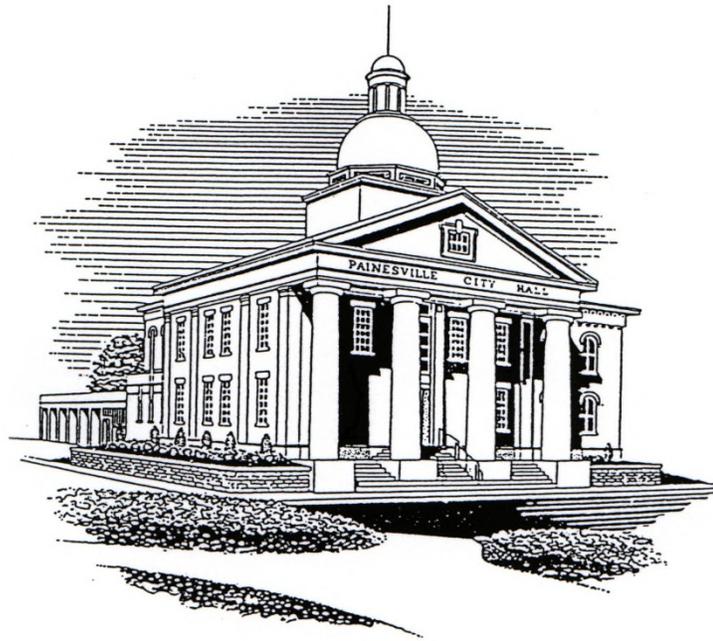


# *CITY OF PAINESVILLE, OHIO*



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2018



***Lake County, Ohio***

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2018

*Prepared by the Finance Department*

Andrew A. Unetic  
Director



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CITY OF PAINESVILLE  
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 20, 2019

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, 2018. This report has been prepared in conformity with Generally Accepted Accounting Principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

## INTRODUCTION

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

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

### **The Reporting Entity**

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

***Letter of Transmittal  
For the Year Ended December 31, 2018***

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

**The History of the City**

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

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

**The Management**

The Council-Manager form of government is established by the Charter. The legislative power of the City is vested in a Council of seven members who are elected on a non-partisan basis for a term of four years. Four of the members are elected from wards and their current terms began on January 1, 2016; the remaining members are elected At-Large and their current term expires on December 31, 2018. 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.

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.

***Letter of Transmittal***

***For the Year Ended December 31, 2018***

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

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

**The Organization**

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

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

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.

***Letter of Transmittal  
For the Year Ended December 31, 2018***

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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.

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

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

***Letter of Transmittal  
For the Year Ended December 31, 2018***

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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.

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 2018 was business attraction as well as business retention. There has been positive feedback we have continued seeing from local businesses in our manufacturing sector and had one new manufacturing investment secured with Aero-Fluid Regulators. At the same time, we are working strategically on key office buildings within the downtown for reinvestment.

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 the Key Accounts and Direct Connections program through AMP, Inc. which 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. Our Council has also recently approved the Efficacy Smart Program which will offer additional support to our manufacturing and general businesses within the City.

***Letter of Transmittal  
For the Year Ended December 31, 2018***

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The Office of Economic Development also meets with local business owners and managers to identify resources and sources to aid their future business growth.

Some of the new and exciting things taking place at this time include the redevelopment of an 8 acre parcel in our downtown district and a new downtown master plan. These plans are a great compliment to our new downtown Streetscape Plan. In addition, we continue to look at re-development for the former hotel and health district sites to open this area of the downtown for new development opportunities as well.

We have completed this year a new Economic Development Strategic Plan designed to enhance our abilities to grow our local businesses here within the community to further new private investments. This plan is in place from 2019 through 2024.

**Local Business**

We are continuing 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 several proposals on industrial investment and retail interests. This continues to be a good year for industrial interest in land opportunities since building stock and availability remains low. It also is an opportunistic year in our retail corridor for Richmond Street. As we work on a new Richmond Street Corridor Study we are seeing interests peak. We are now working closely with the City's Community Development Department and the City's Planning Department to ensure that there are new land opportunities for industrial and retail to complement the other activity.

**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. Continued business connections and communication remain very important to the City of Painesville.

**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 2018, the City continued to uphold that mission by expanding and improving services, upgrading and constructing infrastructure, and enhancing public grounds and facilities.

***Letter of Transmittal  
For the Year Ended December 31, 2018***

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

Public Works entered into its fourteenth year of an intensive sanitary sewer maintenance program. Public Works along with the Department of Recreation and Public Lands maintains most City vehicles (with basic maintenance) resulting in a substantial savings to the City. In 2014 the City began receiving the funds from the new road levy, which allows the City to repair and repave numerous roads in the City. The road levy was renewed in November 2017 and will go through 2023.

In 2018, the City budgeted over \$2.2 million for road paving projects that were paid for with General Fund monies, road levy monies, and through grants the City received.

The Water Department continues to replace water mains on several streets throughout the City and in communities outside the City that the City provides water to. The Water Department also made various improvements to the plant to make it more efficient and improve its technology. In 2017, the Water Department began the construction on the new water intake line in Lake Erie that will cost approximately \$17,000,000. This new water in-take line will provide the consumers of Painesville Water with uninterrupted raw water and reduce the danger of the harmful algae blooms in the lake. The City is financing this project through a 20 year interest free loan through the EPA and will pay off the loan through the Water Department's Water Infrastructure fee, which generates \$1.2 million annually.

The Water Pollution Control Division made various improvements to the plants infrastructure as well as improving the plant's technology.

In 2018, 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.

**Future Projects**

The City will be budgeting just under \$2,400,000 on repaving roads in 2019.

In 2019, the City will continue the construction of the new water intake in Lake Erie.

In 2019, the City will begin replacing the City's accounting, HR, payroll, and utility billing software at a total cost in the neighborhood of \$1,000,000.

In 2018 the Electric Department encumbered \$3.5 million on Advanced Metering Infrastructure (AMI), which will allow the electric meters to be read remotely and increase the Electric Department's efficiency and improve customer service. The AMI project will begin in 2019. Also in 2019 the Electric department is budgeting \$3,000,000 to bury the electric wires underground for future development.

