



Dave Yost • Auditor of State



CITY OF PAINESVILLE  
LAKE COUNTY

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**CITY OF PAINESVILLE  
LAKE COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Cash Expenditures
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPEMENT</b>			
<i>Passed through Lake County:</i>			
Community Development Block Grant	N/A	14.218	<u>\$50,000</u>
Total U.S. Department of Housing and Urban Development			<u><b>50,000</b></u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<i>Passed Through the Ohio Department of Transportation:</i>			
Highway Planning and Construction	80978	20.205	<u>1,351</u>
Total U.S. Department of Transportation			<u><b>1,351</b></u>
<b>U.S. DEPARTMENT OF ENERGY</b>			
<i>Direct Program:</i>			
ARRA – Painesville Municipal Power Vanadium Redox Battery Demonstration Program	DE-OE0000233	84.122	<u>1,572,070</u>
Total U.S. Department of Energy			<u><b>1,572,070</b></u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
<i>Passed through Ohio Emergency Management Agency:</i>			
Hazard Mitigation Grant	FEMA-DR01589-OH	97.039	<u>1,932,422</u>
Total U.S. Department of Homeland Security			<u><b>1,932,422</b></u>
<b>Total</b>			<u><u><b>\$3,555,843</b></u></u>

*The accompanying notes are an integral part of this schedule.*

**CITY OF PAINESVILLE  
LAKE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FISCAL YEAR ENDED DECEMBER 31, 2012**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) reports the City of Painesville's (the City's) federal award programs' disbursements. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - MATCHING REQUIREMENTS**

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



# Dave Yost • Auditor of State

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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Painesville, Lake County, (the City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2013, wherein we noted wherein we noted the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities*.

### ***Internal Control Over Financial Reporting***

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. We consider finding 2012-001 described in the accompanying schedule of findings to be a material weakness.

***Compliance and Other Matters***

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2012-001.

***Entity's Response to Findings***

The City's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the City's response and, accordingly, we express no opinion on it.

***Purpose of this Report***

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



**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 27, 2013



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES

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

To the City Council:

### ***Report on Compliance for Each Major Federal Program***

We have audited the City of Painesville's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City of Painesville's major federal program for the year ended December 31, 2012. The *Summary of Audit Results* in the accompanying schedule of findings identifies the City's major federal program.

### ***Management's Responsibility***

The City's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

### ***Auditor's Responsibility***

Our responsibility is to opine on the City's compliance for each of the City's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City's major program. However, our audit does not provide a legal determination of the City's compliance.

***Basis for Qualified Opinion on the Hazard Mitigation Grant Program***

As described in finding 2012-002 in the accompanying schedule of findings, the City did not comply with requirements regarding Procurement and Suspension and Debarment applicable to its *Hazard Mitigation Grant Program* major federal program. Compliance with this requirement is necessary, in our opinion, for the City to comply with requirements applicable to this program.

***Qualified Opinion on the Hazard Mitigation Grant Program***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on the Hazard Mitigation Grant Program* paragraph, the City of Painesville complied, in all material respects, with the requirements referred to above that could directly and materially affect its *Hazard Mitigation Grant Program* for the year ended December 31, 2012.

***Report on Internal Control Over Compliance***

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2012-002 to be a material weakness.

The City's response to our internal control compliance finding is described in the accompanying schedule of findings. We did not audit the City's response and, accordingly, we express no opinion on it.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

**Report on the Schedule of Federal Awards Expenditures**

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Painesville (the City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 27, 2013. Our opinion also explained that the City adopted *Governmental Accounting Standards No. 63 and 65* during the year. We conducted our audit to opine on the City's basic financial statements. The accompanying Schedule of Federal Awards Expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The Schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this Schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 27, 2013

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**CITY OF PAINESVILLE  
LAKE COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2012**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	Yes
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Qualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA #97.039 – Hazard Mitigation Grant
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

**2. FINDING RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2012-001**

**Finding for Recovery Repaid Under Audit – Material Weakness and Material Noncompliance**

The City has a Water Treatment Operators II International Union agreement describing how severance payments are to be calculated. Per the union contract, a member of the union is entitled to a severance payment for unused sick and vacation leave at the employee's current rate of pay at the time of retirement.

**CITY OF PAINESVILLE  
LAKE COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2012  
(Continued)**

**2. FINDING RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS  
(Continued)**

**FINDING NUMBER 2012-001  
(Continued)**

**Finding for Recovery Repaid Under Audit – Material Weakness and Material Noncompliance  
(Continued)**

On December 28, 2012, a direct deposit to Leonard Crosby’s Ohio Deferred Compensation plan was made in the amount of \$24,936, consisting of unused sick time and vacation time. A review of time sheets and payroll records indicated that a rate of \$30.3621 was used to calculate the severance payout in 2012. Per review of the most recent employee salary notice, Leonard Crosby’s wage rate just prior to retirement was \$25.0965 per hour. As a result, an overpayment of \$4,325 occurred.

Description		Rate		Total
449.325 hours of vacation	x	\$30.3621 per hour	=	\$13,642
1,115.88 hours of sick time 1/3 of sick time 371.96	x	\$30.3621 per hour	=	11,293
				\$24,936
449.325 hours of vacation	x	\$25.0965 per hour	=	\$11,276
1,115.88 hours of sick time 1/3 of sick time 371.96	x	\$25.0965 per hour	=	9,335
				\$20,611
Overpayment				\$4,325

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public monies illegally expended is hereby issued against Leonard Crosby in the amount of \$4,325, and in favor of the City of Painesville, in the amount of \$4,325.

On April 16, 2013, Ohio Treasurer of State Josh Mandel and Ohio Deferred Compensation issued check number 875364 in the amount of \$4,333 on behalf of Leonard Crosby’s Ohio Deferred Compensation account in settlement of this finding.

**Official’s Response:**

The City made a clerical error when calculating the payout for this employee. The City also discovered this error and was in the process of getting the money back when the Auditor of State notified the City about this clerical oversight.

**CITY OF PAINESVILLE  
LAKE COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2012  
(Continued)**

**3. FINDING FOR FEDERAL AWARDS**

**Excluded Parties List System Verification – Procurement and Suspension and Debarment –  
Material Weakness and Material Noncompliance**

<b>Finding Number</b>	2012-002
<b>CFDA Title and Number</b>	Hazard Mitigation Grant Program, CFDA #97.039
<b>Federal Award Number / Year</b>	2012
<b>Federal Agency</b>	United States Department of Homeland Security
<b>Pass-Through Agency</b>	Ohio Emergency Management Agency

2 CFR 180.300 states that Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. 2 CFR section 180.220 of the government-wide nonprocurement debarment and suspension guidance contains those additional limited circumstances.

When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transactions with that entity. This requirement applies at the time a contract is awarded. 2 CFR 180.120 and .220.

During a test of non-payroll expenditures for the Hazard Mitigation Grant federal program, we noted three of three payments of more than \$25,000 made to vendors during 2012 in which the City did not maintain evidence of verifying these vendors were not suspended or debarred by checking the EPLS maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with the vendor.

As a result, the City did not verify the vendors were not suspended or debarred and not eligible for federal funds. We subsequently determined the vendors were not suspended or debarred and were eligible for federal funds.

**CITY OF PAINESVILLE  
LAKE COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2012  
(Continued)**

**3. FINDING FOR FEDERAL AWARDS  
(Continued)**

**FINDING NUMBER 2012-002  
(Continued)**

**Excluded Parties List System Verification – Procurement and Suspension and Debarment –  
Material Weakness and Material Noncompliance (Continued)**

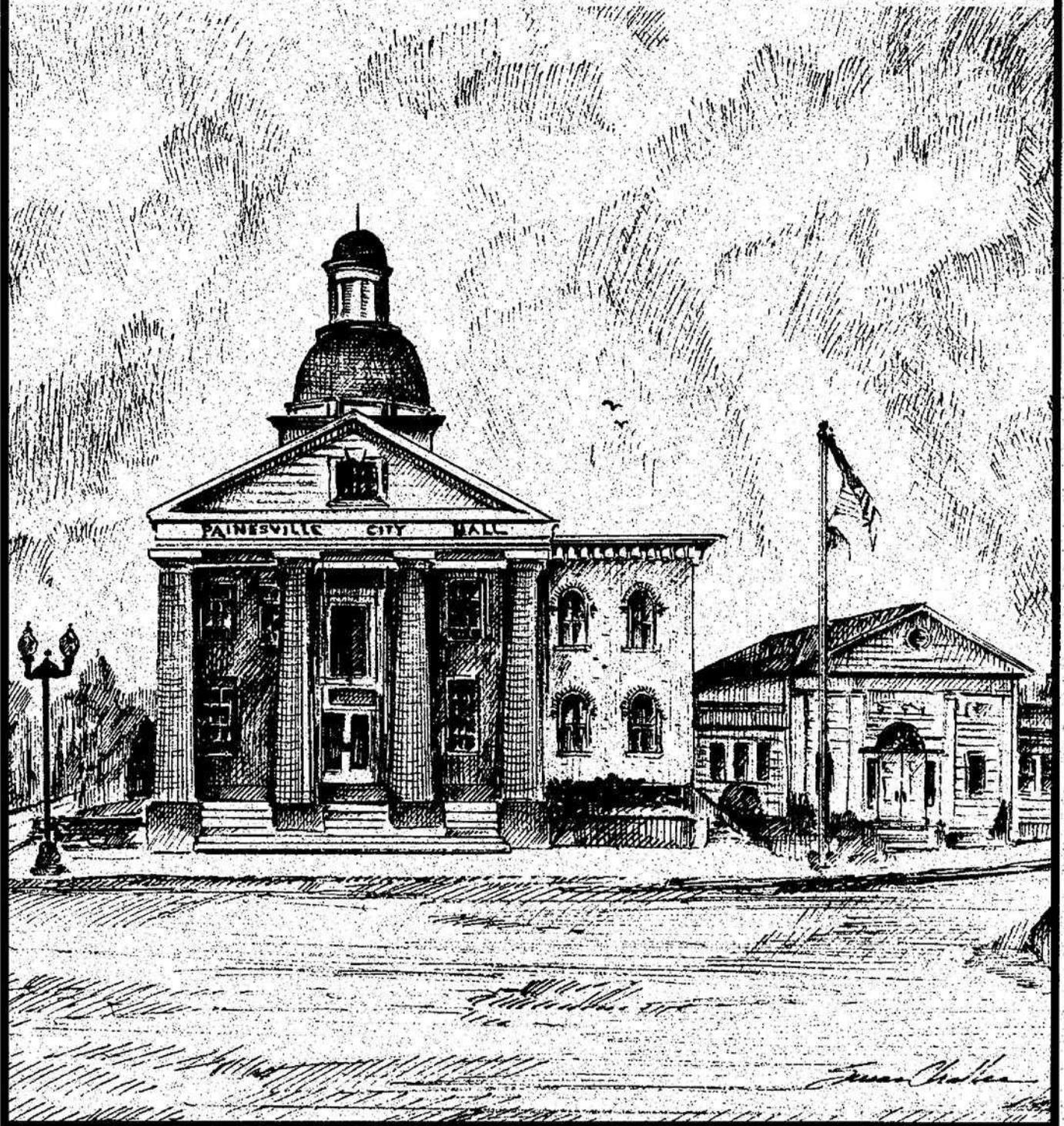
We recommend that prior to contracting with vendors that will be paid with federal funds the City should verify the vendor is not suspended or debarred by checking the EPLS maintained by the GSA, collecting a certification from the vendor, or adding a clause or condition to the covered transaction with the vendor.

**Official's Response:**

The City was awarded a FEMA grant that was administered by the Ohio Emergency Management Agency for the Millstone properties in 2007. In 2007, guidance pertaining to the availability of debarred or suspended contractor information was limited. Additionally in 2007, the requirement of verifying to see if the contractors were suspended or debarred was not included in the 2007 Implementation Manual the City received from OEMA. Due to numerous legal issues with the Millstone Property, work on this property did not begin until 2011. The City continued to use the 2007 Implementation Manual received from OEMA, due to the fact OEMA did not notify the City there was a new implementation manual. The City, unfortunately, was not aware of this requirement or the City would have ensured its compliance. OEMA came to the City in March 2013 to do an audit of this grant and noted that the City was in compliance with all grant requirements. The City will verify and document that vendors are not suspended or debarred by checking the EPLS.

# *The City of Painesville, Ohio*

*Comprehensive Annual Financial Report  
for the Year Ended December 31, 2012*





*Lake County, Ohio*

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2012

*Prepared by the Finance Department*

Andrew A. Unetic  
Director



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LAKE COUNTY, OHIO

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## *INTRODUCTORY SECTION*

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7 Richmond Street • P.O. Box 601 • Painesville, Ohio 44077 • 440.352.9301 • [www.painesville.com](http://www.painesville.com)

June 27, 2013

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, 2012. The 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," in that the financial statements include all organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide financial benefit to or impose a financial burden on the City.

***Letter of Transmittal  
For the Year Ended December 31, 2012***

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Based on the foregoing, the reporting entity of the City has no component unit 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 1100, 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 term began on January 1, 2008; the remaining members are elected At-Large and their current terms expire on December 31, 2013. 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, 2012***

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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 insure 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, 2012***

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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, 2012***

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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 insure 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, 2012***

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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 2012 was business retention during the tough economic recession. 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 with our banks, large office users, large commercial operations.

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.

Painesville has been awarded the TeamNeo Regional Collaboration Award for our regional approach to Economic Development in the formation of the JEDD district which now enables the City to seek income tax resources through a development project in Concord Twp. The City has also been recognized for the second consecutive time as a Platinum Level RP3 Community through the American Public Power Association which demonstrates our commitment to electric reliability for our industrial users.

Some of the new and exciting things taking place at this time include the RFQ which is now out for 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 is expected to begin construction in 2013.

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.

Residential, industrial and commercial economy has slowed over the past years, as it has across the County, however new residential and industrial properties continue to be built in the City. At present, the City has multiple in-fill development projects underway and is working on a \$1.2 million dollar Brownfield clean up site that will open 160,000 sq.ft. for future manufacturing.

**CITY OF PAINESVILLE, OHIO**

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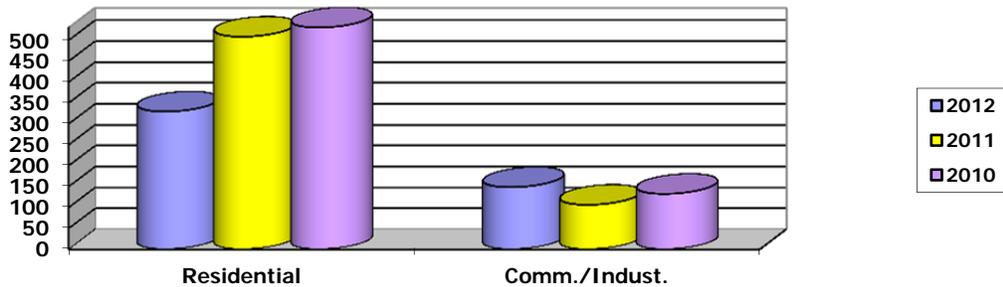
**Letter of Transmittal  
For the Year Ended December 31, 2012**

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The chart below provides a summary and comparison of the number of building permits issued for the last three years. The City is expecting continual interest in economic and community development in the years to come.

**Comparison of Permits Issued**

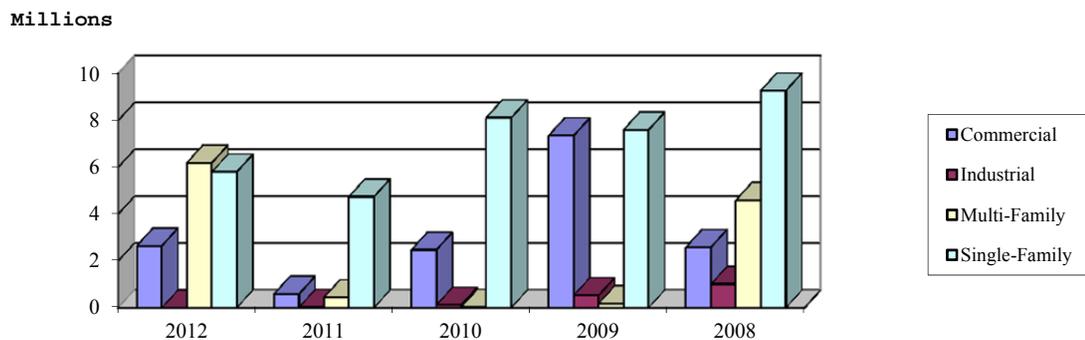
Category	2012	2011	2010
Residential	329	508	531
Commercial/Industrial	148	106	132



**Building Permit Valuations**

Category	2012	2011	2010	2009	2008
Commercial	\$2,640,256	\$586,151	\$2,470,333	\$7,347,800	\$2,583,384
Industrial	0	28,500	116,841	526,234	1,012,072
Multi-Family	6,181,212	434,355	29,000	178,000	4,590,060
Single-Family	<u>5,794,389</u>	<u>4,739,217</u>	<u>8,112,642</u>	<u>7,592,010</u>	<u>9,268,842</u>
Totals	<u>\$14,615,857</u>	<u>\$5,788,223</u>	<u>\$10,728,816</u>	<u>\$15,644,044</u>	<u>\$17,454,358</u>

**Comparison of Building Permits**



**CITY OF PAINESVILLE, OHIO**

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***Letter of Transmittal  
For the Year Ended December 31, 2012***

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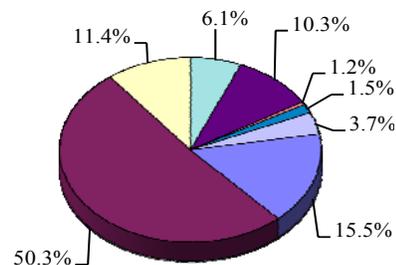
Unemployment in Lake County was lower than the state and national levels during 2012. The unemployment rate for Lake County decreased 2% in 2012. Listed below are the respective unemployment rates for the county, state and nation as of December 31, 2012:

Lake County	6.4%
Ohio	6.7%
United States	7.8%

**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:

Sector	Businesses	Percentage of Total
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%
<b>Total</b>	<b>595</b>	<b>100.00%</b>



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 2012 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 four leads on industrial investment in 2012 and the beginning of this year. This continues to be a slow year for industrial investment but 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.

***Letter of Transmittal  
For the Year Ended December 31, 2012***

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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.

**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. This past year we have been working on new marketing initiatives with the newly formed City of Painesville Public Relations Committee for each of our events that focus on collaboration between business and residents of the area. These efforts have been placed on the Business Networking Breakfasts, Art in the Park, Taste of Painesville, FestiVille and the Annual Business Appreciation After-Hours. In addition, we publish our section of the City's newsletter "Works For Business" 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. We also continued our marketing campaign focusing on the tri-county region.

**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 2012, 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 Water Pollution and Electric Departments to enhance the overall operational effectiveness and readiness of the City. To maintain the public safety, the Police Department refurbished seven patrol cars and Fire Department refurbished a pumper.

Public Works entered into its eighth year of 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. Public Works also continues to repair and resurface various roads throughout the City.

***Letter of Transmittal  
For the Year Ended December 31, 2012***

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In December 2012, the City issued \$5,485,000 in bonds for the Shamrock Bridge and Brookstone Blvd. extension project. This project will allow the City to build a bridge over the railroad tracks and open up an area of the City for further economic development.

The Water Department replaced water mains on several streets throughout the City. 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 2012, 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. In 2010, the City received a grant from the Department of Energy for over \$3.7 million, which will allow the City's electric plant, along with another company, to research a Vanadium Battery Project, which is a new technology for storing electricity. The City continued to work on this project in 2012.

**Future Projects**

The main project of 2013 will be the building of Shamrock Bridge and extending Brookstone Blvd. This project will cost approximately \$7,300,000 and will take over a year and a half to complete it.

Another big project the City will be doing in 2013 is the Main Street Streetscape project. This project will cost almost \$900,000, but over \$758,000 of this project will be paid through grants.

In 2013, the City will continue to replace waterlines on at least five roads.

In 2013, the electric plant will be building a second substation which will increase the plants reliability and give the City the opportunity to increase the number of electric customers.

In 2013 the City also has various other capital projects that will improve the City's infrastructure.

**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 insure the existence of capital assets within the City.

***Letter of Transmittal  
For the Year Ended December 31, 2012***

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**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.

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 \$25,000 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 twelve 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.

***Letter of Transmittal  
For the Year Ended December 31, 2012***

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The City maintains records on a budgetary basis for all fund types. After yearend closing, adjusting entries are prepared for the various funds to convert the 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.

**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 2012 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 public accounting firm 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, 2011. 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-five consecutive years, fiscal years ended 1987 – 2011. 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 twelve consecutive years from 2001 – 2012.

***Letter of Transmittal  
For the Year Ended December 31, 2012***

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**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.

**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,



Douglas L. Lewis  
Acting City Manager



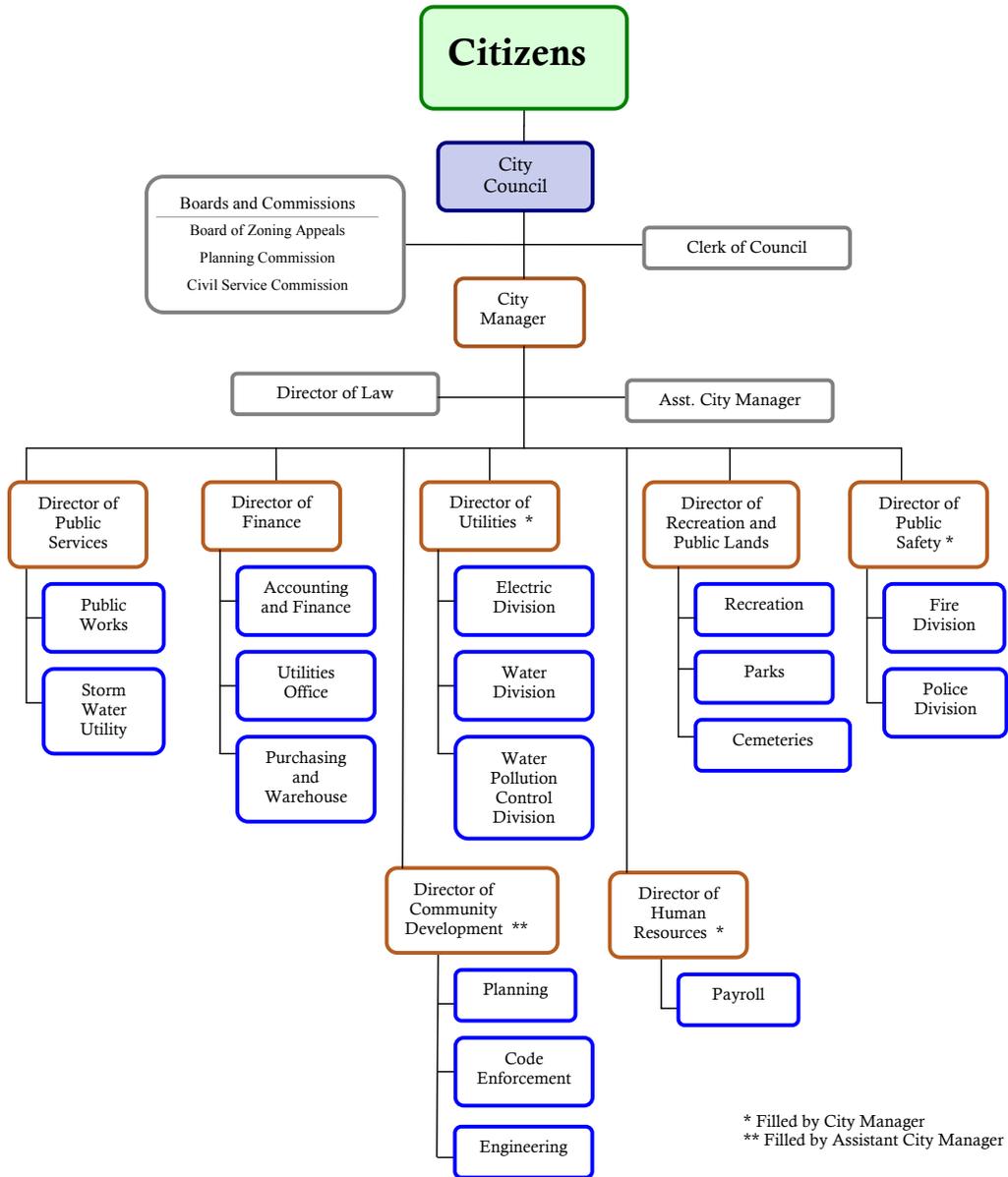
Andrew A. Unetic  
Director of Finance

**CITY OF PAINESVILLE, OHIO**

**List of Principal Officials  
For the Year Ended December 31, 2012**

Name	Title	Position	Years of Municipal/Governmental Service			Total Public Service
			City	Municipal/ Governmental Service	Other	
<b>CITY COUNCIL</b>						
Joseph Hada, Jr.	President (at Large)	5.0	31.5	0.0		31.5
Mike DeLeone	Council Member (Ward 3)	1.0	1.0	11.0		12.0
Andrew Flock	Council Member (Ward 1)	17.5	17.5	0.0		17.5
Katie Jenkins	Council Member (Ward 2)	1.0	1.0	9.0		10.0
Paul W. Hach II	Vice President (Ward 4)	5.0	9.0	0.0		9.0
Lori DiNallo	Council Member (at Large)	3.0	3.0	1.0		4.0
Jim Fodor	Council Member (at Large)	3.0	3.0	0.0		3.0
Jennifer Bell	Clerk of Council	11.2	11.2	4.2		15.4
<b>CITY ADMINISTRATION</b>						
Rita C. McMahon	City Manager - Retired 10/31/ 2012	15.5	20.5	9.5		30.0
Doug Lewis	Assistant City Manager; Acting CM	4.6	4.6	13.0		17.6
Andrew A. Unetic	Director of Finance	5.1	5.1	14.1		19.2
Joseph M. Gurley	Director of Law	25.0	32.3	15.3		47.6
<b>DEPARTMENT/DIVISION HEADS</b>						
Kevin Lynch	Service Director	8.2	8.2	20.1		28.3
Richard Lesiecki	City Engineer	5.9	5.9	8.3		14.2
Jeffrey McHugh	Electric Power Superintendent	0.3	0.3	33.0		33.3
Randy Bruback	Water Pollution Control Superintendent	10.8	10.8	16.0		26.8
Mark Mlachak	Fire Chief	10.3	31.3	0.0		31.3
Troy Hager	Chief of Police	2.8	26.0	0.0		26.0
George Ginnis	Water Superintendent	1.7	1.7	19.9		21.6
Robert C. Baetzel	Human Resources Director – Retired 2/24/12	13.7	13.7	0.0		13.7
Lee Homyoock	Director of Recreation and Public Lands	8.7	8.7	20.0		28.7
Russ Schaedlich	City Planner	5.6	5.6	21.5		27.1

**City Organizational Chart  
For the Year Ended December 31, 2012**



*Government Finance Officers Association of the United States and Canada  
Certificate of Achievement for Excellence in Financial Reporting*

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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, 2011

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



*Christopher P. Moirice*

President

*Jeffrey R. Emer*

Executive Director

## *FINANCIAL SECTION*

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# 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, 2012, 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, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the General 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 described in Note 2 to the financial statements, during 2012, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to 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* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 financial section's combining statements, individual fund statements and schedules, including the Schedule of Federal Award Expenditures are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2013, 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, looping initial "D".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 27, 2013

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The discussion and analysis of the City of Painesville's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2012. 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 2012 are as follows:

- ❑ In total, net position increased \$10,019,460. Net position of governmental activities increased \$2,335,978, which represents a 6% increase from 2011. Net position of business-type activities increased \$7,683,482, or 11% from 2011.
- ❑ General revenues accounted for \$10,114,757 in revenue, or 18% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$46,596,656, or 82% of total revenues of \$56,711,413.
- ❑ The City had \$16,427,755 in expenses related to governmental activities; only \$7,685,362 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$10,109,747 were adequate to fully provide for these programs.
- ❑ Among major funds, the general fund had \$12,394,393 in revenues, including other financing sources and \$12,098,174 in expenditures, including other financing uses. The general fund's fund balance increased \$299,233.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *required supplementary 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 required 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 accepting 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 expenditures.
- 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, 2012**

**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, 2012 and 2011:

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$21,868,063	\$16,862,783	\$36,813,803	\$35,823,067	\$58,681,866	\$52,685,850
Capital Assets, Net	38,925,661	36,283,772	60,284,347	58,108,059	99,210,008	94,391,831
Total Assets	<u>60,793,724</u>	<u>53,146,555</u>	<u>97,098,150</u>	<u>93,931,126</u>	<u>157,891,874</u>	<u>147,077,681</u>
Long-Term Debt Outstanding	12,053,598	7,019,690	13,640,175	15,110,449	25,693,773	22,130,139
Other Liabilities	3,817,708	3,153,240	2,546,960	5,593,144	6,364,668	8,746,384
Total Liabilities	<u>15,871,306</u>	<u>10,172,930</u>	<u>16,187,135</u>	<u>20,703,593</u>	<u>32,058,441</u>	<u>30,876,523</u>
Deferred Inflows of Resources	<u>1,232,985</u>	<u>1,620,170</u>	<u>0</u>	<u>0</u>	<u>1,232,985</u>	<u>1,620,170</u>
Net Position						
Net Investment in Capital Assets	33,102,011	30,387,358	48,090,083	44,350,926	81,192,094	74,738,284
Restricted	3,724,814	4,044,306	0	0	3,724,814	4,044,306
Unrestricted	6,862,608	6,921,791	32,820,932	28,876,607	39,683,540	35,798,398
Total Net Position	<u>\$43,689,433</u>	<u>\$41,353,455</u>	<u>\$80,911,015</u>	<u>\$73,227,533</u>	<u>\$124,600,448</u>	<u>\$114,580,988</u>

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**CITY OF PAINESVILLE, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2012**

**Unaudited**

**Changes in Net Position** – The following table shows the changes in net position for the fiscal years 2012 and 2011:

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues:						
Charges for Services and Sales	\$3,362,870	\$2,562,167	\$37,586,639	\$35,889,703	\$40,949,509	\$38,451,870
Operating Grants and Contributions	1,363,819	883,020	0	0	1,363,819	883,020
Capital Grants and Contributions	2,958,673	1,693,078	1,324,655	2,364,576	4,283,328	4,057,654
Total Program Revenues	7,685,362	5,138,265	38,911,294	38,254,279	46,596,656	43,392,544
General revenues:						
Property Taxes	1,185,735	1,175,475	0	0	1,185,735	1,175,475
Municipal Income Taxes	7,519,822	7,167,242	0	0	7,519,822	7,167,242
Other Local Taxes	0	6,400	0	0	0	6,400
Intergovernmental, Unrestricted	1,086,944	1,871,767	0	0	1,086,944	1,871,767
Investment Earnings	173,022	539,269	5,010	(89,509)	178,032	449,760
Miscellaneous	144,224	324,107	0	0	144,224	324,107
Total General Revenues	10,109,747	11,084,260	5,010	(89,509)	10,114,757	10,994,751
Total Revenues	17,795,109	16,222,525	38,916,304	38,164,770	56,711,413	54,387,295
Program Expenses						
General Government	6,066,417	5,319,087	0	0	6,066,417	5,319,087
Public Safety	6,830,774	7,418,708	0	0	6,830,774	7,418,708
Highways and Streets	1,803,834	1,821,320	0	0	1,803,834	1,821,320
Public Health and Welfare	559,347	635,108	0	0	559,347	635,108
Culture and Recreation	682,194	792,999	0	0	682,194	792,999
Community Environment	180,433	377,113	0	0	180,433	377,113
Interest and Fiscal Charges	304,756	167,510	0	0	304,756	167,510
Water	0	0	5,155,459	4,651,337	5,155,459	4,651,337
Sewer	0	0	3,930,761	3,700,750	3,930,761	3,700,750
Electric	0	0	20,741,060	24,798,140	20,741,060	24,798,140
Refuse	0	0	24,972	51,759	24,972	51,759
Off-Street Parking	0	0	122,896	133,687	122,896	133,687
Storm Water Utility	0	0	256,334	340,586	256,334	340,586
Community Programs	0	0	32,716	37,075	32,716	37,075
Total Expenses	16,427,755	16,531,845	30,264,198	33,713,334	46,691,953	50,245,179
Excess (Deficiency) Before						
Transfers	1,367,354	(309,320)	8,652,106	4,451,436	10,019,460	4,142,116
Transfers	968,624	1,253,475	(968,624)	(1,253,475)	0	0
Total Change in Net Position	2,335,978	944,155	7,683,482	3,197,961	10,019,460	4,142,116
Beginning Net Position	41,353,455	40,409,300	73,227,533	70,029,572	114,580,988	110,438,872
Ending Net Position	\$43,689,433	\$41,353,455	\$80,911,015	\$73,227,533	\$124,600,448	\$114,580,988

**CITY OF PAINESVILLE, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2012**

**Unaudited**

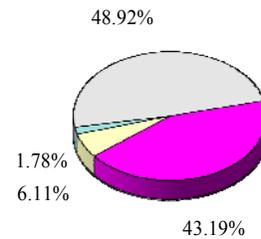
**Governmental Activities**

Net position of the City's governmental activities increased \$2,335,978. Insurance proceeds received as a result of a fire at City Hall resulted in the increase in operating grants and contributions. State grants received for the Millstone park project resulted in the increase in capital grants. The decrease in unrestricted intergovernmental revenue was the result of decreases in estate taxes and local government funding. Overall expenses remained consistent with the prior year.

