levy Fund

To account for a voted property tax levy restricted in use for equipment purchases for the Fire Department. This levy is required to be renewed by the voters every 5 years.

Road Improvement Levy Fund

To account for a voted property tax levy to be used for improvements to City streets.

Columbarium Trust Fund

To account for monies received and held by the City for charges related to the columbarium burial site.

Law Enforcement Trust Fund

To account for monies received by the police division from the sale of drug related contraband.

Debt Service Funds

The Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment levies when the government is obligated in some manner for the payment.

General Bond Retirement Fund

To account for the accumulation of resources for the payments of general obligation debt of the City including self-supporting obligations not otherwise paid from proprietary funds.

Special Assessment Bond Retirement Fund

To accumulate special assessment revenues collected by the County Treasurer and remitted to the City by the County Auditor for payment of assessment bonds.

Capital Projects Funds

The Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than that financed by proprietary funds and trust funds.

Municipal Court Improvement Fund

To account for the expansion to a second municipal courtroom, including remodeling and furnishing of the existing facilities financed by unvoted general obligation bond anticipation notes.

Capital Equipment Reserve Fund

To account for the costs associated with the purchase and maintenance of capital equipment.

Capital Improvement Fund

To account for the accumulation of funds for the acquisition of capital assets and/or the construction of major capital facilities.

Lake Hospital Demolition Fund

To account for costs associated with the acquisition and demolition of the Lake East Hospital.

Jackson Street Interchange Project Fund

To account for the costs associated with the construction of an interchange off of State Route 44 and Jackson Street.

Industrial Park Project Fund

To account for the costs associated with the construction of the Renaissance Industrial Park located on Newell Street.

Municipal Court Special Projects Fund

To account for the accumulation of funds for the general use of the Municipal Court.

Millstone Acquisition Fund

To account for costs associated with the acquisition and demolition of Millstone Condominiums.

City Hall Fire Fund

To account for insurance proceeds received due to a fire at City Hall.

Shamrock Boulevard Road Project Fund

To account for costs associated with construction of Shamrock Boulevard.

Permanent Funds

The Permanent Fund is used to account for the financial resources that are legally restricted in that only the earnings, not the principal, may be used to support the City's programs.

Cemetery Trust Fund

To account for interest income earned from the investment of cemetery trust principal. The interest portion of the trust can be used to maintain the City's two cemeteries.

Special Endowment Fund

To account for interest income earned from the investment of special endowment (non-resident) principal. The interest portion of the trust can be used to maintain the City's two cemeteries. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the Special Endowment Trust Fund on a GAAP basis.)

Evergreen Cemetery Trust Fund

To account for the principal, acquired from contributions and endowments, for the City's Evergreen Cemetery. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the Cemetery Trust Fund on a GAAP basis.)

Riverside Cemetery Trust Fund

To account for the principal, acquired from contributions and endowments, for the City's Riverside Cemetery. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the Cemetery Trust Fund on a GAAP basis.)

Special Endowment Trust Fund

To account for the principal, acquired from contributions and endowments, from non-residents, for the City's two cemeteries.

CITY OF PAINESVILLE, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
Assets:					
Pooled Cash and Investments	\$ 2,017,492	\$ 301,123	\$ 1,908,183	\$ 141,527	\$ 4,368,325
Receivables:					
Taxes	1,255,918	54,259	0	0	1,310,177
Accounts	187,614	0	0	0	187,614
Intergovernmental	76,404	3,092	0	0	79,496
Special Assessments	0	137,752	0	0	137,752
Prepaid Items	10,906	0	0	0	10,906
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	1,135,115	1,135,115
Total Assets	\$ 3,548,334	\$ 496,226	\$ 1,908,183	\$ 1,276,642	\$ 7,229,385
Liabilities:					
Accounts Payable	\$ 266,136	\$ 0	\$ 46,675	\$ 0	\$ 312,811
Accrued Wages and Benefits Payable	51,025	0	1,435	0	52,460
Intergovernmental Payable	2,785	0	1,769	0	4,554
Interfund Loans Payable	190,000	0	0	0	190,000
Total Liabilities	509,946	0	49,879	0	559,825
Deferred Inflows of Resources:					
Unavailable Amounts	233,927	144,248	0	0	378,175
Property Tax Levy for Next Fiscal Year	1,173,239	50,855	0	0	1,224,094
Total Deferred Inflows of Resources	1,407,166	195,103	0	0	1,602,269
Fund Balances:					
Nonspendable	10,906	0	0	1,135,115	1,146,021
Restricted	1,302,709	301,123	489,137	141,527	2,234,496
Committed	333,347	0	1,369,167	0	1,702,514
Unassigned	(15,740)	0	0	0	(15,740)
Total Fund Balances	1,631,222	301,123	1,858,304	1,276,642	5,067,291
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,548,334	\$ 496,226	\$ 1,908,183	\$ 1,276,642	\$ 7,229,385

CITY OF PAINESVILLE, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2015**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
Revenues:					
Property Taxes	\$ 1,104,488	\$ 48,954	\$ 0	\$ 0	\$ 1,153,442
Intergovernmental Revenues	251,299	12,369	207,637	0	471,305
Charges for Services	717,252	0	0	0	717,252
Investment Earnings	0	0	0	322	322
Special Assessments	0	205,700	0	0	205,700
Fines and Forfeitures	241,176	0	138,357	0	379,533
All Other Revenues	16,405	0	371	11,570	28,346
Total Revenues	2,330,620	267,023	346,365	11,892	2,955,900
Expenditures:					
Current:					
General Government	264,974	135,572	115,381	0	515,927
Public Safety	1,095,584	0	111,000	0	1,206,584
Highways and Streets	660,484	0	242,970	0	903,454
Public Health and Welfare	368,128	0	0	600	368,728
Capital Outlay	0	0	612,219	0	612,219
Debt Service:					
Principal Retirement	98,991	52,750	76,972	0	228,713
Interest and Fiscal Charges	9,644	29,185	9,965	0	48,794
Total Expenditures	2,497,805	217,507	1,168,507	600	3,884,419
Excess (Deficiency) of Revenues Over Expenditures	(167,185)	49,516	(822,142)	11,292	(928,519)
Other Financing Sources (Uses):					
Sale of Capital Assets	4,363	0	9,000	0	13,363
Long Term Note Issuance	34,740	0	0	0	34,740
Transfers In	326,000	0	1,000,000	0	1,326,000
Other Financing Sources - Capital Leases	0	0	111,000	0	111,000
Total Other Financing Sources (Uses)	365,103	0	1,120,000	0	1,485,103
Net Change in Fund Balances	197,918	49,516	297,858	11,292	556,584
Fund Balances at Beginning of Year	1,433,304	251,607	1,560,446	1,265,350	4,510,707
Fund Balances End of Year	\$ 1,631,222	\$ 301,123	\$ 1,858,304	\$ 1,276,642	\$ 5,067,291

CITY OF PAINESVILLE, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015**

	State Highway Improvement Fund	Cemeteries Fund	Police Pension Transfer Fund	Fire Pension Transfer Fund
Assets:				
Pooled Cash and Investments	\$ 82,321	\$ 274,770	\$ 84,168	\$ 84,213
Receivables:				
Taxes	0	0	67,824	67,824
Accounts	0	0	0	0
Intergovernmental	19,528	571	3,866	3,866
Prepaid Items	0	2,974	0	0
Total Assets	\$ 101,849	\$ 278,315	\$ 155,858	\$ 155,903
Liabilities:				
Accounts Payable	\$ 0	\$ 1,313	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	14,983	0	0
Intergovernmental Payable	0	0	0	0
Interfund Loans Payable	0	0	0	0
Total Liabilities	0	16,296	0	0
Deferred Inflows of Resources:				
Unavailable Amounts	13,019	0	8,121	8,121
Property Tax Levy for Next Fiscal Year	0	0	63,569	63,569
Total Deferred Inflows of Resources	13,019	0	71,690	71,690
Fund Balances:				
Nonspendable	0	2,974	0	0
Restricted	88,830	259,045	84,168	84,213
Committed	0	0	0	0
Unassigned	0	0	0	0
Total Fund Balances	88,830	262,019	84,168	84,213
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 101,849	\$ 278,315	\$ 155,858	\$ 155,903

CITY OF PAINESVILLE, OHIO

Law Enforcement Fund	Indigent Drivers Alcohol Treatment Fund	Enforcement and Education Fund	Fire Levy Fund	Probation Services Fund	COPS Fast Grant Fund
\$ 36,944	\$ 72,021	\$ 127,633	\$ 174,260	\$ 58,994	\$ 846
0	0	0	109,106	0	0
0	0	0	0	0	0
0	0	0	2,053	0	0
0	0	0	0	0	0
<u>\$ 36,944</u>	<u>\$ 72,021</u>	<u>\$ 127,633</u>	<u>\$ 285,419</u>	<u>\$ 58,994</u>	<u>\$ 846</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 752	\$ 0
0	0	0	0	3,978	0
0	0	0	0	2,785	0
0	0	0	190,000	0	0
0	0	0	190,000	7,515	0
0	0	0	12,227	0	0
0	0	0	98,932	0	0
0	0	0	111,159	0	0
0	0	0	0	0	0
36,944	72,021	127,633	0	51,479	846
0	0	0	0	0	0
0	0	0	(15,740)	0	0
<u>36,944</u>	<u>72,021</u>	<u>127,633</u>	<u>(15,740)</u>	<u>51,479</u>	<u>846</u>
<u>\$ 36,944</u>	<u>\$ 72,021</u>	<u>\$ 127,633</u>	<u>\$ 285,419</u>	<u>\$ 58,994</u>	<u>\$ 846</u>

(Continued)

CITY OF PAINESVILLE, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015**

	Fire Fund	Victim's Advocate Grant Fund	Emergency Medical Services Fund	Municipal Court Computerization Fund
Assets:				
Pooled Cash and Investments	\$ 2,204	\$ 6,557	\$ 285,991	\$ 90,743
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	187,614	0
Intergovernmental	0	8,906	0	0
Prepaid Items	0	0	7,932	0
Total Assets	<u>\$ 2,204</u>	<u>\$ 15,463</u>	<u>\$ 481,537</u>	<u>\$ 90,743</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 8	\$ 3,251	\$ 14
Accrued Wages and Benefits Payable	0	1,661	26,599	3,804
Intergovernmental Payable	0	0	0	0
Interfund Loans Payable	0	0	0	0
Total Liabilities	<u>0</u>	<u>1,669</u>	<u>29,850</u>	<u>3,818</u>
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	110,408	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>110,408</u>	<u>0</u>
Fund Balances:				
Nonspendable	0	0	7,932	0
Restricted	2,204	13,794	0	86,925
Committed	0	0	333,347	0
Unassigned	0	0	0	0
Total Fund Balances	<u>2,204</u>	<u>13,794</u>	<u>341,279</u>	<u>86,925</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,204</u>	<u>\$ 15,463</u>	<u>\$ 481,537</u>	<u>\$ 90,743</u>

CITY OF PAINESVILLE, OHIO

Brownfield Grant Fund	Fire Improvement Levy Fund	Road Improvement Levy Fund	Columbarium Trust Fund	Law Enforcement Trust Fund	Total Nonmajor Special Revenue Funds
\$ 770	\$ 246,363	\$ 364,704	\$ 89	\$ 23,901	\$ 2,017,492
0	333,105	678,059	0	0	1,255,918
0	0	0	0	0	187,614
19,578	7,870	10,166	0	0	76,404
0	0	0	0	0	10,906
<u>\$ 20,348</u>	<u>\$ 587,338</u>	<u>\$ 1,052,929</u>	<u>\$ 89</u>	<u>\$ 23,901</u>	<u>\$ 3,548,334</u>
\$ 9,445	\$ 21,048	\$ 228,990	\$ 0	\$ 1,315	\$ 266,136
0	0	0	0	0	51,025
0	0	0	0	0	2,785
0	0	0	0	0	190,000
<u>9,445</u>	<u>21,048</u>	<u>228,990</u>	<u>0</u>	<u>1,315</u>	<u>509,946</u>
0	29,490	52,541	0	0	233,927
0	311,485	635,684	0	0	1,173,239
0	340,975	688,225	0	0	1,407,166
0	0	0	0	0	10,906
10,903	225,315	135,714	89	22,586	1,302,709
0	0	0	0	0	333,347
0	0	0	0	0	(15,740)
<u>10,903</u>	<u>225,315</u>	<u>135,714</u>	<u>89</u>	<u>22,586</u>	<u>1,631,222</u>
<u>\$ 20,348</u>	<u>\$ 587,338</u>	<u>\$ 1,052,929</u>	<u>\$ 89</u>	<u>\$ 23,901</u>	<u>\$ 3,548,334</u>

CITY OF PAINESVILLE, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015***

	State Highway Improvement Fund	Cemeteries Fund	Police Pension Transfer Fund	Fire Pension Transfer Fund
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 51,671	\$ 51,671
Intergovernmental Revenues	49,241	0	15,463	15,463
Charges for Services	0	133,515	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenues	0	0	0	0
Total Revenues	49,241	133,515	67,134	67,134
Expenditures:				
Current:				
General Government	0	0	940	940
Public Safety	0	0	64,300	64,300
Highways and Streets	60,000	0	0	0
Public Health and Welfare	0	368,128	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	60,000	368,128	65,240	65,240
Excess (Deficiency) of Revenues Over Expenditures	(10,759)	(234,613)	1,894	1,894
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Long Term Note Issuance	0	0	0	0
Transfers In	0	315,000	0	0
Total Other Financing Sources (Uses)	0	315,000	0	0
Net Change in Fund Balances	(10,759)	80,387	1,894	1,894
Fund Balances at Beginning of Year	99,589	181,632	82,274	82,319
Fund Balances End of Year	\$ 88,830	\$ 262,019	\$ 84,168	\$ 84,213

CITY OF PAINESVILLE, OHIO

Law Enforcement Fund	Indigent Drivers Alcohol Treatment Fund	Enforcement and Education Fund	Fire Levy Fund	Underground Storage Tank Fund	Probation Services Fund
\$ 0	\$ 0	\$ 0	\$ 109,437	\$ 0	\$ 0
0	0	0	8,212	0	0
0	0	0	0	0	0
0	21,049	11,796	0	0	111,986
15,327	0	0	0	0	0
15,327	21,049	11,796	117,649	0	111,986
0	5,799	0	1,903	0	105,217
10	0	0	1,238	0	0
0	0	0	0	11,931	0
0	0	0	0	0	0
0	0	0	98,991	0	0
0	0	0	9,644	0	0
10	5,799	0	111,776	11,931	105,217
15,317	15,250	11,796	5,873	(11,931)	6,769
0	0	0	4,363	0	0
0	0	0	34,740	0	0
0	0	0	0	11,000	0
0	0	0	39,103	11,000	0
15,317	15,250	11,796	44,976	(931)	6,769
21,627	56,771	115,837	(60,716)	931	44,710
\$ 36,944	\$ 72,021	\$ 127,633	\$ (15,740)	\$ 0	\$ 51,479

(Continued)

CITY OF PAINESVILLE, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015***

	COPS Fast Grant Fund	Fire Fund	Victim's Advocate Grant Fund	Emergency Medical Services Fund
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	44,855	0
Charges for Services	0	0	0	583,737
Fines and Forfeitures	0	0	0	0
All Other Revenues	0	1,000	0	78
Total Revenues	0	1,000	44,855	583,815
Expenditures:				
Current:				
General Government	0	0	35,675	0
Public Safety	7,000	992	0	603,339
Highways and Streets	0	0	0	0
Public Health and Welfare	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	7,000	992	35,675	603,339
Excess (Deficiency) of Revenues Over Expenditures	(7,000)	8	9,180	(19,524)
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Long Term Note Issuance	0	0	0	0
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	(7,000)	8	9,180	(19,524)
Fund Balances at Beginning of Year	7,846	2,196	4,614	360,803
Fund Balances End of Year	\$ 846	\$ 2,204	\$ 13,794	\$ 341,279

CITY OF PAINESVILLE, OHIO

Municipal Court Computerization Fund	Brownfield Grant Fund	Fire Improvement Levy Fund	Road Improvement Levy Fund	Columbarium Trust Fund	Law Enforcement Trust Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 274,547	\$ 617,162	\$ 0	\$ 0	\$ 1,104,488
0	45,920	31,480	40,665	0	0	251,299
0	0	0	0	0	0	717,252
96,345	0	0	0	0	0	241,176
0	0	0	0	0	0	16,405
<u>96,345</u>	<u>45,920</u>	<u>306,027</u>	<u>657,827</u>	<u>0</u>	<u>0</u>	<u>2,330,620</u>
79,483	35,017	0	0	0	0	264,974
0	0	347,423	0	0	6,982	1,095,584
0	0	0	588,553	0	0	660,484
0	0	0	0	0	0	368,128
0	0	0	0	0	0	98,991
0	0	0	0	0	0	9,644
<u>79,483</u>	<u>35,017</u>	<u>347,423</u>	<u>588,553</u>	<u>0</u>	<u>6,982</u>	<u>2,497,805</u>
16,862	10,903	(41,396)	69,274	0	(6,982)	(167,185)
0	0	0	0	0	0	4,363
0	0	0	0	0	0	34,740
0	0	0	0	0	0	326,000
0	0	0	0	0	0	365,103
16,862	10,903	(41,396)	69,274	0	(6,982)	197,918
70,063	0	266,711	66,440	89	29,568	1,433,304
<u>\$ 86,925</u>	<u>\$ 10,903</u>	<u>\$ 225,315</u>	<u>\$ 135,714</u>	<u>\$ 89</u>	<u>\$ 22,586</u>	<u>\$ 1,631,222</u>