***Letter of Transmittal  
For the Year Ended December 31, 2018***

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**MANAGEMENT PRACTICES**

**Internal Control**

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

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

**Budgetary System**

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

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

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

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

***Letter of Transmittal  
For the Year Ended December 31, 2018***

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**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. By the end of 2020, the CMI accounting system will no longer be supported and the City will begin to change out this system in 2019.

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

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

**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 2018 audit. The independent auditor's unmodified report has been included in this report. The Administration plans to continue this audit procedure as required by law as part of the preparation of its CAFR. The annual audit and management letter submitted by the independent auditor provides information to the City to enable it to maintain and strengthen the City's accounting and budgeting controls.

**Awards**

A Certificate of Achievement for Excellence in Financial Reporting was awarded to the City of Painesville, Ohio for its Comprehensive Annual Financial Report for the year ended December 31, 2017. 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.

***Letter of Transmittal  
For the Year Ended December 31, 2018***

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A Certificate of Achievement is valid for a period of one year. Painesville has received a Certificate of Achievement for the last thirty-one consecutive years, fiscal years ended 1987 – 2017. 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.

**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,



Monica Ireland  
City Manager



Andrew A. Unetic  
Director of Finance

**CITY OF PAINESVILLE, OHIO**

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**List of Principal Officials  
For the Year Ended December 31, 2018**

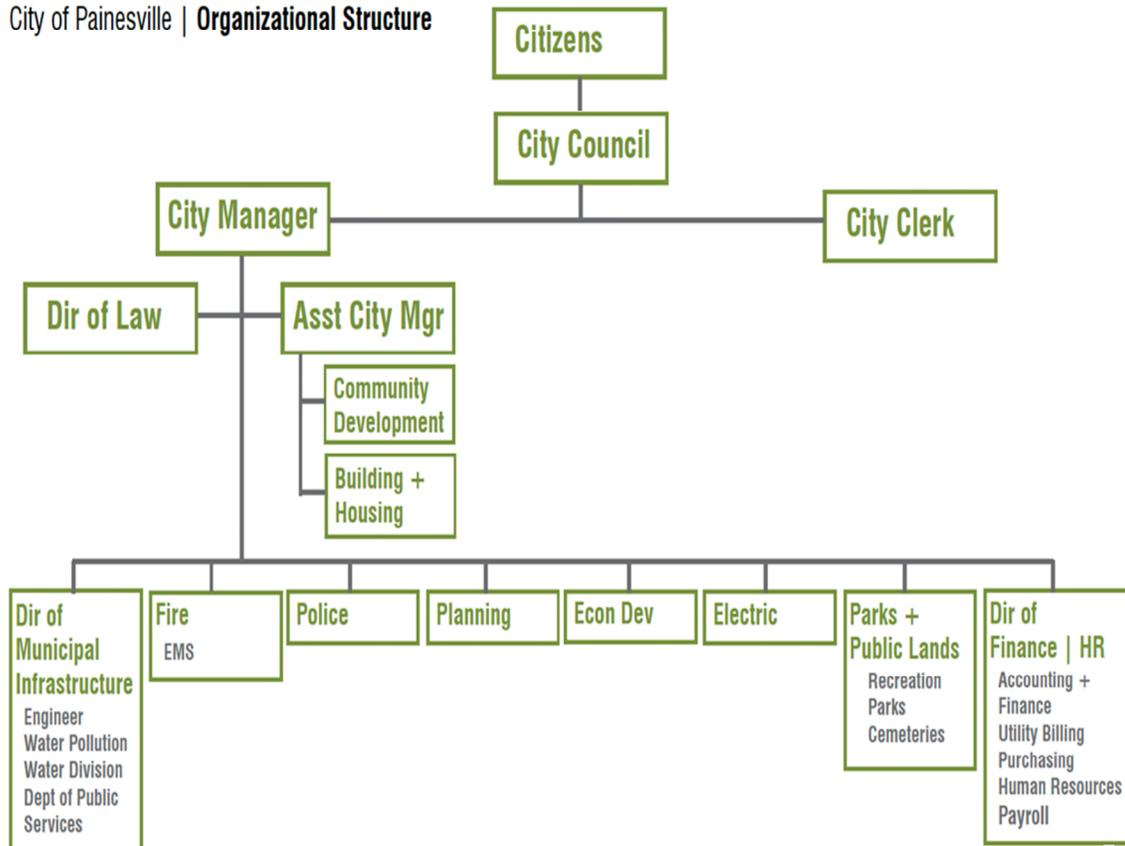
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Name	Title	Years of Municipal/Governmental Service				
		Position	City	Other Municipal/ Governmental Service	Total Public Service	
<b>CITY COUNCIL</b>						
Paul W. Hach II	President (Ward 4)	5.0	15.0	0.0	15.0	
Lori Dinallo	Vice President (at Large)	5.0	9.0	2.0	11.0	
Tom Fitzgerald	Council Member (at Large)	5.0	5.0	0.0	5.0	
Jim Fodor	Council Member (at Large)	9.0	9.0	0.0	9.0	
Christine Shoop	Council Member (Ward 1)	3.0	3.0	0.0	3.0	
Katie Jenkins	Council Member (Ward 2)	7.0	7.0	9.0	16.0	
Nick Augustine	Council Member (Ward 3)	2.3	2.3	0.0	2.3	
Valerie Vargo	Clerk of Council	2.1	2.1	0.0	2.1	
<b>CITY ADMINISTRATION</b>						
Monica Irelan	City Manager	2.1	2.1	9.8	11.9	
Doug Lewis	Assistant City Manager	10.6	10.6	13.0	23.6	
Andrew A. Unetic	Director of Finance	11.1	11.1	14.1	25.2	
Joseph M. Gurley	Director of Law	31.0	38.3	15.3	53.6	
<b>DEPARTMENT/DIVISION HEADS</b>						
Brian Belfiore	Service Director	5.0	12.9	0.0	12.9	
Leanne Exum	City Engineer	4.5	4.5	0.0	4.5	
Jeffrey McHugh	Electric Power Superintendent	6.3	6.3	33.3	39.6	
Randy Bruback	Water Pollution Control Superintendent	16.8	16.8	16.0	32.8	
Mark Mlachak	Fire Chief	16.3	37.3	0.0	37.3	
Daniel Waterman	Chief of Police	1.3	22.0	0.8	22.8	
Michelle LaPuma	Director of Recreation and Public Lands	3.3	6.2	0.0	6.2	
Lynn White	City Planner	4.0	26.5	0.0	26.5	