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 49% of revenues for governmental activities for the City in fiscal year 2012. The City's reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2012	Percent of Total
Taxes	\$8,705,557	48.92%
Program Revenues	7,685,362	43.19%
Intergovernmental, Unrestricted	1,086,944	6.11%
General Other	317,246	1.78%
<b>Total Revenue</b>	<b>\$17,795,109</b>	<b>100.00%</b>



**Business-Type Activities**

Net position of the business-type activities increased \$7,683,482. An increase in charges for services can be attributed to increases in charges for electric service. Decreases in contractual costs and materials and supplies within the Electric department contributed to the decrease in expenses. Decreases in U.S. Department of Energy grants received for development of a vanadium battery at the City's electric power plant resulted in the decrease in capital grants.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City's governmental funds reported a combined fund balance of \$15,498,495, which is an increase from last year's balance of \$10,949,891. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2012 and 2011:

	Fund Balance December 31, 2012	Fund Balance December 31, 2011	Increase (Decrease)
General	\$7,446,058	\$7,146,825	\$299,233
Shamrock Business Center TIF	5,132,356	547,480	4,584,876
Shamrock Boulevard Road Project	(1,791,572)	(1,763,338)	(28,234)
Other Governmental	4,711,653	5,018,924	(307,271)
<b>Total</b>	<b>\$15,498,495</b>	<b>\$10,949,891</b>	<b>\$4,548,604</b>

**CITY OF PAINESVILLE, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2012**

**Unaudited**

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:

	2012	2011	Increase
	Revenues	Revenues	(Decrease)
Property Taxes	\$415,923	\$405,271	\$10,652
Municipal Income Taxes	7,519,822	7,167,242	352,580
Other Local Taxes	0	6,400	(6,400)
Intergovernmental Revenues	1,243,297	1,940,597	(697,300)
Charges for Services	48,360	66,485	(18,125)
Licenses, Permits and Inspection Fees	450,655	296,994	153,661
Investment Earnings	164,849	565,073	(400,224)
Fines and Forfeitures	993,193	914,774	78,419
All Other Revenue	327,912	377,637	(49,725)
Total	<u>\$11,164,011</u>	<u>\$11,740,473</u>	<u>(\$576,462)</u>

General Fund revenues in 2012 decreased approximately 5% when compared to 2011 revenues. The decrease in intergovernmental revenues was the result of decreases in estate taxes and local government funding.

	2012	2011	Increase
	Expenditures	Expenditures	(Decrease)
General Government	\$3,364,476	\$3,783,661	(\$419,185)
Public Safety	5,929,153	6,218,725	(289,572)
Highways and Streets	655,968	794,841	(138,873)
Public Health and Welfare	121,363	125,190	(3,827)
Culture and Recreation	619,372	725,325	(105,953)
Community Environment	168,360	363,544	(195,184)
Debt Service:			
Principal Retirement	411,025	58,315	352,710
Interest and Fiscal Charges	17,557	16,126	1,431
Total	<u>\$11,287,274</u>	<u>\$12,085,727</u>	<u>(\$798,453)</u>

General Fund expenditures decreased \$798,453, or 7% from the prior year. The decrease in general government can be attributed to decreases in hospitalization insurance costs. Retirement of senior police and fire employees resulted in the decrease in public safety. Salaries within the code enforcement department were split with the Water, Sewer and Electric funds in 2012, resulting in a decrease in community environment expenditures in the General Fund.

*Shamrock Business Center TIF Fund* – The Shamrock Business Center TIF Fund reported \$5.5 million of bond proceeds to be used for the extension of Shamrock Boulevard.

*Shamrock Boulevard Road Project Fund* – This fund continued to report a negative fund balance due to general obligation notes payable outstanding.

**CITY OF PAINESVILLE, OHIO**

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***Management's Discussion and Analysis  
For the Year Ended December 31, 2012***

***Unaudited***

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*Water Fund* – The City's Water Fund reported an increase in fund balance of 8%. Fiscal 2012 was the first full year for collection of a water improvement fee, resulting in an increase in charges for services of 8%.

*Sewer Fund* – The City's Sewer Fund revenues and expenses remained stable when compared with the prior year, resulting in a decrease in fund balance of approximately 3%.

*Electric Fund* – The City's Electric Fund balance increased 15%, which can be attributed to increases in service consumption usage, U.S. Department of Energy grants received for development of a vanadium battery at the City's electric power plant and decreases in contractual costs and materials and supplies.

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 fiscal year 2012 the City amended its General Fund budget several times, none significant.

For the General Fund, original revenue estimates, final revenue estimates, and actual budget basis revenues were not materially different. Original and final appropriations were not significantly different. The City curtailed actual budget basis expenditures keeping costs \$263,877 below final appropriations. The City controlled costs in all areas to achieve such a variance, the most notable savings came in salaries and benefits of City employees. The General Fund had an adequate fund balance to cover expenditures.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of fiscal 2012 the City had \$99,210,008 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, \$38,925,661 was related to governmental activities and \$60,284,347 to the business-type activities. The following table shows fiscal year 2012 and 2011 balances:

	Governmental Activities		Increase (Decrease)
	2012	2011	
Land	\$7,691,544	\$7,691,544	\$0
Construction in Progress	6,540,403	3,491,277	3,049,126
Buildings and Improvements	5,384,680	5,325,492	59,188
Improvements other than Buildings	8,699,969	8,026,470	673,499
Machinery and Equipment	6,793,346	6,422,486	370,860
Infrastructure	24,929,303	24,929,303	0
Less: Accumulated Depreciation	(21,113,584)	(19,602,800)	(1,510,784)
Totals	<u>\$38,925,661</u>	<u>\$36,283,772</u>	<u>\$2,641,889</u>

**CITY OF PAINESVILLE, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2012**

**Unaudited**

	Business-Type Activities		Increase (Decrease)
	2012	2011	
Land	\$1,397,784	\$1,397,784	\$0
Construction in Progress	21,054,260	19,415,282	1,638,978
Buildings and Improvements	31,580,303	31,580,303	0
Improvements other than Buildings	42,954,957	40,830,128	2,124,829
Machinery and Equipment	23,104,659	22,484,230	620,429
Less: Accumulated Depreciation	(59,807,616)	(57,599,668)	(2,207,948)
Totals	<u>\$60,284,347</u>	<u>\$58,108,059</u>	<u>\$2,176,288</u>

An increase in construction in progress in the Governmental activities capital assets can be attributed to the Millstone park project. The increase in construction in progress in the Business-Type activities can be attributed to development of a vanadium battery at the City's electric power plant while the increase in improvements can be attributed to water main improvements. Additional information on the City's capital assets can be found in Note 11.

As of December 31, 2012, the City had contractual commitments of \$5,116,729 related to various projects throughout the City. Additional information on the City's construction commitments can be found in Note 18.

**Debt**

At December 31, 2012, the City had \$8,616,564 in general obligation bonds outstanding, \$345,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2012 and 2011:

	2012	2011
Governmental Activities:		
General Obligation Bonds	\$7,116,564	\$1,565,000
Special Assessment Bonds	310,000	325,000
Ohio Public Works Commission Loan	73,351	78,241
Long Term Notes Payable	1,065,481	1,440,751
Construction Loan	265,276	324,854
Compensated Absences	1,559,428	1,686,963
Workers' Compensation Liability	740,201	596,320
Capital Leases	219,902	280,728
Police and Firemen's Accrued Pension	703,395	721,833
Total Governmental Activities	<u>12,053,598</u>	<u>7,019,690</u>
Business-Type Activities:		
Mortgage Revenue Bonds	1,334,040	1,574,019
General Obligation Bonds	1,500,000	2,025,000
Ohio Water Development Authority Loan	4,072,160	4,282,382
Ohio Public Works Commission Loan	154,706	258,111
Long Term Notes Payable	1,535,519	1,754,179
Capital Leases	3,360,319	3,540,782
Compensated Absences	1,683,431	1,675,976
Total Business-Type Activities	<u>13,640,175</u>	<u>15,110,449</u>
Totals	<u>\$25,693,773</u>	<u>\$22,130,139</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, 2012, 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**

Fiscal year 2012, has brought the first signs of hope for the General Fund while continuing to experience the impacts of the State legislative cuts imposed last year. The General Fund had an increase in income tax collections, which is a very positive sign for the City. However the General Fund will continue 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 have generally experienced a positive cash flow as the result of a hot and dry summer which increased consumption of water and electric creating higher than expected revenues.

City Council continued a conservative spending pattern in 2012. The 2012 General Fund budget was reduced by 7% compared to 2011. All departments of the City reduced their operating expenses in 2012 and positions were eliminated through attrition and through laying off four part time employees. 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, 2012**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Pooled Cash and Investments	\$ 15,454,550	\$ 29,037,633	\$ 44,492,183
Investments	0	91,000	91,000
Receivables:			
Taxes	2,426,413	0	2,426,413
Accounts	187,882	4,530,411	4,718,293
Intergovernmental	771,583	3,662	775,245
Interest	77,917	0	77,917
Special Assessments	310,000	0	310,000
Internal Balances	486,457	(486,457)	0
Inventory of Supplies at Cost	186,120	974,609	1,160,729
Land Held for Resale	785,000	0	785,000
Prepaid Items	77,736	274,628	352,364
Investment in Joint Venture	0	1,366,955	1,366,955
Restricted Assets:			
Cash and Cash Equivalents	1,104,405	1,021,362	2,125,767
Capital Assets:			
Capital Assets Not Being Depreciated	14,231,947	22,452,044	36,683,991
Capital Assets Being Depreciated, Net	24,693,714	37,832,303	62,526,017
<b>Total Assets</b>	<b>60,793,724</b>	<b>97,098,150</b>	<b>157,891,874</b>
<b>Liabilities:</b>			
Accounts Payable	320,434	749,629	1,070,063
Accrued Wages and Benefits	547,903	452,265	1,000,168
Intergovernmental Payable	3,595	16,315	19,910
Claims Payable	459,900	0	459,900
Retainage Payable	20,164	0	20,164
Refundable Deposits	0	1,021,362	1,021,362
Accrued Interest Payable	51,072	69,869	120,941
General Obligation Notes Payable	2,414,640	237,520	2,652,160
Noncurrent liabilities:			
Due within one year	1,167,921	1,610,722	2,778,643
Due in more than one year	10,885,677	12,029,453	22,915,130
<b>Total Liabilities</b>	<b>15,871,306</b>	<b>16,187,135</b>	<b>32,058,441</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Fiscal Year	1,232,985	0	1,232,985

(Continued)

**CITY OF PAINESVILLE, OHIO**

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**Net Position:**

Net Investment in Capital Assets	33,102,011	48,090,083	81,192,094
Restricted For:			
Capital Projects	707,754	0	707,754
Debt Service	574,811	0	574,811
Highways	859,875	0	859,875
Public Safety	334,853	0	334,853
Cemetery Operations:			
Nonexpendable	1,104,405	0	1,104,405
Expendable	141,413	0	141,413
Other Purposes	1,703	0	1,703
Unrestricted	6,862,608	32,820,932	39,683,540
<b>Total Net Position</b>	<b>\$ 43,689,433</b>	<b>\$ 80,911,015</b>	<b>\$ 124,600,448</b>

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2012**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Current:				
General Government	\$ 6,066,417	\$ 1,861,207	\$ 607,425	\$ 0
Public Safety	6,830,774	670,873	53,391	0
Highways and Streets	1,803,834	26,650	703,003	2,937,702
Public Health and Welfare	559,347	124,596	0	0
Culture and Recreation	682,194	14,448	0	18,567
Community Environment	180,433	665,096	0	2,404
Interest and Fiscal Charges	304,756	0	0	0
<b>Total Governmental Activities</b>	<b>16,427,755</b>	<b>3,362,870</b>	<b>1,363,819</b>	<b>2,958,673</b>
<b>Business-Type Activities:</b>				
Water	5,155,459	6,576,748	0	0
Sewer	3,930,761	3,746,854	0	0
Electric	20,741,060	26,692,992	0	1,324,655
Refuse	24,972	30,950	0	0
Off Street Parking	122,896	43,220	0	0
Storm Water Utility	256,334	464,841	0	0
Community Programs	32,716	31,034	0	0
<b>Total Business-Type Activities</b>	<b>30,264,198</b>	<b>37,586,639</b>	<b>0</b>	<b>1,324,655</b>
<b>Totals</b>	<b>\$ 46,691,953</b>	<b>\$ 40,949,509</b>	<b>\$ 1,363,819</b>	<b>\$ 4,283,328</b>

**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  
Net Position End of Year

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

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Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (3,597,785)	\$ 0	\$ (3,597,785)
(6,106,510)	0	(6,106,510)
1,863,521	0	1,863,521
(434,751)	0	(434,751)
(649,179)	0	(649,179)
487,067	0	487,067
(304,756)	0	(304,756)
(8,742,393)	0	(8,742,393)
0	1,421,289	1,421,289
0	(183,907)	(183,907)
0	7,276,587	7,276,587
0	5,978	5,978
0	(79,676)	(79,676)
0	208,507	208,507
0	(1,682)	(1,682)
0	8,647,096	8,647,096
(8,742,393)	8,647,096	(95,297)
1,185,735	0	1,185,735
7,519,822	0	7,519,822
1,086,944	0	1,086,944
173,022	5,010	178,032
144,224	0	144,224
968,624	(968,624)	0
11,078,371	(963,614)	10,114,757
2,335,978	7,683,482	10,019,460
41,353,455	73,227,533	114,580,988
\$ 43,689,433	\$ 80,911,015	\$ 124,600,448

**CITY OF PAINESVILLE, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2012**

	General	Shamrock Business Center TIF	Shamrock Boulevard Road Project
<b>Assets:</b>			
Pooled Cash and Investments	\$ 5,381,370	\$ 5,793,472	\$ 134,325
Receivables:			
Taxes	1,615,423	506,000	0
Accounts	56,203	0	0
Intergovernmental	453,643	0	0
Interest	77,917	0	0
Special Assessments	0	0	0
Interfund Loans Receivable	260,000	0	0
Inventory of Supplies, at Cost	151,779	0	0
Land Held for Resale	785,000	0	0
Prepaid Items	68,602	0	0
Restricted Assets:			
Cash and Cash Equivalents	0	0	0
<b>Total Assets</b>	<b>\$ 8,849,937</b>	<b>\$ 6,299,472</b>	<b>\$ 134,325</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 43,522	\$ 158,176	\$ 0
Accrued Wages and Benefits Payable	486,294	0	0
Intergovernmental Payable	1,658	0	0
Retainage Payable	0	0	0
Interfund Loans Payable	0	0	0
Accrued Interest Payable	0	2,940	11,257
General Obligation Notes Payable	0	500,000	1,914,640
Compensated Absences Payable	36,827	0	0
<b>Total Liabilities</b>	<b>568,301</b>	<b>661,116</b>	<b>1,925,897</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable Amounts	382,383	0	0
Property Tax Levy for Next Fiscal Year	453,195	506,000	0
<b>Total Deferred Inflows of Resources</b>	<b>835,578</b>	<b>506,000</b>	<b>0</b>
<b>Fund Balances:</b>			
Nonspendable	1,005,381	0	0
Restricted	0	5,132,356	0
Committed	0	0	0
Assigned	742,007	0	0
Unassigned	5,698,670	0	(1,791,572)
<b>Total Fund Balances</b>	<b>7,446,058</b>	<b>5,132,356</b>	<b>(1,791,572)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 8,849,937</b>	<b>\$ 6,299,472</b>	<b>\$ 134,325</b>

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

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Other Governmental Funds	Total Governmental Funds
\$ 3,858,510	\$ 15,167,677
304,990	2,426,413
131,679	187,882
317,940	771,583
0	77,917
310,000	310,000
0	260,000
1,876	153,655
0	785,000
9,134	77,736
<u>1,104,405</u>	<u>1,104,405</u>
<u>\$ 6,038,534</u>	<u>\$ 21,322,268</u>
\$ 102,696	\$ 304,394
61,609	547,903
1,937	3,595
20,164	20,164
260,000	260,000
0	14,197
0	2,414,640
2,827	39,654
<u>449,233</u>	<u>3,604,547</u>
603,858	986,241
<u>273,790</u>	<u>1,232,985</u>
<u>877,648</u>	<u>2,219,226</u>
1,115,415	2,120,796
2,585,462	7,717,818
1,090,045	1,090,045
0	742,007
(79,269)	3,827,829
<u>4,711,653</u>	<u>15,498,495</u>
<u>\$ 6,038,534</u>	<u>\$ 21,322,268</u>

***Reconciliation Of Total Governmental Fund Balances  
To Net Position Of Governmental Activities  
December 31, 2012***

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<b>Total Governmental Fund Balances</b>	\$ 15,498,495
 <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.	38,925,661
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	986,241
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.	(410,346)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(11,310,618)</u>
<b><i>Net Position of Governmental Activities</i></b>	<b><u>\$ 43,689,433</u></b>

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, 2012**

	General	Shamrock Business Center TIF	Shamrock Boulevard Road Project
<b>Revenues:</b>			
Property Taxes	\$ 415,923	\$ 507,389	\$ 0
Municipal Income Taxes	7,519,822	0	0
Intergovernmental Revenues	1,243,297	0	0
Charges for Services	48,360	0	0
Licenses, Permits and Inspection Fees	450,655	0	0
Investment Earnings	164,849	0	0
Special Assessments	0	0	0
Fines and Forfeitures	993,193	0	0
All Other Revenues	327,912	0	0
<b>Total Revenues</b>	<b>11,164,011</b>	<b>507,389</b>	<b>0</b>
<b>Expenditures:</b>			
Current:			
General Government	3,364,476	1,404,940	0
Public Safety	5,929,153	0	0
Highways and Streets	655,968	0	0
Public Health and Welfare	121,363	0	0
Culture and Recreation	619,372	0	0
Community Environment	168,360	0	0
Capital Outlay	0	0	135
Debt Service:			
Principal Retirement	411,025	0	0
Interest & Fiscal Charges	17,557	2,573	28,099
<b>Total Expenditures</b>	<b>11,287,274</b>	<b>1,407,513</b>	<b>28,234</b>
Excess (Deficiency) of Revenues Over Expenditures	(123,263)	(900,124)	(28,234)
<b>Other Financing Sources (Uses):</b>			
Sale of Capital Assets	758	0	0
General Obligation Bonds Issued	0	5,485,000	0
Long Term Note Issuance	216,000	0	0
Premiums on Debt Issuances	0	0	0
Transfers In	1,013,624	0	0
Transfers Out	(810,900)	0	0
Insurance Proceeds	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>419,482</b>	<b>5,485,000</b>	<b>0</b>
Net Change in Fund Balances	296,219	4,584,876	(28,234)
<b>Fund Balance at Beginning of Year</b>	<b>7,146,825</b>	<b>547,480</b>	<b>(1,763,338)</b>
Increase (Decrease) in Inventory	3,014	0	0
<b>Fund Balance End of Year</b>	<b>\$ 7,446,058</b>	<b>\$ 5,132,356</b>	<b>\$ (1,791,572)</b>

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

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Other Governmental Funds	Total Governmental Funds
\$ 261,883	\$ 1,185,195
0	7,519,822
2,956,996	4,200,293
729,412	777,772
0	450,655
1,176	166,025
115,843	115,843
384,560	1,377,753
191,674	519,586
<u>4,641,544</u>	<u>16,312,944</u>
1,008,017	5,777,433
764,950	6,694,103
2,894,452	3,550,420
407,508	528,871
0	619,372
33,004	201,364
616,746	616,881
1,385,020	1,796,045
<u>263,414</u>	<u>311,643</u>
<u>7,373,111</u>	<u>20,096,132</u>
(2,731,567)	(3,783,188)
0	758
0	5,485,000
974,481	1,190,481
156,564	156,564
720,900	1,734,524
(35,000)	(845,900)
607,425	607,425
<u>2,424,370</u>	<u>8,328,852</u>
(307,197)	4,545,664
5,018,924	10,949,891
(74)	2,940
<u>\$ 4,711,653</u>	<u>\$ 15,498,495</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, 2012***

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**Net Change in Fund Balances - Total Governmental Funds** \$ 4,545,664

***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. 2,668,503

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. (26,614)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 79,272

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. (5,017,562)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 6,887

Some expenses reported in the statement of activities, such as compensated absences and supplies inventory do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. 170,129

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. (90,301)

***Change in Net Position of Governmental Activities*** \$ 2,335,978

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, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 400,000	\$ 430,000	\$ 415,923	\$ (14,077)
Municipal Income Taxes	7,155,000	7,455,000	7,430,482	(24,518)
Other Local Taxes	5,000	5,000	0	(5,000)
Intergovernmental Revenue	1,144,210	1,299,210	1,342,353	43,143
Charges for Services	54,975	54,975	44,808	(10,167)
Licenses, Permits and Inspection Fees	298,890	398,890	448,741	49,851
Investment Earnings	315,000	315,000	260,565	(54,435)
Fines and Forfeitures	934,350	994,350	993,193	(1,157)
All Other Revenues	315,910	317,617	328,712	11,095
Total Revenues	<u>10,623,335</u>	<u>11,270,042</u>	<u>11,264,777</u>	<u>(5,265)</u>
<b>Expenditures:</b>				
Current:				
General Government	3,492,660	3,593,967	3,531,146	62,821
Public Safety	6,608,440	6,434,031	6,265,455	168,576
Highways and Streets	719,856	707,242	692,388	14,854
Public Health and Welfare	123,530	122,680	122,078	602
Culture and Recreation	674,495	642,069	629,823	12,246
Community Environment	202,716	180,847	176,130	4,717
Debt Service:				
Principal Retirement	59,733	60,116	60,059	57
Interest and Fiscal Charges	12,934	12,551	12,547	4
Total Expenditures	<u>11,894,364</u>	<u>11,753,503</u>	<u>11,489,626</u>	<u>263,877</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,271,029)	(483,461)	(224,849)	258,612
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	10	10	758	748
Sale of General Obligation Notes	220,000	220,000	216,000	(4,000)
Transfers In	820,000	1,200,000	1,183,624	(16,376)
Transfers Out	(335,000)	(982,900)	(982,900)	0
Advances Out	(229,390)	(356,010)	(356,010)	0
Total Other Financing Sources (Uses):	<u>475,620</u>	<u>81,100</u>	<u>61,472</u>	<u>(19,628)</u>
Net Changes in Fund Balance	(795,409)	(402,361)	(163,377)	238,984
Fund Balance at Beginning of Year	4,445,543	4,445,543	4,445,543	0
Prior Year Encumbrances	444,108	444,108	444,108	0
Fund Balance at End of Year	<u>\$ 4,094,242</u>	<u>\$ 4,487,290</u>	<u>\$ 4,726,274</u>	<u>\$ 238,984</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, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 480,000	\$ 480,000	\$ 507,389	\$ 27,389
Total Revenues	480,000	480,000	507,389	27,389
<b>Expenditures:</b>				
Current:				
General Government	4,800,153	4,806,353	1,886,385	2,919,968
Total Expenditures	4,800,153	4,806,353	1,886,385	2,919,968
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,320,153)	(4,326,353)	(1,378,996)	2,947,357
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	4,666,411	500,000	500,000	0
General Obligation Bonds Issued	0	5,485,000	5,485,000	0
Premiums on Debt Issuances	0	0	367	367
Total Other Financing Sources (Uses)	4,666,411	5,985,000	5,985,367	367
Net Change in Fund Balance	346,258	1,658,647	4,606,371	2,947,724
Fund Balance at Beginning of Year	531,004	531,004	531,004	0
Prior Year Encumbrances	33,742	33,742	33,742	0
Fund Balance at End of Year	\$ 911,004	\$ 2,223,393	\$ 5,171,117	\$ 2,947,724

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2012**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Electric
<b>Assets</b>			
Current Assets:			
Pooled Cash and Investments	\$ 2,606,856	\$ 2,727,114	\$ 23,283,676
Investments	0	0	91,000
Accounts Receivable	568,667	488,919	3,393,576
Intergovernmental Receivable	0	3,662	0
Inventory of Supplies at Cost	185,797	80,510	708,302
Prepaid Items	73,128	55,446	142,898
Total Current Assets	3,434,448	3,355,651	27,619,452
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents	348,147	0	669,313
Total Restricted Assets	348,147	0	669,313
Investment in Joint Venture	0	0	1,366,955
Capital Assets:			
Capital Assets Not Being Depreciated	3,599,621	3,066,712	15,170,910
Capital Assets Being Depreciated, Net	18,431,587	7,062,082	10,155,580
Total Noncurrent Assets	22,379,355	10,128,794	27,362,758
Total Assets	25,813,803	13,484,445	54,982,210
<b>Liabilities</b>			
Current Liabilities:			
Accounts Payable	225,301	31,433	492,099
Accrued Wages and Benefits	95,328	94,028	256,507
Intergovernmental Payable	2,325	10,148	3,842
Claims Payable - Current	0	0	0
Refundable Deposits	348,147	0	669,313
Accrued Interest Payable	59,236	4,050	64
General Obligation Notes Payable	160,040	38,740	0
Capital Leases Payable - Current	153,501	10,233	6,822
General Obligation Bonds Payable - Current	250,000	0	0
Revenue Bond Payable - Current	0	0	181,518
OWDA Loans Payable - Current	87,184	0	0
OPWC Loans Payable - Current	41,357	2,048	0
Long Term Notes Payable - Current	72,250	67,545	0
Compensated Absences Payable - Current	74,091	155,432	447,733
Total Current Liabilities	1,568,760	413,657	2,057,898

**CITY OF PAINESVILLE, OHIO**

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Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 419,987	\$ 29,037,633	\$ 286,873
0	91,000	0
79,249	4,530,411	0
0	3,662	0
0	974,609	32,465
3,156	274,628	0
<u>502,392</u>	<u>34,911,943</u>	<u>319,338</u>
3,902	1,021,362	0
<u>3,902</u>	<u>1,021,362</u>	<u>0</u>
0	1,366,955	0
614,801	22,452,044	0
<u>2,183,054</u>	<u>37,832,303</u>	<u>0</u>
<u>2,801,757</u>	<u>62,672,664</u>	<u>0</u>
<u>3,304,149</u>	<u>97,584,607</u>	<u>319,338</u>
796	749,629	16,040
6,402	452,265	0
0	16,315	0
0	0	726,119
3,902	1,021,362	0
6,519	69,869	0
38,740	237,520	0
0	170,556	0
0	250,000	0
0	181,518	0
0	87,184	0
0	43,405	0
56,600	196,395	0
<u>4,408</u>	<u>681,664</u>	<u>0</u>
<u>117,367</u>	<u>4,157,682</u>	<u>742,159</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

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**Statement of Net Position  
Proprietary Funds  
December 31, 2012**

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	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Electric
Noncurrent Liabilities:			
Capital Leases Payable	2,870,788	191,385	127,590
General Obligation Bonds Payable	1,250,000	0	0
Claims Payable	0	0	0
Revenue Bonds Payable	0	0	1,152,522
OWDA Loans Payable	616,050	3,368,926	0
OPWC Loans Payable	82,618	28,683	0
Long Term Notes Payable	658,194	231,930	0
Compensated Absences Payable	307,465	245,010	432,437
Total Noncurrent Liabilities	<u>5,785,115</u>	<u>4,065,934</u>	<u>1,712,549</u>
<b>Total Liabilities</b>	<u>7,353,875</u>	<u>4,479,591</u>	<u>3,770,447</u>
<b>Net Position</b>			
Net Investment in Capital Assets	15,789,226	6,189,304	23,858,038
Unrestricted	<u>2,670,702</u>	<u>2,815,550</u>	<u>27,353,725</u>
Total Net Position	<u>\$ 18,459,928</u>	<u>\$ 9,004,854</u>	<u>\$ 51,211,763</u>