CITY OF PAINESVILLE, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2015**

	General Bond Retirement Fund	Special Assessment Bond Retirement Fund	Total Nonmajor Debt Service Funds
Assets:			
Pooled Cash and Investments	\$ 182,798	\$ 118,325	\$ 301,123
Receivables:			
Taxes	54,259	0	54,259
Intergovernmental	3,092	0	3,092
Special Assessments	0	137,752	137,752
Total Assets	\$ 240,149	\$ 256,077	\$ 496,226
Liabilities:			
Total Liabilities	\$ 0	\$ 0	\$ 0
Deferred Inflows of Resources:			
Unavailable Amounts	6,496	137,752	144,248
Property Tax Levy for Next Fiscal Year	50,855	0	50,855
Total Deferred Inflows of Resources	57,351	137,752	195,103
Fund Balances:			
Restricted	182,798	118,325	301,123
Total Fund Balances	182,798	118,325	301,123
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 240,149	\$ 256,077	\$ 496,226

CITY OF PAINESVILLE, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended December 31, 2015***

	General Bond Retirement Fund	Special Assessment Bond Retirement Fund	Total Nonmajor Debt Service Funds
Revenues:			
Property Taxes	\$ 48,954	\$ 0	\$ 48,954
Intergovernmental Revenues	12,369	0	12,369
Special Assessments	0	205,700	205,700
Total Revenues	<u>61,323</u>	<u>205,700</u>	<u>267,023</u>
Expenditures:			
Current:			
General Government	173	135,399	135,572
Debt Service:			
Principal Retirement	0	52,750	52,750
Interest and Fiscal Charges	0	29,185	29,185
Total Expenditures	<u>173</u>	<u>217,334</u>	<u>217,507</u>
Excess (Deficiency) of Revenues Over Expenditures	61,150	(11,634)	49,516
Fund Balances at Beginning of Year	<u>121,648</u>	<u>129,959</u>	<u>251,607</u>
Fund Balances End of Year	<u>\$ 182,798</u>	<u>\$ 118,325</u>	<u>\$ 301,123</u>

CITY OF PAINESVILLE, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2015**

	Municipal Court Improvement Fund	Capital Equipment Reserve Fund	Capital Improvement Fund	Lake Hospital Demolition Fund
Assets:				
Pooled Cash and Investments	\$ 99,117	\$ 683,685	\$ 705,869	\$ 10,775
Total Assets	<u>\$ 99,117</u>	<u>\$ 683,685</u>	<u>\$ 705,869</u>	<u>\$ 10,775</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 42,906	\$ 1,208	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	1,567	0	0
Total Liabilities	<u>0</u>	<u>44,473</u>	<u>1,208</u>	<u>0</u>
Fund Balances:				
Restricted	99,117	0	0	10,775
Committed	0	639,212	704,661	0
Total Fund Balances	<u>99,117</u>	<u>639,212</u>	<u>704,661</u>	<u>10,775</u>
Total Liabilities and Fund Balances	<u>\$ 99,117</u>	<u>\$ 683,685</u>	<u>\$ 705,869</u>	<u>\$ 10,775</u>

CITY OF PAINESVILLE, OHIO

Jackson Street Interchange Project Fund	Industrial Park Project Fund	Municipal Court Special Projects Fund	Millstone Acquisition Fund	City Hall Fire Fund	Shamrock Boulevard Road Project Fund	Total Nonmajor Capital Projects Funds
\$ 116,715	\$ 25,294	\$ 177,046	\$ 31,578	\$ 189	\$ 57,915	\$ 1,908,183
<u>\$ 116,715</u>	<u>\$ 25,294</u>	<u>\$ 177,046</u>	<u>\$ 31,578</u>	<u>\$ 189</u>	<u>\$ 57,915</u>	<u>\$ 1,908,183</u>
\$ 0	\$ 0	\$ 2,561	\$ 0	\$ 0	\$ 0	\$ 46,675
0	0	1,435	0	0	0	1,435
0	0	202	0	0	0	1,769
<u>0</u>	<u>0</u>	<u>4,198</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>49,879</u>
116,715	0	172,848	31,578	189	57,915	489,137
0	25,294	0	0	0	0	1,369,167
<u>116,715</u>	<u>25,294</u>	<u>172,848</u>	<u>31,578</u>	<u>189</u>	<u>57,915</u>	<u>1,858,304</u>
<u>\$ 116,715</u>	<u>\$ 25,294</u>	<u>\$ 177,046</u>	<u>\$ 31,578</u>	<u>\$ 189</u>	<u>\$ 57,915</u>	<u>\$ 1,908,183</u>

CITY OF PAINESVILLE, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2015**

	Municipal Court Improvement Fund	Capital Equipment Reserve Fund	Capital Improvement Fund	Lake Hospital Demolition Fund
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 10,000	\$ 193,776	\$ 0
Fines and Forfeitures	53,735	0	0	0
All Other Revenues	0	0	0	371
Total Revenues	53,735	10,000	193,776	371
Expenditures:				
Current:				
General Government	17,478	0	0	0
Public Safety	0	111,000	0	0
Highways and Streets	0	0	242,970	0
Capital Outlay	13,704	346,330	249,323	0
Debt Service:				
Principal Retirement	0	66,972	0	0
Interest and Fiscal Charges	0	5,163	0	0
Total Expenditures	31,182	529,465	492,293	0
Excess (Deficiency) of Revenues Over Expenditures	22,553	(519,465)	(298,517)	371
Other Financing Sources (Uses):				
Sale of Capital Assets	0	9,000	0	0
Transfers In	0	535,000	450,000	0
Other Financing Sources - Capital Leases	0	111,000	0	0
Total Other Financing Sources (Uses)	0	655,000	450,000	0
Net Change in Fund Balances	22,553	135,535	151,483	371
Fund Balances at Beginning of Year	76,564	503,677	553,178	10,404
Fund Balances End of Year	\$ 99,117	\$ 639,212	\$ 704,661	\$ 10,775

CITY OF PAINESVILLE, OHIO

Jackson Street Interchange Project Fund	Industrial Park Project Fund	Municipal Court Special Projects Fund	Millstone Acquisition Fund	City Hall Fire Fund	Shamrock Boulevard Road Project Fund	Total Nonmajor Capital Project Funds
\$ 3,861	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 207,637
0	0	84,622	0	0	0	138,357
0	0	0	0	0	0	371
<u>3,861</u>	<u>0</u>	<u>84,622</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>346,365</u>
0	0	97,903	0	0	0	115,381
0	0	0	0	0	0	111,000
0	0	0	0	0	0	242,970
0	0	2,862	0	0	0	612,219
0	10,000	0	0	0	0	76,972
0	4,802	0	0	0	0	9,965
<u>0</u>	<u>14,802</u>	<u>100,765</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,168,507</u>
3,861	(14,802)	(16,143)	0	0	0	(822,142)
0	0	0	0	0	0	9,000
0	15,000	0	0	0	0	1,000,000
0	0	0	0	0	0	111,000
<u>0</u>	<u>15,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,120,000</u>
3,861	198	(16,143)	0	0	0	297,858
112,854	25,096	188,991	31,578	189	57,915	1,560,446
<u>\$ 116,715</u>	<u>\$ 25,294</u>	<u>\$ 172,848</u>	<u>\$ 31,578</u>	<u>\$ 189</u>	<u>\$ 57,915</u>	<u>\$ 1,858,304</u>

CITY OF PAINESVILLE, OHIO

**Combining Balance Sheet
Nonmajor Permanent Funds
December 31, 2015**

	Cemetery Trust Fund	Special Endowment Trust Fund	Total Nonmajor Permanent Funds
Assets:			
Pooled Cash and Investments	\$ 81,080	\$ 60,447	\$ 141,527
Restricted Assets:			
Cash and Cash Equivalents	792,844	342,271	1,135,115
Total Assets	<u>\$ 873,924</u>	<u>\$ 402,718</u>	<u>\$ 1,276,642</u>
Liabilities:			
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances:			
Nonspendable	792,844	342,271	1,135,115
Restricted	81,080	60,447	141,527
Total Fund Balances	<u>873,924</u>	<u>402,718</u>	<u>1,276,642</u>
Total Liabilities and Fund Balances	<u>\$ 873,924</u>	<u>\$ 402,718</u>	<u>\$ 1,276,642</u>

CITY OF PAINESVILLE, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Permanent Funds
For the Year Ended December 31, 2015***

	Cemetery Trust Fund	Special Endowment Trust Fund	Total Nonmajor Permanent Funds
Revenues:			
Investment Earnings	\$ 218	\$ 104	\$ 322
All Other Revenues	6,930	4,640	11,570
Total Revenues	<u>7,148</u>	<u>4,744</u>	<u>11,892</u>
Expenditures:			
Current:			
Public Health and Welfare	600	0	600
Total Expenditures	<u>600</u>	<u>0</u>	<u>600</u>
Excess (Deficiency) of Revenues Over Expenditures	6,548	4,744	11,292
Fund Balances at Beginning of Year	<u>867,376</u>	<u>397,974</u>	<u>1,265,350</u>
Fund Balances End of Year	<u>\$ 873,924</u>	<u>\$ 402,718</u>	<u>\$ 1,276,642</u>

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund – General Fund
For the Year Ended December 31, 2015***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Property Taxes:				
Real Estate and Public Utility	\$ 372,000	\$ 372,000	\$ 362,308	\$ (9,692)
Municipal Income Tax	<u>7,410,500</u>	<u>8,910,500</u>	<u>8,938,493</u>	<u>27,993</u>
Total Taxes	7,782,500	9,282,500	9,300,801	18,301
Intergovernmental Revenues:				
Local Government Fund - County	635,000	635,000	704,428	69,428
Local Government Fund - State	58,000	58,000	45,988	(12,012)
Property Tax Allocation	110,000	110,000	111,331	1,331
Miscellaneous Tax	<u>12,200</u>	<u>12,200</u>	<u>14,833</u>	<u>2,633</u>
Total Intergovernmental Revenues	815,200	815,200	876,580	61,380
Charges for Services:				
General Government	51,530	51,530	929	(50,601)
Public Safety	15,450	15,450	19,245	3,795
Highways and Streets	18,250	18,250	19,287	1,037
Culture and Recreation	14,000	14,000	7,580	(6,420)
Community Environment	<u>1,000</u>	<u>1,000</u>	<u>10,148</u>	<u>9,148</u>
Total Charges for Services	100,230	100,230	57,189	(43,041)
Licenses, Permits and Inspection Fees:				
License Fees	30,100	30,100	38,950	8,850
Permit Fees	54,000	54,000	75,509	21,509
Inspection Fees	800	800	6,400	5,600
Zoning Appeal Fees	11,000	11,000	20,531	9,531
Other Fees	<u>242,500</u>	<u>242,500</u>	<u>408,479</u>	<u>165,979</u>
Total Licenses, Permits and Inspection Fees	338,400	338,400	549,869	211,469
Investment Earnings	265,876	325,000	360,911	35,911
Fines and Forfeitures	1,004,950	1,004,950	934,467	(70,483)
All Other Revenues	<u>329,920</u>	<u>329,920</u>	<u>391,096</u>	<u>61,176</u>
Total Revenues	<u>10,637,076</u>	<u>12,196,200</u>	<u>12,470,913</u>	<u>274,713</u>

(Continued)

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund – General Fund
For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Expenditures:				
General Government:				
Legislative:				
Council:				
Personal Services	1,831,514	1,532,979	1,382,330	150,649
All Other Expenditures	1,736	1,356	1,183	173
Clerk of Council:				
Personal Services	9,379	9,589	9,468	121
All Other Expenditures	3,348	3,348	3,032	316
Judicial - Municipal Court:				
Judicial Activities:				
Personal Services	225,320	224,880	218,141	6,739
Clerk of Court:				
Personal Services	553,801	563,251	553,000	10,251
All Other Expenditures	55,272	54,472	54,171	301
Probation:				
Personal Services	176,486	179,711	177,774	1,937
Executive:				
City Manager:				
Personal Services	53,593	53,938	50,417	3,521
All Other Expenditures	7,854	6,054	4,579	1,475
Comm., Promotions and Public Relations Activities:				
All Other Expenditures	3,224	2,724	1,647	1,077
Information Technology:				
All Other Expenditures	31,449	19,169	17,795	1,374
Capital Outlay	2,607	2,607	2,607	0
Human Resources:				
Personal Services	25,463	24,563	23,847	716
All Other Expenditures	14,455	15,255	15,098	157
Economic Development:				
Personal Services	22,561	25,361	24,185	1,176
All Other Expenditures	24,791	24,791	24,058	733

(Continued)

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund – General Fund
For the Year Ended December 31, 2015***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Finance:				
Administration:				
Personal Services	37,278	35,928	34,870	1,058
All Other Expenditures	8,402	7,022	6,473	549
Accounting:				
Personal Services	32,376	35,506	34,810	696
All Other Expenditures	24,614	24,264	23,943	321
Purchasing/Warehousing:				
Personal Services	22,706	23,506	22,517	989
All Other Expenditures	2,411	2,011	1,762	249
Income Tax Collection:				
All Other Expenditures	216,503	279,713	279,709	4
Law:				
Administration:				
Personal Services	30,004	30,644	30,283	361
All Other Expenditures	5,446	946	465	481
Engineering:				
Administration:				
Personal Services	48,177	50,152	46,248	3,904
All Other Expenditures	5,055	5,365	4,817	548
Public Lands and Buildings:				
Building Operations, Maintenance and Repair:				
Personal Services	9,926	10,191	9,963	228
All Other Expenditures	41,999	43,874	43,465	409
Miscellaneous:				
Insurance:				
All Other Expenditures	43,485	43,485	43,485	0
Tax Settlement Deductions:				
All Other Expenditures	9,260	16,430	16,412	18

(Continued)

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund – General Fund
For the Year Ended December 31, 2015***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Miscellaneous:				
Personal Services	250,000	250,000	100,396	149,604
All Other Expenditures	172,508	345,767	345,351	416
Total General Government	<u>4,003,003</u>	<u>3,948,852</u>	<u>3,608,301</u>	<u>340,551</u>
Public Safety:				
Police:				
Law Enforcement - Sworn Officers:				
Personal Services	3,063,233	3,046,570	2,985,812	60,758
Law Enforcement - Other:				
Personal Services	278,041	257,646	246,547	11,099
All Other Expenditures	249,071	231,233	225,944	5,289
Fire:				
Fire Fighting, Prevention and Inspection:				
Personal Services	1,994,547	2,123,857	2,067,607	56,250
All Other Expenditures	126,323	116,124	112,077	4,047
Fire Service - Other:				
Personal Services	148,510	76,260	71,233	5,027
Police and Fire Communications:				
Control Center:				
All Other Expenditures	489,000	490,300	490,298	2
Total Public Safety	<u>6,348,725</u>	<u>6,341,990</u>	<u>6,199,518</u>	<u>142,472</u>
Highways and Streets:				
Public Works:				
Administration:				
Personal Services	50,697	59,777	58,445	1,332
All Other Expenditures	24,448	31,078	30,992	86
Street Maintenance and Repair:				
All Other Expenditures	44,102	88,891	88,864	27
Sidewalks:				
All Other Expenditures	500	500	500	0
Building Maintenance:				
All Other Expenditures	47,753	45,952	44,930	1,022
Equipment Maintenance:				
Personal Services	25,066	30,856	30,090	766
All Other Expenditures	148,300	203,615	201,145	2,470

(Continued)

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund – General Fund
For the Year Ended December 31, 2015***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Employee Benefits:				
Personal Services	275,690	325,760	315,361	10,399
Sidewalks - Snow Removal:				
All Other Expenditures	1,253	1,253	1,253	0
Parking:				
Parking Meters:				
Other Expenditures	1,200	1,205	1,204	1
Parking Lots:				
All Other Expenditures	14,050	14,050	14,043	7
Traffic Signs, Markings:				
Traffic Signs, Markings, Signals:				
Personal Services	30,973	32,438	30,600	1,838
All Other Expenditures	32,229	31,529	30,766	763
Total Highways and Streets	<u>696,261</u>	<u>866,904</u>	<u>848,193</u>	<u>18,711</u>
Public Health and Welfare:				
Support of Prisoners:				
Prisoner Expense:				
All Other Expenditures	4	4	0	4
Payments to County Health Board:				
County Health District Assessments:				
All Other Expenditures	120,560	120,560	120,558	2
Assistance to Needy/Aged:				
Poor Relief:				
All Other Expenditures	547	547	500	47
Total Public Health and Welfare	<u>121,111</u>	<u>121,111</u>	<u>121,058</u>	<u>53</u>
Culture and Recreation:				
Parks:				
Administration:				
Personal Services	117,887	121,012	118,065	2,947
All Other Expenditures	10,556	20,056	19,911	145
Parks Systems:				
Personal Services	175,850	223,095	214,473	8,622
All Other Expenditures	72,833	95,713	94,696	1,017

(Continued)