**City Organizational Chart**  
**For the Year Ended December 31, 2018**

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City of Painesville | **Organizational Structure**



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

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Government Finance Officers Association

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

Presented to

**City of Painesville  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morrill*

Executive Director/CEO



## *FINANCIAL SECTION*

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# OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12<sup>th</sup> Floor  
615 Superior Avenue, NW  
Cleveland, Ohio 44113-1801  
(216) 787-3665 or (800) 626-2297  
NortheastRegion@ohioauditor.gov

## 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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

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

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

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

We believe the audit evidence we obtained is sufficient and appropriate to support our audit 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 2 to the financial statements, during 2018, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. We did not modify our opinion regarding this matter.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Supplementary and Other Information*

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2019, 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 "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State  
Columbus, Ohio

June 20, 2019



***Management's Discussion and Analysis  
For the Year Ended December 31, 2018***

***Unaudited***

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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 year ended December 31, 2018. 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 2018 are as follows:

- ❑ In total, net position increased \$1,665,999. Net position of governmental activities increased \$916,542, which represents a 3% increase from 2017. Net position of business-type activities increased \$749,457, or 1% from 2017.
- ❑ General revenues accounted for \$13,017,354 in revenue, or 22% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$47,050,994, or 78% of total revenues of \$60,068,348.
- ❑ The City had \$17,948,382 in expenses related to governmental activities; only \$5,055,908 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$13,017,354 were adequate to fully provide for these programs.
- ❑ Among major funds, the general fund had \$13,319,454 in revenues, including other financing sources and \$13,353,699 in expenditures, including other financing uses. The general fund's fund balance decreased \$34,245.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *pension/OPEB 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 supplementary information that further explains and supports the information in the financial statements.

**Government-Wide Financial Statements**

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

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

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

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

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

**Fund Financial Statements**

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

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

**CITY OF PAINESVILLE, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2018**

**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, 2018 and 2017:

	Governmental Activities		Business-type Activities		Total	
	Restated		Restated		2018	2017
	2018	2017	2018	2017		
Current and Other Assets	\$24,670,231	\$23,556,318	\$30,934,763	\$30,270,901	\$55,604,994	\$53,827,219
Capital Assets, Net	49,476,848	48,564,404	72,595,085	68,756,837	122,071,933	117,321,241
Total Assets	<u>74,147,079</u>	<u>72,120,722</u>	<u>103,529,848</u>	<u>99,027,738</u>	<u>177,676,927</u>	<u>171,148,460</u>
Deferred Outflows of Resources	3,808,252	4,165,975	2,687,374	5,192,212	6,495,626	9,358,187
Net Pension Liability	15,332,194	17,711,941	9,402,666	14,078,964	24,734,860	31,790,905
Net OPEB Liability	13,413,462	11,759,026	6,677,525	6,531,561	20,090,987	18,290,587
Long-Term Liabilities	11,642,348	12,357,836	13,857,497	12,529,296	25,499,845	24,887,132
Other Liabilities	997,334	883,814	5,419,848	3,988,368	6,417,182	4,872,182
Total Liabilities	<u>41,385,338</u>	<u>42,712,617</u>	<u>35,357,536</u>	<u>37,128,189</u>	<u>76,742,874</u>	<u>79,840,806</u>
Deferred Inflows of Resources	4,470,456	2,391,085	3,205,417	186,949	7,675,873	2,578,034
Net Position						
Net Investment in Capital Assets	40,406,142	38,776,754	60,113,342	57,658,019	100,519,484	96,434,773
Restricted	8,799,048	8,054,202	0	0	8,799,048	8,054,202
Unrestricted	<u>(17,105,653)</u>	<u>(15,647,961)</u>	<u>7,540,927</u>	<u>9,246,793</u>	<u>(9,564,726)</u>	<u>(6,401,168)</u>
Total Net Position	<u>\$32,099,537</u>	<u>\$31,182,995</u>	<u>\$67,654,269</u>	<u>\$66,904,812</u>	<u>\$99,753,806</u>	<u>\$98,087,807</u>

The net pension liability (NPL) is reported by the City pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2018***

***Unaudited***

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GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows. As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017 from \$42,893,773 to \$31,182,995 for Governmental Activities and from \$73,363,896 to \$66,904,812 for Business-type Activities.

**CITY OF PAINESVILLE, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2018**

**Unaudited**

**Change in Net Position** – The following table shows the change in net position for 2018 and 2017:

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues:						
Charges for Services and Sales	\$2,846,891	\$2,724,491	\$41,995,086	\$38,135,134	\$44,841,977	\$40,859,625
Operating Grants and Contributions	1,185,541	1,057,201	0	0	1,185,541	1,057,201
Capital Grants and Contributions	1,023,476	677,076	0	0	1,023,476	677,076
Total Program Revenues	5,055,908	4,458,768	41,995,086	38,135,134	47,050,994	42,593,902
General Revenues:						
Property Taxes	2,364,159	2,318,191	0	0	2,364,159	2,318,191
Municipal Income Taxes	8,645,785	9,426,872	0	0	8,645,785	9,426,872
Intergovernmental, Unrestricted	952,903	822,685	0	0	952,903	822,685
Investment Earnings	693,122	488,373	0	0	693,122	488,373
Miscellaneous	361,385	638,094	0	0	361,385	638,094
Total General Revenues	13,017,354	13,694,215	0	0	13,017,354	13,694,215
Total Revenues	18,073,262	18,152,983	41,995,086	38,135,134	60,068,348	56,288,117
Program Expenses						
General Government	4,243,338	4,297,312	0	0	4,243,338	4,297,312
Public Safety	9,101,205	7,960,151	0	0	9,101,205	7,960,151
Highways and Streets	2,850,216	2,806,601	0	0	2,850,216	2,806,601
Public Health and Welfare	606,592	647,437	0	0	606,592	647,437
Culture and Recreation	750,338	763,163	0	0	750,338	763,163
Community Environment	138,948	140,834	0	0	138,948	140,834
Interest and Fiscal Charges	257,745	266,554	0	0	257,745	266,554
Water	0	0	5,308,516	5,229,158	5,308,516	5,229,158
Sewer	0	0	4,202,467	4,315,748	4,202,467	4,315,748
Electric	0	0	30,563,700	27,882,194	30,563,700	27,882,194
Refuse	0	0	2,300	3,411	2,300	3,411
Off-Street Parking	0	0	0	23,906	0	23,906
Storm Water Utility	0	0	327,501	250,201	327,501	250,201
Community Programs	0	0	49,483	41,365	49,483	41,365
Total Expenses	17,948,382	16,882,052	40,453,967	37,745,983	58,402,349	54,628,035
Excess (Deficiency) Before Transfers	124,880	1,270,931	1,541,119	389,151	1,665,999	1,660,082
Transfers	791,662	757,012	(791,662)	(757,012)	0	0
Total Change in Net Position	916,542	2,027,943	749,457	(367,861)	1,665,999	1,660,082
Beginning Net Position - Restated	31,182,995	N/A	66,904,812	N/A	98,087,807	N/A
Ending Net Position - Restated	\$32,099,537	\$31,182,995	\$67,654,269	\$66,904,812	\$99,753,806	\$98,087,807