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**

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Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
0	3,189,763	0
0	1,250,000	0
0	0	473,982
0	1,152,522	0
0	3,984,976	0
0	111,301	0
449,000	1,339,124	0
16,855	1,001,767	0
<u>465,855</u>	<u>12,029,453</u>	<u>473,982</u>
<u>583,222</u>	<u>16,187,135</u>	<u>1,216,141</u>
2,253,515	48,090,083	0
<u>467,412</u>	<u>33,307,389</u>	<u>(896,803)</u>
<u>\$ 2,720,927</u>	<u>\$ 81,397,472</u>	<u>\$ (896,803)</u>
	<u>(486,457)</u>	
	<u>\$ 80,911,015</u>	

**CITY OF PAINESVILLE, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2012**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Electric
<b>Operating Revenues:</b>			
Charges for Services	\$ 4,947,740	\$ 3,591,844	\$ 26,071,445
Other Charges for Services	144,732	58,814	417,677
Other Operating Revenues	262,908	96,182	51,808
<b>Total Operating Revenues</b>	<b>5,355,380</b>	<b>3,746,840</b>	<b>26,540,930</b>
<b>Operating Expenses:</b>			
Personal Services	2,447,910	2,277,707	6,165,231
Contractual Services	730,120	515,718	1,737,149
Materials and Supplies	279,866	179,025	1,611,932
Utilities	416,661	296,527	9,995,035
Depreciation	942,449	503,673	786,477
<b>Total Operating Expenses</b>	<b>4,817,006</b>	<b>3,772,650</b>	<b>20,295,824</b>
<b>Operating Income (Loss)</b>	<b>538,374</b>	<b>(25,810)</b>	<b>6,245,106</b>
<b>Non-Operating Revenue (Expenses):</b>			
Interest Income	0	0	5,010
Interest and Fiscal Charges	(315,031)	(139,120)	(132,169)
Gain (Loss) on Disposal of Assets	1,954	(100)	(50)
Loss on Investment in Joint Venture	0	0	(157,433)
Other Nonoperating Revenue	1,219,414	114	152,112
Other Nonoperating Expense	(23,422)	(18,991)	(33,550)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>882,915</b>	<b>(158,097)</b>	<b>(166,080)</b>

**CITY OF PAINESVILLE, OHIO**

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Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 529,371	\$ 35,140,400	\$ 3,636,546
9,747	630,970	0
30,927	441,825	1,150
<u>570,045</u>	<u>36,213,195</u>	<u>3,637,696</u>
175,167	11,066,015	2,812,111
170,858	3,153,845	754,931
12,463	2,083,286	363,039
16,940	10,725,163	0
52,919	2,285,518	0
<u>428,347</u>	<u>29,313,827</u>	<u>3,930,081</u>
141,698	6,899,368	(292,385)
0	5,010	0
(8,571)	(594,891)	0
0	1,804	0
0	(157,433)	0
0	1,371,640	0
0	(75,963)	0
<u>(8,571)</u>	<u>550,167</u>	<u>0</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

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**Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2012**

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	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Electric
<b>Income (Loss) Before Transfers and Contributions</b>	1,421,289	(183,907)	6,079,026
<b>Transfers and Contributions:</b>			
Transfers In	0	0	0
Transfers Out	(60,000)	(85,000)	(893,624)
Capital Contributions	0	0	1,324,655
<b>Total Transfers and Contributions</b>	<u>(60,000)</u>	<u>(85,000)</u>	<u>431,031</u>
<b>Change in Net Position</b>	1,361,289	(268,907)	6,510,057
Net Position Beginning of Year	17,098,639	9,273,761	44,701,706
<b>Net Position End of Year</b>	<u>\$ 18,459,928</u>	<u>\$ 9,004,854</u>	<u>\$ 51,211,763</u>

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**

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Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
133,127	7,449,535	(292,385)
70,000	70,000	80,000
0	(1,038,624)	0
0	1,324,655	0
<u>70,000</u>	<u>356,031</u>	<u>80,000</u>
203,127	7,805,566	(212,385)
2,517,800	73,591,906	(684,418)
<u>\$ 2,720,927</u>	<u>\$ 81,397,472</u>	<u>\$ (896,803)</u>
	\$ 7,805,566	
	<u>(122,084)</u>	
	<u>\$ 7,683,482</u>	

**CITY OF PAINESVILLE, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2012**

	Business-Type Activities		
	Enterprise Funds		
	Water Fund	Sewer Fund	Electric Fund
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$6,512,199	\$3,640,024	\$25,756,955
Cash Receipts from Interfund Services Provided	0	0	0
Cash Payments for Goods and Services	(1,504,337)	(1,017,598)	(16,470,128)
Cash Payments to Employees	(2,421,359)	(2,239,547)	(6,143,676)
Cash Payments for Employee Medical Claims	0	0	0
Net Cash Provided (Used) by Operating Activities	<u>2,586,503</u>	<u>382,879</u>	<u>3,143,151</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	0	0	0
Transfers Out to Other Funds	(60,000)	(85,000)	(893,624)
Advances In from Other Funds	0	0	351,000
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(60,000)</u>	<u>(85,000)</u>	<u>(542,624)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds of General Obligation Notes	890,484	338,215	0
Premiums on Debt Issuances	225	204	0
Principal Paid on General Obligation Notes	(1,008,089)	(460,240)	0
Intergovernmental Grants Received	0	0	1,572,070
Acquisition and Construction of Assets	(900,754)	(66,699)	(3,711,956)
Principal Paid on Capital Leases	(149,034)	(16,934)	(14,495)
Principal Paid on General Obligation Bonds	(525,000)	0	0
Principal Paid on Ohio Public Works Commission Loans	(101,357)	(2,048)	0
Principal Paid on Ohio Water Development Authority Loans	(83,302)	(126,920)	0
Interest Paid on All Debt	(281,067)	(139,795)	(6,193)
Net Cash Used for Capital and Related Financing Activities	<u>(2,157,894)</u>	<u>(474,217)</u>	<u>(2,160,574)</u>
<u>Cash Flows from Investing Activities:</u>			
Receipts of Principal and Interest on Investments	0	0	5,010
Purchase of Investments	0	0	(81,000)
Net Cash Provided by Investing Activities	<u>0</u>	<u>0</u>	<u>(75,990)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	368,609	(176,338)	363,963
Cash and Cash Equivalents at Beginning of Year	<u>2,586,394</u>	<u>2,903,452</u>	<u>23,589,026</u>
Cash and Cash Equivalents at End of Year	<u><u>\$2,955,003</u></u>	<u><u>\$2,727,114</u></u>	<u><u>\$23,952,989</u></u>
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet</u>			
Cash and Cash Equivalents	\$2,606,856	\$2,727,114	\$23,283,676
Restricted Cash and Cash Equivalents	348,147	0	669,313
Cash and Cash Equivalents at End of Year	<u><u>\$2,955,003</u></u>	<u><u>\$2,727,114</u></u>	<u><u>\$23,952,989</u></u>

**CITY OF PAINESVILLE, OHIO**

Other Enterprise Funds	Total Enterprise Funds	Governmental Activities
		Internal Service Funds
\$538,927	\$36,448,105	\$0
0	0	3,637,696
(209,623)	(19,201,686)	(1,117,568)
(173,661)	(10,978,243)	(229,997)
0	0	(2,339,135)
<u>155,643</u>	<u>6,268,176</u>	<u>(49,004)</u>
70,000	70,000	80,000
0	(1,038,624)	0
0	351,000	0
<u>70,000</u>	<u>(617,624)</u>	<u>80,000</u>
544,340	1,773,039	0
107	536	0
(608,510)	(2,076,839)	0
0	1,572,070	0
(73,203)	(4,752,612)	0
0	(180,463)	0
0	(525,000)	0
0	(103,405)	0
0	(210,222)	0
(10,457)	(437,512)	0
<u>(147,723)</u>	<u>(4,940,408)</u>	<u>0</u>
0	5,010	0
0	(81,000)	0
0	(75,990)	0
77,920	634,154	30,996
345,969	29,424,841	255,877
<u>\$423,889</u>	<u>\$30,058,995</u>	<u>\$286,873</u>
\$419,987	\$29,037,633	\$286,873
3,902	1,021,362	0
<u>\$423,889</u>	<u>\$30,058,995</u>	<u>\$286,873</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2012**

	Business-Type Activities		
	Enterprise Funds		
	Water Fund	Sewer Fund	Electric Fund
<u>Reconciliation of Operating (Loss) Income to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$538,374	(\$25,810)	\$6,245,106
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	942,449	503,673	786,477
Miscellaneous Nonoperating Revenues	1,256,841	114	72,898
Miscellaneous Nonoperating Expenses	(17,707)	(14,419)	(25,549)
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(100,022)	(109,810)	(856,873)
Decrease in Intergovernmental Receivable	0	2,880	0
(Increase) Decrease in Inventory	(44,182)	(14,304)	14,030
Increase in Prepaid Items	(3,696)	(5,279)	(9,920)
Increase (Decrease) in Accounts Payable	(12,430)	7,579	(2,864,629)
Increase in Accrued Wages and Benefits	17,863	17,963	35,868
Increase in Intergovernmental Payable	2,325	1,993	3,842
Increase (Decrease) in Compensated Absences Payable	6,688	18,299	(18,120)
Decrease in Payable to Joint Venture	0	0	(239,979)
Increase in Claims Liability	0	0	0
Total Adjustments	<u>2,048,129</u>	<u>408,689</u>	<u>(3,101,955)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$2,586,503</u>	<u>\$382,879</u>	<u>\$3,143,151</u>

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2012 the Water and Electric Funds had outstanding liabilities of \$188,344 and \$140,223, respectively for the purchase of certain capital assets.

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

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Other Enterprise Funds	Total Enterprise Funds	Governmental Activities
		Internal Service Funds
\$141,698	\$6,899,368	(\$292,385)
52,919	2,285,518	0
36	1,329,889	0
0	(57,675)	0
(31,154)	(1,097,859)	0
0	2,880	0
0	(44,456)	(695)
(408)	(19,303)	0
(8,954)	(2,878,434)	12,095
918	72,612	0
0	8,160	0
588	7,455	0
0	(239,979)	0
0	0	231,981
13,945	(631,192)	243,381
<u>\$155,643</u>	<u>\$6,268,176</u>	<u>(\$49,004)</u>

**CITY OF PAINESVILLE, OHIO**

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**Statement of Net Position  
Fiduciary Funds  
December 31, 2012**

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	Private Purpose Trust	
	Deposit Trust	Agency
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 555,897	\$ 189,308
Receivables:		
Taxes	0	108,093
<b>Total Assets</b>	<u>555,897</u>	<u>297,401</u>
<b>Liabilities:</b>		
Accounts Payable	300	0
Intergovernmental Payable	39	81,070
Due to Others	0	216,331
<b>Total Liabilities</b>	<u>339</u>	<u>297,401</u>
<b>Net Position:</b>		
Unrestricted	555,558	0
<b>Total Net Position</b>	<u>\$ 555,558</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

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***Statement of Changes in Net Position  
Fiduciary Fund  
For the Year Ended December 31, 2012***

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	Private Purpose Trust
	<u>Deposit Trust</u>
<b>Additions:</b>	
Contributions:	
Private Donations	\$ 90,754
Total Additions	<u>90,754</u>
<b>Deductions:</b>	
Administrative Expenses	<u>76,389</u>
Total Deductions	<u>76,389</u>
Change in Net Position	14,365
<b>Net Position at Beginning of Year</b>	<u>541,193</u>
<b>Net Position End of Year</b>	<u>\$ 555,558</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

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**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 the Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," 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 17, "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, 2012***

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**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.

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.

Shamrock Boulevard Road Project Fund - This fund is used to account for costs associated with construction of Shamrock Boulevard.

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 balance sheet. 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, 2012***

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**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 and deposits from contractors.

**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, 2012***

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**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, 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, 2012***

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**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, 2012, but which are not intended to finance 2012 operations or are not expected to be received within sixty (60) days after year end, are recorded as deferred inflows of resources as 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) 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, 2012***

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**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 2012.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

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**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 fund (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, 2012**

**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 fund:

	Net Change in Fund Balance	
	General Fund	Shamrock Business Center TIF Fund
GAAP Basis (as reported)	\$296,219	\$4,584,876
Increase (Decrease):		
Accrued Revenues at December 31, 2012 received during 2013	(1,627,608)	0
Accrued Revenues at December 31, 2011 received during 2012	1,624,650	0
Accrued Expenditures at December 31, 2012 paid during 2013	568,301	661,116
Accrued Expenditures at December 31, 2011 paid during 2012	(603,097)	(17,266)
2011 Prepays for 2012	62,532	0
2012 Prepays for 2013	(68,602)	0
2011 Adjustment to Fair Value	228,678	0
2012 Adjustment to Fair Value	(125,754)	0
Outstanding Encumbrances	(517,569)	(622,355)
Perspective Difference:		
Activity of Funds Reclassified for GAAP Reporting Purposes	(1,127)	0
Budget Basis	<u>(\$163,377)</u>	<u>\$4,606,371</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, 2012***

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**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 2012 amounted to \$164,849, which includes \$152,267 assigned from other funds.

The City has invested funds in the STAR Ohio during 2012. 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, 2012. 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, 2012***

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**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:

Description	Governmental and Business-Type Activities Estimated Lives (Years)
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, 2012***

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**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, contractually required pension contributions 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, 2012***

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**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	Water Fund, Electric Fund, General Bond Retirement Fund
Special Assessment Bonds	Special Assessment Bond Retirement Fund
Ohio Public Works Commission 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
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, 2012***

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**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 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 City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute. The City has no formal policy authorizing a body or official to assign amounts.

*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, 2012, 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, 2012***

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**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 costs is recorded when the related payroll is accrued and the obligation is incurred.

**S. Net Position**

Net position represents the difference between assets, liabilities and deferred outflows/inflows of resources. Net position invested in capital assets, net of related debt 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, 2012***

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**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 the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2012.

**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. The City reports no deferred outflows of resources.

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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

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**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE**

For 2012 the City implemented GASB Statement No. 62, “*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,*” GASB Statement No. 63, “*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*” and GASB Statement No. 65, “*Items Previously Reported as Assets and Liabilities*”.

Statement No. 62 incorporated into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. GASB 63 standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position.

Statement No. 65 provides guidance on how to properly classify items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources. In addition, guidance is provided on recognizing certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues).

The implementation of these GASB Statements had no impact on beginning of year fund balance/net position.

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

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**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	\$80,004
Shared Revenues	511,633
Interest Revenues	34,501
Charges for Services	50,103
Special Assessment Revenue	310,000
	<u>\$986,241</u>

*Long-Term liabilities not reported in the funds:*

General Obligation Bonds	(\$7,116,564)
Special Assessment Bonds Payable	(310,000)
Long Term Notes Payable	(1,065,481)
OPWC Loans Payable	(73,351)
Construction Loan Payable	(265,276)
Accrued Interest on Long-Term Debt	(36,875)
Capital Leases Payable	(219,902)
Police/Firemen's Pension Accrued Liability	(703,395)
Compensated Absences Payable	(1,519,774)
	<u>(\$11,310,618)</u>

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012**

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**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	\$4,275,371
Depreciation Expense	(1,606,868)
	<u>\$2,668,503</u>

*Governmental revenues not reported in the funds:*

Increase in Tax Revenue	\$540
Decrease in Intergovernmental Revenue	(193,750)
Increase in Interest Revenue	6,997
Decrease in Charges for Services	(44,515)
Increase in Special Assessment Revenue	310,000
	<u>\$79,272</u>

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

Long-Term Note Issuance	(\$1,190,481)
Long-Term Note Principal Payment	1,565,751
General Obligation Bond Issuance	(5,485,000)
Premium on General Obligation Bond Issuance	(156,564)
General Obligation Bond Principal Payment	90,000
Special Assessment Bond Principal Payment	15,000
Construction Loan Principal Payment	59,578
OPWC Loan Principal Payment	4,890
Police/Firemen's Pension Liability Payment	18,438
Capital Lease Payments	60,826
	<u>(\$5,017,562)</u>

*Expenses not requiring the use of current financial resources:*

Decrease in Compensated Absences Payable	\$167,189
Increase in Supplies Inventory	2,940
	<u>\$170,129</u>

**CITY OF PAINESVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012**

**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	Shamrock Business Center TIF Fund	Shamrock Boulevard Road Project Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Supplies Inventory	\$151,779	\$0	\$0	\$1,876	\$153,655
Land Held for Resale	785,000	0	0	0	785,000
Prepaid Items	68,602	0	0	9,134	77,736
Permanent Fund Corpus	0	0	0	1,104,405	1,104,405
<b>Total Nonspendable</b>	<b>1,005,381</b>	<b>0</b>	<b>0</b>	<b>1,115,415</b>	<b>2,120,796</b>
Restricted:					
Street Maintenance and Repair	0	0	0	1,073,286	1,073,286
Cemetery Maintenance	0	0	0	222,197	222,197
Law Enforcement	0	0	0	182,637	182,637
Drug and Alcohol Treatment	0	0	0	80,822	80,822
Adult Probation Program	0	0	0	18,436	18,436
Court Computer Improvements	0	0	0	28,303	28,303
Infrastructure Improvements	0	0	0	116,715	116,715
Debt Retirement	0	0	0	265,699	265,699
Capital Improvements	0	5,132,356	0	597,367	5,729,723
<b>Total Restricted</b>	<b>0</b>	<b>5,132,356</b>	<b>0</b>	<b>2,585,462</b>	<b>7,717,818</b>
Committed:					
Emergency Medical Services	0	0	0	517,567	517,567
Capital Improvements	0	0	0	569,547	569,547
Other Purposes	0	0	0	2,931	2,931
<b>Total Committed</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,090,045</b>	<b>1,090,045</b>
Assigned:					
Other Purposes	742,007	0	0	0	742,007
<b>Total Assigned</b>	<b>742,007</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>742,007</b>
Unassigned (Deficits):					
	5,698,670	0	(1,791,572)	(79,269)	3,827,829
<b>Total Fund Balances</b>	<b>\$7,446,058</b>	<b>\$5,132,356</b>	<b>(\$1,791,572)</b>	<b>\$4,711,653</b>	<b>\$15,498,495</b>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

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**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, 2012**

**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 \$23,895,820 and the bank balance was \$24,392,878. Federal depository insurance covered \$9,785,019 of the bank balance and \$14,607,859 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	\$14,607,859
Total Balance	<u><u>\$14,607,859</u></u>

**B. Investments**

The City's investments at December 31, 2012 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
STAR Ohio	\$52,569	AAAm <sup>1</sup>	\$52,569	\$0	\$0
City's Debt	91,000	N/A	91,000	0	0
Commercial Paper	7,544,823	A1 <sup>1</sup> /P1 <sup>2</sup>	7,544,823	0	0
US Treasury Notes	5,530,525	AA+ <sup>1</sup> /Aaa <sup>2</sup>	4,766,228	764,297	0
FHLB	6,530,399	AA+ <sup>1</sup> /Aaa <sup>2</sup>	1,512,719	5,017,680	0
FFCB	3,809,019	AA+ <sup>1</sup> /Aaa <sup>2</sup>	501,083	2,303,936	1,004,000
Total Investments	<u><u>\$23,558,335</u></u>		<u><u>\$14,468,422</u></u>	<u><u>\$8,085,913</u></u>	<u><u>\$1,004,000</u></u>

<sup>1</sup> Standard & Poor's

<sup>2</sup> Moody's Investor Service

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

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**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. Of the City’s total investments, 32% were in Commercial Paper, 23% were United States Treasury Notes, 28% were FHLB, 16% are FFCB, and the remaining 1% were in other investments.

*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 and located in the City. Real property taxes (other than public utility) collected during 2012 were levied after October 1, 2011 on assessed values as of January 1, 2011, 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, 2012**

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**NOTE 6 - PROPERTY TAX (Continued)**

The full tax rate for all City operations for the year ended December 31, 2012 was \$3.70 per \$1,000 of assessed value. The assessed value upon which the 2012 collections were based was \$252,866,440. This amount constitutes \$251,100,050 in real property assessed value and \$1,766,390 in public utility assessed.

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 2012 were based on a tax rate equal to .370% (3.70 mills) of assessed value.

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2012 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, 2012 the City's Land Held for Resale balance was \$785,000.

**NOTE 9 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances at December 31, 2012 consist of the following individual fund receivables and payables:

Fund	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$260,000	\$0
Nonmajor Governmental Fund:		
Fire Levy Fund	0	260,000
Totals	<u>\$260,000</u>	<u>\$260,000</u>

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 during the 2013 fiscal year.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

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**NOTE 10 - TRANSFERS**

Following is a summary of transfers in and out for all funds for 2012:

Fund	Transfers In	Transfers Out
Major Governmental Fund:		
General Fund	\$1,013,624	\$810,900
Major Enterprise Funds:		
Water Fund	0	60,000
Sewer Fund	0	85,000
Electric Fund	0	893,624
Total Major Enterprise Funds	0	1,038,624
Nonmajor Governmental Funds:		
Street Construction, Maintenance and Repair Fund	175,000	0
Cemeteries Fund	272,400	0
Fire Levy Fund	0	20,000
Emergency Medical Services Fund	0	15,000
Capital Equipment Reserve Fund	175,000	0
Capital Improvement Fund	50,000	0
Industrial Park Project Fund	40,000	0
City Hall Fire Fund	8,500	0
Total Nonmajor Governmental Funds	720,900	35,000
Nonmajor Enterprise Fund:		
Off-Street Parking Fund	70,000	0
Total Nonmajor Enterprise Funds	70,000	0
Internal Service Funds:		
Fuel and Oil Rotary Fund	80,000	0
Total Internal Service Funds	80,000	0
Total All Funds	\$1,884,524	\$1,884,524

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.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012**

**NOTE 11 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2012:

**Historical Cost:**

Class	December 31, 2011	Additions	Deletions	December 31, 2012
<b>Capital assets not being depreciated:</b>				
Land	\$7,691,544	\$0	\$0	\$7,691,544
Construction in Progress	3,491,277	3,618,643	(569,517)	6,540,403
Subtotal	11,182,821	3,618,643	(569,517)	14,231,947
<b>Capital assets being depreciated:</b>				
Buildings and Improvements	5,325,492	59,188	0	5,384,680
Improvements other than Buildings	8,026,470	673,499	0	8,699,969
Machinery and Equipment	6,422,486	493,558	(122,698)	6,793,346
Infrastructure	24,929,303	0	0	24,929,303
Subtotal	44,703,751	1,226,245	(122,698)	45,807,298
Total Cost	\$55,886,572	\$4,844,888	(\$692,215)	\$60,039,245

**Accumulated Depreciation:**

Class	December 31, 2011	Additions	Deletions	December 31, 2012
Buildings and Improvements	(\$2,308,791)	(\$70,592)	\$0	(\$2,379,383)
Improvements other than Buildings	(1,349,719)	(216,131)	0	(1,565,850)
Machinery and Equipment	(4,517,855)	(489,169)	96,084	(4,910,940)
Infrastructure	(11,426,435)	(830,976)	0	(12,257,411)
Total Depreciation	(\$19,602,800)	(\$1,606,868) *	\$96,084	(\$21,113,584)
<b>Net Value:</b>	\$36,283,772			\$38,925,661

\* Depreciation expenses were charged to governmental functions as follows:

General Government	\$151,342
Public Safety	231,065
Highways and Streets	1,141,995
Public Health and Welfare	18,703
Culture and Recreation	57,114
Community Environment	6,649
Total Depreciation Expense	\$1,606,868

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012**

**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, 2012:

**Historical Cost:**

Class	December 31, 2011	Additions	Deletions	December 31, 2012
<b>Capital assets not being depreciated:</b>				
Land	\$1,397,784	\$0	\$0	\$1,397,784
Construction In Progress	19,415,282	3,649,197	(2,010,219)	21,054,260
Subtotal	20,813,066	3,649,197	(2,010,219)	22,452,044
<b>Capital assets being depreciated:</b>				
Buildings and Improvements	31,580,303	0	0	31,580,303
Infrastructure	40,830,128	2,152,005	(27,176)	42,954,957
Machinery and Equipment	22,484,230	756,288	(135,859)	23,104,659
Subtotal	94,894,661	2,908,293	(163,035)	97,639,919
Total Cost	\$115,707,727	\$6,557,490	(\$2,173,254)	\$120,091,963

**Accumulated Depreciation:**

Class	December 31, 2011	Additions	Deletions	December 31, 2012
Buildings and Improvements	(\$18,928,364)	(\$671,556)	\$0	(\$19,599,920)
Infrastructure	(20,323,193)	(1,000,520)	27,176	(21,296,537)
Machinery and Equipment	(18,348,111)	(698,558)	135,510	(18,911,159)
Total Depreciation	(\$57,599,668)	(\$2,370,634)	\$162,686	(\$59,807,616)
<b>Net Value:</b>	\$58,108,059			\$60,284,347

**NOTE 12 – DEFINED BENEFIT PENSION PLANS**

All of the City’s full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

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

The following information was provided by OPERS to assist the City in complying with GASB Statement No. 27, “Accounting for Pensions by State and Local Government Employers.”

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

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**NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by OPERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, 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.

The ORC provides statutory authority for employee and employer contributions. For 2012, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2012 employer contribution rate for local government employer units was 14.00% of covered payroll, which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits. The portion of employer contributions allocated to pension obligations for members in the Traditional Plan was 10.0% for calendar year 2012. The portion of employer contributions allocated to pension obligations for members in the Combined Plan was 7.95% for calendar year 2012. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City’s contributions for pension obligations to OPERS for the years ending December 31, 2012, 2011, and 2010 were \$1,002,439, \$1,054,411 and \$1,010,264, respectively, which were equal to the required contributions for each year. Contributions to the member-directed plan for 2012 were \$7,372 made by the City and \$5,266 made by the plan members.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

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**NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

All City full-time police officers and full-time firefighters participate in OP&F, a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the ORC. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements 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 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2012, 12.75% of annual covered salary for police and 17.25% of annual covered salary for firefighters, respectively, were the portions used to fund pension obligations. The City’s contributions for pension obligations to the OP&F Fund for the years ending December 31, 2012, 2011, and 2010 were \$327,364, \$332,366 and \$337,780 for police and \$306,545, \$321,099 and \$314,092 for firefighters, respectively, which were equal to the required contributions for each year.

**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 program 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 10 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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

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**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/investments/cafr.shtml>, 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 2012, 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.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% for calendar year 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% for calendar year 2012. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OPERS for the years ending December 31, 2012, 2011, and 2010 were \$400,976, \$421,764 and \$575,945, respectively, which were equal to the required contributions for each year.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

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**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.

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.

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 2012, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2012, 2011, and 2010 were \$173,310, \$175,959 and \$178,825 for police and \$119,952, \$125,647 and \$122,906 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, 2012**

**NOTE 14 - LONG-TERM DEBT**

Long-term debt of the City at December 31, 2012 is as follows:

		Balance December 31, 2011	Issued	(Retired)	Balance December 31, 2012	Amount Due Within One Year
<b>Business-Type Activities:</b>						
Amp-Ohio Joint Venture Agreement:						
4.600 - 4.750% Joint Venture Agreement		\$1,908,438	\$0	(\$172,525)	\$1,735,913	\$181,518
Joint Venture Reserve Amount		(334,419)	0	(67,454)	(401,873)	0
Net Joint Venture Agreement		<u>1,574,019</u>	<u>0</u>	<u>(239,979)</u>	<u>1,334,040</u>	<u>181,518</u>
General Obligation Bonds:						
1.500 - 3.600% Waterworks	2003	275,000	0	(275,000)	0	0
3.250 - 4.600% Waterworks	1998	1,750,000	0	(250,000)	1,500,000	250,000
Total General Obligation Bonds		<u>2,025,000</u>	<u>0</u>	<u>(525,000)</u>	<u>1,500,000</u>	<u>250,000</u>
Ohio Water Development Authority Loans (OWDA):						
4.618% Safe Drinking Water	1998	786,536	0	(83,302)	703,234	87,184
3.420% WPCLF WWTP Upgrades	2009	3,495,846	0	(126,920)	3,368,926	0
Total OWDA Loans		<u>4,282,382</u>	<u>0</u>	<u>(210,222)</u>	<u>4,072,160</u>	<u>87,184</u>
Ohio Public Works Commission Loan (OPWC):						
0.000% Raw Water Pump Station Replacement	2002	60,000	0	(60,000)	0	0
0.000% Pump Station	2005	165,332	0	(41,357)	123,975	41,357
0.000% Mentor Ave / Jackson Street Sewer	2008	32,779	0	(2,048)	30,731	2,048
Total OPWC Loans		<u>258,111</u>	<u>0</u>	<u>(103,405)</u>	<u>154,706</u>	<u>43,405</u>
Long-Term Notes Payable:						
1.8-6.0% Various Purpose	2011	1,754,179	1,535,519	(1,754,179)	1,535,519	196,395
Capital Leases Payable		3,540,782	0	(180,463)	3,360,319	170,556
Compensated Absences		<u>1,675,976</u>	<u>593,209</u>	<u>(585,754)</u>	<u>1,683,431</u>	<u>681,664</u>
Total Business-Type Activities		<u>\$15,110,449</u>	<u>\$2,128,728</u>	<u>(\$3,599,002)</u>	<u>\$13,640,175</u>	<u>\$1,610,722</u>
<b>Governmental Activities:</b>						
General Obligation Bonds:						
4.250 - 5.000% Waterworks	2007	\$1,565,000	\$0	(\$90,000)	\$1,475,000	\$95,000
2.0 - 3.000% Shamrock Blvd Improvement TIF	2012	0	5,485,000	0	5,485,000	0
Premium on Debt Issuance		0	156,564	0	156,564	0
Total General Obligation Bonds		<u>1,565,000</u>	<u>5,641,564</u>	<u>(90,000)</u>	<u>7,116,564</u>	<u>95,000</u>
Special Assessment Debt (with governmental commitment)						
4.75% Renaissance Parkway	2005	325,000	0	(15,000)	310,000	20,000
Ohio Public Works Commission Loan (OPWC):						
0.000% Chester Street Improvements	2008	78,241	0	(4,890)	73,351	4,890
Long-Term Notes Payable:						
1.800% Various Purpose	2011	1,440,751	1,190,481	(1,565,751)	1,065,481	133,605
Construction Loan Payable:						
4.250% City Hall Construction		324,854	0	(59,578)	265,276	62,137
Compensated Absences		1,686,963	268,960	(396,495)	1,559,428	548,675
Workers' Compensation Liability		596,320	740,201	(596,320)	740,201	266,219
Capital Lease Payable		280,728	0	(60,826)	219,902	18,165
Police/Firemen's Pension Accrued Liability		<u>721,833</u>	<u>0</u>	<u>(18,438)</u>	<u>703,395</u>	<u>19,230</u>
Total Governmental Activities		<u>\$7,019,690</u>	<u>\$7,841,206</u>	<u>(\$2,807,298)</u>	<u>\$12,053,598</u>	<u>\$1,167,921</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

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**NOTE 14 - LONG-TERM DEBT (Continued)**

**A. Long Term Notes**

Long term notes payable at December 31, 2012 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 March 7, 2012 and are due March 6, 2013, at an interest rate of 1.55%. Subsequent to year-end, the Various Purpose Improvement Notes, due March 6, 2013, 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 \$1,958,677 for the City as of December 31, 2012.