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund – General Fund
For the Year Ended December 31, 2015***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Building Maintenance:				
All Other Expenditures	15,547	19,577	18,639	938
Morse Avenue Community Center:				
All Other Expenditures	12,845	10,445	8,456	1,989
Recreation Activities:				
Personal Services	128,734	131,194	127,303	3,891
All Other Expenditures	24,801	23,901	20,963	2,938
Other Leisure Time Activities:				
Senior Citizens Center:				
All Other Expenditures	25,000	25,000	25,000	0
Community Functions:				
All Other Expenditures	24,769	24,769	24,202	567
Total Culture and Recreation	<u>608,822</u>	<u>694,762</u>	<u>671,708</u>	<u>23,054</u>
Community Environment:				
Community Planning and Zoning:				
Planning Commission:				
Personal Services	693	493	171	322
All Other Expenditures	667	667	473	194
Demolition:				
All Other Expenditures	6,000	2,600	2,000	600
Planning and Development:				
Personal Services	30,017	30,842	30,297	545
All Other Expenditures	2,648	4,781	4,701	80
Housing and Building Code Enforcement:				
Code Enforcement:				
Personal Services	61,841	62,936	60,208	2,728
All Other Expenditures	6,590	6,590	6,408	182
Tree Care and Weed Control:				
Weed Control:				
All Other Expenditures	12,072	12,288	12,279	9
Total Community Environment	<u>120,528</u>	<u>121,197</u>	<u>116,537</u>	<u>4,660</u>

(Continued)

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund – General Fund
For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Debt Service:				
Principal Retirement	68,538	67,913	67,912	1
Interest and Fiscal Charges	5,064	5,065	5,064	1
Total Expenditures	<u>11,972,052</u>	<u>12,167,794</u>	<u>11,638,291</u>	<u>529,503</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,334,976)	28,406	832,622	804,216
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	6,038	6,038
Transfers In	750,000	1,025,000	1,024,243	(757)
Transfers Out	(376,000)	(2,301,000)	(2,301,000)	0
Advances In	20,000	20,000	20,000	0
Total Other Financing Sources (Uses)	<u>394,000</u>	<u>(1,256,000)</u>	<u>(1,250,719)</u>	<u>5,281</u>
Net Change in Fund Balance	(940,976)	(1,227,594)	(418,097)	809,497
Fund Balance at Beginning of Year	4,592,456	4,592,456	4,592,456	0
Prior Year Encumbrances	647,743	647,743	647,743	0
Fund Balance at End of Year	<u>\$ 4,299,223</u>	<u>\$ 4,012,605</u>	<u>\$ 4,822,102</u>	<u>\$ 809,497</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund – Special Revenue Fund – Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,711,875	\$ 1,790,000	\$ 1,849,022	\$ 59,022
Charges for Services	0	0	48,000	48,000
All Other Revenues	0	0	21,783	21,783
Total Revenues	<u>1,711,875</u>	<u>1,790,000</u>	<u>1,918,805</u>	<u>128,805</u>
Expenditures:				
Highways and Streets:				
Public Works:				
Administration:				
Personal Services	139,036	104,524	102,496	2,028
All Other Expenditures	0	1,875	1,875	0
Street Construction and Reconstruction:				
Personal Service	161,381	170,576	163,380	7,196
Capital Outlay	2,083,163	2,358,108	2,357,413	695
Street Maintenance and Repair:				
All Other Expenditures	8,250	6,200	6,190	10
Snow and Ice Removal:				
All Other Expenditures	131,242	225,734	225,643	91
Debt Service:				
Principal Retirement	735,117	735,118	735,117	1
Interest Charges	42,155	42,154	42,030	124
Total Expenditures	<u>3,300,344</u>	<u>3,644,289</u>	<u>3,634,144</u>	<u>10,145</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,588,469)	(1,854,289)	(1,715,339)	138,950
Other Financing Sources (Uses):				
General Obligation Notes Issued	585,625	585,625	585,625	0
Transfers In	96,000	890,000	890,000	0
Total Other Financing Sources (Uses)	<u>681,625</u>	<u>1,475,625</u>	<u>1,475,625</u>	<u>0</u>
Net Changes in Fund Balance	(906,844)	(378,664)	(239,714)	138,950
Fund Balance at Beginning of Year	686,268	686,268	686,268	0
Prior Year Encumbrances	736,897	736,897	736,897	0
Fund Balance at End of Year	<u>\$ 516,321</u>	<u>\$ 1,044,501</u>	<u>\$ 1,183,451</u>	<u>\$ 138,950</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund – Special Revenue Fund – Shamrock Business Center TIF Fund
For the Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 515,000	\$ 700,000	\$ 705,249	\$ 5,249
All Other Revenues	0	200,000	204,170	4,170
Total Revenues	<u>515,000</u>	<u>900,000</u>	<u>909,419</u>	<u>9,419</u>
Expenditures:				
Highways and Streets:				
All Other Expenditures	106,000	146,375	146,366	9
Capital Outlay	487,874	487,874	77,042	410,832
Debt Service:				
Principal Retirement	790,000	749,625	730,000	19,625
Interest and Fiscal Charges	223,265	223,265	207,497	15,768
Total Expenditures	<u>1,607,139</u>	<u>1,607,139</u>	<u>1,160,905</u>	<u>446,234</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,092,139)	(707,139)	(251,486)	455,653
Other Financing Sources (Uses):				
Issuance of OPWC Loans	0	8,000	8,180	180
General Obligation Notes Issued	440,000	440,000	440,000	0
Total Other Financing Sources (Uses)	<u>440,000</u>	<u>448,000</u>	<u>448,180</u>	<u>180</u>
Net Change in Fund Balance	(652,139)	(259,139)	196,694	455,833
Fund Balance at Beginning of Year	696,247	696,247	696,247	0
Prior Year Encumbrances	487,874	487,874	487,874	0
Fund Balance at End of Year	<u>\$ 531,982</u>	<u>\$ 924,982</u>	<u>\$ 1,380,815</u>	<u>\$ 455,833</u>

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ 49,386</u>	<u>\$ 4,386</u>
Total Revenues	<u>45,000</u>	<u>45,000</u>	<u>49,386</u>	<u>4,386</u>
Expenditures:				
Highways and Streets:				
Public Works:				
State Highway Maintenance:				
All Other Expenditures	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>0</u>
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,000)	(15,000)	(10,614)	4,386
Fund Balance at Beginning of Year	<u>92,935</u>	<u>92,935</u>	<u>92,935</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 77,935</u>	<u>\$ 77,935</u>	<u>\$ 82,321</u>	<u>\$ 4,386</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015**

CEMETERIES FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for Services	\$ 98,850	\$ 98,850	\$ 133,515	\$ 34,665
Total Revenues	<u>98,850</u>	<u>98,850</u>	<u>133,515</u>	<u>34,665</u>
Expenditures:				
Public Health and Welfare:				
Cemeteries:				
Administration:				
Personal Services	251,852	240,332	202,874	37,458
All Other Expenditures	6,940	7,460	7,405	55
Evergreen/Riverside Cemeteries:				
Personal Services	118,585	129,140	122,605	6,535
All Other Expenditures	28,014	28,334	28,049	285
Building Maintenance:				
All Other Expenditures	13,012	13,137	12,497	640
Total Expenditures	<u>418,403</u>	<u>418,403</u>	<u>373,430</u>	<u>44,973</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(319,553)	(319,553)	(239,915)	79,638
Other Financing Sources (Uses):				
Transfers In	315,000	315,000	315,000	0
Total Other Financing Sources (Uses)	<u>315,000</u>	<u>315,000</u>	<u>315,000</u>	<u>0</u>
Net Change in Fund Balance	(4,553)	(4,553)	75,085	79,638
Fund Balance at Beginning of Year	186,363	186,363	186,363	0
Prior Year Encumbrances	5,702	5,702	5,702	0
Fund Balance at End of Year	<u>\$ 187,512</u>	<u>\$ 187,512</u>	<u>\$ 267,150</u>	<u>\$ 79,638</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015**

POLICE PENSION TRANSFER FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 48,068	\$ 48,500	\$ 51,671	\$ 3,171
Intergovernmental Revenues	15,000	14,568	15,463	895
Total Revenues	<u>63,068</u>	<u>63,068</u>	<u>67,134</u>	<u>4,066</u>
Expenditures:				
Public Safety:				
Police:				
Law-Enforcement-Sworn Officer:				
Personal Services	64,300	64,300	64,300	0
All Other Expenditures	1,200	1,200	940	260
Total Expenditures	<u>65,500</u>	<u>65,500</u>	<u>65,240</u>	<u>260</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,432)	(2,432)	1,894	4,326
Fund Balance at Beginning of Year	82,274	82,274	82,274	0
Fund Balance at End of Year	<u>\$ 79,842</u>	<u>\$ 79,842</u>	<u>\$ 84,168</u>	<u>\$ 4,326</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015**

FIRE PENSION TRANSFER FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 48,068	\$ 48,500	\$ 51,671	\$ 3,171
Intergovernmental Revenues	15,000	14,568	15,463	895
Total Revenues	<u>63,068</u>	<u>63,068</u>	<u>67,134</u>	<u>4,066</u>
Expenditures:				
Public Safety:				
Fire:				
Fire Fighting, Prevention, Inspection:				
Personal Services	64,300	64,300	64,300	0
All Other Expenditures	1,200	1,200	940	260
Total Expenditures	<u>65,500</u>	<u>65,500</u>	<u>65,240</u>	<u>260</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,432)	(2,432)	1,894	4,326
Fund Balance at Beginning of Year	82,319	82,319	82,319	0
Fund Balance at End of Year	<u>\$ 79,887</u>	<u>\$ 79,887</u>	<u>\$ 84,213</u>	<u>\$ 4,326</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015**

LAW ENFORCEMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
All Other Revenues	\$ 500	\$ 14,000	\$ 15,327	\$ 1,327
Total Revenues	<u>500</u>	<u>14,000</u>	<u>15,327</u>	<u>1,327</u>
Expenditures:				
Public Safety:				
Police:				
Law-Enforcement-Other:				
All Other Expenditures	1,687	1,687	1,675	12
Total Expenditures	<u>1,687</u>	<u>1,687</u>	<u>1,675</u>	<u>12</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,187)	12,313	13,652	1,339
Fund Balance at Beginning of Year	20,440	20,440	20,440	0
Prior Year Encumbrances	1,187	1,187	1,187	0
Fund Balance at End of Year	<u>\$ 20,440</u>	<u>\$ 33,940</u>	<u>\$ 35,279</u>	<u>\$ 1,339</u>

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 34,000	\$ 34,000	\$ 36,328	\$ 2,328
Total Revenues	<u>34,000</u>	<u>34,000</u>	<u>36,328</u>	<u>2,328</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	34,000	34,000	36,328	2,328
Other Financing Sources (Uses):				
Transfers Out	<u>(34,000)</u>	<u>(34,000)</u>	<u>(34,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(34,000)</u>	<u>(34,000)</u>	<u>(34,000)</u>	<u>0</u>
Net Change in Fund Balance	0	0	2,328	2,328
Fund Balance at Beginning of Year	<u>13,198</u>	<u>13,198</u>	<u>13,198</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 13,198</u>	<u>\$ 13,198</u>	<u>\$ 15,526</u>	<u>\$ 2,328</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015**

INDIGENT DRIVERS ALCOHOL TREATMENT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 30,000	\$ 20,000	\$ 21,049	\$ 1,049
Total Revenues	<u>30,000</u>	<u>20,000</u>	<u>21,049</u>	<u>1,049</u>
Expenditures:				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
All Other Expenditures	68,786	68,786	58,829	9,957
Total Expenditures	<u>68,786</u>	<u>68,786</u>	<u>58,829</u>	<u>9,957</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(38,786)	(48,786)	(37,780)	11,006
Fund Balance at Beginning of Year	41,015	41,015	41,015	0
Prior Year Encumbrances	38,786	38,786	38,786	0
Fund Balance at End of Year	<u>\$ 41,015</u>	<u>\$ 31,015</u>	<u>\$ 42,021</u>	<u>\$ 11,006</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 15,500	\$ 15,500	\$ 11,796	\$ (3,704)
Total Revenues	<u>15,500</u>	<u>15,500</u>	<u>11,796</u>	<u>(3,704)</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,500	15,500	11,796	(3,704)
Fund Balance at Beginning of Year	<u>115,837</u>	<u>115,837</u>	<u>115,837</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 131,337</u>	<u>\$ 131,337</u>	<u>\$ 127,633</u>	<u>\$ (3,704)</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 66,000	\$ 66,000	\$ 72,655	\$ 6,655
Total Revenues	<u>66,000</u>	<u>66,000</u>	<u>72,655</u>	<u>6,655</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	66,000	66,000	72,655	6,655
Other Financing Sources (Uses):				
Transfers Out	<u>(66,000)</u>	<u>(66,000)</u>	<u>(66,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(66,000)</u>	<u>(66,000)</u>	<u>(66,000)</u>	<u>0</u>
Net Change in Fund Balance	0	0	6,655	6,655
Fund Balance at Beginning of Year	<u>26,335</u>	<u>26,335</u>	<u>26,335</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 26,335</u>	<u>\$ 26,335</u>	<u>\$ 32,990</u>	<u>\$ 6,655</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015**

FIRE LEVY FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 78,829	\$ 97,829	\$ 109,437	\$ 11,608
Intergovernmental Revenues	19,000	14,171	8,212	(5,959)
Total Revenues	<u>97,829</u>	<u>112,000</u>	<u>117,649</u>	<u>5,649</u>
Expenditures:				
Public Safety:				
Fire Fighting, Prevention, Inspection:				
All Other Expenditures	2,000	2,000	1,903	97
Fire Service - Other:				
All Other Expenditures	4,720	4,720	4,720	0
Capital Outlay	1,546	1,546	995	551
Debt Service:				
Principal Retirement	98,991	98,991	98,991	0
Interest and Fiscal Charges	9,645	9,645	9,644	1
Total Expenditures	<u>116,902</u>	<u>116,902</u>	<u>116,253</u>	<u>649</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,073)	(4,902)	1,396	6,298
Other Financing Sources (Uses):				
Sale of Capital Assets	0	4,000	4,363	363
General Obligation Notes Issued	34,740	34,740	34,740	0
Advances Out	(20,000)	(20,000)	(20,000)	0
Total Other Financing Sources (Uses)	<u>14,740</u>	<u>18,740</u>	<u>19,103</u>	<u>363</u>
Net Change in Fund Balance	(4,333)	13,838	20,499	6,661
Fund Balance at Beginning of Year	143,472	143,472	143,472	0
Prior Year Encumbrances	6,266	6,266	6,266	0
Fund Balance at End of Year	<u>\$ 145,405</u>	<u>\$ 163,576</u>	<u>\$ 170,237</u>	<u>\$ 6,661</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Highways and Streets:				
Public Works:				
All Other Expenditures	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,000)	(1,000)	(1,000)	0
Other Financing Sources (Uses):				
Transfers In	<u>1,000</u>	<u>11,000</u>	<u>11,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,000</u>	<u>11,000</u>	<u>11,000</u>	<u>0</u>
Net Change in Fund Balance	0	10,000	10,000	0
Fund Balance at Beginning of Year	<u>931</u>	<u>931</u>	<u>931</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 931</u>	<u>\$ 10,931</u>	<u>\$ 10,931</u>	<u>\$ 0</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 120,000	\$ 120,000	\$ 111,986	\$ (8,014)
Total Revenues	<u>120,000</u>	<u>120,000</u>	<u>111,986</u>	<u>(8,014)</u>
Expenditures:				
General Government:				
Judicial - Municipal Court:				
Probation:				
Personal Services	89,874	89,874	82,374	7,500
All Other Expenditures	<u>29,661</u>	<u>29,661</u>	<u>28,918</u>	<u>743</u>
Total Expenditures	<u>119,535</u>	<u>119,535</u>	<u>111,292</u>	<u>8,243</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	465	465	694	229
Fund Balance at Beginning of Year	42,560	42,560	42,560	0
Prior Year Encumbrances	<u>4,811</u>	<u>4,811</u>	<u>4,811</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 47,836</u>	<u>\$ 47,836</u>	<u>\$ 48,065</u>	<u>\$ 229</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015**

COPS FAST GRANT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Public Safety:				
Law Enforcement-Other:				
All Other Expenditures	0	7,000	7,000	0
Total Expenditures	<u>0</u>	<u>7,000</u>	<u>7,000</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	(7,000)	(7,000)	0
Fund Balance at Beginning of Year	7,846	7,846	7,846	0
Fund Balance at End of Year	<u>\$ 7,846</u>	<u>\$ 846</u>	<u>\$ 846</u>	<u>\$ 0</u>

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>627</u>	<u>627</u>	<u>627</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 627</u>	<u>\$ 627</u>	<u>\$ 627</u>	<u>\$ 0</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015**

	FIRE FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
All Other Revenues	<u>\$ 200</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 0</u>
Total Revenues	<u> 200</u>	<u> 1,000</u>	<u> 1,000</u>	<u> 0</u>
Expenditures:				
Public Safety:				
Fire:				
Fire Service - Other:				
All Other Expenditures	<u> 1,500</u>	<u> 1,500</u>	<u> 992</u>	<u> 508</u>
Total Expenditures	<u> 1,500</u>	<u> 1,500</u>	<u> 992</u>	<u> 508</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,300)</u>	<u>(500)</u>	<u>8</u>	<u>508</u>
Fund Balance at Beginning of Year	<u> 2,196</u>	<u> 2,196</u>	<u> 2,196</u>	<u> 0</u>
Fund Balance at End of Year	<u><u>\$ 896</u></u>	<u><u>\$ 1,696</u></u>	<u><u>\$ 2,204</u></u>	<u><u>\$ 508</u></u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	<u>\$ 57,900</u>	<u>\$ 36,600</u>	<u>\$ 35,949</u>	<u>\$ (651)</u>
Total Revenues	<u>57,900</u>	<u>36,600</u>	<u>35,949</u>	<u>(651)</u>
Expenditures:				
General Government:				
Judicial - Municipal Court:				
Clerk of Court:				
Personal Services	<u>39,426</u>	<u>39,426</u>	<u>36,205</u>	<u>3,221</u>
Total Expenditures	<u>39,426</u>	<u>39,426</u>	<u>36,205</u>	<u>3,221</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,474	(2,826)	(256)	2,570
Fund Balance at Beginning of Year	<u>6,805</u>	<u>6,805</u>	<u>6,805</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 25,279</u>	<u>\$ 3,979</u>	<u>\$ 6,549</u>	<u>\$ 2,570</u>