***Management's Discussion and Analysis  
For the Year Ended December 31, 2018***

***Unaudited***

***Governmental Activities***

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$48,248 for Governmental Activities and \$72,477 for Business-type Activities computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$989,813 for Governmental Activities and \$421,990 for Business-type Activities.

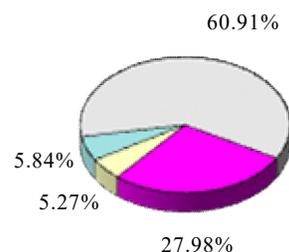
Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	Governmental Activities	Business-type Activities
Total 2018 program expenses under GASB 75	\$17,948,382	\$40,453,967
OPEB expense under GASB 75	(989,813)	(421,990)
2018 contractually required contribution	23,354	1,988
Adjusted 2018 program expenses	16,981,923	40,033,965
Total 2017 program expenses under GASB 45	16,882,052	37,745,983
Change in program expenses not related to OPEB	\$99,871	\$2,287,982

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

Taxes made up 61% of revenues for governmental activities in 2018. The City's reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2018	Percent of Total
Taxes	\$11,009,944	60.91%
Program Revenues	5,055,908	27.98%
Intergovernmental, Unrestricted	952,903	5.27%
General Other	1,054,507	5.84%
Total Revenue	\$18,073,262	100.00%



***Business-Type Activities***

Net position of the business-type activities increased \$749,457. Increases in revenues and expenses can be attributed to the electric department. In 2018 there was an increase in electric demand, resulting in an increase in charges to consumers, and a corresponding increase in purchased power cost.

**CITY OF PAINESVILLE, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2018**

**Unaudited**

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

The City's governmental funds reported a combined fund balance of \$18,485,909, which is an increase from last year's balance of \$17,917,024. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2018 and 2017:

	Fund Balance December 31, 2018	Fund Balance December 31, 2017	Increase (Decrease)
General	\$7,512,732	\$7,546,977	(\$34,245)
Other Governmental	10,973,177	10,370,047	603,130
Total	<u>\$18,485,909</u>	<u>\$17,917,024</u>	<u>\$568,885</u>

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:

	2018 Revenues	2017 Revenues	Increase (Decrease)
Property Taxes	\$413,989	\$392,509	\$21,480
Municipal Income Taxes	8,311,750	8,886,898	(575,148)
Intergovernmental Revenues	829,663	809,717	19,946
Charges for Services	79,637	69,148	10,489
Licenses, Permits and Inspection Fees	474,497	549,998	(75,501)
Investment Earnings	672,471	437,397	235,074
Fines and Forfeitures	1,084,468	998,233	86,235
All Other Revenue	323,593	596,301	(272,708)
Total	<u>\$12,190,068</u>	<u>\$12,740,201</u>	<u>(\$550,133)</u>

General Fund revenues decreased approximately 4% when compared to 2017 revenues. The largest contributing factor to this decrease was a decrease in income taxes, which was the result of an overall decrease in employment in the City.

	2018 Expenditures	2017 Expenditures	Increase (Decrease)
Current:			
General Government	\$3,470,389	\$3,499,441	(\$29,052)
Public Safety	6,892,527	6,274,992	617,535
Highways and Streets	684,579	625,885	58,694
Public Health and Welfare	156,409	154,495	1,914
Culture and Recreation	643,694	613,505	30,189
Community Environment	127,541	121,553	5,988
Total	<u>\$11,975,139</u>	<u>\$11,289,871</u>	<u>\$685,268</u>

General Fund expenditures increased \$685,268, or approximately 6% from the prior year. Public safety expenditures increased due to salaries, which can be attributed to pay raises and the addition of an officer to the payroll.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2018***

***Unaudited***

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*Water Fund* – The City's Water Fund reported an increase in net position of 5%. Revenues and expenses were consistent with the previous year.

*Sewer Fund* – The City's Sewer Fund revenues and expenses remained stable when compared with the prior year, resulting in a decrease in net position of approximately 2%.

*Electric Fund* – The City's Electric Fund net position remained stable, decreasing approximately 1%. The Electric Fund reported increases in electric charges to consumers as well as expenses for purchased power. In 2018 there was an increase in electric demand, resulting in an increase in charges to consumers, and a corresponding increase in purchased power cost.

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 2018 the City amended its General Fund budget several times.

For the General Fund, final budgeted revenues were 6% higher than original revenue estimates due to increases in income tax receipts, investment earnings, and fines. Actual budget basis revenues were not materially different from final revenue estimates. Original budgeted, final budgeted, and actual budget basis expenditures were not materially different. The General Fund had an adequate fund balance to cover expenditures.