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, 2012 amounted to \$1,284,182.

**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, 2012 was \$1,098,552 in principal and scheduled interest payments through the year 2035. Only the principal portion of the payments due is included in the in the government-wide statement of net position.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012**

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**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 \$7,511,181. 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, Sewer, Electric Funds (major enterprise fund) and the Off Street Parking Fund (nonmajor enterprise fund). The capital leases payable are recorded in Governmental Activities and the Business-Type Activities in the amount of \$219,902, and \$3,360,319, 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, 2012:

Year Ending December 31,	Governmental Activities	Business-Type Activities
2013	\$28,698	\$314,896
2014	28,698	314,896
2015	28,698	314,895
2016	28,698	314,895
2017	28,698	314,895
2018-2022	137,798	1,574,480
2023-2027	0	1,417,037
Minimum Lease Payments	281,288	4,565,994
Less: amount representing interest at the City's incremental borrowing rate of interest	(61,386)	(1,205,675)
Present value of minimum lease payments	<u>\$219,902</u>	<u>\$3,360,319</u>

**E. Special Assessments with Governmental Commitment**

The principal amount of the City's special assessment debt outstanding at December 31, 2012, \$310,000, 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 \$162,962 in the Special Assessment Bond Retirement Fund at December 31, 2012 is restricted for the retirement of outstanding special assessment bonds.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012**

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**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, 2012, the loan had an outstanding balance of \$703,234.

In 2009, the City entered into an agreement with the Ohio Water Development Authority to receive loans from the WWTP Upgrades in the amounts of \$3,570,578. 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. As of December 31, 2012 the City had received \$3,495,846. As of December 31, 2012 the loan has not been finalized and there is no amortization schedule for the loan.

**G. Principal and Interest Requirements**

The principal and interest requirements to retire long-term debt and Police and Fire Pension Liability obligations at December 31, 2012, are as follows:

Years	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2013	\$345,000	\$228,270	\$20,000	\$15,500
2014	345,000	263,544	20,000	14,500
2015	540,000	247,944	20,000	13,500
2016	580,000	228,031	20,000	12,500
2017	585,000	157,481	20,000	11,500
2018-2022	2,065,000	806,117	120,000	41,000
2023-2027	1,675,000	514,584	90,000	9,000
2028-2032	1,565,000	248,108	0	0
2033-2034	760,000	21,995	0	0
Totals	<u>\$8,460,000</u>	<u>\$2,716,074</u>	<u>\$310,000</u>	<u>\$117,500</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012**

**NOTE 14 - LONG-TERM DEBT (Continued)**

**G. Principal and Interest Requirements (Continued)**

Years	OWDA Loans		OPWC Loans		Police/Firemen's Pension Accrued Liability	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$87,184	\$31,722	\$48,295	\$0	\$19,230	\$29,692
2014	91,257	27,648	48,295	0	20,056	28,866
2015	95,531	23,374	48,295	0	20,918	28,005
2016	100,017	18,888	6,938	0	21,816	27,106
2017	104,725	14,180	6,938	0	22,753	26,169
2018-2022	224,520	13,294	34,697	0	129,292	115,321
2023-2027	0	0	34,599	0	159,549	85,064
2028-2032	0	0	0	0	196,887	47,728
2033-2035	0	0	0	0	112,894	7,206
Totals	\$703,234	\$129,106	\$228,057	\$0	\$703,395	\$395,157

Years	Construction Loan	
	Principal	Interest
2013	\$62,137	\$10,610
2014	64,805	7,941
2015	67,589	5,157
2016	70,745	2,253
Totals	\$265,276	\$25,961

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, 2012**

**NOTE 15 - NOTES PAYABLE**

The Ohio Revised Code provides that notes and renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to and payable no later than the principal maturities required if the bonds had been issued at the expiration of the initial five year period. Below is a summary of notes payable activity during 2012:

	Balance January 1, 2012	Issued	(Retired)	Balance December 31, 2012
Governmental Funds:				
Special Revenue Funds:				
Shamrock Business Center TIF Fund:				
1.45% Shamrock Blvd Improvements	\$0	\$500,000	\$0	\$500,000
Total Special Revenue	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>500,000</u>
Capital Projects Funds:				
Shamrock Blvd Road Project Fund:				
1.63% Shamrock Blvd Improvements	1,881,840	0	(1,881,840)	0
1.45% Shamrock Blvd Improvements	0	1,914,640	0	1,914,640
Total Capital Projects	<u>1,881,840</u>	<u>1,914,640</u>	<u>(1,881,840)</u>	<u>1,914,640</u>
Total Governmental Funds	<u>1,881,840</u>	<u>2,414,640</u>	<u>(1,881,840)</u>	<u>2,414,640</u>
Enterprise Funds:				
Water Fund:				
1.63% Water Treatment Plant Improvements	210,040	0	(210,040)	0
1.45% Water Treatment Plant Improvements	0	160,040	0	160,040
Sewer Fund:				
1.63% Wastewater Treatment Plant Improvements	56,310	0	(56,310)	0
1.45% Wastewater Treatment Plant Improvements	0	38,740	0	38,740
Storm Water Fund:				
1.63% Wastewater Treatment Plant Improvements	56,310	0	(56,310)	0
1.45% Wastewater Treatment Plant Improvements	0	38,740	0	38,740
Total Enterprise	<u>322,660</u>	<u>237,520</u>	<u>(322,660)</u>	<u>237,520</u>
Total Notes Payable	<u>\$2,204,500</u>	<u>\$2,652,160</u>	<u>(\$2,204,500)</u>	<u>\$2,652,160</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012**

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**NOTE 16 - 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 2012 the City contracted with several different insurance providers for various insurance coverages, as follows:

Insurance Provider	Coverage	Deductible
Governmental Underwriters of America	Public Employee Dishonesty/ Forgery	\$1,000
Governmental Underwriters of America	Law Enforcement Professional Liability	\$25,000
Governmental Underwriters of America	Public Officials Liability	\$25,000
Governmental Underwriters of America	Comprehensive General Liability	\$0
Governmental Underwriters of America	Ohio Employers Intentional Tort Liability	\$0
Governmental Underwriters of America	Commercial Umbrella Liability	\$25,000
Governmental Underwriters of America	Boiler and Machinery	\$100,000
Governmental Underwriters of America	Automobile	\$1,000
Governmental Underwriters of America	Commercial General Liability (Fire)	\$0
Governmental 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 \$740,201 reported in the fund at December 31, 2012 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
2011	\$342,787	\$425,383	(\$171,850)	\$596,320
2012	596,320	373,878	(229,997)	740,201

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

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**NOTE 16 - 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 \$459,900 reported in the fund at December 31, 2012 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>
2011	\$306,900	\$3,066,341	(\$3,001,441)	\$371,800
2012	371,800	2,427,235	(2,339,135)	459,900

**NOTE 17 - 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, 2012***

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**NOTE 17 - 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, 2012 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, 2012, the outstanding debt was \$20,030,648. The City's net obligation for this amount at December 31, 2012 was \$1,334,040. 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 \$1,366,955 at December 31, 2012. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at [www.auditor.state.oh.us](http://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, 2012**

**NOTE 17 - JOINT VENTURE (Continued)**

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2012 are:

<b>Municipality</b>	<b>Percent Ownership</b>	<b>Kw Entitlement</b>	<b>Municipality</b>	<b>Percent Ownership</b>	<b>Kw Entitlement</b>
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>
			<b>Grand Total</b>	<b><u>100.00%</u></b>	<b><u>134,081</u></b>

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

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2013	\$181,518	\$85,216	\$266,734
2014	190,844	75,686	266,530
2015	200,836	65,667	266,503
2016-2020	1,162,717	170,691	1,333,408
Total Gross Liability	1,735,913	<u>\$397,260</u>	<u>\$2,133,175</u>
Less: Amounts Held in Reserve	(401,873)		
Net Obligation	<u>\$1,334,040</u>		

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

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**NOTE 18 – CONTRACTUAL COMMITMENTS**

As of December 31, 2012, the City had the following contracts with respect to capital improvements:

<u>Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Brookstone Blvd and Shamrock Extension	\$622,345	2013
Watermain Replacement Various Streets	383,442	2013
Water Plant Filter Rehabilitation	243,112	2013
Vanadium Battery Building	106,966	2013
Boiler Compliance Project	364,404	2013
Electric Substation	3,396,460	2013
Total	<u>\$5,116,729</u>	

**NOTE 19 - COMPLIANCE AND ACCOUNTABILITY**

*Deficit Fund Equities* - The fund deficits at December 31, 2012 of \$79,269 in the Fire Levy Fund (special revenue fund), \$463,267 in the Employee Health Insurance Fund and \$586,424 in the Worker's 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.

The fund deficit at December 31, 2012 of \$1,791,572 in the Shamrock Boulevard Road Project Fund (capital projects fund) is due to the recording of general obligation notes payable in the individual fund balance sheets.

**NOTE 20 - CONTINGENCIES**

**A. Litigation**

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, 2012***

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**NOTE 20 – CONTINGENCIES (Continued)**

**B. American Municipal Power Generating Station (AMPGS)**

The City of Painesville is a participant in the American Municipal Power Generating Station Project (the "AMPGS Project"). The City executed a take-or-pay contract on November 1, 2007 in order to participate in the AMPGS Project.

**History of the AMPGS Project**

In November 2009, the participants of the AMP Generating Station Project (the "AMPGS Project") voted to terminate the development of the pulverized coal power plant in Meigs County, Ohio. The AMPGS Project was to be a 1,000 MW base load, clean-coal technology plant scheduled to go on-line in 2014. This pulverized coal plant was estimated to be a \$3 billion project, but the project's estimated capital costs increased by 37% and the engineer, procure and construct ("EPC") contractor could not guarantee that the costs would not continue to escalate. At the termination date, minimal construction had been performed on the AMPGS Project at the Meigs County site.

At the same time, the participants voted to pursue conversion of the project to a Natural Gas Combined Cycle Plant (the "NGCC Plant") to be developed under a lump-sum-turn-key fixed-price contract that would be open to interested AMP members. The NGCC Plant was planned to be developed on the Meigs County site previously planned for the AMPGS project. In February 2011, development of the NGCC Plant was suspended due to the availability of purchasing the AMP Fremont Energy Center ("AFEC") at a favorable price. AMP intends to develop this site for the construction of a generating asset; however, at December 31, 2012, the type of generating asset has not been determined.

As mentioned above, the AMPGS project participants signed "take or pay" contracts with AMP. As such, the participants of the project are obligated to pay all costs incurred for the project. To date it has not been determined what those total final costs are for the project participants.

As a result of these decisions to date, the AMPGS Project costs have been reclassified out of construction work-in-progress and into plant held for future use or regulatory assets in the combined balance sheet. AMP has reclassified \$34,881,075 of costs to plant held for future use as these costs were determined to be associated with the undeveloped Meigs County site regardless of the determination of which type of generating asset will be developed on the site. The remaining costs previously incurred were determined to be impaired but reclassified as a regulatory asset which is fully recoverable from the AMPGS Project participants as part of their unconditional obligation under the "take or pay" contract. At December 31, 2012 AMP has a regulatory asset of \$96,544,650 for the recovery of these abandoned construction costs. AMP is currently working with the AMPGS project participants to establish a formal plan for the recovery on a participant by participant basis.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

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**NOTE 20 – CONTINGENCIES (Continued)**

**B. American Municipal Power Generating Station (AMPGS) (Continued)**

AMP has consistently communicated with the AMPGS participants as to the risks and uncertainties with respect to the outstanding potential liability the City has as a result of the cancellation of the AMPGS Project. Meetings with AMPGS Project participants have been held as necessary to communicate any updates to both costs being incurred and ongoing litigation. At the request of the participants, on November 18, 2011 and December 13, 2011 AMP sent memos to AMPGS participants providing the participant's information identifying their potential AMPGS stranded cost liability and providing options for payment of those stranded costs, if the participant so chose. These memos were not invoices, but provided the participants with information which they could utilize in determining if they wanted to pay down a portion or all of the identified maximum exposure. AMP is holding the AMPGS Project stranded costs on its revolving credit facility and is accruing interest in addition to legal fees being incurred in its case with the EPC contractor. AMP would hold any payments received as a deposit in order to cease interest accruals on that portion paid.

Based on an allocation to Painesville of 13,000 kW and the allocation methodology, both approved as the same by the AMP Board of Trustees, as of December 31, 2012 the City of Painesville had a potential stranded cost obligation of \$2,227,706 for the AMPGS Project. The City of Painesville chose to make payments of \$2,194,829, which are on deposit with AMP at December 31, 2012. Therefore the City has an outstanding potential AMPGS stranded cost obligation of \$32,877 at December 31, 2012.

**NOTE 21 – SUBSEQUENT EVENT**

In March 2013 the City issued \$2,300,000 of various purpose General Obligation Notes. These notes carry an interest rate of 1.00% and mature in March 2014. In March 2013 the City issued \$71,000 of Land Acquisition Notes. These notes carry an interest rate of 1.00% and mature in March 2014.

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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*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***

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***Special Revenue Funds***

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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.

**Street Construction, Maintenance, and Repair Fund**

This fund is used to account for 7.5% of the state gasoline tax and motor vehicle registration fees designated for maintenance of City streets as required by Ohio Revised Code.

**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***

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**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 property tax revenues derived from a voted tax levy for 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.

**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.

(Continued)

***Special Revenue Funds***

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**Emergency Medical Services (EMS) Fund**

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

**Municipal Court Computerization Fund**

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

**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.)

**Columbarium Trust Fund**

To account for monies received and held by the City for charges related to 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***

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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.

**Land Acquisition Note Retirement Fund**

To account for the accumulation of resources for the payments of land acquisition notes of the City. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because there are no assets or liabilities and there was no activity during the year.)

***Capital Projects Funds***

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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.

***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.

**Evergreen Cemetery Trust Fund**

To account for the principal, acquired from contributions and endowments, for the City's Evergreen Cemetery.

**Riverside Cemetery Trust Fund**

To account for the principal, acquired from contributions and endowments, for the City's Riverside Cemetery.

**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, 2012**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Pooled Cash and Investments	\$ 2,140,975	\$ 265,699	\$ 1,310,247	\$ 141,589	\$ 3,858,510
Receivables:					
Taxes	249,214	55,776	0	0	304,990
Accounts	131,679	0	0	0	131,679
Intergovernmental	314,468	3,472	0	0	317,940
Special Assessments	0	310,000	0	0	310,000
Inventory of Supplies, at Cost	1,876	0	0	0	1,876
Prepaid Items	8,829	0	305	0	9,134
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	1,104,405	1,104,405
<b>Total Assets</b>	<b>\$ 2,847,041</b>	<b>\$ 634,947</b>	<b>\$ 1,310,552</b>	<b>\$ 1,245,994</b>	<b>\$ 6,038,534</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 97,059	\$ 0	\$ 5,461	\$ 176	\$ 102,696
Accrued Wages and Benefits Payable	60,616	0	993	0	61,609
Intergovernmental Payable	1,937	0	0	0	1,937
Retainage Payable	0	0	20,164	0	20,164
Interfund Loans Payable	260,000	0	0	0	260,000
Compensated Absences Payable	2,827	0	0	0	2,827
<b>Total Liabilities</b>	<b>422,439</b>	<b>0</b>	<b>26,618</b>	<b>176</b>	<b>449,233</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Amounts	284,964	318,894	0	0	603,858
Property Tax Levy for Next Fiscal Year	223,436	50,354	0	0	273,790
<b>Total Deferred Inflows of Resources</b>	<b>508,400</b>	<b>369,248</b>	<b>0</b>	<b>0</b>	<b>877,648</b>
<b>Fund Balances:</b>					
Nonspendable	10,705	0	305	1,104,405	1,115,415
Restricted	1,464,268	265,699	714,082	141,413	2,585,462
Committed	520,498	0	569,547	0	1,090,045
Unassigned	(79,269)	0	0	0	(79,269)
<b>Total Fund Balances</b>	<b>1,916,202</b>	<b>265,699</b>	<b>1,283,934</b>	<b>1,245,818</b>	<b>4,711,653</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,847,041</b>	<b>\$ 634,947</b>	<b>\$ 1,310,552</b>	<b>\$ 1,245,994</b>	<b>\$ 6,038,534</b>

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2012**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Property Taxes	\$ 206,968	\$ 54,915	\$ 0	\$ 0	\$ 261,883
Intergovernmental Revenues	822,549	13,889	2,120,558	0	2,956,996
Charges for Services	729,412	0	0	0	729,412
Investment Earnings	0	0	0	1,176	1,176
Special Assessments	0	115,843	0	0	115,843
Fines and Forfeitures	229,633	0	154,927	0	384,560
All Other Revenues	14,226	0	166,648	10,800	191,674
<b>Total Revenues</b>	<b>2,002,788</b>	<b>184,647</b>	<b>2,442,133</b>	<b>11,976</b>	<b>4,641,544</b>
<b>Expenditures:</b>					
Current:					
General Government	293,840	20,394	693,783	0	1,008,017
Public Safety	764,950	0	0	0	764,950
Highways and Streets	733,658	0	2,160,794	0	2,894,452
Public Health and Welfare	406,188	0	0	1,320	407,508
Community Environment	0	0	33,004	0	33,004
Capital Outlay	0	0	616,746	0	616,746
Debt Service:					
Principal Retirement	1,185,393	179,000	20,627	0	1,385,020
Interest & Fiscal Charges	73,153	184,093	6,168	0	263,414
<b>Total Expenditures</b>	<b>3,457,182</b>	<b>383,487</b>	<b>3,531,122</b>	<b>1,320</b>	<b>7,373,111</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,454,394)	(198,840)	(1,088,989)	10,656	(2,731,567)
<b>Other Financing Sources (Uses):</b>					
Sale of Notes	974,481	0	0	0	974,481
Premiums on Debt Issuances	0	156,564	0	0	156,564
Transfers In	447,400	0	273,500	0	720,900
Transfers Out	(35,000)	0	0	0	(35,000)
Insurance Proceeds	0	0	607,425	0	607,425
<b>Total Other Financing Sources (Uses)</b>	<b>1,386,881</b>	<b>156,564</b>	<b>880,925</b>	<b>0</b>	<b>2,424,370</b>
Net Change in Fund Balances	(67,513)	(42,276)	(208,064)	10,656	(307,197)
<b>Fund Balances at Beginning of Year</b>	<b>1,983,789</b>	<b>307,975</b>	<b>1,491,998</b>	<b>1,235,162</b>	<b>5,018,924</b>
Decrease in Inventory	(74)	0	0	0	(74)
<b>Fund Balances End of Year</b>	<b>\$ 1,916,202</b>	<b>\$ 265,699</b>	<b>\$ 1,283,934</b>	<b>\$ 1,245,818</b>	<b>\$ 4,711,653</b>

**CITY OF PAINESVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2012**

	Street Construction, Maintenance & Repair Fund	State Highway Improvement Fund	Cemeteries Fund	Police Pension Transfer Fund
<b>Assets:</b>				
Pooled Cash and Investments	\$ 950,384	\$ 127,194	\$ 93,818	\$ 18,918
Receivables:				
Taxes	0	0	0	69,723
Accounts	0	0	0	0
Intergovernmental	275,188	18,415	0	4,340
Inventory of Supplies, at Cost	0	0	1,876	0
Prepaid Items	0	0	2,367	0
<b>Total Assets</b>	<b>\$ 1,225,572</b>	<b>\$ 145,609</b>	<b>\$ 98,061</b>	<b>\$ 92,981</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 88,979	\$ 0	\$ 1,539	\$ 0
Accrued Wages and Benefits Payable	10,353	0	11,584	0
Intergovernmental Payable	0	0	0	0
Interfund Loans Payable	0	0	0	0
Compensated Absences Payable	2,827	0	0	0
<b>Total Liabilities</b>	<b>102,159</b>	<b>0</b>	<b>13,123</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	183,459	12,277	0	11,119
Property Tax Levy for Next Fiscal Year	0	0	0	62,944
<b>Total Deferred Inflows of Resources</b>	<b>183,459</b>	<b>12,277</b>	<b>0</b>	<b>74,063</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	4,243	0
Restricted	939,954	133,332	80,695	18,918
Committed	0	0	0	0
Unassigned	0	0	0	0
<b>Total Fund Balances</b>	<b>939,954</b>	<b>133,332</b>	<b>84,938</b>	<b>18,918</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,225,572</b>	<b>\$ 145,609</b>	<b>\$ 98,061</b>	<b>\$ 92,981</b>

**CITY OF PAINESVILLE, OHIO**

Fire Pension Transfer Fund	Law Enforcement Fund	Indigent Drivers Alcohol Treatment Fund	Enforcement and Education Fund	Fire Levy Fund	Underground Storage Tank Fund
\$ 18,963	\$ 18,540	\$ 82,759	\$ 84,339	\$ 181,121	\$ 2,931
69,723	0	0	0	109,768	0
0	0	0	0	0	0
4,340	0	0	0	4,667	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 93,026</u>	<u>\$ 18,540</u>	<u>\$ 82,759</u>	<u>\$ 84,339</u>	<u>\$ 295,556</u>	<u>\$ 2,931</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 390	\$ 0
0	0	0	0	0	0
0	0	1,937	0	0	0
0	0	0	0	260,000	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>1,937</u>	<u>0</u>	<u>260,390</u>	<u>0</u>
11,119	0	0	0	16,887	0
62,944	0	0	0	97,548	0
<u>74,063</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>114,435</u>	<u>0</u>
0	0	0	0	0	0
18,963	18,540	80,822	84,339	0	0
0	0	0	0	0	2,931
0	0	0	0	(79,269)	0
<u>18,963</u>	<u>18,540</u>	<u>80,822</u>	<u>84,339</u>	<u>(79,269)</u>	<u>2,931</u>
<u>\$ 93,026</u>	<u>\$ 18,540</u>	<u>\$ 82,759</u>	<u>\$ 84,339</u>	<u>\$ 295,556</u>	<u>\$ 2,931</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2012**

	Probation Services Fund	COPS Fast Grant Fund	Fire Fund	Victim's Advocate Grant Fund
<b>Assets:</b>				
Pooled Cash and Investments	\$ 22,418	\$ 11,820	\$ 7,146	\$ 2,861
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	7,518
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	0	0	0	0
<b>Total Assets</b>	<u>\$ 22,418</u>	<u>\$ 11,820</u>	<u>\$ 7,146</u>	<u>\$ 10,379</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 174	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	3,808	0	0	2,201
Intergovernmental Payable	0	0	0	0
Interfund Loans Payable	0	0	0	0
Compensated Absences Payable	0	0	0	0
<b>Total Liabilities</b>	<u>3,982</u>	<u>0</u>	<u>0</u>	<u>2,201</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	0	0	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	0
Restricted	18,436	11,820	7,146	8,178
Committed	0	0	0	0
Unassigned	0	0	0	0
<b>Total Fund Balances</b>	<u>18,436</u>	<u>11,820</u>	<u>7,146</u>	<u>8,178</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 22,418</u>	<u>\$ 11,820</u>	<u>\$ 7,146</u>	<u>\$ 10,379</u>

**CITY OF PAINESVILLE, OHIO**

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Emergency Medical Services Fund	Municipal Court Computerization Fund	Columbarium Trust Fund	Law Enforcement Trust Fund	Total Nonmajor Special Revenue Funds
\$ 471,337	\$ 31,604	\$ 89	\$ 14,733	\$ 2,140,975
0	0	0	0	249,214
131,679	0	0	0	131,679
0	0	0	0	314,468
0	0	0	0	1,876
6,462	0	0	0	8,829
<u>\$ 609,478</u>	<u>\$ 31,604</u>	<u>\$ 89</u>	<u>\$ 14,733</u>	<u>\$ 2,847,041</u>
\$ 5,977	\$ 0	\$ 0	\$ 0	\$ 97,059
29,369	3,301	0	0	60,616
0	0	0	0	1,937
0	0	0	0	260,000
0	0	0	0	2,827
<u>35,346</u>	<u>3,301</u>	<u>0</u>	<u>0</u>	<u>422,439</u>
50,103	0	0	0	284,964
0	0	0	0	223,436
<u>50,103</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>508,400</u>
6,462	0	0	0	10,705
0	28,303	89	14,733	1,464,268
517,567	0	0	0	520,498
0	0	0	0	(79,269)
<u>524,029</u>	<u>28,303</u>	<u>89</u>	<u>14,733</u>	<u>1,916,202</u>
<u>\$ 609,478</u>	<u>\$ 31,604</u>	<u>\$ 89</u>	<u>\$ 14,733</u>	<u>\$ 2,847,041</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, 2012***

	Street Construction, Maintenance & Repair Fund	State Highway Improvement Fund	Cemeteries Fund	Police Pension Transfer Fund	Fire Pension Transfer Fund
<b>Revenues:</b>					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 63,163	\$ 63,163
Intergovernmental Revenues	679,766	46,745	0	17,361	17,361
Charges for Services	0	0	124,596	0	0
Fines and Forfeitures	0	0	0	0	0
All Other Revenues	1,840	0	802	0	0
<b>Total Revenues</b>	<b>681,606</b>	<b>46,745</b>	<b>125,398</b>	<b>80,524</b>	<b>80,524</b>
<b>Expenditures:</b>					
Current:					
General Government	0	0	0	1,194	1,192
Public Safety	0	0	0	76,000	76,000
Highways and Streets	697,542	34,841	0	0	0
Public Health and Welfare	0	0	406,188	0	0
Debt Service:					
Principal Retirement	959,940	0	0	0	0
Interest & Fiscal Charges	58,089	0	0	0	0
<b>Total Expenditures</b>	<b>1,715,571</b>	<b>34,841</b>	<b>406,188</b>	<b>77,194</b>	<b>77,192</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,033,965)	11,904	(280,790)	3,330	3,332
<b>Other Financing Sources (Uses):</b>					
Sale of Notes	825,431	0	0	0	0
Transfers In	175,000	0	272,400	0	0
Transfers Out	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>1,000,431</b>	<b>0</b>	<b>272,400</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balances	(33,534)	11,904	(8,390)	3,330	3,332
<b>Fund Balances at Beginning of Year</b>	<b>973,488</b>	<b>121,428</b>	<b>93,402</b>	<b>15,588</b>	<b>15,631</b>
Decrease in Inventory	0	0	(74)	0	0
<b>Fund Balances End of Year</b>	<b>\$ 939,954</b>	<b>\$ 133,332</b>	<b>\$ 84,938</b>	<b>\$ 18,918</b>	<b>\$ 18,963</b>

**CITY OF PAINESVILLE, OHIO**

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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	\$ 80,642	\$ 0	\$ 0
0	0	0	18,669	0	0
0	0	0	0	0	0
2,075	16,116	19,626	0	0	100,905
250	0	0	0	0	0
<u>2,325</u>	<u>16,116</u>	<u>19,626</u>	<u>99,311</u>	<u>0</u>	<u>100,905</u>
0	33,334	0	1,316	0	121,287
7,222	0	0	4,987	0	0
0	0	0	0	1,275	0
0	0	0	0	0	0
0	0	0	223,545	0	0
0	0	0	15,032	0	0
<u>7,222</u>	<u>33,334</u>	<u>0</u>	<u>244,880</u>	<u>1,275</u>	<u>121,287</u>
(4,897)	(17,218)	19,626	(145,569)	(1,275)	(20,382)
0	0	0	149,050	0	0
0	0	0	0	0	0
0	0	0	(20,000)	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>129,050</u>	<u>0</u>	<u>0</u>
(4,897)	(17,218)	19,626	(16,519)	(1,275)	(20,382)
23,437	98,040	64,713	(62,750)	4,206	38,818
0	0	0	0	0	0
<u>\$ 18,540</u>	<u>\$ 80,822</u>	<u>\$ 84,339</u>	<u>\$ (79,269)</u>	<u>\$ 2,931</u>	<u>\$ 18,436</u>

(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, 2012**

	COPS Fast Grant Fund	Fire Fund	Victim's Advocate Grant Fund	Emergency Medical Services Fund
<b>Revenues:</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	42,647	0
Charges for Services	0	0	0	604,816
Fines and Forfeitures	0	0	0	0
All Other Revenues	4,000	6,434	0	0
<b>Total Revenues</b>	<b>4,000</b>	<b>6,434</b>	<b>42,647</b>	<b>604,816</b>
<b>Expenditures:</b>				
Current:				
General Government	0	0	49,144	0
Public Safety	0	214	0	597,041
Highways and Streets	0	0	0	0
Public Health and Welfare	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	1,908
Interest & Fiscal Charges	0	0	0	32
<b>Total Expenditures</b>	<b>0</b>	<b>214</b>	<b>49,144</b>	<b>598,981</b>
Excess (Deficiency) of Revenues Over Expenditures	4,000	6,220	(6,497)	5,835
<b>Other Financing Sources (Uses):</b>				
Sale of Notes	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	(15,000)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(15,000)</b>
Net Change in Fund Balances	4,000	6,220	(6,497)	(9,165)
<b>Fund Balances at Beginning of Year</b>	<b>7,820</b>	<b>926</b>	<b>14,675</b>	<b>533,194</b>
Decrease in Inventory	0	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ 11,820</b>	<b>\$ 7,146</b>	<b>\$ 8,178</b>	<b>\$ 524,029</b>

**CITY OF PAINESVILLE, OHIO**

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Municipal Court Computerization Fund	Columbarium Trust Fund	Law Enforcement Trust Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 206,968
0	0	0	822,549
0	0	0	729,412
90,911	0	0	229,633
0	0	900	14,226
<u>90,911</u>	<u>0</u>	<u>900</u>	<u>2,002,788</u>
86,373	0	0	293,840
0	0	3,486	764,950
0	0	0	733,658
0	0	0	406,188
0	0	0	1,185,393
0	0	0	73,153
<u>86,373</u>	<u>0</u>	<u>3,486</u>	<u>3,457,182</u>
4,538	0	(2,586)	(1,454,394)
0	0	0	974,481
0	0	0	447,400
0	0	0	(35,000)
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,386,881</u>
4,538	0	(2,586)	(67,513)
23,765	89	17,319	1,983,789
0	0	0	(74)
<u>\$ 28,303</u>	<u>\$ 89</u>	<u>\$ 14,733</u>	<u>\$ 1,916,202</u>