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015***

EMERGENCY MEDICAL SERVICES FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 470,000	\$ 520,000	\$ 570,030	\$ 50,030
All Other Revenues	0	0	78	78
Total Revenues	<u>470,000</u>	<u>520,000</u>	<u>570,108</u>	<u>50,108</u>
Expenditures:				
Public Safety:				
Fire:				
Fire Fighting, Prevention and Inspection:				
Personal Services	415,504	432,024	416,734	15,290
All Other Expenditures	120,812	116,412	112,061	4,351
Capital Outlay	3,000	200	0	200
Fire Service - Other:				
Personal Services	118,128	108,808	94,154	14,654
Total Expenditures	<u>657,444</u>	<u>657,444</u>	<u>622,949</u>	<u>34,495</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(187,444)	(137,444)	(52,841)	84,603
Fund Balance at Beginning of Year	251,366	251,366	251,366	0
Prior Year Encumbrances	67,893	67,893	67,893	0
Fund Balance at End of Year	<u>\$ 131,815</u>	<u>\$ 181,815</u>	<u>\$ 266,418</u>	<u>\$ 84,603</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	<u>\$ 109,000</u>	<u>\$ 109,000</u>	<u>\$ 96,345</u>	<u>\$ (12,655)</u>
Total Revenues	<u>109,000</u>	<u>109,000</u>	<u>96,345</u>	<u>(12,655)</u>
Expenditures:				
General Government:				
Judicial - Municipal Court:				
Clerk of Court:				
Personal Services	83,114	82,864	67,912	14,952
Probation:				
Personal Services	<u>11,115</u>	<u>11,365</u>	<u>11,139</u>	<u>226</u>
Total Expenditures	<u>94,229</u>	<u>94,229</u>	<u>79,051</u>	<u>15,178</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,771	14,771	17,294	2,523
Fund Balance at Beginning of Year	<u>73,436</u>	<u>73,436</u>	<u>73,436</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 88,207</u>	<u>\$ 88,207</u>	<u>\$ 90,730</u>	<u>\$ 2,523</u>

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	<u>\$ 250,000</u>	<u>\$ 26,342</u>	<u>\$ 26,342</u>	<u>\$ 0</u>
Total Revenues	<u>250,000</u>	<u>26,342</u>	<u>26,342</u>	<u>0</u>
Expenditures:				
General Government:				
All Other Expenditures	<u>250,000</u>	<u>25,600</u>	<u>25,572</u>	<u>28</u>
Total Expenditures	<u>250,000</u>	<u>25,600</u>	<u>25,572</u>	<u>28</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	742	770	28
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 742</u>	<u>\$ 770</u>	<u>\$ 28</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	<u>\$ 225</u>	<u>\$ 225</u>	<u>\$ 400</u>	<u>\$ 175</u>
Total Revenues	<u>225</u>	<u>225</u>	<u>400</u>	<u>175</u>
Expenditures:				
Community Environment:				
Zoning Application:				
All Other Expenditures	<u>278</u>	<u>278</u>	<u>269</u>	<u>9</u>
Total Expenditures	<u>278</u>	<u>278</u>	<u>269</u>	<u>9</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53)	(53)	131	184
Fund Balance at Beginning of Year	11,957	11,957	11,957	0
Prior Year Encumbrances	<u>53</u>	<u>53</u>	<u>53</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,957</u>	<u>\$ 11,957</u>	<u>\$ 12,141</u>	<u>\$ 184</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015**

FIRE IMPROVEMENT LEVY FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 290,028	\$ 290,028	\$ 274,547	\$ (15,481)
Intergovernmental Revenues	19,000	19,000	31,480	12,480
Total Revenues	<u>309,028</u>	<u>309,028</u>	<u>306,027</u>	<u>(3,001)</u>
Expenditures:				
Public Safety:				
Fire:				
Fire Service - Other:				
All Other Expenditures	230,850	370,850	370,357	493
Capital Outlay	128,250	128,250	127,708	542
Total Expenditures	<u>359,100</u>	<u>499,100</u>	<u>498,065</u>	<u>1,035</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,072)	(190,072)	(192,038)	(1,966)
Fund Balance at Beginning of Year	171,711	171,711	171,711	0
Prior Year Encumbrances	95,000	95,000	95,000	0
Fund Balance at End of Year	<u>\$ 216,639</u>	<u>\$ 76,639</u>	<u>\$ 74,673</u>	<u>\$ (1,966)</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015**

ROAD IMPROVEMENT LEVY FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 590,671	\$ 590,671	\$ 617,162	\$ 26,491
Intergovernmental Revenues	40,000	40,000	40,665	665
Total Revenues	<u>630,671</u>	<u>630,671</u>	<u>657,827</u>	<u>27,156</u>
Expenditures:				
Highways and Streets:				
Public Works:				
All Other Expenditures	7,000	7,000	4,078	2,922
Capital Outlay	693,141	693,141	692,977	164
Total Expenditures	<u>700,141</u>	<u>700,141</u>	<u>697,055</u>	<u>3,086</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(69,470)	(69,470)	(39,228)	30,242
Fund Balance at Beginning of Year	11,663	11,663	11,663	0
Prior Year Encumbrances	65,141	65,141	65,141	0
Fund Balance at End of Year	<u>\$ 7,334</u>	<u>\$ 7,334</u>	<u>\$ 37,576</u>	<u>\$ 30,242</u>

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>89</u>	<u>89</u>	<u>89</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 89</u>	<u>\$ 89</u>	<u>\$ 89</u>	<u>\$ 0</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 7,000	\$ 0	\$ 0	\$ 0
Total Revenues	<u>7,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:				
Public Safety:				
Police:				
Law Enforcement - Other:				
All Other Expenditures	<u>7,100</u>	<u>7,100</u>	<u>7,000</u>	<u>100</u>
Total Expenditures	<u>7,100</u>	<u>7,100</u>	<u>7,000</u>	<u>100</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100)	(7,100)	(7,000)	100
Fund Balance at Beginning of Year	29,468	29,468	29,468	0
Prior Year Encumbrances	<u>100</u>	<u>100</u>	<u>100</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 29,468</u>	<u>\$ 22,468</u>	<u>\$ 22,568</u>	<u>\$ 100</u>

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2015***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
GENERAL BOND RETIREMENT FUND				
Revenues:				
Taxes	\$ 38,454	\$ 38,454	\$ 48,954	\$ 10,500
Intergovernmental Revenues	<u>12,000</u>	<u>12,000</u>	<u>12,369</u>	<u>369</u>
Total Revenues	<u>50,454</u>	<u>50,454</u>	<u>61,323</u>	<u>10,869</u>
Expenditures:				
General Government:				
All Other Expenditures	<u>1,100</u>	<u>1,100</u>	<u>767</u>	<u>333</u>
Total Expenditures	<u>1,100</u>	<u>1,100</u>	<u>767</u>	<u>333</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	49,354	49,354	60,556	11,202
Other Financing Sources (Uses):				
Premiums on Debt Issuance	<u>0</u>	<u>0</u>	<u>594</u>	<u>594</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>594</u>	<u>594</u>
Net Change in Fund Balance	49,354	49,354	61,150	11,796
Fund Balance at Beginning of Year	<u>121,648</u>	<u>121,648</u>	<u>121,648</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 171,002</u>	<u>\$ 171,002</u>	<u>\$ 182,798</u>	<u>\$ 11,796</u>

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2015***

SPECIAL ASSESSMENT BOND RETIREMENT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 95,000	\$ 200,000	\$ 205,700	\$ 5,700
Total Revenues	<u>95,000</u>	<u>200,000</u>	<u>205,700</u>	<u>5,700</u>
Expenditures:				
General Government:				
All Other Expenditures	17,800	135,445	135,444	1
Debt Service Function:				
Debt Service - Unvoted:				
Debt Service:				
Principal Retirement	46,000	52,750	52,750	0
Interest and Fiscal Charges	<u>35,935</u>	<u>29,185</u>	<u>29,185</u>	<u>0</u>
Total Expenditures	<u>99,735</u>	<u>217,380</u>	<u>217,379</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,735)	(17,380)	(11,679)	5,701
Fund Balance at Beginning of Year	<u>129,959</u>	<u>129,959</u>	<u>129,959</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 125,224</u>	<u>\$ 112,579</u>	<u>\$ 118,280</u>	<u>\$ 5,701</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2015**

MUNICIPAL COURT IMPROVEMENT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 54,000	\$ 54,000	\$ 53,735	\$ (265)
Total Revenues	<u>54,000</u>	<u>54,000</u>	<u>53,735</u>	<u>(265)</u>
Expenditures:				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
Capital Outlay	27,109	27,109	27,109	0
Clerk of Court:				
All Other Expenditures	3,500	3,500	0	3,500
Capital Outlay	<u>57,342</u>	<u>57,342</u>	<u>54,496</u>	<u>2,846</u>
Total Expenditures	<u>87,951</u>	<u>87,951</u>	<u>81,605</u>	<u>6,346</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,951)	(33,951)	(27,870)	6,081
Fund Balance at Beginning of Year	68,113	68,113	68,113	0
Prior Year Encumbrances	<u>8,451</u>	<u>8,451</u>	<u>8,451</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 42,613</u>	<u>\$ 42,613</u>	<u>\$ 48,694</u>	<u>\$ 6,081</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2015**

CAPITAL EQUIPMENT RESERVE FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 10,000	\$ 10,000	\$ 0
Total Revenues	<u>0</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Expenditures:				
General Government:				
Executive:				
City Manager:				
Capital Outlay	2,906	4,869	4,727	142
Finance:				
Accounting:				
Capital Outlay	2,000	2,000	2,000	0
Engineering:				
Administration:				
Capital Outlay	25,000	25,000	24,773	227
Total General Government	<u>29,906</u>	<u>31,869</u>	<u>31,500</u>	<u>369</u>
Public Safety:				
Police:				
Law Enforcement - Other:				
Capital Outlay	95,259	55,148	55,146	2
Total Public Safety	<u>95,259</u>	<u>55,148</u>	<u>55,146</u>	<u>2</u>
Highways and Streets:				
Public Works:				
Street Maintenance and Repair:				
Capital Outlay	98,311	98,311	98,302	9
Equipment Maintenance:				
Capital Outlay	15,800	15,816	15,816	0
Total Highways and Streets	<u>114,111</u>	<u>114,127</u>	<u>114,118</u>	<u>9</u>
Culture and Recreation:				
Parks:				
Parks Systems:				
Capital Outlay	51,900	230,465	230,435	30
Total Culture and Recreation	<u>51,900</u>	<u>230,465</u>	<u>230,435</u>	<u>30</u>

(Continued)

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2015***

CAPITAL EQUIPMENT RESERVE FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Community Environment:				
Housing and Building Code Enforcement:				
Code Enforcement:				
Capital Outlay	2,736	2,736	2,736	0
Total Community Environment	<u>2,736</u>	<u>2,736</u>	<u>2,736</u>	<u>0</u>
Debt Service:				
Principal Retirement	48,805	66,972	66,972	0
Interest and Fiscal Charges	3,767	5,167	5,163	4
Total Expenditures	<u>346,484</u>	<u>506,484</u>	<u>506,070</u>	<u>414</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(346,484)	(496,484)	(496,070)	414
Other Financing Sources (Uses):				
Sale of Capital Assets	0	9,000	9,000	0
Transfers In	0	535,000	535,000	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>544,000</u>	<u>544,000</u>	<u>0</u>
Net Change in Fund Balance	(346,484)	47,516	47,930	414
Fund Balance at Beginning of Year	468,979	468,979	468,979	0
Prior Year Encumbrances	34,812	34,812	34,812	0
Fund Balance at End of Year	<u>\$ 157,307</u>	<u>\$ 551,307</u>	<u>\$ 551,721</u>	<u>\$ 414</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2015**

CAPITAL IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 8,100	\$ 190,000	\$ 193,776	\$ 3,776
Total Revenues	<u>8,100</u>	<u>190,000</u>	<u>193,776</u>	<u>3,776</u>
Expenditures:				
General Government:				
Public Lands and Buildings:				
Building Operations, Maintenance and Repair:				
Capital Outlay	67,399	67,399	66,730	669
Total General Government	<u>67,399</u>	<u>67,399</u>	<u>66,730</u>	<u>669</u>
Public Safety:				
Fire:				
Fire Fighting, Prevention and Inspection:				
Capital Outlay	10,336	10,336	10,336	0
Total Public Safety	<u>10,336</u>	<u>10,336</u>	<u>10,336</u>	<u>0</u>
Highways and Streets:				
Public Works:				
Street Maintenance and Repair:				
Capital Outlay	279,000	279,000	278,999	1
Total Highways and Streets	<u>279,000</u>	<u>279,000</u>	<u>278,999</u>	<u>1</u>
Culture and Recreation:				
Parks:				
Recreation Activities:				
Capital Outlay	189,870	205,106	204,397	709
Total Culture and Recreation	<u>189,870</u>	<u>205,106</u>	<u>204,397</u>	<u>709</u>
Community Environment:				
Community Planning and Zoning:				
Planning and Development:				
Capital Outlay	10,139	10,139	5,082	5,057
Total Community Environment	<u>10,139</u>	<u>10,139</u>	<u>5,082</u>	<u>5,057</u>
Total Expenditures	<u>556,744</u>	<u>571,980</u>	<u>565,544</u>	<u>6,436</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(548,644)	(381,980)	(371,768)	10,212

(Continued)

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2015***

CAPITAL IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Other Financing Sources (Uses):				
Transfers In	<u>0</u>	<u>450,000</u>	<u>450,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>450,000</u>	<u>450,000</u>	<u>0</u>
Net Change in Fund Balance	(548,644)	68,020	78,232	10,212
Fund Balance at Beginning of Year	227,539	227,539	227,539	0
Prior Year Encumbrances	<u>327,944</u>	<u>327,944</u>	<u>327,944</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 6,839</u>	<u>\$ 623,503</u>	<u>\$ 633,715</u>	<u>\$ 10,212</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 371</u>	<u>\$ 371</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>371</u>	<u>371</u>
Expenditures:				
Community Environment:				
Capital Outlay	<u>15</u>	<u>15</u>	<u>0</u>	<u>15</u>
Total Expenditures	<u>15</u>	<u>15</u>	<u>0</u>	<u>15</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15)	(15)	371	386
Fund Balance at Beginning of Year	10,389	10,389	10,389	0
Prior Year Encumbrances	<u>15</u>	<u>15</u>	<u>15</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 10,389</u>	<u>\$ 10,389</u>	<u>\$ 10,775</u>	<u>\$ 386</u>

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2015***

JACKSON STREET INTERCHANGE PROJECT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 500,000	\$ 3,600	\$ 3,861	\$ 261
Total Revenues	<u>500,000</u>	<u>3,600</u>	<u>3,861</u>	<u>261</u>
Expenditures:				
Highways and Streets:				
Miscellaneous:				
Capital Outlay	500,530	2,530	2,395	135
Total Expenditures	<u>500,530</u>	<u>2,530</u>	<u>2,395</u>	<u>135</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(530)	1,070	1,466	396
Fund Balance at Beginning of Year	114,719	114,719	114,719	0
Prior Year Encumbrances	530	530	530	0
Fund Balance at End of Year	<u>\$ 114,719</u>	<u>\$ 116,319</u>	<u>\$ 116,715</u>	<u>\$ 396</u>

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2015***

INDUSTRIAL PARK PROJECT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Debt Service:				
Principal Retirement	10,000	10,000	10,000	0
Interest and Fiscal Charges	4,803	4,803	4,802	1
Total Expenditures	14,803	14,803	14,802	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,803)	(14,803)	(14,802)	1
Other Financing Sources (Uses):				
Transfers In	0	0	15,000	15,000
Total Other Financing Sources (Uses)	0	0	15,000	15,000
Net Change in Fund Balance	(14,803)	(14,803)	198	15,001
Fund Balance at Beginning of Year	25,096	25,096	25,096	0
Fund Balance at End of Year	\$ 10,293	\$ 10,293	\$ 25,294	\$ 15,001

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2015**

MUNICIPAL COURT SPECIAL PROJECTS FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 96,000	\$ 96,000	\$ 84,622	\$ (11,378)
Total Revenues	<u>96,000</u>	<u>96,000</u>	<u>84,622</u>	<u>(11,378)</u>
Expenditures:				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
Personal Services	6,135	6,135	2,225	3,910
All Other Expenditures	37,089	37,089	36,047	1,042
Capital Outlay	3,624	3,624	2,862	762
Clerk of Court:				
Personal Services	28,068	28,068	13,890	14,178
All Other Expenditures	84,760	84,760	78,435	6,325
Probation:				
Personal Services	8,072	8,072	636	7,436
All Other Expenditures	18,498	18,498	12,031	6,467
Total Expenditures	<u>186,246</u>	<u>186,246</u>	<u>146,126</u>	<u>40,120</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(90,246)	(90,246)	(61,504)	28,742
Fund Balance at Beginning of Year	148,236	148,236	148,236	0
Prior Year Encumbrances	41,071	41,071	41,071	0
Fund Balance at End of Year	<u>\$ 99,061</u>	<u>\$ 99,061</u>	<u>\$ 127,803</u>	<u>\$ 28,742</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>31,578</u>	<u>31,578</u>	<u>31,578</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 31,578</u>	<u>\$ 31,578</u>	<u>\$ 31,578</u>	<u>\$ 0</u>