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***Management's Discussion and Analysis  
For the Year Ended December 31, 2018***

***Unaudited***

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of 2018 the City had \$122,071,933 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, \$49,476,848 was related to governmental activities and \$72,595,085 to the business-type activities. The following tables show 2018 and 2017 balances:

	Governmental Activities		Increase (Decrease)
	2018	2017	
Land	\$13,038,975	\$13,008,115	\$30,860
Construction in Progress	1,375,538	1,336,877	38,661
Buildings and Improvements	5,715,113	5,674,785	40,328
Improvements other than Buildings	1,183,730	1,111,884	71,846
Machinery and Equipment	7,802,410	7,406,095	396,315
Infrastructure	49,443,521	47,303,992	2,139,529
Less: Accumulated Depreciation	(29,082,439)	(27,277,344)	(1,805,095)
Totals	<u>\$49,476,848</u>	<u>\$48,564,404</u>	<u>\$912,444</u>

	Business-Type Activities		Increase (Decrease)
	2018	2017	
Land	\$2,010,667	\$1,397,784	\$612,883
Construction in Progress	20,924,938	15,567,945	5,356,993
Buildings and Improvements	30,396,359	30,269,538	126,821
Infrastructure	56,123,251	55,815,611	307,640
Machinery and Equipment	36,252,918	35,939,518	313,400
Less: Accumulated Depreciation	(73,113,048)	(70,233,559)	(2,879,489)
Totals	<u>\$72,595,085</u>	<u>\$68,756,837</u>	<u>\$3,838,248</u>

Increases in infrastructure in the Governmental Activities capital assets can mostly be attributed to Walnut Street reconstruction, and Richmond Street resurfacing. Additions to machinery and equipment included vehicle purchases in the police, fire, and street departments.

In Business-Type capital assets, an increase in construction in progress can be attributed to a new water intake project, Richmond Street waterline replacement, and electric infrastructure improvements. Various vehicle and utility equipment purchases contributed to an increase in machinery and equipment. Additional information on the City's capital assets can be found in Note 11.

As of December 31, 2018, the City had contractual commitments of \$11,474,294 related to various projects throughout the City. Additional information on the City's construction commitments can be found in Note 17.

**CITY OF PAINESVILLE, OHIO**

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**Management's Discussion and Analysis  
For the Year Ended December 31, 2018**

**Unaudited**

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**Long Term Obligations**

The following table summarizes the City's long-term obligations outstanding as of December 31, 2018 and 2017:

	2018	Restated 2017
	<u>2018</u>	<u>2017</u>
Governmental Activities:		
General Obligation Bonds	\$7,091,596	\$7,526,424
Special Assessment Bonds	190,000	210,000
Ohio Public Works Commission Loans	1,156,197	1,209,443
Long Term Notes Payable	535,917	696,153
Net Pension Liability	15,332,194	17,711,941
Net OPEB Liability	13,413,462	11,759,026
Compensated Absences	1,418,780	1,330,934
Workers' Compensation Liability	577,970	640,630
Capital Leases	96,996	145,630
Police and Firemen's Accrued Pension	574,892	598,622
Total Governmental Activities	<u>40,388,004</u>	<u>41,828,803</u>
Business-Type Activities:		
General Obligation Bonds	1,715,000	1,790,000
Ohio Water Development Authority Loans	7,936,226	5,815,830
Ohio Public Works Commission Loans	18,443	20,491
Long Term Notes Payable	464,083	903,847
Capital Leases	2,217,666	2,503,526
Net Pension Liability	9,402,666	14,078,964
Net OPEB Liability	6,677,525	6,531,561
Compensated Absences	1,506,079	1,495,602
Total Business-Type Activities	<u>29,937,688</u>	<u>33,139,821</u>
Totals	<u>\$70,325,692</u>	<u>\$74,968,624</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, 2018, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 14.

**ECONOMIC FACTORS**

For the 2018 budget, the emphasis is being placed on continuing balancing all funds, without using carryover. For 2018 the General Fund will see slightly increased revenues from the 2017 budgeted revenues. The 2018 projected revenues in the General Fund will be increased by over \$100,000 from 2017. The reason for the increase is the City anticipates the interest revenues to increase by \$100,000 in 2018. The City anticipates the municipal income tax revenues for 2018 to be \$8,200,000, which is the same they were budgeted for in 2017.

The City will to continue to focus on strengthening its tax base through community planning and economic development. The City's continuing its efforts to attract and retain quality residential, commercial, and industrial developments. However, the stagnate National and State economy and the wholesale overhaul of the State budget will have a direct effect on the City of Painesville. Continued analysis of our expenditures and ongoing diligence to identify additional long term stable sources of revenue for the General Fund are necessary to maintain the level and quality of service to our residents.

The 2018 economic outlook for the three major proprietary funds of Water, Sewer and Electric is that 2018 budgeted revenues in Sewer and Electric will be slightly up, while the 2018 budgeted revenues in Water will be slightly down. Through June 30, 2017 Sewer and Electric revenues are up compared to June 30, 2016 however, Water revenues are slightly down compared to June 30, 2016.

**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, 2018**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Pooled Cash and Investments	\$ 15,998,668	\$ 24,036,075	\$ 40,034,743
Receivables:			
Taxes	5,232,299	0	5,232,299
Accounts	184,391	4,282,984	4,467,375
Intergovernmental	865,123	0	865,123
Interest	167,880	0	167,880
Internal Balances	142,463	(142,463)	0
Inventory of Supplies at Cost	0	589,749	589,749
Land Held for Resale	785,000	0	785,000
Prepaid Items	112,302	349,814	462,116
Investment in Joint Venture	0	346,351	346,351
Restricted Assets:			
Cash and Cash Equivalents	1,182,105	1,472,253	2,654,358
Capital Assets:			
Capital Assets Not Being Depreciated	14,414,513	22,935,605	37,350,118
Capital Assets Being Depreciated, Net	35,062,335	49,659,480	84,721,815
<b>Total Assets</b>	<b>74,147,079</b>	<b>103,529,848</b>	<b>177,676,927</b>
<b>Deferred Outflows of Resources:</b>			
Pension	2,527,071	2,171,815	4,698,886
OPEB	1,281,181	515,559	1,796,740
<b>Total Deferred Outflows of Resources</b>	<b>3,808,252</b>	<b>2,687,374</b>	<b>6,495,626</b>
<b>Liabilities:</b>			
Accounts Payable	127,270	3,176,206	3,303,476
Accrued Wages and Benefits	533,753	500,559	1,034,312
Intergovernmental Payable	30,661	80,987	111,648
Claims Payable	220,875	0	220,875
Retainage Payable	0	130,325	130,325
Refundable Deposits	0	1,472,253	1,472,253
Accrued Interest Payable	84,775	59,518	144,293
Noncurrent Liabilities:			
Due Within One Year	1,169,999	1,436,188	2,606,187
Due in More Than One Year:			
Net Pension Liability	15,332,194	9,402,666	24,734,860
Net OPEB Liability	13,413,462	6,677,525	20,090,987
Other Amounts Due in More Than One Year	10,472,349	12,421,309	22,893,658
<b>Total Liabilities</b>	<b>41,385,338</b>	<b>35,357,536</b>	<b>76,742,874</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Fiscal Year	2,396,361	0	2,396,361
Pension	1,529,139	2,488,297	4,017,436
OPEB	544,956	717,120	1,262,076
<b>Total Deferred Inflows of Resources</b>	<b>4,470,456</b>	<b>3,205,417</b>	<b>7,675,873</b>