**CITY OF PAINESVILLE, OHIO**

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**Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2012**

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	General Bond Retirement Fund	Special Assessment Bond Retirement Fund	Total Nonmajor Debt Service Funds
<b>Assets:</b>			
Pooled Cash and Investments	\$ 102,737	\$ 162,962	\$ 265,699
Receivables:			
Taxes	55,776	0	55,776
Intergovernmental	3,472	0	3,472
Special Assessments	0	310,000	310,000
<b>Total Assets</b>	<u>\$ 161,985</u>	<u>\$ 472,962</u>	<u>\$ 634,947</u>
<b>Liabilities:</b>			
<b>Total Liabilities</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable Amounts	8,894	310,000	318,894
Property Tax Levy for Next Fiscal Year	50,354	0	50,354
<b>Total Deferred Inflows of Resources</b>	<u>59,248</u>	<u>310,000</u>	<u>369,248</u>
<b>Fund Balances:</b>			
Restricted	102,737	162,962	265,699
<b>Total Fund Balances</b>	<u>102,737</u>	<u>162,962</u>	<u>265,699</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 161,985</u>	<u>\$ 472,962</u>	<u>\$ 634,947</u>

**CITY OF PAINESVILLE, OHIO**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2012***

	General Bond Retirement Fund	Special Assessment Bond Retirement Fund	Total Nonmajor Debt Service Funds
<b>Revenues:</b>			
Property Taxes	\$ 54,915	\$ 0	\$ 54,915
Intergovernmental Revenues	13,889	0	13,889
Special Assessments	0	115,843	115,843
<b>Total Revenues</b>	<b>68,804</b>	<b>115,843</b>	<b>184,647</b>
<b>Expenditures:</b>			
Current:			
General Government	1,175	19,219	20,394
Debt Service:			
Principal Retirement	140,000	39,000	179,000
Interest & Fiscal Charges	142,301	41,792	184,093
<b>Total Expenditures</b>	<b>283,476</b>	<b>100,011</b>	<b>383,487</b>
Excess (Deficiency) of Revenues Over Expenditures	(214,672)	15,832	(198,840)
<b>Other Financing Sources (Uses):</b>			
Premiums on Debt Issuances	156,564	0	156,564
<b>Total Other Financing Sources (Uses)</b>	<b>156,564</b>	<b>0</b>	<b>156,564</b>
Net Change in Fund Balances	(58,108)	15,832	(42,276)
<b>Fund Balances at Beginning of Year</b>	<b>160,845</b>	<b>147,130</b>	<b>307,975</b>
<b>Fund Balances End of Year</b>	<b>\$ 102,737</b>	<b>\$ 162,962</b>	<b>\$ 265,699</b>

**CITY OF PAINESVILLE, OHIO**

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**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2012**

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	Municipal Court Improvement Fund	Capital Equipment Reserve Fund	Capital Improvement Fund	Lake Hospital Demolition Fund
<b>Assets:</b>				
Pooled Cash and Investments	\$ 62,404	\$ 233,729	\$ 295,830	\$ 28,911
Prepaid Items	0	0	0	0
<b>Total Assets</b>	<b>\$ 62,404</b>	<b>\$ 233,729</b>	<b>\$ 295,830</b>	<b>\$ 28,911</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 38	\$ 950	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Retainage Payable	0	0	0	20,164
<b>Total Liabilities</b>	<b>0</b>	<b>38</b>	<b>950</b>	<b>20,164</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	0
Restricted	62,404	0	0	8,747
Committed	0	233,691	294,880	0
<b>Total Fund Balances</b>	<b>62,404</b>	<b>233,691</b>	<b>294,880</b>	<b>8,747</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 62,404</b>	<b>\$ 233,729</b>	<b>\$ 295,830</b>	<b>\$ 28,911</b>

**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	Total Nonmajor Capital Projects Funds
\$ 116,715	\$ 40,976	\$ 232,469	\$ 290,499	\$ 8,714	\$ 1,310,247
0	0	305	0	0	305
<u>\$ 116,715</u>	<u>\$ 40,976</u>	<u>\$ 232,774</u>	<u>\$ 290,499</u>	<u>\$ 8,714</u>	<u>\$ 1,310,552</u>
\$ 0	\$ 0	\$ 2,845	\$ 0	\$ 1,628	\$ 5,461
0	0	993	0	0	993
0	0	0	0	0	20,164
<u>0</u>	<u>0</u>	<u>3,838</u>	<u>0</u>	<u>1,628</u>	<u>26,618</u>
0	0	305	0	0	305
116,715	0	228,631	290,499	7,086	714,082
0	40,976	0	0	0	569,547
<u>116,715</u>	<u>40,976</u>	<u>228,936</u>	<u>290,499</u>	<u>7,086</u>	<u>1,283,934</u>
<u>\$ 116,715</u>	<u>\$ 40,976</u>	<u>\$ 232,774</u>	<u>\$ 290,499</u>	<u>\$ 8,714</u>	<u>\$ 1,310,552</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, 2012**

	Municipal Court Improvement Fund	Capital Equipment Reserve Fund	Capital Improvement Fund	Lake Hospital Demolition Fund
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 50,000	\$ 2,404
Fines and Forfeitures	45,688	0	0	0
All Other Revenues	0	0	6,561	0
<b>Total Revenues</b>	<b>45,688</b>	<b>0</b>	<b>56,561</b>	<b>2,404</b>
<b>Expenditures:</b>				
Current:				
General Government	0	0	0	0
Highways and Streets	0	0	13,805	0
Community Environment	0	0	0	0
Capital Outlay	0	330,456	208,667	2,395
Debt Service:				
Principal Retirement	0	10,627	0	0
Interest & Fiscal Charges	0	90	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>341,173</b>	<b>222,472</b>	<b>2,395</b>
Excess (Deficiency) of Revenues Over Expenditures	45,688	(341,173)	(165,911)	9
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	175,000	50,000	0
Insurance Proceeds	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>175,000</b>	<b>50,000</b>	<b>0</b>
Net Change in Fund Balances	45,688	(166,173)	(115,911)	9
<b>Fund Balances at Beginning of Year</b>	<b>16,716</b>	<b>399,864</b>	<b>410,791</b>	<b>8,738</b>
<b>Fund Balances End of Year</b>	<b>\$ 62,404</b>	<b>\$ 233,691</b>	<b>\$ 294,880</b>	<b>\$ 8,747</b>

**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	Total Nonmajor Capital Project Funds
\$ 1,351	\$ 0	\$ 0	\$ 2,066,803	\$ 0	\$ 2,120,558
0	0	109,239	0	0	154,927
0	0	0	159,887	200	166,648
<u>1,351</u>	<u>0</u>	<u>109,239</u>	<u>2,226,690</u>	<u>200</u>	<u>2,442,133</u>
0	0	86,098	0	607,685	693,783
0	0	0	2,146,989	0	2,160,794
0	0	0	33,004	0	33,004
1,351	0	72,249	0	1,628	616,746
0	10,000	0	0	0	20,627
0	6,078	0	0	0	6,168
<u>1,351</u>	<u>16,078</u>	<u>158,347</u>	<u>2,179,993</u>	<u>609,313</u>	<u>3,531,122</u>
0	(16,078)	(49,108)	46,697	(609,113)	(1,088,989)
0	40,000	0	0	8,500	273,500
0	0	0	0	607,425	607,425
0	40,000	0	0	615,925	880,925
0	23,922	(49,108)	46,697	6,812	(208,064)
<u>116,715</u>	<u>17,054</u>	<u>278,044</u>	<u>243,802</u>	<u>274</u>	<u>1,491,998</u>
<u>\$ 116,715</u>	<u>\$ 40,976</u>	<u>\$ 228,936</u>	<u>\$ 290,499</u>	<u>\$ 7,086</u>	<u>\$ 1,283,934</u>

**CITY OF PAINESVILLE, OHIO**

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***Combining Balance Sheet  
Nonmajor Permanent Funds  
December 31, 2012***

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	Cemetery Trust Fund	Special Endowment Fund	Evergreen Cemetery Trust Fund	Riverside Cemetery Trust Fund
<b>Assets:</b>				
Pooled Cash and Investments	\$ 81,721	\$ 59,868	\$ 0	\$ 0
Restricted Assets:				
Cash and Cash Equivalents	0	0	405,467	369,767
<b>Total Assets</b>	<u>\$ 81,721</u>	<u>\$ 59,868</u>	<u>\$ 405,467</u>	<u>\$ 369,767</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 176	\$ 0	\$ 0	\$ 0
<b>Total Liabilities</b>	<u>176</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances:</b>				
Nonspendable	0	0	405,467	369,767
Restricted	81,545	59,868	0	0
<b>Total Fund Balances</b>	<u>81,545</u>	<u>59,868</u>	<u>405,467</u>	<u>369,767</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 81,721</u>	<u>\$ 59,868</u>	<u>\$ 405,467</u>	<u>\$ 369,767</u>

**CITY OF PAINESVILLE, OHIO**

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<u>Special Endowment Trust Fund</u>	<u>Total Nonmajor Permanent Funds</u>
\$ 0	\$ 141,589
<u>329,171</u>	<u>1,104,405</u>
<u>\$ 329,171</u>	<u>\$ 1,245,994</u>
<u>\$ 0</u>	<u>\$ 176</u>
<u>0</u>	<u>176</u>
<u>329,171</u>	<u>1,104,405</u>
<u>0</u>	<u>141,413</u>
<u>329,171</u>	<u>1,245,818</u>
<u>\$ 329,171</u>	<u>\$ 1,245,994</u>

**CITY OF PAINESVILLE, OHIO**

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***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2012***

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	Cemetery Trust Fund	Special Endowment Fund	Evergreen Cemetery Trust Fund	Riverside Cemetery Trust Fund
<b>Revenues:</b>				
Investment Earnings	\$ 830	\$ 346	\$ 0	\$ 0
All Other Revenues	0	0	840	5,040
<b>Total Revenues</b>	<u>830</u>	<u>346</u>	<u>840</u>	<u>5,040</u>
<b>Expenditures:</b>				
Current:				
Public Health and Welfare	1,320	0	0	0
<b>Total Expenditures</b>	<u>1,320</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(490)	346	840	5,040
<b>Fund Balances at Beginning of Year</b>	<u>82,035</u>	<u>59,522</u>	<u>404,627</u>	<u>364,727</u>
<b>Fund Balances End of Year</b>	<u>\$ 81,545</u>	<u>\$ 59,868</u>	<u>\$ 405,467</u>	<u>\$ 369,767</u>

**CITY OF PAINESVILLE, OHIO**

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<u>Special Endowment Trust Fund</u>	<u>Total Nonmajor Permanent Funds</u>
\$ 0	\$ 1,176
<u>4,920</u>	<u>10,800</u>
<u>4,920</u>	<u>11,976</u>
<u>0</u>	<u>1,320</u>
<u>0</u>	<u>1,320</u>
4,920	10,656
<u>324,251</u>	<u>1,235,162</u>
<u>\$ 329,171</u>	<u>\$ 1,245,818</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, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes:				
Property Taxes:				
Real Estate and Public Utility	\$ 400,000	\$ 430,000	\$ 415,836	\$ (14,164)
Tangible Personal	0	0	87	87
Total Property Taxes	400,000	430,000	415,923	(14,077)
Municipal Income Tax	7,155,000	7,455,000	7,430,482	(24,518)
Other Local Taxes	5,000	5,000	0	(5,000)
Total Taxes	7,560,000	7,890,000	7,846,405	(43,595)
Intergovernmental Revenues:				
Local	10	10	0	(10)
Local Government Fund - County	840,000	840,000	867,362	27,362
Local Government Fund - State	75,000	75,000	72,688	(2,312)
Inheritance Tax	100,000	255,000	258,312	3,312
Property Tax Allocation	115,000	115,000	125,001	10,001
Miscellaneous Tax	14,200	14,200	18,990	4,790
Total Intergovernmental Revenues	1,144,210	1,299,210	1,342,353	43,143
Charges for Services:				
General Government	1,475	1,475	3,660	2,185
Public Safety	3,610	3,610	6,010	2,400
Highways and Streets	30,000	30,000	20,412	(9,588)
Culture and Recreation	19,140	19,140	12,343	(6,797)
Community Environment	750	750	2,383	1,633
Total Charges for Services	54,975	54,975	44,808	(10,167)
Licenses, Permits and Inspection Fees:				
License Fees	25,140	25,140	30,075	4,935
Permit Fees	81,000	116,000	126,678	10,678
Inspection Fees	1,500	1,500	16,853	15,353
Zoning Appeal Fees	4,000	39,000	39,854	854
Other Fees	187,250	217,250	235,281	18,031
Total Licenses, Permits and Inspection Fees	298,890	398,890	448,741	49,851
Investment Earnings	315,000	315,000	260,565	(54,435)
Fines and Forfeitures	934,350	994,350	993,193	(1,157)
All Other Revenues	315,910	317,617	328,712	11,095
Total Revenues	10,623,335	11,270,042	11,264,777	(5,265)

(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, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Expenditures:</b>				
General Government:				
Legislative:				
Council:				
Personal Services	1,401,305	1,219,564	1,199,104	20,460
All Other Expenditures	1,011	1,011	969	42
Clerk of Council:				
Personal Services	8,808	8,808	8,579	229
All Other Expenditures	2,500	2,621	2,527	94
Judicial - Municipal Court:				
Judicial Activities:				
Personal Services	217,776	227,426	222,448	4,978
Clerk of Court:				
Personal Services	528,542	530,892	528,147	2,745
All Other Expenditures	38,210	44,578	43,784	794
Probation:				
Personal Services	176,266	177,216	175,430	1,786
Executive:				
City Manager:				
Personal Services	48,572	46,682	44,317	2,365
All Other Expenditures	3,363	4,103	3,985	118
Comm., Promotions and Public Relations Activities:				
All Other Expenditures	3,598	3,378	3,207	171
Information Technology:				
All Other Expenditures	34,275	32,235	32,188	47
Capital Outlay	6,000	6,000	6,000	0
Human Resources:				
Personal Services	36,103	22,806	21,971	835
All Other Expenditures	10,359	10,209	9,876	333
Economic Development:				
Personal Services	19,628	17,787	17,417	370
All Other Expenditures	9,557	9,557	9,255	302

(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, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Finance:				
Administration:				
Personal Services	44,608	44,828	44,417	411
All Other Expenditures	7,102	7,257	7,209	48
Accounting:				
Personal Services	30,566	30,711	30,378	333
All Other Expenditures	24,879	24,979	24,876	103
Purchasing/Warehousing:				
Personal Services	21,993	22,138	21,921	217
All Other Expenditures	1,457	1,577	1,369	208
Income Tax Collection:				
All Other Expenditures	205,265	197,065	197,045	20
Law:				
Administration:				
Personal Services	29,933	29,933	29,398	535
All Other Expenditures	17,185	18,285	18,226	59
Engineering:				
Administration:				
Personal Services	110,010	110,755	109,232	1,523
All Other Expenditures	7,251	6,850	6,235	615
Public Lands and Buildings:				
Building Operations Maintenance and Repair:				
Personal Services	18,987	17,010	16,642	368
All Other Expenditures	40,909	39,509	38,736	773
Miscellaneous:				
Insurance:				
All Other Expenditures	33,187	34,931	34,930	1
Tax Settlement Deductions:				
All Other Expenditures	15,475	14,961	14,944	17
Other Miscellaneous:				
Personal Services	197,000	432,000	430,277	1,723
All Other Expenditures	140,980	196,305	176,107	20,198
Total General Government	<u>3,492,660</u>	<u>3,593,967</u>	<u>3,531,146</u>	<u>62,821</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, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Public Safety:				
Police:				
Law Enforcement - Sworn Officers:				
Personal Services	3,411,300	3,318,987	3,250,094	68,893
Law Enforcement - Other:				
Personal Services	292,247	267,036	250,297	16,739
All Other Expenditures	211,641	222,401	218,156	4,245
Fire:				
Fire Fighting, Prevention and Inspection:				
Personal Services	1,943,551	1,913,991	1,845,185	68,806
All Other Expenditures	124,651	125,841	122,009	3,832
Fire Service - Other:				
Personal Services	151,611	112,336	106,275	6,061
Police and Fire Communications:				
Control Center:				
All Other Expenditures	473,439	473,439	473,439	0
Total Public Safety	<u>6,608,440</u>	<u>6,434,031</u>	<u>6,265,455</u>	<u>168,576</u>
Highways and Streets:				
Public Works:				
Administration:				
Personal Services	89,809	90,949	89,077	1,872
All Other Expenditures	23,996	23,396	23,095	301
Street Maintenance and Repair:				
All Other Expenditures	35,071	35,071	35,051	20
Sidewalks:				
All Other Expenditures	1,229	1,229	1,229	0
Building Maintenance:				
All Other Expenditures	46,721	39,517	39,099	418
Equipment Maintenance:				
Personal Services	26,022	26,192	25,631	561
All Other Expenditures	136,776	131,656	129,732	1,924

(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, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Employee Benefits:				
Personal Services	274,031	272,496	265,078	7,418
Sidewalks - Snow Removal:				
All Other Expenditures	3,631	3,631	3,631	0
Leaf/Yard Waste Removal:				
All Other Expenditures	9	9	9	0
Parking:				
Parking Meters:				
Other Expenditures	1,784	1,784	1,506	278
Parking Lots:				
All Other Expenditures	19,400	19,400	19,393	7
Traffic Signs, Markings:				
Traffic Signs, Markings, Signals:				
Personal Services	31,194	31,384	30,179	1,205
All Other Expenditures	30,183	30,528	29,678	850
Total Highways and Streets	<u>719,856</u>	<u>707,242</u>	<u>692,388</u>	<u>14,854</u>
Public Health and Welfare:				
Support of Prisoners:				
Prisoner Expense:				
All Other Expenditures	200	200	20	180
Payments to County Health Board:				
County Health District Assessments:				
All Other Expenditures	123,330	119,730	119,663	67
Assistance to Needy/Aged:				
Poor Relief:				
All Other Expenditures	0	2,750	2,395	355
Total Public Health and Welfare	<u>123,530</u>	<u>122,680</u>	<u>122,078</u>	<u>602</u>
Culture and Recreation:				
Parks:				
Administration:				
Personal Services	128,196	117,055	113,384	3,671
All Other Expenditures	9,632	8,972	8,860	112
Parks Systems:				
Personal Services	243,854	222,541	217,917	4,624
All Other Expenditures	69,449	69,448	68,489	959

(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, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Building Maintenance:				
All Other Expenditures	13,940	20,270	19,949	321
Morse Avenue Community Center:				
All Other Expenditures	8,878	8,878	8,131	747
Recreation Activities:				
Personal Services	133,491	129,550	128,462	1,088
All Other Expenditures	19,970	18,270	17,631	639
Other Leisure Time Activities:				
Senior Citizens Center:				
All Other Expenditures	25,000	25,000	25,000	0
Community Functions:				
All Other Expenditures	22,085	22,085	22,000	85
Total Culture and Recreation	<u>674,495</u>	<u>642,069</u>	<u>629,823</u>	<u>12,246</u>
Community Environment:				
Community Planning and Zoning:				
Planning Commission:				
Personal Services	515	715	636	79
All Other Expenditures	455	505	467	38
Planning and Development:				
Personal Services	30,610	29,255	28,916	339
All Other Expenditures	2,622	2,202	1,785	417
Housing and Building Code Enforcement:				
Code Enforcement:				
Personal Services	142,076	121,193	117,966	3,227
All Other Expenditures	12,288	12,293	11,685	608
Weed Control:				
All Other Expenditures	14,150	14,684	14,675	9
Total Community Environment	<u>202,716</u>	<u>180,847</u>	<u>176,130</u>	<u>4,717</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, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Debt Service:				
Principal Retirement	59,733	60,116	60,059	57
Interest and Fiscal Charges	12,934	12,551	12,547	4
Total Expenditures	<u>11,894,364</u>	<u>11,753,503</u>	<u>11,489,626</u>	<u>263,877</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,271,029)	(483,461)	(224,849)	258,612
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	10	10	758	748
Sale of General Obligation Notes	220,000	220,000	216,000	(4,000)
Transfers In	820,000	1,200,000	1,183,624	(16,376)
Transfers Out	(335,000)	(982,900)	(982,900)	0
Advances Out	(229,390)	(356,010)	(356,010)	0
Total Other Financing Sources (Uses)	<u>475,620</u>	<u>81,100</u>	<u>61,472</u>	<u>(19,628)</u>
Net Change in Fund Balance	(795,409)	(402,361)	(163,377)	238,984
Fund Balance at Beginning of Year	4,445,543	4,445,543	4,445,543	0
Prior Year Encumbrances	444,108	444,108	444,108	0
Fund Balance at End of Year	<u>\$ 4,094,242</u>	<u>\$ 4,487,290</u>	<u>\$ 4,726,274</u>	<u>\$ 238,984</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, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 480,000	\$ 480,000	\$ 507,389	\$ 27,389
Total Revenues	<u>480,000</u>	<u>480,000</u>	<u>507,389</u>	<u>27,389</u>
<b>Expenditures:</b>				
General Government:				
All Other Expenditures	133,742	139,942	139,050	892
Capital Outlay	4,666,411	4,666,411	1,747,335	2,919,076
Total Expenditures	<u>4,800,153</u>	<u>4,806,353</u>	<u>1,886,385</u>	<u>2,919,968</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,320,153)	(4,326,353)	(1,378,996)	2,947,357
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	4,666,411	500,000	500,000	0
General Obligation Bonds Issued	0	5,485,000	5,485,000	0
Premiums on Debt Issuances	0	0	367	367
Total Other Financing Sources (Uses)	<u>4,666,411</u>	<u>5,985,000</u>	<u>5,985,367</u>	<u>367</u>
Net Change in Fund Balance	346,258	1,658,647	4,606,371	2,947,724
Fund Balance at Beginning of Year	531,004	531,004	531,004	0
Prior Year Encumbrances	33,742	33,742	33,742	0
Fund Balance at End of Year	<u>\$ 911,004</u>	<u>\$ 2,223,393</u>	<u>\$ 5,171,117</u>	<u>\$ 2,947,724</u>

**CITY OF PAINESVILLE, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Fund – Capital Projects Fund – Shamrock Boulevard Road Project Fund  
For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 3,000,000	\$ 0	\$ 0	\$ 0
Total Revenues	<u>3,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures:</b>				
Highways and Streets:				
Miscellaneous:				
Capital Outlay	3,000,000	135	135	0
Debt Service:				
Principal Retirement	1,881,840	1,881,840	1,881,840	0
Interest and Fiscal Charges	30,600	30,600	30,459	141
Total Expenditures	<u>4,912,440</u>	<u>1,912,575</u>	<u>1,912,434</u>	<u>141</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,912,440)	(1,912,575)	(1,912,434)	141
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	1,881,840	1,881,840	1,914,640	32,800
Premiums on Debt Issuances	0	0	1,134	1,134
Total Other Financing Sources (Uses)	<u>1,881,840</u>	<u>1,881,840</u>	<u>1,915,774</u>	<u>33,934</u>
Net Change in Fund Balance	(30,600)	(30,735)	3,340	34,075
Fund Balance at Beginning of Year	130,985	130,985	130,985	0
Fund Balance at End of Year	<u>\$ 100,385</u>	<u>\$ 100,250</u>	<u>\$ 134,325</u>	<u>\$ 34,075</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, 2012**

**STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 605,000	\$ 605,000	\$ 587,505	\$ (17,495)
All Other Revenues	0	0	1,840	1,840
Total Revenues	<u>605,000</u>	<u>605,000</u>	<u>589,345</u>	<u>(15,655)</u>
<b>Expenditures:</b>				
Highways and Streets:				
Public Works:				
Administration:				
Personal Services	164,855	161,530	93,431	68,099
Street Construction and Reconstruction:				
Personal Service	170,648	173,448	163,087	10,361
Capital Outlay	327,290	327,290	327,290	0
Street Maintenance and Repair:				
All Other Expenditures	18,943	19,468	19,062	406
Snow and Ice Removal:				
All Other Expenditures	204,119	204,119	204,118	1
Debt Service:				
Principal Retirement	959,941	959,941	959,940	1
Interest Charges	58,271	58,271	58,240	31
Total Expenditures	<u>1,904,067</u>	<u>1,904,067</u>	<u>1,825,168</u>	<u>78,899</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,299,067)	(1,299,067)	(1,235,823)	63,244
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	825,430	825,430	825,431	1
Premiums on Debt Issuances	0	0	151	151
Transfers In	96,000	271,000	271,000	0
Total Other Financing Sources (Uses)	<u>921,430</u>	<u>1,096,430</u>	<u>1,096,582</u>	<u>152</u>
Net Changes in Fund Balance	(377,637)	(202,637)	(139,241)	63,396
Fund Balance at Beginning of Year	715,302	715,302	715,302	0
Prior Year Encumbrances	169,127	169,127	169,127	0
Fund Balance at End of Year	<u>\$ 506,792</u>	<u>\$ 681,792</u>	<u>\$ 745,188</u>	<u>\$ 63,396</u>

**CITY OF PAINESVILLE, OHIO**

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***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, 2012***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	<u>\$ 47,000</u>	<u>\$ 47,000</u>	<u>\$ 47,635</u>	<u>\$ 635</u>
Total Revenues	<u>47,000</u>	<u>47,000</u>	<u>47,635</u>	<u>635</u>
<b>Expenditures:</b>				
Highways and Streets:				
Public Works:				
State Highway Maintenance:				
All Other Expenditures	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>0</u>
Total Expenditures	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,000)	(18,000)	(17,365)	635
Fund Balance at Beginning of Year	<u>120,236</u>	<u>120,236</u>	<u>120,236</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 102,236</u>	<u>\$ 102,236</u>	<u>\$ 102,871</u>	<u>\$ 635</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, 2012**

<b>CEMETERIES FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>				
Charges for Services	\$ 104,850	\$ 104,850	\$ 124,596	\$ 19,746
All Other Revenues	0	0	802	802
Total Revenues	<u>104,850</u>	<u>104,850</u>	<u>125,398</u>	<u>20,548</u>
<b>Expenditures:</b>				
Public Health and Welfare:				
Cemeteries:				
Administration:				
Personal Services	275,739	246,935	223,691	23,244
All Other Expenditures	6,800	7,304	7,172	132
Evergreen/Riverside Cemeteries:				
Personal Services	174,517	160,185	145,729	14,456
All Other Expenditures	26,725	26,725	25,590	1,135
Building Maintenance:				
All Other Expenditures	11,647	11,647	9,837	1,810
Total Expenditures	<u>495,428</u>	<u>452,796</u>	<u>412,019</u>	<u>40,777</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(390,578)	(347,946)	(286,621)	61,325
<b>Other Financing Sources (Uses):</b>				
Transfers In	315,000	315,000	272,400	(42,600)
Total Other Financing Sources (Uses)	<u>315,000</u>	<u>315,000</u>	<u>272,400</u>	<u>(42,600)</u>
Net Change in Fund Balance	(75,578)	(32,946)	(14,221)	18,725
Fund Balance at Beginning of Year	100,731	100,731	100,731	0
Prior Year Encumbrances	3,365	3,365	3,365	0
Fund Balance at End of Year	<u>\$ 28,518</u>	<u>\$ 71,150</u>	<u>\$ 89,875</u>	<u>\$ 18,725</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, 2012**

<b>POLICE PENSION TRANSFER FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Taxes	\$ 54,000	\$ 59,055	\$ 63,163	\$ 4,108
Intergovernmental Revenues	19,000	19,000	17,361	(1,639)
Total Revenues	<u>73,000</u>	<u>78,055</u>	<u>80,524</u>	<u>2,469</u>
<b>Expenditures:</b>				
Public Safety:				
Police:				
Law-Enforcement-Sworn Officer:				
Personal Services	80,000	79,805	76,000	3,805
All Other Expenditures	1,000	1,195	1,194	1
Total Expenditures	<u>81,000</u>	<u>81,000</u>	<u>77,194</u>	<u>3,806</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,000)	(2,945)	3,330	6,275
Fund Balance at Beginning of Year	15,588	15,588	15,588	0
Fund Balance at End of Year	<u>\$ 7,588</u>	<u>\$ 12,643</u>	<u>\$ 18,918</u>	<u>\$ 6,275</u>

**CITY OF PAINESVILLE, OHIO**

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**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, 2012**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 54,000	\$ 59,055	\$ 63,163	\$ 4,108
Intergovernmental Revenues	<u>19,000</u>	<u>19,000</u>	<u>17,361</u>	<u>(1,639)</u>
Total Revenues	<u>73,000</u>	<u>78,055</u>	<u>80,524</u>	<u>2,469</u>
<b>Expenditures:</b>				
Public Safety:				
Fire:				
Fire Fighting, Prevention, Inspection:				
Personal Services	80,000	79,805	76,000	3,805
All Other Expenditures	<u>1,000</u>	<u>1,195</u>	<u>1,192</u>	<u>3</u>
Total Expenditures	<u>81,000</u>	<u>81,000</u>	<u>77,192</u>	<u>3,808</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,000)	(2,945)	3,332	6,277
Fund Balance at Beginning of Year	<u>15,631</u>	<u>15,631</u>	<u>15,631</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,631</u>	<u>\$ 12,686</u>	<u>\$ 18,963</u>	<u>\$ 6,277</u>

**CITY OF PAINESVILLE, OHIO**

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**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, 2012**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 0	\$ 0	\$ 2,075	\$ 2,075
All Other Revenues	13,000	5,000	250	(4,750)
Total Revenues	<u>13,000</u>	<u>5,000</u>	<u>2,325</u>	<u>(2,675)</u>
<b>Expenditures:</b>				
Public Safety:				
Police:				
Law-Enforcement-Other:				
All Other Expenditures	15,121	15,121	9,520	5,601
Total Expenditures	<u>15,121</u>	<u>15,121</u>	<u>9,520</u>	<u>5,601</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,121)	(10,121)	(7,195)	2,926
Fund Balance at Beginning of Year	21,056	21,056	21,056	0
Prior Year Encumbrances	2,621	2,621	2,621	0
Fund Balance at End of Year	<u>\$ 21,556</u>	<u>\$ 13,556</u>	<u>\$ 16,482</u>	<u>\$ 2,926</u>