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2015***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>189</u>	<u>189</u>	<u>189</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 189</u>	<u>\$ 189</u>	<u>\$ 189</u>	<u>\$ 0</u>

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2015***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>57,915</u>	<u>57,915</u>	<u>57,915</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 57,915</u>	<u>\$ 57,915</u>	<u>\$ 57,915</u>	<u>\$ 0</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Funds
For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 600	\$ 600	\$ 218	\$ (382)
Total Revenues	<u>600</u>	<u>600</u>	<u>218</u>	<u>(382)</u>
Expenditures:				
Public Health and Welfare:				
Cemeteries:				
Evergreen/Riverside Cemeteries:				
All Other Expenditures	<u>600</u>	<u>600</u>	<u>600</u>	<u>0</u>
Total Expenditures	<u>600</u>	<u>600</u>	<u>600</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(382)	(382)
Fund Balance at Beginning of Year	<u>81,462</u>	<u>81,462</u>	<u>81,462</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 81,462</u>	<u>\$ 81,462</u>	<u>\$ 81,080</u>	<u>\$ (382)</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Funds
For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 225	\$ 225	\$ 104	\$ (121)
Total Revenues	<u>225</u>	<u>225</u>	<u>104</u>	<u>(121)</u>
Expenditures:				
Public Health and Welfare:				
Cemeteries:				
Evergreen/Riverside Cemeteries:				
All Other Expenditures	<u>225</u>	<u>225</u>	<u>0</u>	<u>225</u>
Total Expenditures	<u>225</u>	<u>225</u>	<u>0</u>	<u>225</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	104	104
Fund Balance at Beginning of Year	<u>60,343</u>	<u>60,343</u>	<u>60,343</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 60,343</u>	<u>\$ 60,343</u>	<u>\$ 60,447</u>	<u>\$ 104</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Funds
For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 240</u>	<u>\$ 40</u>
Total Revenues	<u>200</u>	<u>200</u>	<u>240</u>	<u>40</u>
Expenditures:				
Public Health and Welfare:				
All Other Expenditures	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
Total Expenditures	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(300)	(300)	240	540
Fund Balance at Beginning of Year	<u>405,827</u>	<u>405,827</u>	<u>405,827</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 405,527</u>	<u>\$ 405,527</u>	<u>\$ 406,067</u>	<u>\$ 540</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Funds
For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 6,690</u>	<u>\$ 2,690</u>
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>6,690</u>	<u>2,690</u>
Expenditures:				
Public Health and Welfare:				
All Other Expenditures	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
Total Expenditures	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,500	3,500	6,690	3,190
Fund Balance at Beginning of Year	<u>380,087</u>	<u>380,087</u>	<u>380,087</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 383,587</u>	<u>\$ 383,587</u>	<u>\$ 386,777</u>	<u>\$ 3,190</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Funds
For the Year Ended December 31, 2015**

	SPECIAL ENDOWMENT TRUST FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
All Other Revenues	<u>\$ 3,300</u>	<u>\$ 3,300</u>	<u>\$ 4,640</u>	<u>\$ 1,340</u>
Total Revenues	<u>3,300</u>	<u>3,300</u>	<u>4,640</u>	<u>1,340</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,300	3,300	4,640	1,340
Fund Balance at Beginning of Year	<u>337,631</u>	<u>337,631</u>	<u>337,631</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 340,931</u>	<u>\$ 340,931</u>	<u>\$ 342,271</u>	<u>\$ 1,340</u>



Nonmajor Enterprise Funds

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise, whereby the intent of City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or when City Council has decided that periodic determination of net income is appropriate for accountability purposes.

Refuse Fund

To account for the operation of the City's solid waste collection systems.

Off Street Parking Fund

To account for the operation of the City's off-street parking garage.

Storm Water Utility Fund

To account for the operation of the City's storm water utility system.

Community Programs Fund

To account for operation of several user fee recreational programs offered by the City.

CITY OF PAINESVILLE, OHIO

**Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2015**

	Refuse Fund	Off Street Parking Fund	Storm Water Utility Fund
Assets			
Current Assets:			
Pooled Cash and Investments	\$ 13,559	\$ 208,372	\$ 436,963
Receivables:			
Accounts	0	0	47,123
Prepaid Items	0	3,966	0
Total Current Assets	<u>13,559</u>	<u>212,338</u>	<u>484,086</u>
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents	0	3,953	0
Total Restricted Assets	<u>0</u>	<u>3,953</u>	<u>0</u>
Capital Assets:			
Capital Assets Not Being Depreciated	0	118,972	561,716
Capital Assets Being Depreciated, Net	0	973,718	1,312,821
Total Noncurrent Assets	<u>0</u>	<u>1,096,643</u>	<u>1,874,537</u>
Total Assets	<u>13,559</u>	<u>1,308,981</u>	<u>2,358,623</u>
Deferred Outflows of Resources:			
Pension:			
OPERS	0	6,566	13,180
Total Deferred Outflows of Resources	<u>0</u>	<u>6,566</u>	<u>13,180</u>
Liabilities			
Current Liabilities:			
Accounts Payable	0	154	16,788
Accrued Wages and Benefits	0	2,573	5,419
Refundable Deposits	0	3,953	0
Accrued Interest Payable	0	0	3,266
Capital Leases Payable - Current	0	0	10,759
Long Term Notes Payable - Current	0	0	63,844
Compensated Absences Payable - Current	0	6,967	3,575
Total Current Liabilities	<u>0</u>	<u>13,647</u>	<u>103,651</u>
Noncurrent Liabilities:			
Capital Leases Payable	0	0	22,108
Compensated Absences Payable	0	4,147	12,573
Long Term Notes Payable	0	0	264,712
Net Pension Liability	0	36,438	72,755
Total Noncurrent Liabilities	<u>0</u>	<u>40,585</u>	<u>372,148</u>
Total Liabilities	<u>0</u>	<u>54,232</u>	<u>475,799</u>

CITY OF PAINESVILLE, OHIO

<u>Community Programs Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 5,412	\$ 664,306
0	47,123
0	3,966
<u>5,412</u>	<u>715,395</u>
0	3,953
<u>0</u>	<u>3,953</u>
0	680,688
0	2,286,539
<u>0</u>	<u>2,971,180</u>
<u>5,412</u>	<u>3,686,575</u>
2,347	22,093
<u>2,347</u>	<u>22,093</u>
0	16,942
236	8,228
0	3,953
0	3,266
0	10,759
0	63,844
0	10,542
<u>236</u>	<u>117,534</u>
0	22,108
0	16,720
0	264,712
<u>13,644</u>	<u>122,837</u>
<u>13,644</u>	<u>426,377</u>
<u>13,880</u>	<u>543,911</u>

(Continued)

CITY OF PAINESVILLE, OHIO

***Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2015***

	<u>Refuse Fund</u>	<u>Off Street Parking Fund</u>	<u>Storm Water Utility Fund</u>
Deferred Inflows of Resources:			
Pension:			
OPERS	<u>0</u>	<u>640</u>	<u>1,276</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>640</u>	<u>1,276</u>
Net Position			
Net Investment in Capital Assets	0	1,092,690	1,513,114
Unrestricted	<u>13,559</u>	<u>167,985</u>	<u>381,614</u>
Total Net Position	<u>\$ 13,559</u>	<u>\$ 1,260,675</u>	<u>\$ 1,894,728</u>

CITY OF PAINESVILLE, OHIO

<u>Community Programs Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
242	2,158
<u>242</u>	<u>2,158</u>
0	2,605,804
<u>(6,363)</u>	<u>556,795</u>
<u>\$ (6,363)</u>	<u>\$ 3,162,599</u>

CITY OF PAINESVILLE, OHIO

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2015**

	Refuse Fund	Off Street Parking Fund	Storm Water Utility Fund
Operating Revenues:			
Charges for Services	\$ 38	\$ 36,921	\$ 424,955
Other Charges for Services	0	0	6,582
Other Operating Revenues	3,354	0	0
Total Operating Revenues	3,392	36,921	431,537
Operating Expenses:			
Personal Services	0	58,584	111,107
Contractual Services	2,967	15,144	25,984
Materials and Supplies	0	2,458	18,509
Utilities	0	18,262	0
Depreciation	0	33,303	28,087
Total Operating Expenses	2,967	127,751	183,687
Operating Income (Loss)	425	(90,830)	247,850
Non-Operating Revenue (Expenses):			
Interest and Fiscal Charges	0	0	(4,557)
Total Non-Operating Revenues (Expenses)	0	0	(4,557)
Income (Loss) Before Transfers	425	(90,830)	243,293
Transfers:			
Transfers-In	0	60,000	0
Total Transfers	0	60,000	0
Change in Net Position	425	(30,830)	243,293
Net Position Beginning of Year - Restated	13,134	1,291,505	1,651,435
Net Position End of Year	\$ 13,559	\$ 1,260,675	\$ 1,894,728

CITY OF PAINESVILLE, OHIO

<u>Community Programs Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 36,050	\$ 497,964
0	6,582
3,042	6,396
<u>39,092</u>	<u>510,942</u>
16,299	185,990
24,253	68,348
4,159	25,126
0	18,262
0	61,390
<u>44,711</u>	<u>359,116</u>
(5,619)	151,826
<u>0</u>	<u>(4,557)</u>
<u>0</u>	<u>(4,557)</u>
(5,619)	147,269
<u>0</u>	<u>60,000</u>
<u>0</u>	<u>60,000</u>
(5,619)	207,269
(744)	2,955,330
<u>\$ (6,363)</u>	<u>\$ 3,162,599</u>

CITY OF PAINESVILLE, OHIO

***Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2015***

	Refuse Fund	Off-Street Parking Fund	Storm Water Utility Fund
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$3,392	\$36,945	\$429,122
Cash Payments for Goods and Services	(2,967)	(36,358)	(44,759)
Cash Payments to Employees	0	(52,192)	(108,802)
Net Cash Provided (Used) by Operating Activities	425	(51,605)	275,561
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	0	60,000	0
Net Cash Provided by Noncapital Financing Activities	0	60,000	0
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from General Obligation Notes	0	0	328,556
Principal Paid on General Obligation Notes	0	0	(392,400)
Acquisition and Construction of Assets	0	0	(205,094)
Principal Paid on Capital Leases	0	0	(10,540)
Interest Paid on All Debt	0	0	(5,164)
Net Cash Used by Capital and Related Financing Activities	0	0	(284,642)
Net Increase (Decrease) in Cash and Cash Equivalents	425	8,395	(9,081)
Cash and Cash Equivalents at Beginning of Year	13,134	203,930	446,044
Cash and Cash Equivalents at End of Year	\$13,559	\$212,325	\$436,963
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet</u>			
Cash and Cash Equivalents	\$13,559	\$208,372	\$436,963
Restricted Cash and Cash Equivalents	0	3,953	0
Cash and Cash Equivalents at End of Year	\$13,559	\$212,325	\$436,963
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$425	(\$90,830)	\$247,850
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	0	33,303	28,087
Miscellaneous Nonoperating Revenues	0	24	0
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
Increase in Accounts Receivable	0	0	(2,415)
Increase in Prepaid Items	0	(502)	0
Increase in Deferred Outflows of Resources	0	(6,566)	(13,180)
Increase (Decrease) in Accounts Payable	0	19	(252)
Increase in Accrued Wages and Benefits	0	239	753
Increase in Compensated Absences Payable	0	6,787	2,835
Increase in Net Pension Liability	0	5,281	10,607
Increase in Deferred Inflows of Resources	0	640	1,276
Total Adjustments	0	39,225	27,711
Net Cash Provided (Used) by Operating Activities	\$425	(\$51,605)	\$275,561

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2015 the Storm Water Fund had outstanding liabilities of \$16,722 for the purchase of certain capital assets.

CITY OF PAINESVILLE, OHIO

Community Programs Fund	Total Nonmajor Enterprise Funds
\$39,092	\$508,551
(28,496)	(112,580)
(16,476)	(177,470)
(5,880)	218,501
0	60,000
0	60,000
0	328,556
0	(392,400)
0	(205,094)
0	(10,540)
0	(5,164)
0	(284,642)
(5,880)	(6,141)
11,292	674,400
\$5,412	\$668,259
\$5,412	\$664,306
0	3,953
\$5,412	\$668,259
(\$5,619)	\$151,826
0	61,390
0	24
0	(2,415)
0	(502)
(2,347)	(22,093)
(84)	(317)
48	1,040
0	9,622
1,880	17,768
242	2,158
(261)	66,675
(\$5,880)	\$218,501

Nonmajor Internal Service Funds

The internal service funds are used to account for financing goods or services provided by one department to other departments of the City on a cost-reimbursement basis.

Fuel and Oil Rotary Fund

To account for the accumulation and allocation of costs associated with petroleum products.

Supplies Rotary Fund

To account for the accumulation and allocation of costs associated with operating supplies.

Employee Health Insurance Fund

To account for the expenses related to employee health insurance coverage provided by the City. This program is partially self-funded by the City as well as through a 'stop-loss' cap arrangement with an outside contractor.

Workers' Compensation Retrospective Fund

To account for expenses for workers' compensation coverage provided by the Ohio Bureau of Workers' Compensation.

CITY OF PAINESVILLE, OHIO

**Combining Statement of Net Position
Nonmajor Internal Service Funds
December 31, 2015**

	Fuel and Oil Rotary Fund	Supplies Rotary Fund	Employee Health Insurance Fund	Workers' Compensation Retrospective Fund	Total
Assets:					
Current Assets:					
Pooled Cash and Investments	\$ 141,101	\$ 31,988	\$ 32,265	\$ 153,779	\$ 359,133
Receivables:					
Accounts	0	0	11,214	0	11,214
Total Assets	<u>141,101</u>	<u>31,988</u>	<u>43,479</u>	<u>153,779</u>	<u>370,347</u>
Liabilities:					
Current Liabilities:					
Accounts Payable	0	0	218	0	218
Claims Payable - Current	0	0	368,384	267,180	635,564
Total Current Liabilities	<u>0</u>	<u>0</u>	<u>368,602</u>	<u>267,180</u>	<u>635,782</u>
Noncurrent Liabilities:					
Claims Payable	0	0	0	427,853	427,853
Total Liabilities	<u>0</u>	<u>0</u>	<u>368,602</u>	<u>695,033</u>	<u>1,063,635</u>
Net Position:					
Unrestricted	141,101	31,988	(325,123)	(541,254)	(693,288)
Total Net Position	<u>\$ 141,101</u>	<u>\$ 31,988</u>	<u>\$ (325,123)</u>	<u>\$ (541,254)</u>	<u>\$ (693,288)</u>

CITY OF PAINESVILLE, OHIO

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Internal Service Funds
For the Year Ended December 31, 2015**

	Fuel and Oil Rotary Fund	Supplies Rotary Fund	Employee Health Insurance Fund	Workers' Compensation Retrospective Fund	Total
Operating Revenues:					
Charges for Services	\$ 147,425	\$ 37,064	\$ 3,312,521	\$ 442,598	\$ 3,939,608
Other Operating Revenue	0	0	11,214	0	11,214
Total Operating Revenues	<u>147,425</u>	<u>37,064</u>	<u>3,323,735</u>	<u>442,598</u>	<u>3,950,822</u>
Operating Expenses:					
Personal Services	0	0	2,641,184	150,195	2,791,379
Contractual Services	0	0	675,769	234,544	910,313
Materials and Supplies	156,914	41,119	0	0	198,033
Total Operating Expenses	<u>156,914</u>	<u>41,119</u>	<u>3,316,953</u>	<u>384,739</u>	<u>3,899,725</u>
Change in Net Position	(9,489)	(4,055)	6,782	57,859	51,097
Net Position Beginning of Year	<u>150,590</u>	<u>36,043</u>	<u>(331,905)</u>	<u>(599,113)</u>	<u>(744,385)</u>
Net Position End of Year	<u>\$ 141,101</u>	<u>\$ 31,988</u>	<u>\$ (325,123)</u>	<u>\$ (541,254)</u>	<u>\$ (693,288)</u>

CITY OF PAINESVILLE, OHIO

**Combining Statement of Cash Flows
Nonmajor Internal Service Funds
For the Year Ended December 31, 2015**

	Fuel and Oil Rotary Fund	Supplies Rotary Fund	Employee Health Insurance Fund	Workers' Compensation Retrospective Fund	Total
<u>Cash Flows from Operating Activities:</u>					
Cash Receipts from Interfund Services Provided	\$147,425	\$37,064	\$3,312,521	\$442,598	\$3,939,608
Cash Payments for Goods and Services	(156,914)	(41,119)	(676,712)	(234,544)	(1,109,289)
Cash Payments to Employees	0	0	0	(208,053)	(208,053)
Cash Payments for Employee Medical Claims	0	0	(2,626,400)	0	(2,626,400)
Net Cash Provided (Used) by Operating Activities	(9,489)	(4,055)	9,409	1	(4,134)
Net Increase (Decrease) in Cash and Cash Equivalents	(9,489)	(4,055)	9,409	1	(4,134)
Cash and Cash Equivalents at Beginning of Year	150,590	36,043	22,856	153,778	363,267
Cash and Cash Equivalents at End of Year	\$141,101	\$31,988	\$32,265	\$153,779	\$359,133
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>					
Operating Income (Loss)	(\$9,489)	(\$4,055)	\$6,782	\$57,859	\$51,097
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Changes in Assets and Liabilities:					
Increase in Accounts Receivable	0	0	(11,214)	0	(11,214)
Decrease in Accounts Payable	0	0	(943)	0	(943)
Increase (Decrease) in Claims Liability	0	0	14,784	(57,858)	(43,074)
Total Adjustments	0	0	2,627	(57,858)	(55,231)
Net Cash Provided (Used) by Operating Activities	(\$9,489)	(\$4,055)	\$9,409	\$1	(\$4,134)



Fiduciary Funds

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Agency Funds

Municipal Court Fund

To account for funds that flow through the municipal court.