**CITY OF PAINESVILLE, OHIO**

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	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	40,406,142	60,113,342	100,519,484
Restricted For:			
Capital Projects	525,551	0	525,551
Debt Service	1,822,762	0	1,822,762
Highways	2,895,423	0	2,895,423
Public Safety	1,634,579	0	1,634,579
Cemetery Operations:			
Nonexpendable	1,182,105	0	1,182,105
Expendable	738,628	0	738,628
Unrestricted (Deficit)	(17,105,653)	7,540,927	(9,564,726)
<b>Total Net Position</b>	<b>\$ 32,099,537</b>	<b>\$ 67,654,269</b>	<b>\$ 99,753,806</b>

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2018**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 4,243,338	\$ 1,645,439	\$ 361,077	\$ 0
Public Safety	9,101,205	666,103	58,520	0
Highways and Streets	2,850,216	15,335	765,944	1,023,476
Public Health and Welfare	606,592	180,385	0	0
Culture and Recreation	750,338	23,277	0	0
Community Environment	138,948	316,352	0	0
Interest and Fiscal Charges	257,745	0	0	0
<b>Total Governmental Activities</b>	<b>17,948,382</b>	<b>2,846,891</b>	<b>1,185,541</b>	<b>1,023,476</b>
<b>Business-Type Activities:</b>				
Water	5,308,516	6,170,021	0	0
Sewer	4,202,467	4,135,229	0	0
Electric	30,563,700	31,071,723	0	0
Refuse	2,300	2,358	0	0
Storm Water Utility	327,501	566,920	0	0
Community Programs	49,483	48,835	0	0
<b>Total Business-Type Activities</b>	<b>40,453,967</b>	<b>41,995,086</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>\$ 58,402,349</b>	<b>\$ 44,841,977</b>	<b>\$ 1,185,541</b>	<b>\$ 1,023,476</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 - Restated

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
\$ (2,236,822)	\$ 0	\$ (2,236,822)
(8,376,582)	0	(8,376,582)
(1,045,461)	0	(1,045,461)
(426,207)	0	(426,207)
(727,061)	0	(727,061)
177,404	0	177,404
(257,745)	0	(257,745)
<u>(12,892,474)</u>	<u>0</u>	<u>(12,892,474)</u>
0	861,505	861,505
0	(67,238)	(67,238)
0	508,023	508,023
0	58	58
0	239,419	239,419
0	(648)	(648)
<u>0</u>	<u>1,541,119</u>	<u>1,541,119</u>
<u>\$ (12,892,474)</u>	<u>\$ 1,541,119</u>	<u>\$ (11,351,355)</u>
2,364,159	0	2,364,159
8,645,785	0	8,645,785
952,903	0	952,903
693,122	0	693,122
361,385	0	361,385
791,662	(791,662)	0
<u>13,809,016</u>	<u>(791,662)</u>	<u>13,017,354</u>
916,542	749,457	1,665,999
31,182,995	66,904,812	98,087,807
<u>\$ 32,099,537</u>	<u>\$ 67,654,269</u>	<u>\$ 99,753,806</u>

**CITY OF PAINESVILLE, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2018**

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Pooled Cash and Investments	\$ 5,649,066	\$ 9,877,597	\$ 15,526,663
Receivables:			
Taxes	3,251,716	1,980,583	5,232,299
Accounts	74,494	109,897	184,391
Intergovernmental	430,588	434,535	865,123
Interest	167,880	0	167,880
Interfund Loans Receivable	100,000	0	100,000
Land Held for Resale	785,000	0	785,000
Prepaid Items	101,154	11,148	112,302
Restricted Assets:			
Cash and Cash Equivalents	0	1,182,105	1,182,105
<b>Total Assets</b>	<b>\$ 10,559,898</b>	<b>\$ 13,595,865</b>	<b>\$ 24,155,763</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 67,901	\$ 48,573	\$ 116,474
Accrued Wages and Benefits Payable	468,814	64,939	533,753
Intergovernmental Payable	6,694	23,967	30,661
Interfund Loans Payable	0	100,000	100,000
Compensated Absences Payable	32,305	27,617	59,922
<b>Total Liabilities</b>	<b>575,714</b>	<b>265,096</b>	<b>840,810</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable Amounts	2,000,765	431,918	2,432,683
Property Tax Levy for Next Fiscal Year	470,687	1,925,674	2,396,361
<b>Total Deferred Inflows of Resources</b>	<b>2,471,452</b>	<b>2,357,592</b>	<b>4,829,044</b>
<b>Fund Balances:</b>			
Nonspendable	886,154	1,193,253	2,079,407
Restricted	0	7,365,852	7,365,852
Committed	10,931	2,414,072	2,425,003
Assigned	1,277,058	0	1,277,058
Unassigned	5,338,589	0	5,338,589
<b>Total Fund Balances</b>	<b>7,512,732</b>	<b>10,973,177</b>	<b>18,485,909</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 10,559,898</b>	<b>\$ 13,595,865</b>	<b>\$ 24,155,763</b>

See accompanying notes to the basic financial statements

***Reconciliation Of Total Governmental Fund Balances  
To Net Position Of Governmental Activities  
December 31, 2018***

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<b>Total Governmental Fund Balances</b>	\$ 18,485,909
 <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.	49,476,848
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	2,432,683
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.	(14,334,262)
The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.	(12,677,237)
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.	(195,173)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(11,089,231)</u>
<b><i>Net Position of Governmental Activities</i></b>	<b><u><u>\$ 32,099,537</u></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, 2018**