**CITY OF PAINESVILLE, OHIO**

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**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, 2012**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 32,000	\$ 32,000	\$ 34,346	\$ 2,346
Total Revenues	<u>32,000</u>	<u>32,000</u>	<u>34,346</u>	<u>2,346</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	32,000	32,000	34,346	2,346
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(32,000)</u>	<u>(32,000)</u>	<u>(32,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(32,000)</u>	<u>(32,000)</u>	<u>(32,000)</u>	<u>0</u>
Net Change in Fund Balance	0	0	2,346	2,346
Fund Balance at Beginning of Year	<u>5,047</u>	<u>5,047</u>	<u>5,047</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,047</u>	<u>\$ 5,047</u>	<u>\$ 7,393</u>	<u>\$ 2,346</u>

**CITY OF PAINESVILLE, OHIO**

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***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, 2012***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 17,000	\$ 17,000	\$ 16,116	\$ (884)
Total Revenues	<u>17,000</u>	<u>17,000</u>	<u>16,116</u>	<u>(884)</u>
<b>Expenditures:</b>				
General Government:				
All Other Expenditures	<u>73,137</u>	<u>73,137</u>	<u>68,415</u>	<u>4,722</u>
Total Expenditures	<u>73,137</u>	<u>73,137</u>	<u>68,415</u>	<u>4,722</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,137)	(56,137)	(52,299)	3,838
Fund Balance at Beginning of Year	64,903	64,903	64,903	0
Prior Year Encumbrances	<u>33,137</u>	<u>33,137</u>	<u>33,137</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 41,903</u>	<u>\$ 41,903</u>	<u>\$ 45,741</u>	<u>\$ 3,838</u>

**CITY OF PAINESVILLE, OHIO**

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**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, 2012**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 3,000	\$ 18,000	\$ 19,626	\$ 1,626
Total Revenues	<u>3,000</u>	<u>18,000</u>	<u>19,626</u>	<u>1,626</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,000	18,000	19,626	1,626
Fund Balance at Beginning of Year	<u>64,713</u>	<u>64,713</u>	<u>64,713</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 67,713</u>	<u>\$ 82,713</u>	<u>\$ 84,339</u>	<u>\$ 1,626</u>

**CITY OF PAINESVILLE, OHIO**

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**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, 2012**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 64,000	\$ 64,000	\$ 68,779	\$ 4,779
Total Revenues	<u>64,000</u>	<u>64,000</u>	<u>68,779</u>	<u>4,779</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	64,000	64,000	68,779	4,779
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(64,000)</u>	<u>(64,000)</u>	<u>(64,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(64,000)</u>	<u>(64,000)</u>	<u>(64,000)</u>	<u>0</u>
Net Change in Fund Balance	0	0	4,779	4,779
Fund Balance at Beginning of Year	<u>8,946</u>	<u>8,946</u>	<u>8,946</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,946</u>	<u>\$ 8,946</u>	<u>\$ 13,725</u>	<u>\$ 4,779</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, 2012**

<b>FIRE LEVY FUND</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 76,000	\$ 81,446	\$ 80,642	\$ (804)
Intergovernmental Revenues	15,000	15,000	18,669	3,669
Total Revenues	<u>91,000</u>	<u>96,446</u>	<u>99,311</u>	<u>2,865</u>
<b>Expenditures:</b>				
Public Safety:				
Fire Fighting, Prevention, Inspection:				
All Other Expenditures	1,500	1,500	1,316	184
Fire Service - Other:				
All Other Expenditures	6,504	6,504	5,519	985
Capital Outlay	85,000	85,000	85,000	0
Debt Service:				
Principal Retirement	223,546	223,546	223,545	1
Interest and Fiscal Charges	15,060	15,060	15,059	1
Total Expenditures	<u>331,610</u>	<u>331,610</u>	<u>330,439</u>	<u>1,171</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(240,610)	(235,164)	(231,128)	4,036
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	149,050	149,050	149,050	0
Premiums on Debt Issuances	0	0	27	27
Transfers Out	(20,000)	(20,000)	(20,000)	0
Total Other Financing Sources (Uses)	<u>129,050</u>	<u>129,050</u>	<u>129,077</u>	<u>27</u>
Net Changes in Fund Balance	(111,560)	(106,114)	(102,051)	4,063
Fund Balance at Beginning of Year	197,246	197,246	197,246	0
Prior Year Encumbrances	4	4	4	0
Fund Balance at End of Year	<u>\$ 85,690</u>	<u>\$ 91,136</u>	<u>\$ 95,199</u>	<u>\$ 4,063</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, 2012**

<b>UNDERGROUND STORAGE TANK FUND</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Highways and Streets:				
All Other Expenditures	1,519	1,519	1,519	0
Total Expenditures	<u>1,519</u>	<u>1,519</u>	<u>1,519</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,519)	(1,519)	(1,519)	0
Fund Balance at Beginning of Year	3,931	3,931	3,931	0
Prior Year Encumbrances	519	519	519	0
Fund Balance at End of Year	<u>\$ 2,931</u>	<u>\$ 2,931</u>	<u>\$ 2,931</u>	<u>\$ 0</u>

**CITY OF PAINESVILLE, OHIO**

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**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, 2012**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 120,000	\$ 105,000	\$ 100,905	\$ (4,095)
Total Revenues	<u>120,000</u>	<u>105,000</u>	<u>100,905</u>	<u>(4,095)</u>
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Probation:				
Personal Services	111,715	107,565	97,612	9,953
All Other Expenditures	<u>41,358</u>	<u>40,508</u>	<u>32,561</u>	<u>7,947</u>
Total Expenditures	<u>153,073</u>	<u>148,073</u>	<u>130,173</u>	<u>17,900</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,073)	(43,073)	(29,268)	13,805
Fund Balance at Beginning of Year	33,427	33,427	33,427	0
Prior Year Encumbrances	<u>12,858</u>	<u>12,858</u>	<u>12,858</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 13,212</u>	<u>\$ 3,212</u>	<u>\$ 17,017</u>	<u>\$ 13,805</u>

**CITY OF PAINESVILLE, OHIO**

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***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, 2012***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,000</u>	<u>\$ 4,000</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>4,000</u>	<u>4,000</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	4,000	4,000
Fund Balance at Beginning of Year	<u>7,820</u>	<u>7,820</u>	<u>7,820</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,820</u>	<u>\$ 7,820</u>	<u>\$ 11,820</u>	<u>\$ 4,000</u>

**CITY OF PAINESVILLE, OHIO**

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***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, 2012***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>				
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**

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***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, 2012***

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	<b>FIRE FUND</b>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
All Other Revenues	<u>\$ 0</u>	<u>\$ 6,000</u>	<u>\$ 6,434</u>	<u>\$ 434</u>
Total Revenues	<u>0</u>	<u>6,000</u>	<u>6,434</u>	<u>434</u>
<b>Expenditures:</b>				
Public Safety:				
All Other Expenditures	<u>600</u>	<u>600</u>	<u>214</u>	<u>386</u>
Total Expenditures	<u>600</u>	<u>600</u>	<u>214</u>	<u>386</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(600)	5,400	6,220	820
Fund Balance at Beginning of Year	<u>926</u>	<u>926</u>	<u>926</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 326</u>	<u>\$ 6,326</u>	<u>\$ 7,146</u>	<u>\$ 820</u>

**CITY OF PAINESVILLE, OHIO**

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**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, 2012**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 59,529	\$ 59,529	\$ 50,024	\$ (9,505)
Total Revenues	<u>59,529</u>	<u>59,529</u>	<u>50,024</u>	<u>(9,505)</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	<u>51,449</u>	<u>51,449</u>	<u>49,117</u>	<u>2,332</u>
Total Expenditures	<u>51,449</u>	<u>51,449</u>	<u>49,117</u>	<u>2,332</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,080	8,080	907	(7,173)
Fund Balance at Beginning of Year	<u>1,954</u>	<u>1,954</u>	<u>1,954</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 10,034</u>	<u>\$ 10,034</u>	<u>\$ 2,861</u>	<u>\$ (7,173)</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, 2012**

<b>EMERGENCY MEDICAL SERVICES FUND</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 625,000	\$ 625,000	\$ 596,170	\$ (28,830)
Total Revenues	<u>625,000</u>	<u>625,000</u>	<u>596,170</u>	<u>(28,830)</u>
<b>Expenditures:</b>				
Public Safety:				
Personal Services	511,221	513,066	490,757	22,309
All Other Expenditures	152,082	141,437	136,903	4,534
Capital Outlay	36,136	29,936	23,221	6,715
Debt Service:				
Principal Retirement	1,908	1,908	1,908	0
Interest and Fiscal Charges	<u>33</u>	<u>33</u>	<u>32</u>	<u>1</u>
Total Expenditures	<u>701,380</u>	<u>686,380</u>	<u>652,821</u>	<u>33,559</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(76,380)	(61,380)	(56,651)	4,729
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>0</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>0</u>
Net Change in Fund Balance	(76,380)	(76,380)	(71,651)	4,729
Fund Balance at Beginning of Year	438,406	438,406	438,406	0
Prior Year Encumbrances	<u>37,459</u>	<u>37,459</u>	<u>37,459</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 399,485</u>	<u>\$ 399,485</u>	<u>\$ 404,214</u>	<u>\$ 4,729</u>

**CITY OF PAINESVILLE, OHIO**

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**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, 2012**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 78,000</u>	<u>\$ 88,000</u>	<u>\$ 90,911</u>	<u>\$ 2,911</u>
Total Revenues	<u>78,000</u>	<u>88,000</u>	<u>90,911</u>	<u>2,911</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	<u>92,668</u>	<u>92,668</u>	<u>86,098</u>	<u>6,570</u>
Total Expenditures	<u>92,668</u>	<u>92,668</u>	<u>86,098</u>	<u>6,570</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,668)	(4,668)	4,813	9,481
Fund Balance at Beginning of Year	<u>26,791</u>	<u>26,791</u>	<u>26,791</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 12,123</u>	<u>\$ 22,123</u>	<u>\$ 31,604</u>	<u>\$ 9,481</u>

**CITY OF PAINESVILLE, OHIO**

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**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, 2012**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	<u>\$ 225</u>	<u>\$ 225</u>	<u>\$ 1,200</u>	<u>\$ 975</u>
Total Revenues	<u>225</u>	<u>225</u>	<u>1,200</u>	<u>975</u>
<b>Expenditures:</b>				
Community Environment:				
All Other Expenditures	<u>292</u>	<u>292</u>	<u>257</u>	<u>35</u>
Total Expenditures	<u>292</u>	<u>292</u>	<u>257</u>	<u>35</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(67)	(67)	943	1,010
Fund Balance at Beginning of Year	9,952	9,952	9,952	0
Prior Year Encumbrances	<u>67</u>	<u>67</u>	<u>67</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,952</u>	<u>\$ 9,952</u>	<u>\$ 10,962</u>	<u>\$ 1,010</u>

**CITY OF PAINESVILLE, OHIO**

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***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, 2012***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	<u>\$ 0</u>	<u>\$ 76</u>	<u>\$ 0</u>	<u>\$ (76)</u>
Total Revenues	<u>0</u>	<u>76</u>	<u>0</u>	<u>(76)</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	76	0	(76)
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>\$ 165</u>	<u>\$ 89</u>	<u>\$ (76)</u>

**CITY OF PAINESVILLE, OHIO**

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***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, 2012***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 1,115</u>	<u>\$ 615</u>
Total Revenues	<u>500</u>	<u>500</u>	<u>1,115</u>	<u>615</u>
<b>Expenditures:</b>				
Public Safety:				
All Other Expenditures	<u>6,000</u>	<u>6,000</u>	<u>3,486</u>	<u>2,514</u>
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>3,486</u>	<u>2,514</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,500)</u>	<u>(5,500)</u>	<u>(2,371)</u>	<u>3,129</u>
Fund Balance at Beginning of Year	<u>17,104</u>	<u>17,104</u>	<u>17,104</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,604</u>	<u>\$ 11,604</u>	<u>\$ 14,733</u>	<u>\$ 3,129</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, 2012***

<b>GENERAL BOND RETIREMENT FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Taxes	\$ 43,844	\$ 43,844	\$ 54,915	\$ 11,071
Intergovernmental Revenues	<u>15,000</u>	<u>15,000</u>	<u>13,889</u>	<u>(1,111)</u>
Total Revenues	<u>58,844</u>	<u>58,844</u>	<u>68,804</u>	<u>9,960</u>
<b>Expenditures:</b>				
General Government:				
All Other Expenditures	1,000	1,176	1,175	1
Debt Service Function:				
Debt Service:				
Principal Retirement	140,000	140,000	140,000	0
Interest and Fiscal Charges	<u>2,520</u>	<u>2,520</u>	<u>2,520</u>	<u>0</u>
Total Expenditures	<u>143,520</u>	<u>143,696</u>	<u>143,695</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(84,676)	(84,852)	(74,891)	9,961
<b>Other Financing Sources (Uses):</b>				
Premiums on Debt Issuance	<u>0</u>	<u>11,496</u>	<u>16,783</u>	<u>5,287</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>11,496</u>	<u>16,783</u>	<u>5,287</u>
Net Change in Fund Balance	(84,676)	(73,356)	(58,108)	15,248
Fund Balance at Beginning of Year	<u>160,845</u>	<u>160,845</u>	<u>160,845</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 76,169</u>	<u>\$ 87,489</u>	<u>\$ 102,737</u>	<u>\$ 15,248</u>

**CITY OF PAINESVILLE, OHIO**

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***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, 2012***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Special Assessments	<u>\$ 87,000</u>	<u>\$ 122,000</u>	<u>\$ 115,843</u>	<u>\$ (6,157)</u>
Total Revenues	<u>87,000</u>	<u>122,000</u>	<u>115,843</u>	<u>(6,157)</u>
<b>Expenditures:</b>				
General Government:				
All Other Expenditures	17,600	21,600	19,219	2,381
Debt Service Function:				
Debt Service - Unvoted:				
Debt Service:				
Principal Retirement	39,000	39,000	39,000	0
Interest and Fiscal Charges	<u>41,793</u>	<u>41,793</u>	<u>41,792</u>	<u>1</u>
Total Expenditures	<u>98,393</u>	<u>102,393</u>	<u>100,011</u>	<u>2,382</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,393)	19,607	15,832	(3,775)
Fund Balance at Beginning of Year	<u>147,130</u>	<u>147,130</u>	<u>147,130</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 135,737</u>	<u>\$ 166,737</u>	<u>\$ 162,962</u>	<u>\$ (3,775)</u>

**CITY OF PAINESVILLE, OHIO**

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**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, 2012**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>				
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
<b>Other Financing Sources (Uses):</b>				
Advances In	229,390	356,010	356,010	0
Advances Out	<u>(229,390)</u>	<u>(356,010)</u>	<u>(356,010)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
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>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF PAINESVILLE, OHIO**

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***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, 2012***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 35,500</u>	<u>\$ 45,500</u>	<u>\$ 45,688</u>	<u>\$ 188</u>
Total Revenues	<u>35,500</u>	<u>45,500</u>	<u>45,688</u>	<u>188</u>
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Clerk of Court:				
Capital Outlay	<u>30,000</u>	<u>30,000</u>	<u>24,000</u>	<u>6,000</u>
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>24,000</u>	<u>6,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,500	15,500	21,688	6,188
Fund Balance at Beginning of Year	<u>16,716</u>	<u>16,716</u>	<u>16,716</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 22,216</u>	<u>\$ 32,216</u>	<u>\$ 38,404</u>	<u>\$ 6,188</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, 2012**

<b>CAPITAL EQUIPMENT RESERVE FUND</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
General Government:				
Executive:				
City Manager:				
Capital Outlay	144,000	144,000	144,000	0
Finance:				
Accounting:				
Capital Outlay	2,000	2,000	1,717	283
Total General Government	146,000	146,000	145,717	283
Public Safety:				
Police:				
Law Enforcement - Other:				
Capital Outlay	194,233	194,233	194,232	1
Total Public Safety	194,233	194,233	194,232	1
Culture and Recreation:				
Parks:				
Parks Systems:				
Capital Outlay	25,000	25,000	21,437	3,563
Total Culture and Recreation	25,000	25,000	21,437	3,563
Debt Service:				
Principal Retirement	10,627	10,627	10,627	0
Interest and Fiscal Charges	90	90	90	0
Total Expenditures	375,950	375,950	372,103	3,847
Excess (Deficiency) of Revenues Over (Under) Expenditures	(375,950)	(375,950)	(372,103)	3,847

(Continued)

**CITY OF PAINESVILLE, OHIO**

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***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, 2012***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>0</u>	<u>175,000</u>	<u>175,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>175,000</u>	<u>175,000</u>	<u>0</u>
 Net Change in Fund Balance	 (375,950)	 (200,950)	 (197,103)	 3,847
Fund Balance at Beginning of Year	135,631	135,631	135,631	0
Prior Year Encumbrances	<u>264,233</u>	<u>264,233</u>	<u>264,233</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 23,914</u>	<u>\$ 198,914</u>	<u>\$ 202,761</u>	<u>\$ 3,847</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, 2012**

<b>CAPITAL IMPROVEMENT FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 1,040,000	\$ 68,500	\$ 68,567	\$ 67
All Other Revenues	0	6,000	6,561	561
Total Revenues	<u>1,040,000</u>	<u>74,500</u>	<u>75,128</u>	<u>628</u>
<b>Expenditures:</b>				
General Government:				
Public Lands and Buildings:				
Building Operations Maintenance and Repair:				
Capital Outlay	<u>24,227</u>	<u>24,227</u>	<u>21,697</u>	<u>2,530</u>
Total General Government	<u>24,227</u>	<u>24,227</u>	<u>21,697</u>	<u>2,530</u>
Public Safety:				
Fire:				
Fire Fighting, Prevention and Inspection:				
Capital Outlay	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Total Public Safety	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Highways and Streets:				
Public Works:				
Street Construction and Reconstruction:				
Capital Outlay	<u>0</u>	<u>14,680</u>	<u>14,680</u>	<u>0</u>
Total Highways and Streets	<u>0</u>	<u>14,680</u>	<u>14,680</u>	<u>0</u>
Culture and Recreation:				
Parks:				
Recreation Activities:				
Capital Outlay	<u>1,115,890</u>	<u>193,175</u>	<u>145,997</u>	<u>47,178</u>
Total Culture and Recreation	<u>1,115,890</u>	<u>193,175</u>	<u>145,997</u>	<u>47,178</u>
Community Environment:				
Community Planning and Zoning:				
Planning and Development:				
Capital Outlay	<u>0</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Total Community Environment	<u>0</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Total Expenditures	<u>1,215,117</u>	<u>337,082</u>	<u>287,374</u>	<u>49,708</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(175,117)	(262,582)	(212,246)	50,336

(Continued)

**CITY OF PAINESVILLE, OHIO**

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**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, 2012**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>50,000</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>50,000</u>
Net Change in Fund Balance	(175,117)	(262,582)	(162,246)	100,336
Fund Balance at Beginning of Year	257,972	257,972	257,972	0
Prior Year Encumbrances	<u>135,117</u>	<u>135,117</u>	<u>135,117</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 217,972</u>	<u>\$ 130,507</u>	<u>\$ 230,843</u>	<u>\$ 100,336</u>

**CITY OF PAINESVILLE, OHIO**

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**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, 2012**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 594,000	\$ 84,000	\$ 81,450	\$ (2,550)
Total Revenues	<u>594,000</u>	<u>84,000</u>	<u>81,450</u>	<u>(2,550)</u>
<b>Expenditures:</b>				
Community Environment:				
Capital Outlay	<u>594,031</u>	<u>143,031</u>	<u>142,958</u>	<u>73</u>
Total Expenditures	<u>594,031</u>	<u>143,031</u>	<u>142,958</u>	<u>73</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31)	(59,031)	(61,508)	(2,477)
Fund Balance at Beginning of Year	61,477	61,477	61,477	0
Prior Year Encumbrances	<u>31</u>	<u>31</u>	<u>31</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 61,477</u>	<u>\$ 2,477</u>	<u>\$ 0</u>	<u>\$ (2,477)</u>

**CITY OF PAINESVILLE, OHIO**

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***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, 2012***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	<u>\$ 500,000</u>	<u>\$ 5,000</u>	<u>\$ 1,351</u>	<u>\$ (3,649)</u>
Total Revenues	<u>500,000</u>	<u>5,000</u>	<u>1,351</u>	<u>(3,649)</u>
<b>Expenditures:</b>				
Highways and Streets:				
Miscellaneous:				
Capital Outlay	<u>500,216</u>	<u>1,352</u>	<u>1,351</u>	<u>1</u>
Total Expenditures	<u>500,216</u>	<u>1,352</u>	<u>1,351</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(216)	3,648	0	(3,648)
Fund Balance at Beginning of Year	116,499	116,499	116,499	0
Prior Year Encumbrances	<u>216</u>	<u>216</u>	<u>216</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 116,499</u>	<u>\$ 120,363</u>	<u>\$ 116,715</u>	<u>\$ (3,648)</u>

**CITY OF PAINESVILLE, OHIO**

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***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, 2012***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	10,000	10,000	10,000	0
Interest and Fiscal Charges	<u>6,078</u>	<u>6,078</u>	<u>6,078</u>	<u>0</u>
Total Expenditures	<u>16,078</u>	<u>16,078</u>	<u>16,078</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,078)	(16,078)	(16,078)	0
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>0</u>	<u>40,000</u>	<u>40,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>40,000</u>	<u>40,000</u>	<u>0</u>
Net Change in Fund Balance	(16,078)	23,922	23,922	0
Fund Balance at Beginning of Year	<u>17,054</u>	<u>17,054</u>	<u>17,054</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 976</u>	<u>\$ 40,976</u>	<u>\$ 40,976</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, 2012**

**MUNICIPAL COURT SPECIAL PROJECTS FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 111,000	\$ 111,000	\$ 109,239	\$ (1,761)
Total Revenues	<u>111,000</u>	<u>111,000</u>	<u>109,239</u>	<u>(1,761)</u>
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
Personal Services	6,135	6,135	3,239	2,896
All Other Expenditures	23,715	23,715	18,347	5,368
Capital Outlay	94,819	94,819	92,517	2,302
Clerk of Court:				
Personal Services	24,792	24,792	16,755	8,037
All Other Expenditures	70,669	70,668	63,536	7,132
Probation:				
Personal Services	7,719	7,719	344	7,375
All Other Expenditures	14,552	14,552	14,552	0
Total Expenditures	<u>242,401</u>	<u>242,400</u>	<u>209,290</u>	<u>33,110</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(131,401)	(131,400)	(100,051)	31,349
Fund Balance at Beginning of Year	202,581	202,581	202,581	0
Prior Year Encumbrances	74,420	74,420	74,420	0
Fund Balance at End of Year	<u>\$ 145,600</u>	<u>\$ 145,601</u>	<u>\$ 176,950</u>	<u>\$ 31,349</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, 2012**

<b>MILLSTONE ACQUISITION FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 2,000,000	\$ 2,040,000	\$ 2,066,803	\$ 26,803
All Other Revenues	0	160,000	159,887	(113)
Total Revenues	<u>2,000,000</u>	<u>2,200,000</u>	<u>2,226,690</u>	<u>26,690</u>
<b>Expenditures:</b>				
Highways and Streets:				
Public Works:				
Street Construction and Reconstruction:				
Capital Outlay	2,000,058	2,164,461	2,164,248	213
Total Highways and Streets	<u>2,000,058</u>	<u>2,164,461</u>	<u>2,164,248</u>	<u>213</u>
Community Environment:				
Community Planning and Zoning:				
Planning and Development:				
All Other Expenditures	243,000	243,000	243,000	0
Total Community Environment	<u>243,000</u>	<u>243,000</u>	<u>243,000</u>	<u>0</u>
Total Expenditures	<u>2,243,058</u>	<u>2,407,461</u>	<u>2,407,248</u>	<u>213</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(243,058)	(207,461)	(180,558)	26,903
Fund Balance at Beginning of Year	744	744	744	0
Prior Year Encumbrances	243,058	243,058	243,058	0
Fund Balance at End of Year	<u>\$ 744</u>	<u>\$ 36,341</u>	<u>\$ 63,244</u>	<u>\$ 26,903</u>

**CITY OF PAINESVILLE, OHIO**

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**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, 2012**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 0	\$ 0	\$ 200	\$ 200
Total Revenues	<u>0</u>	<u>0</u>	<u>200</u>	<u>200</u>
<b>Expenditures:</b>				
General Government:				
Capital Outlay	<u>800,000</u>	<u>650,000</u>	<u>616,210</u>	<u>33,790</u>
Total Expenditures	<u>800,000</u>	<u>650,000</u>	<u>616,210</u>	<u>33,790</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(800,000)	(650,000)	(616,010)	33,990
<b>Other Financing Sources (Uses):</b>				
Insurance Proceeds	800,000	650,000	607,425	(42,575)
Transfers In	<u>0</u>	<u>0</u>	<u>8,500</u>	<u>8,500</u>
Total Other Financing Sources (Uses)	<u>800,000</u>	<u>650,000</u>	<u>615,925</u>	<u>(34,075)</u>
Net Change in Fund Balance	0	0	(85)	(85)
Fund Balance at Beginning of Year	<u>274</u>	<u>274</u>	<u>274</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 274</u>	<u>\$ 274</u>	<u>\$ 189</u>	<u>\$ (85)</u>

**CITY OF PAINESVILLE, OHIO**

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**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, 2012**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 1,000	\$ 1,000	\$ 830	\$ (170)
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>830</u>	<u>(170)</u>
<b>Expenditures:</b>				
Public Health and Welfare:				
All Other Expenditures	<u>3,176</u>	<u>3,176</u>	<u>1,320</u>	<u>1,856</u>
Total Expenditures	<u>3,176</u>	<u>3,176</u>	<u>1,320</u>	<u>1,856</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,176)	(2,176)	(490)	1,686
Fund Balance at Beginning of Year	81,859	81,859	81,859	0
Prior Year Encumbrances	<u>176</u>	<u>176</u>	<u>176</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 79,859</u>	<u>\$ 79,859</u>	<u>\$ 81,545</u>	<u>\$ 1,686</u>

**CITY OF PAINESVILLE, OHIO**

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**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, 2012**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 500	\$ 500	\$ 346	\$ (154)
Total Revenues	<u>500</u>	<u>500</u>	<u>346</u>	<u>(154)</u>
<b>Expenditures:</b>				
Public Health and Welfare:				
All Other Expenditures	<u>1,750</u>	<u>1,750</u>	<u>0</u>	<u>1,750</u>
Total Expenditures	<u>1,750</u>	<u>1,750</u>	<u>0</u>	<u>1,750</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,250)	(1,250)	346	1,596
Fund Balance at Beginning of Year	<u>59,522</u>	<u>59,522</u>	<u>59,522</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 58,272</u>	<u>\$ 58,272</u>	<u>\$ 59,868</u>	<u>\$ 1,596</u>

**CITY OF PAINESVILLE, OHIO**

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**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, 2012**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 840</u>	<u>\$ (160)</u>
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>840</u>	<u>(160)</u>
<b>Expenditures:</b>				
Public Health and Welfare:				
All Other Expenditures	<u>750</u>	<u>750</u>	<u>0</u>	<u>750</u>
Total Expenditures	<u>750</u>	<u>750</u>	<u>0</u>	<u>750</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	250	250	840	590
Fund Balance at Beginning of Year	<u>404,627</u>	<u>404,627</u>	<u>404,627</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 404,877</u>	<u>\$ 404,877</u>	<u>\$ 405,467</u>	<u>\$ 590</u>

**CITY OF PAINESVILLE, OHIO**

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**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, 2012**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 5,040</u>	<u>\$ 1,040</u>
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>5,040</u>	<u>1,040</u>
<b>Expenditures:</b>				
Public Health and Welfare:				
All Other Expenditures	<u>750</u>	<u>750</u>	<u>0</u>	<u>750</u>
Total Expenditures	<u>750</u>	<u>750</u>	<u>0</u>	<u>750</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,250	3,250	5,040	1,790
Fund Balance at Beginning of Year	<u>364,727</u>	<u>364,727</u>	<u>364,727</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 367,977</u>	<u>\$ 367,977</u>	<u>\$ 369,767</u>	<u>\$ 1,790</u>

**CITY OF PAINESVILLE, OHIO**

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***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, 2012***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 4,920</u>	<u>\$ 2,920</u>
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>4,920</u>	<u>2,920</u>
<b>Expenditures:</b>				
Public Health and Welfare:				
All Other Expenditures	<u>50</u>	<u>50</u>	<u>0</u>	<u>50</u>
Total Expenditures	<u>50</u>	<u>50</u>	<u>0</u>	<u>50</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,950	1,950	4,920	2,970
Fund Balance at Beginning of Year	<u>324,251</u>	<u>324,251</u>	<u>324,251</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 326,201</u>	<u>\$ 326,201</u>	<u>\$ 329,171</u>	<u>\$ 2,970</u>



***Nonmajor Enterprise Funds***

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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 of the City's.