State Patrol Transfer Fund

To account for the receipt from the City's municipal court and disbursement to the City and County Law Library of fines and forfeitures for State Highway Patrol cases in accordance with provisions of the Ohio Revised Code.

Electric License Fund

To account for funds from the fifteen percent (15%) fees as required by Ohio Revised Code.

Land Bank Fund

To account for the receipt of monies from the sale of property under the Land Bank Program and the disbursement to the County for back taxes.

Plan Review Fund

To account for monies received and held by the City for various deposits for review of construction plans.

C.D.B.G. Fund

To account for monies designated for renovations of properties in the City.

JEDD Fund

To account for income tax revenues from University and Tri-Point hospitals as part of a Joint Economic Development District between the City and Concord Township.

CITY OF PAINESVILLE, OHIO

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2015**

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
Municipal Court Fund				
Assets:				
Cash and Cash Equivalents	\$261,871	\$2,988,042	(\$3,202,871)	\$47,042
Total Assets	<u>\$261,871</u>	<u>\$2,988,042</u>	<u>(\$3,202,871)</u>	<u>\$47,042</u>
Liabilities:				
Due to Others	\$261,871	\$2,988,042	(\$3,202,871)	\$47,042
Total Liabilities	<u>\$261,871</u>	<u>\$2,988,042</u>	<u>(\$3,202,871)</u>	<u>\$47,042</u>
State Patrol Transfer Fund				
Assets:				
Cash and Cash Equivalents	\$18,284	\$81,319	(\$81,320)	\$18,283
Total Assets	<u>\$18,284</u>	<u>\$81,319</u>	<u>(\$81,320)</u>	<u>\$18,283</u>
Liabilities:				
Due to Others	\$18,284	\$81,319	(\$81,320)	\$18,283
Total Liabilities	<u>\$18,284</u>	<u>\$81,319</u>	<u>(\$81,320)</u>	<u>\$18,283</u>
Electric License Fund				
Assets:				
Cash and Cash Equivalents	\$7,206	\$0	\$0	\$7,206
Total Assets	<u>\$7,206</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,206</u>
Liabilities:				
Due to Others	\$7,206	\$0	\$0	\$7,206
Total Liabilities	<u>\$7,206</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,206</u>
Land Bank Fund				
Assets:				
Cash and Cash Equivalents	\$7,120	\$1,633	(\$500)	\$8,253
Total Assets	<u>\$7,120</u>	<u>\$1,633</u>	<u>(\$500)</u>	<u>\$8,253</u>
Liabilities:				
Due to Others	\$7,120	\$1,633	(\$500)	\$8,253
Total Liabilities	<u>\$7,120</u>	<u>\$1,633</u>	<u>(\$500)</u>	<u>\$8,253</u>

(Continued)

CITY OF PAINESVILLE, OHIO

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
Plan Review Fund				
Assets:				
Cash and Cash Equivalents	\$119,878	\$300	(\$11,288)	\$108,890
Total Assets	<u>\$119,878</u>	<u>\$300</u>	<u>(\$11,288)</u>	<u>\$108,890</u>
Liabilities:				
Due to Others	\$119,878	\$300	(\$11,288)	\$108,890
Total Liabilities	<u>\$119,878</u>	<u>\$300</u>	<u>(\$11,288)</u>	<u>\$108,890</u>
C.D.B.G Fund				
Assets:				
Cash and Cash Equivalents	\$188	\$0	\$0	\$188
Total Assets	<u>\$188</u>	<u>\$0</u>	<u>\$0</u>	<u>\$188</u>
Liabilities:				
Due to Others	\$188	\$0	\$0	\$188
Total Liabilities	<u>\$188</u>	<u>\$0</u>	<u>\$0</u>	<u>\$188</u>
JEDD Fund				
Assets:				
Cash and Cash Equivalents	\$291	\$891,115	(\$891,406)	\$0
Receivables:				
Taxes	84,659	74,068	(84,659)	74,068
Total Assets	<u>\$84,950</u>	<u>\$965,183</u>	<u>(\$976,065)</u>	<u>\$74,068</u>
Liabilities:				
Intergovernmental Payable	\$63,494	\$55,551	(\$63,494)	\$55,551
Due to Others	21,456	909,632	(912,571)	18,517
Total Liabilities	<u>\$84,950</u>	<u>\$965,183</u>	<u>(\$976,065)</u>	<u>\$74,068</u>
Totals - All Agency Funds				
Assets:				
Cash and Cash Equivalents	\$414,838	\$3,962,409	(\$4,187,385)	\$189,862
Receivables:				
Taxes	84,659	74,068	(84,659)	74,068
Total Assets	<u>\$499,497</u>	<u>\$4,036,477</u>	<u>(\$4,272,044)</u>	<u>\$263,930</u>
Liabilities:				
Intergovernmental Payable	\$63,494	\$55,551	(\$63,494)	\$55,551
Due to Others	436,003	3,980,926	(4,208,550)	208,379
Total Liabilities	<u>\$499,497</u>	<u>\$4,036,477</u>	<u>(\$4,272,044)</u>	<u>\$263,930</u>



STATISTICAL SECTION



STATISTICAL TABLES

This part of the City’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

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
Revenue Capacity	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue source, the income tax.	
Debt Capacity	S 18 – S 27
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.	
Economic and Demographic Information	S 28 – S 31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 32 – S 41
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 Note:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

City of Painesville

*Net Position by Component
Last Ten Years
(accrual basis of accounting)*

	*			
	2006	2007	2008	2009
Governmental Activities:				
Net Investment in Capital Assets	\$23,248,755	\$23,806,608	\$23,885,884	\$28,000,333
Restricted	2,756,163	6,813,043	4,893,216	2,173,310
Unrestricted	7,361,806	6,316,586	11,427,126	10,186,938
Total Governmental Activities Net Position	<u>\$33,366,724</u>	<u>\$36,936,237</u>	<u>\$40,206,226</u>	<u>\$40,360,581</u>
Business-type Activities:				
Net Investment in Capital Assets	\$33,400,614	\$35,152,108	\$38,454,848	\$41,103,064
Restricted	792,875	0	0	0
Unrestricted	27,439,385	28,790,094	28,085,141	27,590,062
Total Business-type Activities Net Position	<u>\$61,632,874</u>	<u>\$63,942,202</u>	<u>\$66,539,989</u>	<u>\$68,693,126</u>
Primary Government:				
Net Investment in Capital Assets	\$56,649,369	\$58,958,716	\$62,340,732	\$69,103,397
Restricted	3,549,038	6,813,043	4,893,216	2,173,310
Unrestricted	34,801,191	35,106,680	39,512,267	37,777,000
Total Primary Government Net Position	<u>\$94,999,598</u>	<u>\$100,878,439</u>	<u>\$106,746,215</u>	<u>\$109,053,707</u>

Source: Finance Director's Office

* Restated

City of Painesville

2010	2011	2012	2013	*	2015
\$29,982,485	\$30,387,358	\$33,102,011	\$31,513,541	\$33,584,837	\$35,636,534
3,246,469	4,044,306	3,724,814	5,438,792	6,309,396	7,102,200
7,286,446	6,921,791	6,862,608	7,096,616	(4,187,406)	(3,309,250)
<u>\$40,515,400</u>	<u>\$41,353,455</u>	<u>\$43,689,433</u>	<u>\$44,048,949</u>	<u>\$35,706,827</u>	<u>\$39,429,484</u>
\$41,322,460	\$44,350,926	\$48,090,083	\$53,612,184	\$54,456,010	\$54,770,683
0	0	0	0	0	0
28,707,112	28,876,607	32,820,932	28,133,474	20,419,355	19,843,074
<u>\$70,029,572</u>	<u>\$73,227,533</u>	<u>\$80,911,015</u>	<u>\$81,745,658</u>	<u>\$74,875,365</u>	<u>\$74,613,757</u>
\$71,304,945	\$74,738,284	\$81,192,094	\$85,125,725	\$88,040,847	\$90,407,217
3,246,469	4,044,306	3,724,814	5,438,792	6,309,396	7,102,200
35,993,558	35,798,398	39,683,540	35,230,090	16,231,949	16,533,824
<u>\$110,544,972</u>	<u>\$114,580,988</u>	<u>\$124,600,448</u>	<u>\$125,794,607</u>	<u>\$110,582,192</u>	<u>\$114,043,241</u>

City of Painesville

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2006	2007	2008	2009
Expenses				
Governmental Activities:				
General Government	\$2,825,835	\$3,453,915	\$3,213,592	\$4,444,947
Public Safety	7,585,876	7,511,624	7,800,817	7,687,567
Highways and Streets	2,870,730	3,540,017	3,380,986	3,823,054
Public Health and Welfare	531,090	613,032	630,964	688,623
Culture and Recreation	746,813	847,647	949,788	843,945
Community Environment	353,652	551,236	443,315	476,715
Interest and Fiscal Charges	230,802	329,646	282,227	266,284
<i>Total Governmental Activities Expenses</i>	<u>15,144,798</u>	<u>16,847,117</u>	<u>16,701,689</u>	<u>18,231,135</u>
Business-type Activities:				
Water	4,863,071	4,746,880	4,764,766	4,683,197
Sewer	3,340,241	3,183,132	3,658,566	3,462,406
Electric	19,568,938	20,600,631	20,682,416	20,517,909
Other Enterprise	766,324	730,063	429,441	507,534
<i>Total Business-type Activities Expenses</i>	<u>28,538,574</u>	<u>29,260,706</u>	<u>29,535,189</u>	<u>29,171,046</u>
<i>Total Primary Government Expenses</i>	<u>\$43,683,372</u>	<u>\$46,107,823</u>	<u>\$46,236,878</u>	<u>\$47,402,181</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$1,328,425	\$1,438,482	\$1,567,302	\$1,575,108
Public Safety	436,247	555,777	716,239	671,145
Highways and Streets	67,586	51,231	61,505	36,694
Public Health and Welfare	131,527	159,275	151,953	119,891
Culture and Recreation	21,688	7,917	21,280	18,112
Community Environment	264,180	304,968	195,427	135,666
Operating Grants and Contributions	831,378	876,146	975,160	951,327
Capital Grants and Contributions	735,382	2,856,316	3,186,194	2,494,194
<i>Total Governmental Activities Program Revenues</i>	<u>3,816,413</u>	<u>6,250,112</u>	<u>6,875,060</u>	<u>6,002,137</u>

City of Painesville

2010	2011	2012	2013	2014	2015
\$4,594,616	\$5,319,087	\$4,802,387	\$3,739,730	\$3,921,566	\$3,848,049
7,029,666	7,418,708	6,830,774	6,887,389	6,752,510	7,172,546
2,158,737	1,821,320	3,067,864	2,566,021	2,637,941	3,189,101
637,876	635,108	559,347	516,688	488,651	491,545
778,109	792,999	682,194	590,591	618,468	666,284
525,976	377,113	180,433	314,010	105,322	114,791
202,221	167,510	304,756	313,959	318,637	303,218
<u>15,927,201</u>	<u>16,531,845</u>	<u>16,427,755</u>	<u>14,928,388</u>	<u>14,843,095</u>	<u>15,785,534</u>
4,934,978	4,651,337	5,155,459	5,302,197	6,117,078	5,542,369
4,132,446	3,700,750	3,930,761	4,295,486	4,387,215	4,257,321
24,023,809	24,798,140	20,741,060	22,217,456	24,835,860	24,875,586
381,553	563,107	436,918	418,213	409,740	363,673
<u>33,472,786</u>	<u>33,713,334</u>	<u>30,264,198</u>	<u>32,233,352</u>	<u>35,749,893</u>	<u>35,038,949</u>
<u>\$49,399,987</u>	<u>\$50,245,179</u>	<u>\$46,691,953</u>	<u>\$47,161,740</u>	<u>\$50,592,988</u>	<u>\$50,824,483</u>
\$1,942,968	\$1,533,460	\$1,861,207	\$1,720,626	\$1,749,663	\$1,446,087
658,667	756,827	670,873	587,466	616,933	811,277
35,895	32,842	26,650	19,050	60,591	67,287
109,421	119,652	124,596	108,261	110,225	133,515
12,372	20,456	14,448	12,580	9,232	7,580
115,077	98,930	665,096	152,640	306,134	482,434
863,877	883,020	1,363,819	802,599	876,783	921,812
432,405	1,693,078	2,958,673	1,042,448	1,659,154	1,542,778
<u>4,170,682</u>	<u>5,138,265</u>	<u>7,685,362</u>	<u>4,445,670</u>	<u>5,388,715</u>	<u>5,412,770</u>

(continued)

City of Painesville

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2006	2007	2008	2009
Business-type Activities:				
Charges for Services				
Water	4,654,394	4,838,095	4,570,987	4,422,481
Sewer	3,215,491	3,237,420	3,451,161	3,320,167
Electric	21,014,180	22,505,860	23,331,839	22,753,669
Other Enterprise	610,279	554,923	547,994	524,991
Operating Grants and Contributions	0	110,973	47,611	1,478,559
Capital Grants and Contributions	410,942	997,376	0	0
<i>Total Business-type Activities Program Revenues</i>	<u>29,905,286</u>	<u>32,244,647</u>	<u>31,949,592</u>	<u>32,499,867</u>
<i>Total Primary Government Program Revenues</i>	<u>33,721,699</u>	<u>38,494,759</u>	<u>38,824,652</u>	<u>38,502,004</u>
Net (Expense)/Revenue				
Governmental Activities	(11,328,385)	(10,597,005)	(9,826,629)	(12,228,998)
Business-type Activities	1,366,712	2,983,941	2,414,403	3,328,821
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$9,961,673)</u>	<u>(\$7,613,064)</u>	<u>(\$7,412,226)</u>	<u>(\$8,900,177)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes	\$801,010	\$896,215	\$819,812	\$1,214,434
Municipal Income Taxes	8,039,713	7,962,098	8,644,123	7,748,215
Other Local Taxes	31,692	8,056	8,013	11,164
Intergovernmental, Unrestricted	2,007,863	1,802,287	2,181,223	1,266,406
Investment Earnings	1,189,061	1,870,044	1,380,595	831,745
Miscellaneous	111,205	884,813	52,065	226,494
Transfers	505,320	743,005	10,787	1,084,895
<i>Total Governmental Activities</i>	<u>12,685,864</u>	<u>14,166,518</u>	<u>13,096,618</u>	<u>12,383,353</u>
Business-type Activities:				
Investment Earnings	407,410	68,392	194,171	(90,789)
Transfers	(505,320)	(743,005)	(10,787)	(1,084,895)
<i>Total Business-type Activities</i>	<u>(97,910)</u>	<u>(674,613)</u>	<u>183,384</u>	<u>(1,175,684)</u>
<i>Total Primary Government</i>	<u>\$12,587,954</u>	<u>\$13,491,905</u>	<u>\$13,280,002</u>	<u>\$11,207,669</u>
Change in Net Position				
Governmental Activities	\$1,357,479	\$3,569,513	\$3,269,989	\$154,355
Business-type Activities	1,268,802	2,309,328	2,597,787	2,153,137
<i>Total Primary Government Change in Net Position</i>	<u>\$2,626,281</u>	<u>\$5,878,841</u>	<u>\$5,867,776</u>	<u>\$2,307,492</u>

Source: Finance Director's Office

City of Painesville

2010	2011	2012	2013	2014	2015
4,883,093	5,489,308	6,576,748	6,307,635	6,209,116	5,956,836
3,104,324	3,473,151	3,746,854	3,985,434	3,706,993	3,822,411
26,400,302	26,354,842	26,692,992	23,082,430	26,107,694	25,264,720
541,495	572,402	570,045	479,933	522,492	510,942
618,902	0	0	7,154	128,071	3,136
0	2,364,576	1,324,655	584	146	58,539
<u>35,548,116</u>	<u>38,254,279</u>	<u>38,911,294</u>	<u>33,863,170</u>	<u>36,674,512</u>	<u>35,616,584</u>
<u>39,718,798</u>	<u>43,392,544</u>	<u>46,596,656</u>	<u>38,308,840</u>	<u>42,063,227</u>	<u>41,029,354</u>
(11,756,519)	(11,393,580)	(8,742,393)	(10,482,718)	(9,454,380)	(10,372,764)
2,075,330	4,540,945	8,647,096	1,629,818	924,619	577,635
<u>(\$9,681,189)</u>	<u>(\$6,852,635)</u>	<u>(\$95,297)</u>	<u>(\$8,852,900)</u>	<u>(\$8,529,761)</u>	<u>(\$9,795,129)</u>
\$1,168,067	\$1,175,475	\$1,185,735	\$1,144,755	\$1,966,322	\$2,215,786
7,157,251	7,167,242	7,519,822	7,721,126	7,900,150	9,190,538
13,305	6,400	0	0	0	0
1,605,729	1,871,767	1,086,944	875,970	847,630	881,985
451,850	539,269	173,022	47,643	177,819	318,260
762,245	324,107	144,224	256,805	284,727	649,609
752,891	1,253,475	968,624	795,935	1,118,310	839,243
<u>11,911,338</u>	<u>12,337,735</u>	<u>11,078,371</u>	<u>10,842,234</u>	<u>12,294,958</u>	<u>14,095,421</u>
14,007	(89,509)	5,010	760	0	0
(752,891)	(1,253,475)	(968,624)	(795,935)	(1,118,310)	(839,243)
<u>(738,884)</u>	<u>(1,342,984)</u>	<u>(963,614)</u>	<u>(795,175)</u>	<u>(1,118,310)</u>	<u>(839,243)</u>
<u>\$11,172,454</u>	<u>\$10,994,751</u>	<u>\$10,114,757</u>	<u>\$10,047,059</u>	<u>\$11,176,648</u>	<u>\$13,256,178</u>
\$154,819	\$944,155	\$2,335,978	\$359,516	\$2,840,578	\$3,722,657
1,336,446	3,197,961	7,683,482	834,643	(193,691)	(261,608)
<u>\$1,491,265</u>	<u>\$4,142,116</u>	<u>\$10,019,460</u>	<u>\$1,194,159</u>	<u>\$2,646,887</u>	<u>\$3,461,049</u>