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Property Taxes	\$ 413,989	\$ 1,981,308	\$ 2,395,297
Municipal Income Taxes	8,311,750	0	8,311,750
Intergovernmental Revenues	829,663	2,004,736	2,834,399
Charges for Services	79,637	676,909	756,546
Licenses, Permits and Inspection Fees	474,497	0	474,497
Investment Earnings	672,471	20,290	692,761
Special Assessments	0	85,015	85,015
Fines and Forfeitures	1,084,468	459,110	1,543,578
All Other Revenues	323,593	41,507	365,100
<b>Total Revenues</b>	<b>12,190,068</b>	<b>5,268,875</b>	<b>17,458,943</b>
<b>Expenditures:</b>			
Current:			
General Government	3,470,389	456,346	3,926,735
Public Safety	6,892,527	897,063	7,789,590
Highways and Streets	684,579	2,394,779	3,079,358
Public Health and Welfare	156,409	377,641	534,050
Culture and Recreation	643,694	0	643,694
Community Environment	127,541	0	127,541
Capital Outlay	0	945,078	945,078
Debt Service:			
Principal Retirement	0	1,245,033	1,245,033
Interest and Fiscal Charges	0	264,282	264,282
<b>Total Expenditures</b>	<b>11,975,139</b>	<b>6,580,222</b>	<b>18,555,361</b>
Excess (Deficiency) of Revenues Over Expenditures	214,929	(1,311,347)	(1,096,418)
<b>Other Financing Sources (Uses):</b>			
Sale of Capital Assets	646	0	646
Long Term Note Issuance	0	535,917	535,917
Transfers In	791,662	1,378,560	2,170,222
Transfers Out	(1,378,560)	0	(1,378,560)
Insurance Proceeds	337,078	0	337,078
<b>Total Other Financing Sources (Uses)</b>	<b>(249,174)</b>	<b>1,914,477</b>	<b>1,665,303</b>
Net Change in Fund Balances	(34,245)	603,130	568,885
<b>Fund Balance at Beginning of Year</b>	<b>7,546,977</b>	<b>10,370,047</b>	<b>17,917,024</b>
<b>Fund Balance End of Year</b>	<b>\$ 7,512,732</b>	<b>\$ 10,973,177</b>	<b>\$ 18,485,909</b>

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

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***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, 2018***

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	568,885
 <i>Amounts reported for governmental activities in the statement of activities are different because</i>		
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.		915,243
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.		(2,799)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		277,241
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	1,357,901	
OPEB	<u>23,354</u>	1,381,255
Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension/OPEB expense in the statement of activities:		
Pension	(1,999,604)	
OPEB	<u>(989,813)</u>	(2,989,417)
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.		740,674
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(1,291)
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		(31,254)
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.		<u>58,005</u>
<b><i>Change in Net Position of Governmental Activities</i></b>	<b>\$</b>	<b><u>916,542</u></b>

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, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 342,817	\$ 412,000	\$ 413,989	\$ 1,989
Municipal Income Taxes	8,425,000	8,525,000	8,588,623	63,623
Intergovernmental Revenue	806,400	806,400	824,686	18,286
Charges for Services	59,220	59,220	79,197	19,977
Licenses, Permits and Inspection Fees	382,600	413,600	470,296	56,696
Investment Earnings	470,000	720,000	738,582	18,582
Fines and Forfeitures	963,400	1,070,400	1,084,468	14,068
All Other Revenues	304,770	458,770	488,609	29,839
Total Revenues	<u>11,754,207</u>	<u>12,465,390</u>	<u>12,688,450</u>	<u>223,060</u>
<b>Expenditures:</b>				
Current:				
General Government	4,571,628	4,550,071	4,320,052	230,019
Public Safety	6,729,497	7,120,897	6,939,110	181,787
Highways and Streets	762,126	788,047	741,077	46,970
Public Health and Welfare	156,710	156,710	156,409	301
Culture and Recreation	665,620	690,226	653,177	37,049
Community Environment	171,425	218,605	197,532	21,073
Total Expenditures	<u>13,057,006</u>	<u>13,524,556</u>	<u>13,007,357</u>	<u>517,199</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,302,799)	(1,059,166)	(318,907)	740,259
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	646	646
Insurance Proceeds	0	306,000	317,786	11,786
Transfers In	730,000	826,440	818,102	(8,338)
Transfers Out	(305,000)	(1,437,000)	(1,410,000)	27,000
Advances In	50,000	50,000	50,000	0
Total Other Financing Sources (Uses):	<u>475,000</u>	<u>(254,560)</u>	<u>(223,466)</u>	<u>31,094</u>
Net Changes in Fund Balance	(827,799)	(1,313,726)	(542,373)	771,353
Fund Balance at Beginning of Year	4,929,392	4,929,392	4,929,392	0
Prior Year Encumbrances	616,223	616,223	616,223	0
Fund Balance at End of Year	<u>\$ 4,717,816</u>	<u>\$ 4,231,889</u>	<u>\$ 5,003,242</u>	<u>\$ 771,353</u>

See accompanying notes to the basic financial statements



**CITY OF PAINESVILLE, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2018**

	Business-Type Activities			
	Enterprise Funds			
	Water	Sewer	Electric	Other Enterprise Funds
<b>Assets:</b>				
Current Assets:				
Pooled Cash and Investments	\$ 4,070,549	\$ 2,210,062	\$ 16,719,554	\$ 1,035,910
Receivables:				
Accounts	515,896	357,579	3,358,184	51,325
Inventory of Supplies at Cost	0	0	589,749	0
Prepaid Items	75,263	79,651	194,900	0
Total Current Assets	4,661,708	2,647,292	20,862,387	1,087,235
Noncurrent Assets:				
Restricted Assets:				
Cash and Cash Equivalents	557,259	0	914,994	0
Total Restricted Assets	557,259	0	914,994	0
Investment in Joint Venture	0	0	346,351	0
Capital Assets:				
Capital Assets Not Being Depreciated	10,763,406	559,809	10,367,931	1,244,459
Capital Assets Being Depreciated, Net	17,714,008	7,373,987	21,480,627	3,090,858
Total Noncurrent Assets	29,034,673	7,933,796	33,109,903	4,335,317
<b>Total Assets</b>	<b>33,696,381</b>	<b>10,581,088</b>	<b>53,972,290</b>	<b>5,422,552</b>
<b>Deferred Outflows of Resources:</b>				
Pension	499,051	424,386	1,224,303	24,075
OPEB	108,248	101,284	301,012	5,015
<b>Total Deferred Outflows of Resources</b>	<b>607,299</b>	<b>525,670</b>	<b>1,525,315</b>	<b>29,090</b>
<b>Liabilities:</b>				
Current Liabilities:				
Accounts Payable	1,439,050	28,693	1,706,677	1,786
Accrued Wages and Benefits	112,256	97,655	286,198	4,450
Intergovernmental Payable	33,006	30,029	17,952	0
Claims Payable - Current	0	0	0	0
Retainage Payable	81,727	0	48,598	0
Refundable Deposits	557,259	0	914,994	0
Accrued Interest Payable	13,370	38,023	42	8,083
Capital Leases Payable - Current	198,723	13,248	8,832	0
General Obligation Bonds Payable - Current	0	0	0	75,000
OWDA Loans Payable - Current	114,852	157,555	0	0
OPWC Loans Payable - Current	0	2,054	0	0
Long Term Notes Payable - Current	95,070	0	0	74,324
Compensated Absences Payable - Current	168,520	123,079	394,503	10,428
Total Current Liabilities	2,813,833	490,336	3,377,796	174,071