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Net Position  
Nonmajor Enterprise Funds  
December 31, 2012**

	Refuse Fund	Off Street Parking Fund	Storm Water Utility Fund
<b>Assets</b>			
Current Assets:			
Pooled Cash and Investments	\$ 13,417	\$ 141,511	\$ 260,446
Accounts Receivable	0	0	79,249
Prepaid Items	0	3,156	0
Total Current Assets	<u>13,417</u>	<u>144,667</u>	<u>339,695</u>
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents	0	3,902	0
Total Restricted Assets	<u>0</u>	<u>3,902</u>	<u>0</u>
Capital Assets:			
Capital Assets Not Being Depreciated	0	182,400	432,401
Capital Assets Being Depreciated, Net	0	1,059,311	1,123,743
Total Noncurrent Assets	<u>0</u>	<u>1,245,613</u>	<u>1,556,144</u>
<b>Total Assets</b>	<u>13,417</u>	<u>1,390,280</u>	<u>1,895,839</u>
<b>Liabilities</b>			
Current Liabilities:			
Accounts Payable	0	77	719
Accrued Wages and Benefits	0	1,955	4,290
Refundable Deposits	0	3,902	0
Accrued Interest Payable	0	0	6,519
General Obligation Notes Payable	0	0	38,740
Long Term Notes Payable - Current	0	0	56,600
Compensated Absences Payable - Current	0	0	4,408
Total Current Liabilities	<u>0</u>	<u>5,934</u>	<u>111,276</u>
Noncurrent Liabilities:			
Long Term Notes Payable	0	0	449,000
Compensated Absences Payable	0	3,173	13,682
Total Noncurrent Liabilities	<u>0</u>	<u>3,173</u>	<u>462,682</u>
<b>Total Liabilities</b>	<u>0</u>	<u>9,107</u>	<u>573,958</u>
<b>Net Position</b>			
Net Investment in Capital Assets	0	1,241,711	1,011,804
Unrestricted	13,417	139,462	310,077
<b>Total Net Position</b>	<u>\$ 13,417</u>	<u>\$ 1,381,173</u>	<u>\$ 1,321,881</u>

**CITY OF PAINESVILLE, OHIO**

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<u>Community Programs Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 4,613	\$ 419,987
0	79,249
0	3,156
<u>4,613</u>	<u>502,392</u>
0	3,902
<u>0</u>	<u>3,902</u>
0	614,801
<u>0</u>	<u>2,183,054</u>
<u>0</u>	<u>2,801,757</u>
<u>4,613</u>	<u>3,304,149</u>
0	796
157	6,402
0	3,902
0	6,519
0	38,740
0	56,600
<u>0</u>	<u>4,408</u>
<u>157</u>	<u>117,367</u>
0	449,000
<u>0</u>	<u>16,855</u>
<u>0</u>	<u>465,855</u>
<u>157</u>	<u>583,222</u>
0	2,253,515
4,456	467,412
<u>\$ 4,456</u>	<u>\$ 2,720,927</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, 2012**

	Refuse Fund	Off Street Parking Fund	Storm Water Utility Fund
<b>Operating Revenues:</b>			
Charges for Services	\$ 23	\$ 43,220	\$ 455,094
Other Charges for Services	0	0	9,747
Other Operating Revenues	30,927	0	0
<b>Total Operating Revenues</b>	<u>30,950</u>	<u>43,220</u>	<u>464,841</u>
<b>Operating Expenses:</b>			
Personal Services	0	53,452	108,631
Contractual Services	24,972	16,853	113,489
Materials and Supplies	0	2,292	6,083
Utilities	0	16,940	0
Depreciation	0	33,359	19,560
<b>Total Operating Expenses</b>	<u>24,972</u>	<u>122,896</u>	<u>247,763</u>
<b>Operating Income (Loss)</b>	5,978	(79,676)	217,078
<b>Non-Operating Revenue (Expenses):</b>			
Interest and Fiscal Charges	0	0	(8,571)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>0</u>	<u>0</u>	<u>(8,571)</u>
<b>Income (Loss) Before Transfers</b>	5,978	(79,676)	208,507
<b>Transfers:</b>			
Transfers-In	0	70,000	0
<b>Total Transfers</b>	<u>0</u>	<u>70,000</u>	<u>0</u>
<b>Change in Net Position</b>	5,978	(9,676)	208,507
<b>Net Position Beginning of Year</b>	<u>7,439</u>	<u>1,390,849</u>	<u>1,113,374</u>
<b>Net Position End of Year</b>	<u>\$ 13,417</u>	<u>\$ 1,381,173</u>	<u>\$ 1,321,881</u>

**CITY OF PAINESVILLE, OHIO**

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<u>Community Programs Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 31,034	\$ 529,371
0	9,747
0	30,927
<u>31,034</u>	<u>570,045</u>
13,084	175,167
15,544	170,858
4,088	12,463
0	16,940
0	52,919
<u>32,716</u>	<u>428,347</u>
(1,682)	141,698
<u>0</u>	<u>(8,571)</u>
<u>0</u>	<u>(8,571)</u>
(1,682)	133,127
<u>0</u>	<u>70,000</u>
<u>0</u>	<u>70,000</u>
(1,682)	203,127
<u>6,138</u>	<u>2,517,800</u>
<u>\$ 4,456</u>	<u>\$ 2,720,927</u>

**CITY OF PAINESVILLE, OHIO**

***Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2012***

	Refuse Fund	Off-Street Parking Fund	Storm Water Utility Fund
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$30,950	\$43,256	\$433,687
Cash Payments for Goods and Services	(34,681)	(36,457)	(118,853)
Cash Payments to Employees	0	(54,450)	(106,105)
Net Cash Provided (Used) by Operating Activities	(3,731)	(47,651)	208,729
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	0	70,000	0
Net Cash Provided by Noncapital Financing Activities	0	70,000	0
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from General Obligation Notes	0	0	544,340
Premium on Debt Issuances	0	0	107
Principal Paid on General Obligation Notes	0	0	(608,510)
Acquisition and Construction of Assets	0	0	(73,203)
Interest Paid on All Debt	0	0	(10,457)
Net Cash Used by Capital and Related Financing Activities	0	0	(147,723)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,731)	22,349	61,006
Cash and Cash Equivalents at Beginning of Year	17,148	123,064	199,440
Cash and Cash Equivalents at End of Year	\$13,417	\$145,413	\$260,446
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet</u>			
Cash and Cash Equivalents	\$13,417	\$141,511	\$260,446
Restricted Cash and Cash Equivalents	0	3,902	0
Cash and Cash Equivalents at End of Year	\$13,417	\$145,413	\$260,446
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$5,978	(\$79,676)	\$217,078
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	0	33,359	19,560
Miscellaneous Nonoperating Revenues	0	36	0
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	0	0	(31,154)
Increase in Prepaid Items	0	(408)	0
Increase (Decrease) in Accounts Payable	(9,709)	36	719
Increase (Decrease) in Accrued Wages and Benefits	0	163	777
Increase (Decrease) in Compensated Absences Payable	0	(1,161)	1,749
Total Adjustments	(9,709)	32,025	(8,349)
Net Cash Provided (Used) by Operating Activities	(\$3,731)	(\$47,651)	\$208,729

**CITY OF PAINESVILLE, OHIO**

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Community Programs Fund	Total Nonmajor Enterprise Funds
\$31,034	\$538,927
(19,632)	(209,623)
(13,106)	(173,661)
(1,704)	155,643
0	70,000
0	70,000
0	544,340
0	107
0	(608,510)
0	(73,203)
0	(10,457)
0	(147,723)
(1,704)	77,920
6,317	345,969
\$4,613	\$423,889
\$4,613	\$419,987
0	3,902
\$4,613	\$423,889
(\$1,682)	\$141,698
0	52,919
0	36
0	(31,154)
0	(408)
0	(8,954)
(22)	918
0	588
(22)	13,945
(\$1,704)	\$155,643

***Nonmajor Internal Service Funds***

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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**

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**Combining Statement of Net Position  
Nonmajor Internal Service Funds  
December 31, 2012**

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	Fuel and Oil Rotary Fund	Supplies Rotary Fund	Employee Health Insurance Fund	Workers' Compensation Retrospective Fund	Total
<b>Assets:</b>					
Current Assets:					
Pooled Cash and Investments	\$ 87,722	\$ 32,701	\$ 12,673	\$ 153,777	\$ 286,873
Inventory of Supplies at Cost	0	32,465	0	0	32,465
<b>Total Assets</b>	<u>87,722</u>	<u>65,166</u>	<u>12,673</u>	<u>153,777</u>	<u>319,338</u>
<b>Liabilities:</b>					
Current Liabilities:					
Accounts Payable	0	0	16,040	0	16,040
Claims Payable - Current	0	0	459,900	266,219	726,119
Total Current Liabilities	0	0	475,940	266,219	742,159
Noncurrent Liabilities:					
Claims Payable	0	0	0	473,982	473,982
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>475,940</u>	<u>740,201</u>	<u>1,216,141</u>
<b>Net Position:</b>					
Unrestricted	87,722	65,166	(463,267)	(586,424)	(896,803)
<b>Total Net Position</b>	<u>\$ 87,722</u>	<u>\$ 65,166</u>	<u>\$ (463,267)</u>	<u>\$ (586,424)</u>	<u>\$ (896,803)</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, 2012**

	Fuel and Oil Rotary Fund	Supplies Rotary Fund	Employee Health Insurance Fund	Workers' Compensation Retrospective Fund	Total
<b>Operating Revenues:</b>					
Charges for Services	\$ 278,127	\$ 35,454	\$ 2,879,630	\$ 443,335	\$ 3,636,546
Other Operating Revenue	0	0	1,150	0	1,150
<b>Total Operating Revenues</b>	<u>278,127</u>	<u>35,454</u>	<u>2,880,780</u>	<u>443,335</u>	<u>3,637,696</u>
<b>Operating Expenses:</b>					
Personal Services	0	0	2,438,233	373,878	2,812,111
Contractual Services	0	0	541,593	213,338	754,931
Materials and Supplies	328,182	34,857	0	0	363,039
<b>Total Operating Expenses</b>	<u>328,182</u>	<u>34,857</u>	<u>2,979,826</u>	<u>587,216</u>	<u>3,930,081</u>
Income (Loss) Before Transfers	(50,055)	597	(99,046)	(143,881)	(292,385)
<b>Transfers:</b>					
Transfers In	80,000	0	0	0	80,000
Change in Net Position	29,945	597	(99,046)	(143,881)	(212,385)
<b>Net Position Beginning of Year</b>	<u>57,777</u>	<u>64,569</u>	<u>(364,221)</u>	<u>(442,543)</u>	<u>(684,418)</u>
<b>Net Position End of Year</b>	<u>\$ 87,722</u>	<u>\$ 65,166</u>	<u>\$ (463,267)</u>	<u>\$ (586,424)</u>	<u>\$ (896,803)</u>

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Cash Flows  
Nonmajor Internal Service Funds  
For the Year Ended December 31, 2012**

	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	\$278,127	\$35,454	\$2,880,780	\$443,335	\$3,637,696
Cash Payments for Goods and Services	(328,182)	(35,552)	(540,496)	(213,338)	(1,117,568)
Cash Payments to Employees	0	0	0	(229,997)	(229,997)
Cash Payments for Employee Medical Claims	0	0	(2,339,135)	0	(2,339,135)
Net Cash Provided (Used) by Operating Activities	(50,055)	(98)	1,149	0	(49,004)
<u>Cash Flows from Noncapital Financing Activities:</u>					
Transfers In From Other Funds	80,000	0	0	0	80,000
Net Cash Provided for Noncapital Financing Activities	80,000	0	0	0	80,000
Net Increase (Decrease) in Cash and Cash Equivalents	29,945	(98)	1,149	0	30,996
Cash and Cash Equivalents at Beginning of Year	57,777	32,799	11,524	153,777	255,877
Cash and Cash Equivalents at End of Year	\$87,722	\$32,701	\$12,673	\$153,777	\$286,873
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>					
Operating Income (Loss)	(\$50,055)	\$597	(\$99,046)	(\$143,881)	(\$292,385)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Changes in Assets and Liabilities:					
Increase in Inventory	0	(695)	0	0	(695)
Increase in Accounts Payable	0	0	12,095	0	12,095
Increase in Claims Liability	0	0	88,100	143,881	231,981
Total Adjustments	0	(695)	100,195	143,881	243,381
Net Cash Provided (Used) by Operating Activities	(\$50,055)	(\$98)	\$1,149	\$0	(\$49,004)



***Fiduciary Funds***

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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***

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**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, 2012**

	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
<b>Municipal Court Fund</b>				
Assets:				
Cash and Cash Equivalents	\$56,061	\$3,368,422	(\$3,381,192)	\$43,291
Total Assets	<u>\$56,061</u>	<u>\$3,368,422</u>	<u>(\$3,381,192)</u>	<u>\$43,291</u>
Liabilities:				
Due to Others	\$56,061	\$3,368,422	(\$3,381,192)	\$43,291
Total Liabilities	<u>\$56,061</u>	<u>\$3,368,422</u>	<u>(\$3,381,192)</u>	<u>\$43,291</u>
<b>State Patrol Transfer Fund</b>				
Assets:				
Cash and Cash Equivalents	\$18,284	\$88,697	(\$88,697)	\$18,284
Total Assets	<u>\$18,284</u>	<u>\$88,697</u>	<u>(\$88,697)</u>	<u>\$18,284</u>
Liabilities:				
Due to Others	\$18,284	\$88,697	(\$88,697)	\$18,284
Total Liabilities	<u>\$18,284</u>	<u>\$88,697</u>	<u>(\$88,697)</u>	<u>\$18,284</u>
<b>Electric License Fund</b>				
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>
<b>Land Bank Fund</b>				
Assets:				
Cash and Cash Equivalents	\$4,943	\$0	\$0	\$4,943
Total Assets	<u>\$4,943</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,943</u>
Liabilities:				
Due to Others	\$4,943	\$0	\$0	\$4,943
Total Liabilities	<u>\$4,943</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,943</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
<b>Plan Review Fund</b>				
Assets:				
Cash and Cash Equivalents	\$96,821	\$18,760	\$0	\$115,581
Total Assets	<u>\$96,821</u>	<u>\$18,760</u>	<u>\$0</u>	<u>\$115,581</u>
Liabilities:				
Due to Others	\$96,821	\$18,760	\$0	\$115,581
Total Liabilities	<u>\$96,821</u>	<u>\$18,760</u>	<u>\$0</u>	<u>\$115,581</u>
<b>C.D.B.G Fund</b>				
Assets:				
Cash and Cash Equivalents	\$0	\$4,000	(\$3,997)	\$3
Total Assets	<u>\$0</u>	<u>\$4,000</u>	<u>(\$3,997)</u>	<u>\$3</u>
Liabilities:				
Due to Others	\$0	\$4,000	(\$3,997)	\$3
Total Liabilities	<u>\$0</u>	<u>\$4,000</u>	<u>(\$3,997)</u>	<u>\$3</u>
<b>JEDD Fund</b>				
Assets:				
Cash and Cash Equivalents	\$0	\$794,654	(\$794,654)	\$0
Receivables:				
Taxes	35,995	108,093	(35,995)	108,093
Total Assets	<u>\$35,995</u>	<u>\$902,747</u>	<u>(\$830,649)</u>	<u>\$108,093</u>
Liabilities:				
Intergovernmental Payable	\$35,995	\$875,724	(\$830,649)	\$81,070
Due to Others	0	27,023	0	27,023
Total Liabilities	<u>\$35,995</u>	<u>\$902,747</u>	<u>(\$830,649)</u>	<u>\$108,093</u>
<b>Totals - All Agency Funds</b>				
Assets:				
Cash and Cash Equivalents	\$183,315	\$4,274,533	(\$4,268,540)	\$189,308
Receivables:				
Taxes	35,995	108,093	(35,995)	108,093
Total Assets	<u>\$219,310</u>	<u>\$4,382,626</u>	<u>(\$4,304,535)</u>	<u>\$297,401</u>
Liabilities:				
Intergovernmental Payable	\$35,995	\$875,724	(\$830,649)	\$81,070
Due to Others	183,315	3,506,902	(3,473,886)	216,331
Total Liabilities	<u>\$219,310</u>	<u>\$4,382,626</u>	<u>(\$4,304,535)</u>	<u>\$297,401</u>



# *STATISTICAL SECTION*

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## *STATISTICAL TABLES*

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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*

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<b>Financial Trends</b>	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
<b>Revenue Capacity</b>	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.	
<b>Debt Capacity</b>	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.	
<b>Economic and Demographic Information</b>	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.	
<b>Operating Information</b>	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.	
<b>Sources Note:</b>	
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)*

	2003	2004	2005	2006 (1)
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$8,072,398	\$14,662,144	\$12,923,925	\$23,248,755
Restricted	2,787,638	1,902,860	2,082,124	2,756,163
Unrestricted	2,014,404	350,924	1,345,168	7,361,806
Total Governmental Activities Net Position	<u>\$12,874,440</u>	<u>\$16,915,928</u>	<u>\$16,351,217</u>	<u>\$33,366,724</u>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$23,500,627	\$31,172,045	\$32,921,887	\$33,400,614
Restricted	897,200	910,426	896,417	792,875
Unrestricted	27,080,610	22,083,319	24,597,934	27,439,385
Total Business-type Activities Net Position	<u>\$51,478,437</u>	<u>\$54,165,790</u>	<u>\$58,416,238</u>	<u>\$61,632,874</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$31,573,025	\$45,834,189	\$45,845,812	\$56,649,369
Restricted	3,684,838	2,813,286	2,978,541	3,549,038
Unrestricted	29,095,014	22,434,243	25,943,102	34,801,191
Total Primary Government Net Position	<u>\$64,352,877</u>	<u>\$71,081,718</u>	<u>\$74,767,455</u>	<u>\$94,999,598</u>

Source: Finance Director's Office

(1) Restated to include infrastructure net assets

*City of Painesville*

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2007	2008	2009	2010	2011	2012
\$23,806,608	\$23,885,884	\$28,000,333	\$29,982,485	\$30,387,358	\$33,102,011
6,813,043	4,893,216	2,173,310	3,246,469	4,044,306	3,724,814
6,316,586	11,427,126	10,186,938	7,286,446	6,921,791	6,862,608
<u>\$36,936,237</u>	<u>\$40,206,226</u>	<u>\$40,360,581</u>	<u>\$40,515,400</u>	<u>\$41,353,455</u>	<u>\$43,689,433</u>
\$35,152,108	\$38,454,848	\$41,103,064	\$41,322,460	\$44,350,926	\$48,090,083
0	0	0	0	0	0
28,790,094	28,085,141	27,590,062	28,707,112	28,876,607	32,820,932
<u>\$63,942,202</u>	<u>\$66,539,989</u>	<u>\$68,693,126</u>	<u>\$70,029,572</u>	<u>\$73,227,533</u>	<u>\$80,911,015</u>
\$58,958,716	\$62,340,732	\$69,103,397	\$71,304,945	\$74,738,284	\$81,192,094
6,813,043	4,893,216	2,173,310	3,246,469	4,044,306	3,724,814
35,106,680	39,512,267	37,777,000	35,993,558	35,798,398	39,683,540
<u>\$100,878,439</u>	<u>\$106,746,215</u>	<u>\$109,053,707</u>	<u>\$110,544,972</u>	<u>\$114,580,988</u>	<u>\$124,600,448</u>

## City of Painesville

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

	2003	2004	2005	2006
<b>Expenses</b>				
Governmental Activities:				
General Government	\$3,041,680	\$3,031,283	\$2,790,590	\$2,825,835
Public Safety	7,193,890	7,823,918	6,989,395	7,585,876
Highways and Streets	1,138,633	3,182,909	2,817,057	2,870,730
Public Health and Welfare	773,593	835,694	668,013	531,090
Culture and Recreation	953,407	799,394	700,165	746,813
Community Environment	648,579	415,026	351,307	353,652
Interest and Fiscal Charges	97,872	118,717	67,711	230,802
<i>Total Governmental Activities Expenses</i>	<u>13,847,654</u>	<u>16,206,941</u>	<u>14,384,238</u>	<u>15,144,798</u>
Business-type Activities:				
Water	4,565,407	4,509,371	4,696,086	4,863,071
Sewer	3,350,651	3,897,646	3,550,942	3,340,241
Electric	14,942,089	24,437,629	18,650,228	19,568,938
Other Enterprise	378,932	511,944	682,843	766,324
<i>Total Business-type Activities Expenses</i>	<u>23,237,079</u>	<u>33,356,590</u>	<u>27,580,099</u>	<u>28,538,574</u>
<i>Total Primary Government Expenses</i>	<u>\$37,084,733</u>	<u>\$49,563,531</u>	<u>\$41,964,337</u>	<u>\$43,683,372</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services				
General Government	\$1,102,103	\$1,155,531	\$1,290,247	\$1,328,425
Public Safety	219,370	513,720	338,428	436,247
Highways and Streets	106,707	147,797	50,844	67,586
Public Health and Welfare	150,643	159,060	151,607	131,527
Culture and Recreation	67,889	75,825	78,114	21,688
Community Environment	109,444	183,300	264,293	264,180
Operating Grants and Contributions	83,677	774,687	1,324,588	831,378
Capital Grants and Contributions	112,076	162,802	429,980	735,382
<i>Total Governmental Activities Program Revenues</i>	<u>1,951,909</u>	<u>3,172,722</u>	<u>3,928,101</u>	<u>3,816,413</u>

*City of Painesville*

2007	2008	2009	2010	2011	2012
\$3,453,915	\$3,213,592	\$4,444,947	\$4,594,616	\$5,319,087	\$6,066,417
7,511,624	7,800,817	7,687,567	7,029,666	7,418,708	6,830,774
3,540,017	3,380,986	3,823,054	2,158,737	1,821,320	1,803,834
613,032	630,964	688,623	637,876	635,108	559,347
847,647	949,788	843,945	778,109	792,999	682,194
551,236	443,315	476,715	525,976	377,113	180,433
329,646	282,227	266,284	202,221	167,510	304,756
<u>16,847,117</u>	<u>16,701,689</u>	<u>18,231,135</u>	<u>15,927,201</u>	<u>16,531,845</u>	<u>16,427,755</u>
4,746,880	4,764,766	4,683,197	4,934,978	4,651,337	5,155,459
3,183,132	3,658,566	3,462,406	4,132,446	3,700,750	3,930,761
20,600,631	20,682,416	20,517,909	24,023,809	24,798,140	20,741,060
730,063	429,441	507,534	381,553	563,107	436,918
<u>29,260,706</u>	<u>29,535,189</u>	<u>29,171,046</u>	<u>33,472,786</u>	<u>33,713,334</u>	<u>30,264,198</u>
<u>\$46,107,823</u>	<u>\$46,236,878</u>	<u>\$47,402,181</u>	<u>\$49,399,987</u>	<u>\$50,245,179</u>	<u>\$46,691,953</u>
\$1,438,482	\$1,567,302	\$1,575,108	\$1,942,968	\$1,533,460	\$1,861,207
555,777	716,239	671,145	658,667	756,827	670,873
51,231	61,505	36,694	35,895	32,842	26,650
159,275	151,953	119,891	109,421	119,652	124,596
7,917	21,280	18,112	12,372	20,456	14,448
304,968	195,427	135,666	115,077	98,930	665,096
876,146	975,160	951,327	863,877	883,020	1,363,819
2,856,316	3,186,194	2,494,194	432,405	1,693,078	2,958,673
<u>6,250,112</u>	<u>6,875,060</u>	<u>6,002,137</u>	<u>4,170,682</u>	<u>5,138,265</u>	<u>7,685,362</u>

(continued)

## City of Painesville

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

	2003	2004	2005	2006
<b>Business-type Activities:</b>				
Charges for Services				
Water	4,328,180	4,513,453	4,905,365	4,654,394
Sewer	3,331,499	3,166,647	3,268,359	3,215,491
Electric	18,310,051	18,957,480	22,173,641	21,014,180
Other Enterprise	432,325	506,892	507,485	610,279
Operating Grants and Contributions	53,588	9,267	587,546	0
Capital Grants and Contributions	0	1,218,151	0	410,942
<i>Total Business-type Activities Program Revenues</i>	<u>26,455,643</u>	<u>28,371,890</u>	<u>31,442,396</u>	<u>29,905,286</u>
<i>Total Primary Government Program Revenues</i>	<u>28,407,552</u>	<u>31,544,612</u>	<u>35,370,497</u>	<u>33,721,699</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(11,895,745)	(13,034,219)	(10,456,137)	(11,328,385)
Business-type Activities	3,218,564	(4,984,700)	3,862,297	1,366,712
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$8,677,181)</u>	<u>(\$18,018,919)</u>	<u>(\$6,593,840)</u>	<u>(\$9,961,673)</u>
<b>General Revenues and Other Changes in Net Position</b>				
<b>Governmental Activities:</b>				
Property Taxes	\$631,395	\$717,203	\$725,082	\$801,010
Municipal Income Taxes	7,273,781	6,702,181	7,681,884	8,039,713
Other Local Taxes	7,903	1,108	5,957	31,692
Intergovernmental, Unrestricted	2,513,880	1,590,443	1,766,542	2,007,863
Investment Earnings	292,903	103,487	378,891	1,189,061
Miscellaneous	434,784	382,964	278,499	111,205
Transfers	984,729	614,276	558,853	505,320
<i>Total Governmental Activities</i>	<u>12,139,375</u>	<u>10,111,662</u>	<u>11,395,708</u>	<u>12,685,864</u>
<b>Business-type Activities:</b>				
Investment Earnings	204,095	330,270	568,022	407,410
Transfers	(984,729)	(614,276)	(558,853)	(505,320)
<i>Total Business-type Activities</i>	<u>(780,634)</u>	<u>(284,006)</u>	<u>9,169</u>	<u>(97,910)</u>
<i>Total Primary Government</i>	<u>\$11,358,741</u>	<u>\$9,827,656</u>	<u>\$11,404,877</u>	<u>\$12,587,954</u>
<b>Change in Net Position</b>				
Governmental Activities	\$243,630	(\$2,922,557)	\$939,571	\$1,357,479
Business-type Activities	2,437,930	(5,268,706)	3,871,466	1,268,802
<i>Total Primary Government Change in Net Position</i>	<u>\$2,681,560</u>	<u>(\$8,191,263)</u>	<u>\$4,811,037</u>	<u>\$2,626,281</u>

Source: Finance Director's Office

*City of Painesville*

2007	2008	2009	2010	2011	2012
4,838,095	4,570,987	4,422,481	4,883,093	5,489,308	6,576,748
3,237,420	3,451,161	3,320,167	3,104,324	3,473,151	3,746,854
22,505,860	23,331,839	22,753,669	26,400,302	26,354,842	26,692,992
554,923	547,994	524,991	541,495	572,402	570,045
110,973	47,611	1,478,559	618,902	0	0
997,376	0	0	0	2,364,576	1,324,655
<u>32,244,647</u>	<u>31,949,592</u>	<u>32,499,867</u>	<u>35,548,116</u>	<u>38,254,279</u>	<u>38,911,294</u>
<u>38,494,759</u>	<u>38,824,652</u>	<u>38,502,004</u>	<u>39,718,798</u>	<u>43,392,544</u>	<u>46,596,656</u>
(10,597,005)	(9,826,629)	(12,228,998)	(11,756,519)	(11,393,580)	(8,742,393)
2,983,941	2,414,403	3,328,821	2,075,330	4,540,945	8,647,096
<u>(\$7,613,064)</u>	<u>(\$7,412,226)</u>	<u>(\$8,900,177)</u>	<u>(\$9,681,189)</u>	<u>(\$6,852,635)</u>	<u>(\$95,297)</u>
\$896,215	\$819,812	\$1,214,434	\$1,168,067	\$1,175,475	\$1,185,735
7,962,098	8,644,123	7,748,215	7,157,251	7,167,242	7,519,822
8,056	8,013	11,164	13,305	6,400	0
1,802,287	2,181,223	1,266,406	1,605,729	1,871,767	1,086,944
1,870,044	1,380,595	831,745	451,850	539,269	173,022
884,813	52,065	226,494	762,245	324,107	144,224
743,005	10,787	1,084,895	752,891	1,253,475	968,624
<u>14,166,518</u>	<u>13,096,618</u>	<u>12,383,353</u>	<u>11,911,338</u>	<u>12,337,735</u>	<u>11,078,371</u>
68,392	194,171	(90,789)	14,007	(89,509)	5,010
(743,005)	(10,787)	(1,084,895)	(752,891)	(1,253,475)	(968,624)
<u>(674,613)</u>	<u>183,384</u>	<u>(1,175,684)</u>	<u>(738,884)</u>	<u>(1,342,984)</u>	<u>(963,614)</u>
<u>\$13,491,905</u>	<u>\$13,280,002</u>	<u>\$11,207,669</u>	<u>\$11,172,454</u>	<u>\$10,994,751</u>	<u>\$10,114,757</u>
\$3,569,513	\$3,269,989	\$154,355	\$154,819	\$944,155	\$2,335,978
2,309,328	2,597,787	2,153,137	1,336,446	3,197,961	7,683,482
<u>\$5,878,841</u>	<u>\$5,867,776</u>	<u>\$2,307,492</u>	<u>\$1,491,265</u>	<u>\$4,142,116</u>	<u>\$10,019,460</u>

## *City of Painesville*

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

	2003	2004	2005	2006	2007
<b>General Fund</b>					
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	1,394,500	1,457,828	1,201,195	1,133,204	1,301,396
Unreserved	1,396,127	1,920,494	2,027,492	4,026,432	5,423,645
<i>Total General Fund</i>	<u>2,790,627</u>	<u>3,378,322</u>	<u>3,228,687</u>	<u>5,159,636</u>	<u>6,725,041</u>
<b>All Other Governmental Funds</b>					
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	1,809,451	1,633,965	2,004,446	1,653,817	1,511,911
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	1,510,440	1,141,244	355,394	637,926	2,370,336
Capital Projects Funds	(102,259)	(969,587)	(109,712)	23,236	2,207,811
Permanent Fund	7,043	4,219	63,532	129,713	185,778
<i>Total All Other Governmental Funds</i>	<u>3,224,675</u>	<u>1,809,841</u>	<u>2,313,660</u>	<u>2,444,692</u>	<u>6,275,836</u>
<i>Total Governmental Funds</i>	<u>\$6,015,302</u>	<u>\$5,188,163</u>	<u>\$5,542,347</u>	<u>\$7,604,328</u>	<u>\$13,000,877</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*

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2008	2009	2010	2011	2012
\$0	\$0	\$0	\$996,297	\$1,005,381
0	0	0	0	0
0	0	0	0	0
0	0	0	416,777	742,007
0	0	0	5,733,751	5,698,670
803,475	623,231	520,398	0	0
6,667,131	6,437,487	6,065,354	0	0
<u>7,470,606</u>	<u>7,060,718</u>	<u>6,585,752</u>	<u>7,146,825</u>	<u>7,446,058</u>
0	0	0	1,108,205	1,115,415
0	0	0	3,161,485	7,717,818
0	0	0	1,359,464	1,090,045
0	0	0	0	0
0	0	0	(1,826,088)	(1,870,841)
5,119,596	2,111,943	1,974,139	0	0
1,567,018	1,482,725	1,204,465	0	0
(262,210)	(431,495)	(1,173,006)	0	0
209,599	226,050	236,087	0	0
<u>6,634,003</u>	<u>3,389,223</u>	<u>2,241,685</u>	<u>3,803,066</u>	<u>8,052,437</u>
<u>\$14,104,609</u>	<u>\$10,449,941</u>	<u>\$8,827,437</u>	<u>\$10,949,891</u>	<u>\$15,498,495</u>