City of Painesville

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2006	2007	2008	2009	2010
General Fund					
Nonspendable	\$0	\$0	\$0	\$0	\$0
Restricted	0	0	0	0	0
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Reserved	1,133,204	1,301,396	803,475	623,231	520,398
Unreserved	4,026,432	5,423,645	6,667,131	6,437,487	6,065,354
<i>Total General Fund</i>	<u>5,159,636</u>	<u>6,725,041</u>	<u>7,470,606</u>	<u>7,060,718</u>	<u>6,585,752</u>
All Other Governmental Funds					
Nonspendable	0	0	0	0	0
Restricted	0	0	0	0	0
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Reserved	1,653,817	1,511,911	5,119,596	2,111,943	1,974,139
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	637,926	2,370,336	1,567,018	1,482,725	1,204,465
Capital Projects Funds	23,236	2,207,811	(262,210)	(431,495)	(1,173,006)
Permanent Fund	129,713	185,778	209,599	226,050	236,087
<i>Total All Other Governmental Funds</i>	<u>2,444,692</u>	<u>6,275,836</u>	<u>6,634,003</u>	<u>3,389,223</u>	<u>2,241,685</u>
<i>Total Governmental Funds</i>	<u>\$7,604,328</u>	<u>\$13,000,877</u>	<u>\$14,104,609</u>	<u>\$10,449,941</u>	<u>\$8,827,437</u>

Source: Finance Director's Office

Note: The City implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

City of Painesville

2011	2012	2013	2014	2015
\$996,297	\$1,005,381	\$1,012,204	\$876,065	\$877,739
0	0	0	0	0
0	0	0	0	0
416,777	742,007	756,351	923,785	1,091,861
5,733,751	5,698,670	5,950,964	5,764,760	6,216,145
0	0	0	0	0
0	0	0	0	0
<u>7,146,825</u>	<u>7,446,058</u>	<u>7,719,519</u>	<u>7,564,610</u>	<u>8,185,745</u>
1,108,205	1,115,415	1,126,574	1,279,005	1,146,021
3,161,485	7,717,818	4,827,946	4,663,014	5,598,192
1,359,464	1,090,045	1,140,484	1,436,758	1,702,514
0	0	0	0	0
(1,826,088)	(1,870,841)	(129,977)	(60,716)	(15,740)
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>3,803,066</u>	<u>8,052,437</u>	<u>6,965,027</u>	<u>7,318,061</u>	<u>8,430,987</u>
<u>\$10,949,891</u>	<u>\$15,498,495</u>	<u>\$14,684,546</u>	<u>\$14,882,671</u>	<u>\$16,616,732</u>

City of Painesville

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2006	2007	2008	2009
Revenues:				
Taxes	\$8,417,301	\$9,323,731	\$9,480,913	\$8,954,176
Intergovernmental Revenues	3,805,033	2,928,630	5,466,933	3,122,006
Charges for Services	529,395	658,104	740,977	660,330
Licenses, Permits and Inspection Fees	354,320	396,750	352,004	308,161
Investment Earnings	1,126,218	1,922,173	1,330,957	846,527
Special Assessments	56,858	85,079	168,049	104,844
Fines and Forfeitures	1,227,721	1,283,191	1,402,202	1,341,501
All Other Revenue	225,135	725,957	235,801	396,349
Total Revenue	15,741,981	17,323,615	19,177,836	15,733,894
Expenditures:				
Current:				
General Government	2,899,758	3,241,261	3,066,705	4,117,937
Public Safety	7,464,913	7,164,514	7,772,649	7,424,843
Highways and Streets	2,703,721	2,420,543	2,344,519	2,682,268
Public Health and Welfare	544,005	563,578	628,215	656,218
Culture and Recreation	667,236	774,225	886,575	771,982
Community Environment	346,486	530,400	445,066	465,922
Capital Outlay	298,301	497,808	2,266,246	3,547,668
Debt Service:				
Principal Retirement	105,778	126,569	831,311	488,042
Interest and Fiscal Charges	228,653	303,355	286,578	270,945
Total Expenditures	15,258,851	15,622,253	18,527,864	20,425,825
Excess (Deficiency) of Revenues Over Expenditures	483,130	1,701,362	649,972	(4,691,931)

City of Painesville

2010	2011	2012	2013	2014	2015
\$8,330,535	\$8,335,086	\$8,705,017	\$8,778,000	\$9,912,425	\$11,411,537
2,860,371	5,328,950	4,200,293	2,694,920	3,369,400	3,363,173
801,465	834,222	777,772	672,887	678,643	823,641
303,800	296,994	450,655	337,067	476,660	551,881
442,524	562,484	166,025	49,611	147,622	373,424
89,140	92,547	115,843	76,294	91,321	205,700
1,227,158	1,257,805	1,377,753	1,416,206	1,428,419	1,314,000
1,337,779	439,886	519,586	462,724	519,613	649,609
<u>15,392,772</u>	<u>17,147,974</u>	<u>16,312,944</u>	<u>14,487,709</u>	<u>16,624,103</u>	<u>18,692,965</u>
4,515,245	4,657,111	5,777,433	3,558,335	3,785,221	3,788,515
7,178,506	7,135,751	6,694,103	6,660,415	6,591,728	7,115,031
1,880,062	2,345,029	3,550,420	5,882,834	4,394,199	4,180,040
618,599	619,796	528,871	494,241	480,801	489,786
712,688	725,325	619,372	538,577	574,406	634,046
509,372	363,544	201,364	309,105	113,556	112,913
1,702,801	1,101,883	616,881	820,402	1,493,091	612,219
399,072	346,102	1,796,045	1,336,673	1,292,115	1,753,434
205,692	161,423	311,643	268,510	327,143	311,109
<u>17,722,037</u>	<u>17,455,964</u>	<u>20,096,132</u>	<u>19,869,092</u>	<u>19,052,260</u>	<u>18,997,093</u>
(2,329,265)	(307,990)	(3,783,188)	(5,381,383)	(2,428,157)	(304,128)

(Continued)

City of Painesville

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	2,555	258,092	5,894	9,745
Other Financing Sources - Capital Leases	353,758	553,838	303,733	0
Ohio Public Works Commission Loan	0	0	97,801	0
General Obligation Bonds Issued	0	2,075,000	0	0
Premium on Debt Issuance	4,302	73,565	0	1,192
Long Term Note Issuance	0	0	0	0
Insurance Proceeds	0	0	0	0
Construction Loans	587,645	0	0	0
Transfers In	2,787,199	3,409,345	2,366,380	2,132,398
Transfers Out	(2,171,146)	(2,666,340)	(2,355,593)	(1,097,503)
Total Other Financing Sources (Uses)	<u>1,564,313</u>	<u>3,703,500</u>	<u>418,215</u>	<u>1,045,832</u>
Net Change in Fund Balance	<u>\$2,047,443</u>	<u>\$5,404,862</u>	<u>\$1,068,187</u>	<u>(\$3,646,099)</u>
 Debt Service as a Percentage of Noncapital Expenditures	 2.23%	 3.41%	 7.27%	 4.49%

Source: Finance Director's Office

City of Painesville

2010	2011	2012	2013	2014	2015
9,169	0	758	30,322	10	19,401
0	0	0	0	147,000	111,000
0	0	0	840,030	358,135	8,180
0	0	5,485,000	1,917,000	0	0
0	0	156,564	0	0	0
0	1,440,751	1,190,481	1,031,876	1,205,271	1,060,365
0	5,513	607,425	3,482	0	0
0	0	0	0	0	0
1,682,167	1,698,475	1,734,524	1,628,935	3,218,310	3,015,243
(969,276)	(595,000)	(845,900)	(883,000)	(2,150,000)	(2,176,000)
<u>722,060</u>	<u>2,549,739</u>	<u>8,328,852</u>	<u>4,568,645</u>	<u>2,778,726</u>	<u>2,038,189</u>
<u>(\$1,607,205)</u>	<u>\$2,241,749</u>	<u>\$4,545,664</u>	<u>(\$812,738)</u>	<u>\$350,569</u>	<u>\$1,734,061</u>
4.05%	3.25%	13.32%	11.00%	11.13%	12.98%

City of Painesville

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Income Tax Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Estimated Personal Income	\$627,413	\$669,350	\$689,811	\$662,226	\$694,976
Total Tax Collected	\$7,775,604	\$7,828,025	\$8,382,560	\$7,867,889	\$6,968,103
Income Tax Receipts					
Withholding	6,460,073	6,540,893	6,870,498	6,412,330	5,685,972
Percentage	83.1%	83.6%	82.0%	81.5%	81.6%
Corporate	588,673	548,194	788,789	629,431	634,097
Percentage	7.6%	7.0%	9.4%	8.0%	9.1%
Individuals	726,858	738,938	723,273	826,128	648,034
Percentage	9.3%	9.4%	8.6%	10.5%	9.3%

Source: City Income Tax Department

Collection amounts are cash basis and represent only collections due in the current collection year.

City of Painesville

2011	2012	2013	2014	2015
2.00%	2.00%	2.00%	2.00%	2.00%
\$780,798	\$788,822	\$850,247	\$866,328	\$873,158
\$6,959,790	\$7,230,012	\$6,870,545	\$7,955,171	\$8,737,608
5,679,189	5,899,690	5,606,364	6,491,419	7,129,887
81.6%	81.6%	81.6%	81.6%	66.1%
633,341	657,931	625,220	723,921	795,122
9.1%	9.1%	9.1%	9.1%	21.9%
647,260	672,391	638,961	739,831	812,599
9.3%	9.3%	9.3%	9.3%	12.0%

City of Painesville



City of Painesville

Income Tax Collections Current Year and Nine Years Ago

Calendar Year 2015				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,395	28.80%	\$14,536,144	6.77%
20,000 - 49,999	1,862	38.45%	61,855,415	28.80%
50,000 - 74,999	751	15.51%	46,028,111	21.43%
75,000 - 99,999	431	8.90%	37,078,934	17.27%
Over 100,000	404	8.34%	55,249,094	25.73%
Total	4,843	100.00%	\$214,747,698	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to Painesville	\$812,599
Taxes Credited to Other Municipalities	605,136
	<u>\$1,417,735</u>

Calendar Year 2006				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	2,290	45.62%	\$15,859,616	10.48%
20,000 - 49,999	1,680	33.47%	55,874,509	36.92%
50,000 - 74,999	663	13.21%	40,337,534	26.65%
75,000 - 99,999	246	4.90%	20,969,412	13.86%
Over 100,000	141	2.80%	18,304,536	12.09%
Total	5,020	100.00%	\$151,345,607	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to Painesville	\$772,828
Taxes Credited to Other Municipalities	1,277,772
	<u>\$2,050,600</u>

Source: Finance Director's Office

City of Painesville

Ratios of Outstanding Debt By Type Last Ten Years

	2006	2007	2008	2009
Governmental Activities ⁽¹⁾				
General Obligation Bonds	\$0	\$2,075,000	\$1,975,000	\$1,840,000
Special Assessment Bonds	500,000	435,000	370,000	355,000
Ohio Public Works Commission Loan Payable	35,000	25,000	107,911	93,021
Long-Term Notes Payable	0	0	0	0
Construction Loan Payable	587,645	539,365	489,012	436,750
Capital Leases	1,096,129	1,162,451	865,116	594,226
Business-type Activities ⁽¹⁾				
Mortgage Revenue Bonds Payable	\$2,651,829	\$2,517,273	\$2,376,055	\$2,227,843
General Obligation Bonds Payable	4,520,000	4,035,000	3,545,000	3,045,000
Ohio Water Development Authority Loan Payable	1,150,870	1,084,426	1,014,923	3,325,443
Ohio Public Works Commission Loan Payable	732,117	630,760	568,328	464,922
Long-Term Notes Payable	0	0	0	0
Capital Leases	339,731	4,492,400	4,222,884	3,946,531
Total Primary Government	<u>\$11,613,321</u>	<u>\$16,996,675</u>	<u>\$15,534,229</u>	<u>\$16,328,736</u>
Population ⁽²⁾				
City of Painesville	17,503	17,503	17,503	17,503
Outstanding Debt Per Capita	\$664	\$971	\$888	\$933
Income ⁽³⁾				
Personal (in thousands)	\$627,413	\$669,350	\$689,811	\$662,226
Percentage of Personal Income	1.85%	2.54%	2.25%	2.47%

Sources:

- (1) Source: Finance Director's Office
- (2) US Bureau of Census, Population Division
- (3) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Painesville

2010	2011	2012	2013	2014	2015
\$1,700,000	\$1,565,000	\$7,116,564	\$8,930,736	\$8,750,908	\$8,373,080
340,000	325,000	310,000	290,000	270,000	250,000
83,131	78,241	73,351	908,491	1,261,736	1,265,026
0	1,440,751	1,065,481	960,876	1,205,271	1,060,365
381,978	324,854	265,276	203,139	135,547	69,193
414,816	280,728	219,902	201,737	281,980	306,061
\$2,072,304	\$1,908,438	\$1,334,040	\$1,050,236	\$795,089	\$536,294
2,540,000	2,025,000	1,500,000	1,250,000	0	0
4,281,356	4,282,382	4,072,160	3,853,679	3,708,874	3,882,369
361,516	258,111	154,706	111,301	67,896	24,587
0	1,754,179	1,535,519	1,339,124	2,254,729	1,799,635
3,738,838	3,540,782	3,360,319	3,548,506	3,301,087	3,044,934
<u>\$15,913,939</u>	<u>\$17,783,466</u>	<u>\$21,007,318</u>	<u>\$22,647,825</u>	<u>\$22,033,117</u>	<u>\$20,611,544</u>

19,563	19,563	19,549	19,563	19,933	19,840
\$813	\$909	\$1,075	\$1,158	\$1,105	\$1,039

\$694,976	\$780,798	\$788,822	\$850,247	\$866,328	\$873,158
2.29%	2.28%	2.66%	2.66%	2.54%	2.36%

City of Painesville

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2006	2007	2008	2009
Population (1)	17,503	17,503	17,503	17,503
Personal Income (2)	\$627,412,538	\$669,349,726	\$689,810,733	\$662,226,005
General Bonded Debt				
General Obligation Bonds	\$4,520,000	\$6,110,000	\$5,520,000	\$4,885,000
Resources Available to Pay Principal	\$3,821	\$10,709	\$27,516	\$47,318
Net General Bonded Debt	\$4,516,179	\$6,099,291	\$5,492,484	\$4,837,682
Ratio of Net Bonded Debt to Personal Income	0.72%	0.91%	0.80%	0.73%
Net Bonded Debt per Capita	\$258.02	\$348.47	\$313.80	\$276.39

Source:

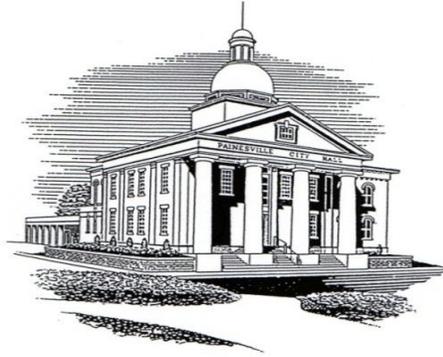
(1) U.S. Bureau of Census of Population

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2014, for the presentation of 2015 statistics, the City is using the latest information available.

(a) Per Capita Income is only available by County, Total Personal Income is a calculation.

City of Painesville

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
19,563	19,563	19,549	19,563	19,933	19,840
\$694,975,575	\$780,798,456	\$788,821,699	\$850,247,106	\$866,328,046	\$873,158,400
\$4,240,000	\$3,590,000	\$8,616,564	\$10,180,736	\$8,750,908	\$8,373,080
\$95,541	\$160,845	\$102,737	\$161,951	\$121,648	\$182,798
\$4,144,459	\$3,429,155	\$8,513,827	\$10,018,785	\$8,629,260	\$8,190,282
0.60%	0.44%	1.08%	1.18%	1.00%	0.94%
\$211.85	\$175.29	\$435.51	\$512.13	\$432.91	\$412.82



City of Painesville

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2015*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Painesville</u>	<u>Amount Applicable to the City of Painesville</u>
Direct:			
City of Painesville	\$11,323,725	100.00%	\$11,323,725
Overlapping:			
Lake County	11,325,000	3.82%	<u>432,615</u>
		Subtotal	<u>432,615</u>
		Total	<u><u>\$11,756,340</u></u>

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the total assessed valuation of the political subdivision.

Sources: Lake County

City of Painesville

Debt Limitations Last Ten Years

Collection Year	2006	2007	2008	2009
Total Debt				
Net Assessed Valuation	\$259,644,108	\$281,300,753	\$278,912,006	\$275,691,690
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	27,262,631	29,536,579	29,285,761	28,947,627
City Debt Outstanding (2)	3,202,000	3,705,000	5,799,500	5,736,573
Less: Applicable Debt Service Fund Amounts	<u>(3,821)</u>	<u>(10,709)</u>	<u>(27,516)</u>	<u>(47,318)</u>
Net Indebtedness Subject to Limitation	<u>3,198,179</u>	<u>3,694,291</u>	<u>5,771,984</u>	<u>5,689,255</u>
Overall Legal Debt Margin	<u>\$24,064,452</u>	<u>\$25,842,288</u>	<u>\$23,513,777</u>	<u>\$23,258,372</u>
Debt Margin as a Percentage of Debt Limit	88.27%	87.49%	80.29%	80.35%
Unvoted Debt				
Net Assessed Valuation	\$259,644,108	\$281,300,753	\$278,912,006	\$275,691,690
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	14,280,426	15,471,541	15,340,160	15,163,043
City Debt Outstanding (2)	1,280,000	670,000	70,000	20,000
Less: Applicable Debt Service Fund Amounts	<u>(3,821)</u>	<u>(10,709)</u>	<u>(27,516)</u>	<u>(47,318)</u>
Net Indebtedness Subject to Limitation	<u>1,276,179</u>	<u>659,291</u>	<u>42,484</u>	<u>(27,318)</u>
Overall Legal Debt Margin	<u>\$13,004,247</u>	<u>\$14,812,250</u>	<u>\$15,297,676</u>	<u>\$15,190,361</u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.
Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: City Auditor's / Finance Director's Office

City of Painesville

2010	2011	2012	2013	2014	2015
\$256,194,750	\$251,049,200	\$252,866,440	\$218,554,660	\$219,194,440	\$218,983,000
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
26,900,449	26,360,166	26,550,976	22,948,239	23,015,416	22,993,215
4,939,766	4,887,591	4,955,121	4,939,613	4,612,251	4,311,426
(95,541)	(160,845)	(102,737)	(161,951)	(121,648)	(182,798)
4,844,225	4,726,746	4,852,384	4,777,662	4,490,603	4,128,628
<u>\$22,056,224</u>	<u>\$21,633,420</u>	<u>\$21,698,592</u>	<u>\$18,170,577</u>	<u>\$18,524,813</u>	<u>\$18,864,587</u>
81.99%	82.07%	81.72%	79.18%	80.49%	82.04%
\$256,194,750	\$251,049,200	\$252,866,440	\$218,554,660	\$219,194,440	\$218,983,000
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
14,090,711	13,807,706	13,907,654	12,020,506	12,055,694	12,044,065
0	0	0	0	0	0
(95,541)	(160,845)	(102,737)	(161,951)	(121,648)	(182,798)
(95,541)	(160,845)	(102,737)	(161,951)	(121,648)	(182,798)
<u>\$14,186,252</u>	<u>\$13,968,551</u>	<u>\$14,010,391</u>	<u>\$12,182,457</u>	<u>\$12,177,342</u>	<u>\$12,226,863</u>

City of Painesville

Pledged Revenue Coverage Last Ten Years

	2006	2007	2008	2009
Revenue Bonds - Electric (1 a)				
Gross Revenues (2)	\$21,308,391	N/A	N/A	N/A
Direct Operating Expenses (3)	18,730,885	N/A	N/A	N/A
Net Revenue Available for Debt Service	2,577,506	N/A	N/A	N/A
Annual Debt Service Requirement	752,600	N/A	N/A	N/A
Coverage	3.42	0.00	0.00	0.00
Special Assessment Bonds (4)				
Special Assessment Collections	\$56,858	\$85,079	\$168,049	\$104,845
Debt Service				
Principal	10,000	15,000	15,000	15,000
Interest	31,938	19,775	19,062	18,350
Coverage	1.36	2.45	4.93	3.14

(1) The Mortgage Revenue Bonds were issued as follows:

(a) The \$4,540,000 balance of the 1st Mortgage Revenue Bonds-6th and 7th Series were defeased in December, 1985, by the issuance of \$3,400,000 Special Obligation Electric System Refunding Bonds. The bond proceeds were deposited in an escrow account with the City's trustee, and the principal and interest on these funds will be sufficient to retire both the defeased debt and the Special Obligation debt, thus the Special Obligation Bond debt is not included in the annual debt service requirements above. The City also issued \$7,490,000 Electric system Mortgage Revenue bonds, Series 1985, which debt service requirements are included above. In 1992, the City defeased \$5,090,000 of the 1985 Bonds through the issuance of \$6,000,000 of Electric System Mortgage Revenue Refunding Bonds.

(2) Gross revenues include operating revenues plus interest income.

(3) Direct operating expenses include operating expenses less depreciation.

N/A - The Electric Mortgage Revenue Bonds were retired in 2006.

(4) The special assessment bonds were issued for improvements to the Renaissance Parkway area.

City of Painesville

2010	2011	2012	2013	2014	2015
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
0.00	0.00	0.00	0.00	0.00	0.00
\$89,140	\$57,402	\$77,616	\$56,832	\$78,213	\$56,770
15,000	15,000	15,000	20,000	20,000	20,000
17,638	16,926	16,212	15,500	14,500	13,500
2.73	1.80	2.49	1.60	2.27	1.69

City of Painesville

Demographic and Economic Statistics Last Ten Years

Calendar Year	2006	2007	2008	2009
Population (1)				
City of Painesville	17,503	17,503	17,503	17,503
Lake County	232,466	232,466	232,466	232,466
Income (2) (a)				
Total Personal (in thousands)	\$627,413	\$669,350	\$689,811	\$662,226
Per Capita	\$35,846	\$38,242	\$39,411	\$37,835
Unemployment Rate (3)				
Federal	5.0%	4.6%	5.8%	9.3%
State	5.9%	5.6%	6.6%	10.2%
Lake County	4.8%	5.2%	6.1%	8.8%
Civilian Work Force Estimates (3)				
State	5,934,000	5,976,500	5,986,400	5,905,107
Lake County	131,400	132,500	131,100	124,400

Sources:

(1) US Bureau of Census of Population

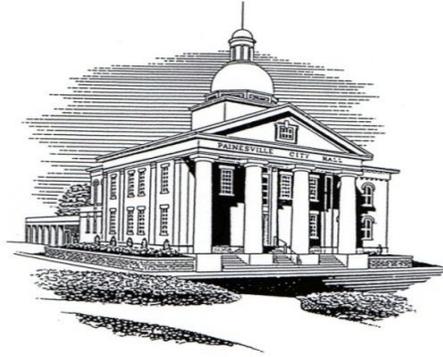
(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2014, for the presentation of 2015 statistics, the City is using the latest information available.

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

(3) State Department of Labor Statistics

City of Painesville

2010	2011	2012	2013	2014	2015
19,563	19,563	19,549	19,563	19,933	19,840
236,775	230,041	229,582	230,041	299,857	299,245
\$694,976	\$780,798	\$788,822	\$850,247	\$866,328	\$873,158
\$35,525	\$39,912	\$40,351	\$43,462	\$43,462	\$44,010
9.0%	8.5%	7.8%	6.7%	5.6%	4.8%
9.0%	8.6%	6.7%	6.5%	4.8%	4.6%
8.1%	8.4%	6.4%	7.9%	6.2%	3.7%
5,908,000	5,897,600	5,740,900	5,765,000	5,738,000	5,693,000
133,900	133,600	126,800	126,500	126,800	121,600



City of Painesville

Principal Employers Current Year and Nine Years Ago

<u>Employer</u>	<u>Nature of Business</u>	<u>2015</u>		
		<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
County of Lake	Government	1,151	1	19.48%
Fasson Division/Avery International Corp.	Manufacturing	556	2	9.41%
Painesville City Schools	Education	412	3	6.97%
The City of Painesville	Government	258	4	4.37%
Lake Erie College	Education	247	5	4.18%
Aero Fluid Products, Inc.	Manufacturing	168	6	2.84%
Cintas	Service	123	7	2.08%
Eckart America	Manufacturing	108	8	1.83%
STP Products/Armoured Auto Group	Manufacturing	102	9	1.73%
Yokohama Industries Americas Ohio	Manufacturing	73	10	1.24%
Total		<u>3,198</u>		
Total Employment within the City		<u>5,909</u>		

<u>Employer</u>	<u>Nature of Business</u>	<u>2006</u>		
		<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
County of Lake	Government	1,295	1	25.77%
Lake Hospital Systems	Medical-Patient Care	818	2	16.28%
Avery Dimension Corp.	Manufacturing	611	3	12.16%
Painesville City Schools	Education	392	4	7.80%
City of Painesville	Government	299	5	5.95%
Core Systems LLC	Manufacturing	255	6	5.07%
Lake Erie College	College Education	182	7	3.62%
Ohio Associated Enterprises	Manufacturing	142	8	2.83%
Coe Manufacturing	Manufacturing	105	9	2.09%
Cintas Corporation	Manufacturing	100	10	1.99%
Total		<u>4,199</u>		
Total Employment within the City		<u>5,025</u>		

Sources:

Compiled by City of Painesville Finance Department

City of Painesville

Full Time Equivalent Employees by Function Last Ten Years

	2006	2007	2008	2009	2010
Governmental Activities					
General Government					
Finance	6.00	7.00	7.00	7.00	7.00
Judicial	23.00	23.00	23.00	23.00	20.00
Administration	30.00	50.00	50.00	48.00	47.00
Maintenance	1.00	1.00	1.00	1.00	1.00
Public Safety					
Police	44.00	44.00	44.00	45.00	43.00
Fire	29.00	28.00	28.00	28.00	28.00
Public Works					
Public Works	19.00	19.00	19.00	17.00	17.00
Public Health and Welfare					
Cemeteries	5.00	6.00	5.00	5.00	5.00
Culture and Recreation					
Parks - Recreation	10.00	11.00	8.00	7.00	7.00
Business-Type Activities					
Utilities					
Water	22.00	26.00	20.00	20.00	21.00
Sewer	18.00	18.00	17.00	17.00	17.00
Electric	61.00	64.00	64.00	64.00	64.00
Off Street Parking	4.00	3.00	3.00	2.00	1.00
<i>Total Employees</i>	<u>272.00</u>	<u>300.00</u>	<u>289.00</u>	<u>284.00</u>	<u>278.00</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: Finance Director's Office

City of Painesville

2011	2012	2013	2014	2015
7.00	7.00	6.00	6.00	6.00
19.00	19.00	19.00	17.00	20.00
47.00	44.00	43.00	43.00	42.00
1.00	1.00	1.00	1.00	1.00
42.00	41.00	41.00	42.00	42.00
27.00	27.00	27.00	26.00	26.00
16.00	15.00	15.00	16.00	15.00
5.00	4.00	4.00	4.00	4.00
7.00	6.00	6.00	6.00	6.00
20.00	19.00	20.00	21.00	20.00
17.00	17.00	17.00	17.00	17.00
62.00	62.00	56.00	56.00	56.00
1.00	1.00	1.00	1.00	1.00
<u>271.00</u>	<u>263.00</u>	<u>256.00</u>	<u>256.00</u>	<u>256.00</u>

City of Painesville

Operating Indicators by Function Last Ten Years

	2006	2007	2008
Governmental Activities			
General Government			
Court			
Number of Probation Cases	2,048	2,096	2,084
Number of Traffic Cases	11,510	11,319	10,892
Licenses and Permits			
Number of Building Permits - Residential	520	328	327
Number of Building Permits - Commercial & Industrial	51	51	96
Number of Building Inspections - Residential	2,094	3,391	2,179
Number of Building Inspections - Commercial	562	2,898	2,920
Public Safety			
Police			
Number of Citations Issued	2,225	2,197	2,472
Number of Arrests	1,535	1,200	1,048
Number of Accidents	645	653	637
Fire			
Number of Fire Calls	142	152	103
Number of EMS Runs	1,911	2,103	2,276
Number of Inspections	782	618	639
Highways and Streets			
Public Works			
Number of Streets Resurfaced	9	8	5
Public Health and Welfare			
Cemeteries			
Number of Burials	219	219	214
Number of Cemeteries	2	2	2
Culture and Recreation			
Parks - Recreation			
Program Attendance (1)	6,758	6,570	6,850
Number of Park Visitations	90,000	93,500	100,000

City of Painesville

2009	2010	2011	2012	2013	2014	2015
2,023	1,968	1,683	1,658	1,524	1,349	1,213
9,855	9,086	8,550	9,573	9,694	9,763	8,787
340	531	508	329	372	352	262
69	132	106	148	115	74	48
1,893	1,866	2,200	1,660	834	819	1,062
2,150	954	543	1,588	1,949	1,233	237
1,877	2,430	1,878	1,513	1,613	2,025	1,139
1,321	1,411	1,232	1,378	1,252	650	1,119
561	564	579	562	442	415	487
116	119	104	104	76	92	96
2,431	2,659	2,686	2,661	2,594	2,630	2,736
718	624	625	493	606	477	979
3	7	2	0	1	3	4
215	183	197	192	188	169	189
2	2	2	2	2	2	2
7,150	40,429	39,929	42,350	41,525	40,500	48,190
109,000	139,050	135,000	142,000	155,000	147,500	152,000

(Continued)

City of Painesville

Operating Indicators by Function Last Ten Years

	2006	2007	2008
Business-Type Activities			
Water			
Number of Service Connections	9,744	10,066	10,147
Water Main Breaks	27	60	45
Daily Average Consumption (thousands of gallons)	3,728	3,530	3,241
Peak Daily Consumption (thousands of gallons)	6,000	6,000	6,192
Storage Capacity (thousands of gallons)	4,053	4,053	4,053
Sewer			
Daily Average Sewage Treatment (thousands of gallons)	3.62	3.17	3.73
Electric			
Number of Service Connections	11,613	11,636	11,896
Average Daily Generation in Kilowatt Hours	635,317	587,647	660,507
Peak Load in Kilowatts	57,900	54,700	50,700
Off Street Parking			
Number of Parking Garage Spaces	502	502	502
Number of Vogue Lot Spaces	60	60	60
Number of Sterling Lot Spaces	101	101	101
Storm Water Drainage			
Number of Billings	5,984	5,981	6,023

(1) Beginning in 2010, program attendance data includes special events.

City of Painesville

2009	2010	2011	2012	2013	2014	2015
10,184	10,254	10,316	10,380	10,454	10,536	10,602
42	55	34	50	44	43	42
3,485	3,590	3,440	3,410	3,059	3,100	3,319
5,573	4,667	5,208	6,098	4,450	4,051	6,246
4,053	4,053	4,053	4,053	4,053	4,053	4,053
3.03	2.75	4.11	3.33	3.29	3.30	3.12
12,056	12,041	12,038	12,032	12,231	12,240	12,273
315,577	252,084	247,814	79,714	41,115	16,983	18,939
55,200	54,000	55,500	57,400	54,500	50,600	51,300
502	502	502	502	502	502	475
60	60	60	60	60	60	60
101	101	101	101	101	101	101
6,046	6,095	6,095	7,103	7,605	7,631	7,655

City of Painesville

Capital Asset Statistics by Function Last Ten Years

	2006	2007	2008	2009
Governmental Activities				
General Government				
Public Land and Buildings				
Land (acres)	0.95	0.95	0.95	0.95
Buildings	7	7	7	7
Public Safety				
Police				
Stations	1	1	1	1
Vehicles	14	14	16	16
Fire				
Stations	1	1	1	1
Vehicles	11	11	11	12
Public Works				
Street				
Streets (lane miles)	58	58	58	58
Street Lights	1,504	1,550	1,571	1,571
Traffic Signals	106	108	116	116
Vehicles	27	27	27	28
Culture and Recreation				
Recreation/Seniors				
Land (acres)	118.02	118.02	118.02	125.32
Buildings	1	1	1	1
Parks	10	10	10	14
Playgrounds	7	7	7	7
Tennis Courts	2	2	2	2
Baseball/Softball Diamonds	9	9	9	9
Soccer Fields	1	1	1	1

City of Painesville

2010	2011	2012	2013	2014	2015
0.95 7	0.95 7	0.95 7	0.95 7	0.95 7	0.95 7
1 18	1 18	1 20	1 21	1 25	1 24
1 13	1 13	1 13	1 14	1 13	1 13
58 1,571 116 28	59 1,571 116 28	59 1,571 116 27	59 1,571 116 27	59 1,571 116 27	59 1,571 116 29
125.32 1 14 8 2 9 1	125.32 1 14 8 2 9 1	140.51 1 15 11 2 9 0	140.51 1 15 11 2 9 0	140.51 1 15 11 2 9 0	150.51 1 15 11 2 9 0

(Continued)

City of Painesville

Capital Asset Statistics by Function Last Ten Years

	2006	2007	2008	2009
Business-Type Activities				
Utilities				
Water				
Waterlines (Miles)	128.3	131.0	131.4	132.3
Pump Stations	5	5	7	7
Number of Hydrants	1,735	1,743	1,776	1,797
Sewer				
Sewer lines (Miles)	50	50	50	50
Lift Stations	7	7	7	7
Electric				
Lines (Miles)	210	215	218	220
Off Street Parking				
Buildings and Improvements	1	1	1	1
Storm Water Drainage				
Storm Drains (Miles)	37	37	37	37
Number of Catch Basins	2,900	2,900	2,900	2,900
Treatment Capacity (thousands of gallons)	28,000	28,000	28,000	28,000

Source: Finance Director's Office

City of Painesville

2010	2011	2012	2013	2014	2015
132.6	132.7	132.9	133.1	138.6	139.4
7	7	7	7	7	7
1,803	1,805	1,813	1,839	1,866	1,875
50	50	50	50	50	50
7	7	8	8	8	8
220	220	220	222	222	222
1	1	1	1	1	1
37	38	38	38	38	38
2,900	2,902	2,902	2,902	2,902	2,904
28,000	28,000	28,000	28,000	28,000	28,000

City of Painesville