## *City of Painesville*

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

	2003	2004	2005	2006
<b>Revenues:</b>				
Taxes	\$7,868,089	\$8,284,270	\$8,389,482	\$8,417,301
Intergovernmental Revenues	2,604,091	2,793,225	3,107,173	3,805,033
Charges for Services	449,198	592,861	598,062	529,395
Licenses, Permits and Inspection Fees	178,544	333,135	348,422	354,320
Investment Earnings	247,032	144,587	431,046	1,126,218
Special Assessments	68,358	60,743	65,099	56,858
Fines and Forfeitures	1,020,294	1,071,977	1,104,650	1,227,721
All Other Revenue	466,930	706,710	300,778	225,135
<b>Total Revenue</b>	<u>12,902,536</u>	<u>13,987,508</u>	<u>14,344,712</u>	<u>15,741,981</u>
<b>Expenditures:</b>				
Current:				
General Government	2,907,513	2,883,102	2,657,661	2,899,758
Public Safety	7,003,391	7,279,219	6,848,266	7,464,913
Highways and Streets	2,994,752	2,759,535	2,800,859	2,703,721
Public Health and Welfare Services	769,675	740,072	694,291	544,005
Culture and Recreation	943,098	789,511	659,993	667,236
Community Environment	639,638	354,156	345,801	346,486
Capital Outlay	540,850	1,296,545	882,396	298,301
Debt Service:				
Principal Retirement	61,416	58,208	50,000	105,778
Interest and Fiscal Charges	105,895	75,477	117,237	228,653
<b>Total Expenditures</b>	<u>15,966,228</u>	<u>16,235,825</u>	<u>15,056,504</u>	<u>15,258,851</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,063,692)	(2,248,317)	(711,792)	483,130

*City of Painesville*

2007	2008	2009	2010	2011	2012
\$9,323,731	\$9,480,913	\$8,954,176	\$8,330,535	\$8,335,086	\$8,705,017
2,928,630	5,466,933	3,122,006	2,860,371	5,328,950	4,200,293
658,104	740,977	660,330	801,465	834,222	777,772
396,750	352,004	308,161	303,800	296,994	450,655
1,922,173	1,330,957	846,527	442,524	562,484	166,025
85,079	168,049	104,844	89,140	92,547	115,843
1,283,191	1,402,202	1,341,501	1,227,158	1,257,805	1,377,753
725,957	235,801	396,349	1,337,779	439,886	519,586
<u>17,323,615</u>	<u>19,177,836</u>	<u>15,733,894</u>	<u>15,392,772</u>	<u>17,147,974</u>	<u>16,312,944</u>

3,241,261	3,066,705	4,117,937	4,515,245	4,657,111	5,777,433
7,164,514	7,772,649	7,424,843	7,178,506	7,135,751	6,694,103
2,420,543	2,344,519	2,682,268	1,880,062	2,345,029	3,550,420
563,578	628,215	656,218	618,599	619,796	528,871
774,225	886,575	771,982	712,688	725,325	619,372
530,400	445,066	465,922	509,372	363,544	201,364
497,808	2,266,246	3,547,668	1,702,801	1,101,883	616,881
126,569	831,311	488,042	399,072	346,102	1,796,045
303,355	286,578	270,945	205,692	161,423	311,643
<u>15,622,253</u>	<u>18,527,864</u>	<u>20,425,825</u>	<u>17,722,037</u>	<u>17,455,964</u>	<u>20,096,132</u>

1,701,362	649,972	(4,691,931)	(2,329,265)	(307,990)	(3,783,188)
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## *City of Painesville*

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

	2003	2004	2005	2006
<b>Other Financing Sources (Uses):</b>				
Proceeds from the Sale of Capital Assets	26,210	5,001	4,090	2,555
Other Financing Sources - Capital Leases	0	558,796	419,406	353,758
Ohio Public Works Commission Loan	0	0	0	0
General Obligation Notes Issued	0	0	0	0
General Obligation Bonds Issued	0	0	410,000	0
Premium on Debt Issuance	0	0	0	4,302
Long Term Note Issuance	0	0	0	0
Insurance Proceeds	0	0	0	0
Construction Loans	0	0	0	587,645
Transfers In	2,243,379	1,762,396	2,552,091	2,787,199
Transfers Out	(958,650)	(873,120)	(2,307,523)	(2,171,146)
<b>Total Other Financing Sources (Uses)</b>	<u>1,310,939</u>	<u>1,453,073</u>	<u>1,078,064</u>	<u>1,564,313</u>
<b>Net Change in Fund Balance</b>	<u>(\$1,752,753)</u>	<u>(\$795,244)</u>	<u>\$366,272</u>	<u>\$2,047,443</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	1.28%	0.84%	1.19%	2.23%

Source: Finance Director's Office

*City of Painesville*

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2007	2008	2009	2010	2011	2012
258,092	5,894	9,745	9,169	0	758
553,838	303,733	0	0	0	0
0	97,801	0	0	0	0
0	0	0	0	0	0
2,075,000	0	0	0	0	5,485,000
73,565	0	1,192	0	0	156,564
0	0	0	0	1,440,751	1,190,481
0	0	0	0	5,513	607,425
0	0	0	0	0	0
3,409,345	2,366,380	2,132,398	1,682,167	1,698,475	1,734,524
(2,666,340)	(2,355,593)	(1,097,503)	(969,276)	(595,000)	(845,900)
<u>3,703,500</u>	<u>418,215</u>	<u>1,045,832</u>	<u>722,060</u>	<u>2,549,739</u>	<u>8,328,852</u>
<u>\$5,404,862</u>	<u>\$1,068,187</u>	<u>(\$3,646,099)</u>	<u>(\$1,607,205)</u>	<u>\$2,241,749</u>	<u>\$4,545,664</u>
3.41%	7.27%	4.49%	4.05%	3.25%	13.32%

## *City of Painesville*

### *Income Tax Revenues by Source, Governmental Funds Last Ten Years*

<b>Tax year</b>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Income Tax Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Estimated Personal Income	\$548,299	\$569,933	\$582,815	\$627,413	\$669,350
Total Tax Collected	\$7,242,174	\$7,135,376	\$7,653,206	\$7,775,604	\$7,828,025
Income Tax Receipts					
Withholding	6,070,037	6,045,625	6,263,019	6,460,073	6,540,893
Percentage	83.8%	84.8%	81.9%	83.1%	83.6%
Corporate	383,625	365,953	576,843	588,673	548,194
Percentage	5.3%	5.1%	7.5%	7.6%	7.0%
Individuals	788,512	723,798	813,344	726,858	738,938
Percentage	10.9%	10.1%	10.6%	9.3%	9.4%

Source: City Income Tax Department

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

*City of Painesville*

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2008	2009	2010	2011	2012
2.00%	2.00%	2.00%	2.00%	2.00%
\$689,811	\$662,226	\$694,976	\$780,798	\$788,822
\$8,382,560	\$7,867,889	\$6,968,103	\$6,959,790	\$7,230,012
6,870,498	6,412,330	5,685,972	5,679,189	5,899,690
82.0%	81.5%	81.6%	81.6%	81.6%
788,789	629,431	634,097	633,341	657,931
9.4%	8.0%	9.1%	9.1%	9.1%
723,273	826,128	648,034	647,260	672,391
8.6%	10.5%	9.3%	9.3%	9.3%



## City of Painesville

### Income Tax Collections Current Year and Nine Years Ago

2012

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	2,163	44.68%	\$12,749,352	7.94%
20,000 - 49,999	1,473	30.42%	49,820,089	31.05%
50,000 - 74,999	663	13.69%	40,527,141	25.26%
75,000 - 99,999	324	6.69%	27,769,539	17.31%
Over 100,000	219	4.52%	29,578,228	18.44%
Total	4,842	100.00%	\$160,444,349	100.00%

#### Local Taxes Paid by Residents

Taxes Paid to Painesville  
Taxes Credited to Other Municipalities

#### Tax Dollars

\$707,409  
480,465  
\$1,187,874

Calendar Year 2003

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	2,422	48.95%	\$15,286,600	11.60%
20,000 - 49,999	1,663	33.61%	54,852,829	41.63%
50,000 - 74,999	593	11.98%	35,907,495	27.25%
75,000 - 99,999	186	3.76%	15,565,037	11.81%
Over 100,000	84	1.70%	10,162,312	7.71%
Total	4,948	100.00%	\$131,774,274	100.00%

#### Local Taxes Paid by Residents

Taxes Paid to Painesville  
Taxes Credited to Other Municipalities

#### Tax Dollars

\$694,267  
1,176,378  
\$1,870,645

Source: Finance Director's Office

## City of Painesville

### Ratios of Outstanding Debt By Type Last Ten Years

	2003	2004	2005	2006
<b>Governmental Activities</b> <sup>(1)</sup>				
General Obligation Bonds	\$0	\$0	\$0	\$0
Special Assessment Bonds	225,000	185,000	555,000	500,000
Ohio Public Works Commission Loan Payable	73,207	55,000	45,000	35,000
Long-Term Notes Payable	100,000	100,000	100,000	0
Construction Loan Payable	0	0	0	587,645
Capital Leases	1,071,252	1,253,453	1,178,895	1,096,129
<b>Business-type Activities</b> <sup>(1)</sup>				
Mortgage Revenue Bonds Payable	\$5,028,857	\$4,279,954	\$3,491,056	\$2,651,829
General Obligation Bonds Payable	5,960,000	5,485,000	5,005,000	4,520,000
Ohio Water Development Authority Loan Payable	1,333,242	1,275,148	1,214,400	1,150,870
Ohio Public Works Commission Loan Payable	540,000	480,000	833,474	732,117
Long-Term Notes Payable	0	0	0	0
Capital Leases	27,645	98,084	368,603	339,731
Total Primary Government	<u>\$14,359,203</u>	<u>\$13,211,639</u>	<u>\$12,791,428</u>	<u>\$11,613,321</u>
<b>Population</b> <sup>(2)</sup>				
City of Painesville	17,503	17,503	17,503	17,503
Outstanding Debt Per Capita	\$820	\$755	\$731	\$664
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	\$548,299	\$569,933	\$582,815	\$627,413
Percentage of Personal Income	2.62%	2.32%	2.19%	1.85%

**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*

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2007	2008	2009	2010	2011	2012
\$2,075,000	\$1,975,000	\$1,840,000	\$1,700,000	\$1,565,000	\$7,116,564
435,000	370,000	355,000	340,000	325,000	310,000
25,000	107,911	93,021	83,131	78,241	73,351
0	0	0	0	1,440,751	1,065,481
539,365	489,012	436,750	381,978	324,854	265,276
1,162,451	865,116	594,226	414,816	280,728	219,902
\$2,517,273	\$2,376,055	\$2,227,843	\$2,072,304	\$1,908,438	\$1,735,913
4,035,000	3,545,000	3,045,000	2,540,000	2,025,000	1,500,000
1,084,426	1,014,923	3,325,443	4,281,356	4,282,382	4,072,160
630,760	568,328	464,922	361,516	258,111	154,706
0	0	0	0	1,754,179	1,535,519
4,492,400	4,222,884	3,946,531	3,738,838	3,540,782	3,360,319
<u>\$16,996,675</u>	<u>\$15,534,229</u>	<u>\$16,328,736</u>	<u>\$15,913,939</u>	<u>\$17,783,466</u>	<u>\$21,409,191</u>
17,503	17,503	17,503	19,563	19,563	19,549
\$971	\$888	\$933	\$813	\$909	\$1,095
\$669,350	\$689,811	\$662,226	\$694,976	\$780,798	\$788,822
2.54%	2.25%	2.47%	2.29%	2.28%	2.71%

## *City of Painesville*

### *Ratios of General Bonded Debt Outstanding Last Ten Years*

Year	2003	2004	2005	2006
<b>Population</b> (1)	17,503	17,503	17,503	17,503
<b>Personal Income</b> (2)	\$548,298,978	\$569,932,686	\$582,814,894	\$627,412,538
<b>General Bonded Debt</b>				
General Obligation Bonds	\$5,960,000	\$5,485,000	\$5,005,000	\$4,520,000
<b>Resources Available to Pay Principal</b>	\$5,343	\$16,260	\$77,196	\$3,821
<b>Net General Bonded Debt</b>	\$5,954,657	\$5,468,740	\$4,927,804	\$4,516,179
<b>Ratio of Net Bonded Debt to Personal Income</b>	1.09%	0.96%	0.85%	0.72%
<b>Net Bonded Debt per Capita</b>	\$340.21	\$312.45	\$281.54	\$258.02

**Source:**

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

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2011, for the presentation of 2012 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*

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2007	2008	2009	2010	2011	2012
17,503	17,503	17,503	19,563	19,563	19,549
\$669,349,726	\$689,810,733	\$662,226,005	\$694,975,575	\$780,798,456	\$788,821,699
\$6,110,000	\$5,520,000	\$4,885,000	\$4,240,000	\$3,590,000	\$8,616,564
\$10,709	\$27,516	\$47,318	\$95,541	\$160,845	\$102,737
\$6,099,291	\$5,492,484	\$4,837,682	\$4,144,459	\$3,429,155	\$8,513,827
0.91%	0.80%	0.73%	0.60%	0.44%	1.08%
\$348.47	\$313.80	\$276.39	\$211.85	\$175.29	\$435.51



**City of Painesville**

*Computation of Direct and Overlapping Debt  
Attributable to Governmental Activities  
December 31, 2012*

<b>Jurisdiction</b>	<b>Gross Debt Outstanding</b>	<b>Percentage Applicable to the City of Painesville</b>	<b>Amount Applicable to the City of Painesville</b>
<b>Direct:</b>			
City of Painesville	\$9,050,574	100.00%	\$9,050,574
<b>Overlapping:</b>			
Painesville City School District	26,639,993	100.00%	26,639,993
Riverside Schools	2,546,769	4.00%	101,871
Lake County	14,060,000	4.00%	562,400
Lake County Library District	6,140,000	20.93%	1,285,102
		Subtotal	<u>28,589,366</u>
		Total	<u><u>\$37,639,940</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  
Painesville City School District  
Riverside Local School District

## *City of Painesville*

### *Debt Limitations Last Ten Years*

<b>Collection Year</b>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$226,496,195	\$253,325,479	\$254,533,194	\$259,644,108
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	23,782,100	26,599,175	26,725,985	27,262,631
City Debt Outstanding (2)	2,198,000	2,798,000	4,187,000	3,202,000
Less: Applicable Debt Service Fund Amounts	<u>(5,343)</u>	<u>(16,260)</u>	<u>(77,196)</u>	<u>(3,821)</u>
Net Indebtedness Subject to Limitation	<u>2,192,657</u>	<u>2,781,740</u>	<u>4,109,804</u>	<u>3,198,179</u>
Overall Legal Debt Margin	<u>\$21,589,443</u>	<u>\$23,817,435</u>	<u>\$22,616,181</u>	<u>\$24,064,452</u>
Debt Margin as a Percentage of Debt Limit	90.78%	89.54%	84.62%	88.27%
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$226,496,195	\$253,325,479	\$254,533,194	\$259,644,108
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	12,457,291	13,932,901	13,999,326	14,280,426
City Debt Outstanding (2)	1,800,000	2,095,000	1,645,000	1,280,000
Less: Applicable Debt Service Fund Amounts	<u>(5,343)</u>	<u>(16,260)</u>	<u>(77,196)</u>	<u>(3,821)</u>
Net Indebtedness Subject to Limitation	<u>1,794,657</u>	<u>2,078,740</u>	<u>1,567,804</u>	<u>1,276,179</u>
Overall Legal Debt Margin	<u>\$10,662,634</u>	<u>\$11,854,161</u>	<u>\$12,431,522</u>	<u>\$13,004,247</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*

2007	2008	2009	2010	2011	2012
\$281,300,753	\$278,912,006	\$275,691,690	\$256,194,750	\$251,049,200	\$252,866,440
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
29,536,579	29,285,761	28,947,627	26,900,449	26,360,166	26,550,976
3,705,000	5,799,500	5,736,573	4,939,766	4,887,591	4,955,121
(10,709)	(27,516)	(47,318)	(95,541)	(160,845)	(102,737)
<u>3,694,291</u>	<u>5,771,984</u>	<u>5,689,255</u>	<u>4,844,225</u>	<u>4,726,746</u>	<u>4,852,384</u>
<u>\$25,842,288</u>	<u>\$23,513,777</u>	<u>\$23,258,372</u>	<u>\$22,056,224</u>	<u>\$21,633,420</u>	<u>\$21,698,592</u>
87.49%	80.29%	80.35%	81.99%	82.07%	81.72%
\$281,300,753	\$278,912,006	\$275,691,690	\$256,194,750	\$251,049,200	\$252,866,440
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
15,471,541	15,340,160	15,163,043	14,090,711	13,807,706	13,907,654
670,000	70,000	20,000	0	0	0
(10,709)	(27,516)	(47,318)	(95,541)	(160,845)	(102,737)
<u>659,291</u>	<u>42,484</u>	<u>(27,318)</u>	<u>(95,541)</u>	<u>(160,845)</u>	<u>(102,737)</u>
<u>\$14,812,250</u>	<u>\$15,297,676</u>	<u>\$15,190,361</u>	<u>\$14,186,252</u>	<u>\$13,968,551</u>	<u>\$14,010,391</u>

## *City of Painesville*

### *Pledged Revenue Coverage Last Ten Years*

	2003	2004	2005	2006
<b>Revenue Bonds - Electric (1 a)</b>				
Gross Revenues (2)	\$18,433,897	\$19,153,275	\$22,172,809	\$21,308,391
Direct Operating Expenses (3)	13,326,736	23,846,102	17,512,070	18,730,885
Net Revenue Available for Debt Service	5,107,161	(4,692,827)	4,660,739	2,577,506
Annual Debt Service Requirement	848,259	750,300	747,500	752,600
Coverage	6.02	(6.25)	6.24	3.42
<b>Special Assessment Bonds (4)</b>				
Special Assessment Collections	\$0	\$0	\$65,099	\$56,858
Debt Service				
Principal	0	0	0	10,000
Interest	0	0	0	31,938
Coverage	0.00	0.00	0.00	1.36

(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*

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2007	2008	2009	2010	2011	2012
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
\$85,079	\$168,049	\$104,845	\$89,140	\$57,402	\$77,616
15,000	15,000	15,000	15,000	15,000	15,000
19,775	19,062	18,350	17,638	16,926	16,212
2.45	4.93	3.14	2.73	1.80	2.49

# City of Painesville

## Demographic and Economic Statistics Last Ten Years

Calendar Year	2003	2004	2005	2006
<b>Population</b> (1)				
City of Painesville	17,503	17,503	17,503	17,503
Lake County	227,511	227,511	232,466	232,466
<b>Income</b> (2) (a)				
Total Personal (in thousands)	\$548,299	\$569,933	\$582,815	\$627,413
Per Capita	\$31,326	\$32,562	\$33,298	\$35,846
<b>Unemployment Rate</b> (3)				
Federal	5.8%	6.0%	5.5%	5.0%
State	5.7%	6.1%	6.0%	5.9%
Lake County	6.3%	5.4%	5.1%	4.8%
<b>Civilian Work Force Estimates</b> (3)				
State	5,915,000	5,875,300	5,900,400	5,934,000
Lake County	127,000	131,200	130,600	131,400

### Sources:

(1) US Bureau of Census of Population

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2011, for the presentation of 2012 statistics, the City is using the latest information available.

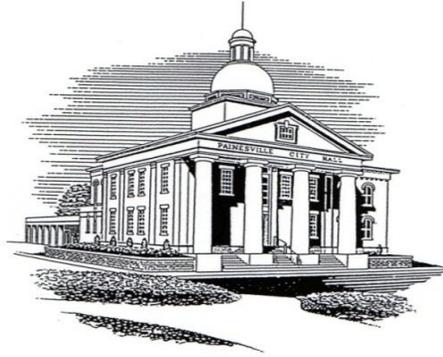
(a) Per Capita Income is only available by County, Total Personal Income is a calculation

(3) State Department of Labor Statistics

*City of Painesville*

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2007	2008	2009	2010	2011	2012
17,503	17,503	17,503	19,563	19,563	19,549
232,466	232,466	232,466	236,775	230,041	229,582
\$669,350	\$689,811	\$662,226	\$694,976	\$780,798	\$788,822
\$38,242	\$39,411	\$37,835	\$35,525	\$39,912	\$40,351
4.6%	5.8%	9.3%	9.0%	8.5%	7.8%
5.6%	6.6%	10.2%	9.0%	8.6%	6.7%
5.2%	6.1%	8.8%	8.1%	8.4%	6.4%
5,976,500	5,986,400	5,905,107	5,908,000	5,897,600	5,740,900
132,500	131,100	124,400	133,900	133,600	126,800



## *City of Painesville*

### *Principal Employers Current Year and Nine Years Ago*

<u>Employer</u>	<u>Nature of Business</u>	<u>2012</u>		
		<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
County of Lake	Government	1,069	1	6.16%
Fasson Division/Avery International Corp.	Manufacturing	556	2	3.20%
Painesville City Schools	Education	383	3	2.21%
The City of Painesville	Government	260	4	1.50%
Lake Erie College	Education	275	5	1.58%
Core Systems	Manufacturing	288	6	1.66%
Aero Fluid Products	Manufacturing	168	7	0.97%
Cintas	Service	117	8	0.67%
Eckart America	Manufacturing	108	9	0.62%
SAS Rubber Co.	Manufacturing	79	10	0.46%
		<u>3,303</u>		
Total Employment within the City		<u>17,351</u>		

<u>Employer</u>	<u>Nature of Business</u>	<u>2003</u>		
		<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
County of Lake	Government	1,179	1	6.73%
Lake Hospital System	Medical-Patient Care	818	2	4.67%
Fasson Division/Avery International Corp.	Manufacturing	611	3	3.49%
Painesville City Schools	Education	393	4	2.24%
The City of Painesville	Government	299	5	1.71%
Core Systems	Manufacturing	222	6	1.27%
Lake Erie College	Education	176	7	1.01%
Ohio Association Enterprises	Commercial	142	8	0.81%
Sas Rubber Co.	Manufacturing	134	9	0.77%
Coe Manufacturing	Manufacturing	114	10	0.65%
Total		<u>4,088</u>		
Total Employment within the City		<u>17,508</u>		

**Sources:**

Compiled by City of Painesville Finance Department

## *City of Painesville*

### *Full Time Equivalent Employees by Function Last Ten Years*

	2003	2004	2005	2006	2007
<b>Governmental Activities</b>					
General Government					
Finance	6.00	6.00	6.00	6.00	7.00
Judicial	22.00	22.00	23.00	23.00	23.00
Administration	28.00	28.00	30.00	30.00	50.00
Maintenance	1.00	1.00	1.00	1.00	1.00
Public Safety					
Police	40.00	40.00	44.00	44.00	44.00
Fire	28.00	28.00	28.00	29.00	28.00
Public Works					
Public Works	18.00	18.00	19.00	19.00	19.00
Public Health and Welfare					
Cemeteries	4.00	4.00	4.00	5.00	6.00
Culture and Recreation					
Parks - Recreation	8.00	8.00	10.00	10.00	11.00
<b>Business-Type Activities</b>					
Utilities					
Water	20.00	20.00	22.00	22.00	26.00
Sewer	18.00	18.00	18.00	18.00	18.00
Electric	61.00	61.00	61.00	61.00	64.00
Off Street Parking	4.00	4.00	4.00	4.00	3.00
<i>Total Employees</i>	<u>258.00</u>	<u>258.00</u>	<u>270.00</u>	<u>272.00</u>	<u>300.00</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*

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2008	2009	2010	2011	2012
7.00	7.00	7.00	7.00	7.00
23.00	23.00	20.00	19.00	19.00
50.00	48.00	47.00	47.00	44.00
1.00	1.00	1.00	1.00	1.00
44.00	45.00	43.00	42.00	41.00
28.00	28.00	28.00	27.00	27.00
19.00	17.00	17.00	16.00	15.00
5.00	5.00	5.00	5.00	4.00
8.00	7.00	7.00	7.00	6.00
20.00	20.00	21.00	20.00	19.00
17.00	17.00	17.00	17.00	17.00
64.00	64.00	64.00	62.00	62.00
3.00	2.00	1.00	1.00	1.00
<u>289.00</u>	<u>284.00</u>	<u>278.00</u>	<u>271.00</u>	<u>263.00</u>

## *City of Painesville*

### *Operating Indicators by Function Last Ten Years*

	2003	2004	2005
<b>Governmental Activities</b>			
General Government			
Court			
Number of Probation Cases	2,228	1,990	2,029
Number of Traffic Cases	13,107	11,263	10,471
Licenses and Permits			
Number of Building Permits - Residential	403	444	451
Number of Building Permits - Commercial & Industrial	51	47	54
Number of Building Inspections - Residential	601	1,386	1,686
Number of Building Inspections - Commercial	193	273	243
Public Safety			
Police			
Number of Citations Issued	1,973	1,979	1,818
Number of Arrests	1,382	1,273	1,350
Number of Accidents	716	700	657
Fire			
Number of Fire Calls	151	105	146
Number of EMS Runs	1,926	1,815	1,829
Number of Inspections	549	643	630
Public Works			
Public Works			
Number of Streets Resurfaced	3	12	7
Public Health and Welfare			
Cemeteries			
Number of Burials	237	227	210
Number of Cemeteries	2	2	2
Culture and Recreation			
Parks - Recreation			
Program Attendance (1)	N/A	7,000	7,486
Number of Park Visitations	N/A	95,750	100,000

*City of Painesville*

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2006	2007	2008	2009	2010	2011	2012
2,048	2,096	2,084	2,023	1,968	1,683	1,658
11,510	11,319	10,892	9,855	9,086	8,550	9,573
520	328	327	340	531	508	329
51	51	96	69	132	106	148
2,094	3,391	2,179	1,893	1,866	2,200	1,660
562	2,898	2,920	2,150	954	543	1,588
2,225	2,197	2,472	1,877	2,430	1,878	1,513
1,535	1,200	1,048	1,321	1,411	1,232	1,378
645	653	637	561	564	579	562
142	152	103	116	119	104	104
1,911	2,103	2,276	2,431	2,659	2,686	2,661
782	618	639	718	624	625	493
9	8	5	3	7	2	0
219	219	214	215	183	197	192
2	2	2	2	2	2	2
6,758	6,570	6,850	7,150	40,429	39,929	42,350
90,000	93,500	100,000	109,000	139,050	135,000	142,000

(Continued)

## City of Painesville

### Operating Indicators by Function Last Ten Years

	2003	2004	2005
<b>Business-Type Activities</b>			
Water			
Number of Service Connections	8,696	9,247	9,751
Water Main Breaks	43	49	57
Daily Average Consumption (thousands of gallons)	3,594	3,638	3,849
Peak Daily Consumption (thousands of gallons)	6,000	6,000	6,000
Storage Capacity (thousands of gallons)	4,053	4,053	4,053
Sewer			
Daily Average Sewage Treatment (thousands of gallons)	2.99	3.17	3.17
Electric			
Number of Service Connections	10,889	11,183	11,403
Average Daily Generation in Kilowatt Hours	521,427	513,827	652,416
Peak Load in Kilowatts	47,900	49,100	54,200
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	5,685	5,796	5,938

(1) Beginning in 2010, program attendance data includes special events.

*City of Painesville*

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2006	2007	2008	2009	2010	2011	2012
9,744	10,066	10,147	10,184	10,254	10,316	10,380
27	60	45	42	55	34	50
3,728	3,530	3,241	3,485	3,590	3,440	3,410
6,000	6,000	6,192	5,573	4,667	5,208	6,098
4,053	4,053	4,053	4,053	4,053	4,053	4,053
3.62	3.17	3.73	3.03	2.75	4.11	3.33
11,613	11,636	11,896	12,056	12,041	12,038	12,032
635,317	587,647	660,507	315,577	252,084	247,814	79,714
57,900	54,700	50,700	55,200	54,000	55,500	57,400
502	502	502	502	502	502	502
60	60	60	60	60	60	60
101	101	101	101	101	101	101
5,984	5,981	6,023	6,046	6,095	6,095	7,103

## *City of Painesville*

### *Capital Asset Statistics by Function Last Ten Years*

	2003	2004	2005	2006
<b>Governmental Activities</b>				
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	16	16	14	14
Fire				
Stations	1	1	1	1
Vehicles	10	11	1	11
Public Works				
Street				
Streets (lane miles)	57	58	58	58
Street Lights	1,402	1,444	1,474	1,504
Traffic Signals	106	106	106	106
Vehicles	26	26	27	27
Culture and Recreation				
Recreation/Seniors				
Land (acres)	118.02	118.02	118.02	118.02
Buildings	1	1	1	1
Parks	9	10	10	10
Playgrounds	6	6	7	7
Tennis Courts	2	2	2	2
Baseball/Softball Diamonds	10	9	9	9
Soccer Fields	1	1	1	1

*City of Painesville*

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2007	2008	2009	2010	2011	2012
0.95 7	0.95 7	0.95 7	0.95 7	0.95 7	0.95 7
1 14	1 16	1 16	1 18	1 18	1 20
1 11	1 11	1 12	1 13	1 13	1 13
58 1,550 108 27	58 1,571 116 27	58 1,571 116 28	58 1,571 116 28	59 1,571 116 28	59 1,571 116 27
118.02 1 10 7 2 9 1	118.02 1 10 7 2 9 1	125.32 1 14 7 2 9 1	125.32 1 14 8 2 9 1	125.32 1 14 8 2 9 1	140.51 1 15 11 2 9 0

(Continued)

# City of Painesville

## Capital Asset Statistics by Function Last Ten Years

	2003	2004	2005	2006
<b>Business-Type Activities</b>				
Utilities				
Water				
Waterlines (Miles)	124.9	127.1	128.3	128.3
Pump Stations	5	5	5	5
Number of Hydrants	1,498	1,615	1,735	1,735
Sewer				
Sewer lines (Miles)	48	49	49	50
Lift Stations	7	7	7	7
Electric				
Lines (Miles)	200	205	205	210
Refuse				
Off Street Parking				
Buildings and Improvements	1	1	1	1
Storm Water Drainage				
Storm Drains (Miles)	37	37	37	37
Number of Catch Basins	2,850	2,850	2,900	2,900
Treatment Capacity (thousands of gallons)	28,000,000	28,000,000	28,000,000	28,000,000

Source: Finance Director's Office

*City of Painesville*

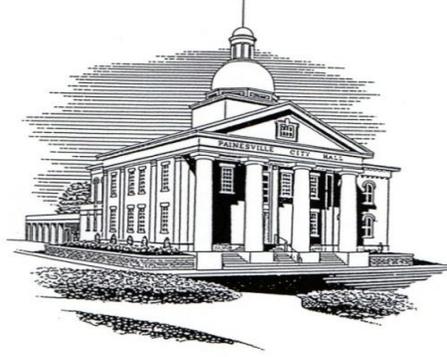
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2007	2008	2009	2010	2011	2012
131.0	131.4	132.3	132.6	132.7	132.9
5	7	7	7	7	7
1,743	1,776	1,797	1,803	1,805	1,813
50	50	50	50	50	50
7	7	7	7	7	8
215	218	220	220	220	220
1	1	1	1	1	1
37	37	37	37	38	38
2,900	2,900	2,900	2,900	2,902	2,902
28,000,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000

*City of Painesville*

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# Dave Yost • Auditor of State

**CITY OF PAINESVILLE**

**LAKE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 9, 2013**