**CITY OF PAINESVILLE, OHIO**

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<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 24,036,075	\$ 472,005
4,282,984	0
589,749	0
349,814	0
<u>29,258,622</u>	<u>472,005</u>
<u>1,472,253</u>	<u>0</u>
<u>1,472,253</u>	<u>0</u>
346,351	0
22,935,605	0
<u>49,659,480</u>	<u>0</u>
<u>74,413,689</u>	<u>0</u>
<u>103,672,311</u>	<u>472,005</u>
2,171,815	0
<u>515,559</u>	<u>0</u>
<u>2,687,374</u>	<u>0</u>
3,176,206	10,796
500,559	0
80,987	0
0	362,236
130,325	0
1,472,253	0
59,518	0
220,803	0
75,000	0
272,407	0
2,054	0
169,394	0
<u>696,530</u>	<u>0</u>
<u>6,856,036</u>	<u>373,032</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2018**

	Business-Type Activities			
	Enterprise Funds			
	Water	Sewer	Electric	Other Enterprise Funds
<b>Noncurrent Liabilities:</b>				
Capital Leases Payable	1,797,176	119,812	79,875	0
General Obligation Bonds Payable	0	0	0	1,640,000
Claims Payable	0	0	0	0
OWDA Loans Payable	5,290,735	2,373,084	0	0
OPWC Loans Payable	0	16,389	0	0
Compensated Absences Payable	212,288	142,584	446,260	8,417
Long Term Notes Payable	249,689	0	0	45,000
Net Pension Liability	2,091,648	1,840,631	5,370,869	99,518
Net OPEB Liability	1,448,544	1,309,069	3,851,764	68,148
<b>Total Noncurrent Liabilities</b>	<b>11,090,080</b>	<b>5,801,569</b>	<b>9,748,768</b>	<b>1,861,083</b>
<b>Total Liabilities</b>	<b>13,903,913</b>	<b>6,291,905</b>	<b>13,126,564</b>	<b>2,035,154</b>
<b>Deferred Inflows of Resources:</b>				
Pension	590,338	485,766	1,383,330	28,863
OPEB	168,601	140,226	400,088	8,205
<b>Total Deferred Inflows of Resources</b>	<b>758,939</b>	<b>625,992</b>	<b>1,783,418</b>	<b>37,068</b>
<b>Net Position</b>				
Net Investment in Capital Assets	20,649,442	5,251,654	31,711,253	2,500,993
Unrestricted	(1,008,614)	(1,062,793)	8,876,370	878,427
<b>Total Net Position</b>	<b>\$ 19,640,828</b>	<b>\$ 4,188,861</b>	<b>\$ 40,587,623</b>	<b>\$ 3,379,420</b>

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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<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
1,996,863	0
1,640,000	0
0	436,609
7,663,819	0
16,389	0
809,549	0
294,689	0
9,402,666	0
6,677,525	0
<u>28,501,500</u>	<u>436,609</u>
<u>35,357,536</u>	<u>809,641</u>
2,488,297	0
<u>717,120</u>	<u>0</u>
<u>3,205,417</u>	<u>0</u>
60,113,342	0
<u>7,683,390</u>	<u>(337,636)</u>
<u>\$ 67,796,732</u>	<u>\$ (337,636)</u>
<u>(142,463)</u>	
<u>\$ 67,654,269</u>	

**CITY OF PAINESVILLE, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2018**

	Business-Type Activities			
	Enterprise Funds			Other Enterprise Funds
	Water	Sewer	Electric	
<b>Operating Revenues:</b>				
Charges for Services	\$ 4,396,180	\$ 3,933,744	\$ 30,548,096	\$ 599,760
Other Charges for Services	347,601	122,203	279,859	6,216
Other Operating Revenues	1,326,847	10,351	81,965	12,137
<b>Total Operating Revenues</b>	<b>6,070,628</b>	<b>4,066,298</b>	<b>30,909,920</b>	<b>618,113</b>
<b>Operating Expenses:</b>				
Personal Services	2,838,807	2,487,717	6,970,687	129,080
Contractual Services	495,252	475,408	1,885,844	48,770
Materials and Supplies	200,832	188,237	879,516	17,178
Utilities	518,098	315,981	19,271,202	0
Depreciation	1,133,367	621,088	1,228,428	114,287
<b>Total Operating Expenses</b>	<b>5,186,356</b>	<b>4,088,431</b>	<b>30,235,677</b>	<b>309,315</b>
<b>Operating Income (Loss)</b>	<b>884,272</b>	<b>(22,133)</b>	<b>674,243</b>	<b>308,798</b>
<b>Non-Operating Revenue (Expenses):</b>				
Interest and Fiscal Charges	(110,660)	(83,553)	(4,279)	(62,234)
Loss on Disposal of Assets	(150)	0	(150)	0
Loss on Investment in Joint Venture	0	0	(177,999)	0
Other Nonoperating Revenue	99,543	68,931	161,953	0
Other Nonoperating Expense	(11,500)	(30,483)	(215,815)	(7,735)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(22,767)</b>	<b>(45,105)</b>	<b>(236,290)</b>	<b>(69,969)</b>
<b>Income (Loss) Before Transfers</b>	<b>861,505</b>	<b>(67,238)</b>	<b>437,953</b>	<b>238,829</b>
<b>Transfers:</b>				
Transfers Out	0	(20,000)	(771,662)	0
<b>Total Transfers</b>	<b>0</b>	<b>(20,000)</b>	<b>(771,662)</b>	<b>0</b>
<b>Change in Net Position</b>	<b>861,505</b>	<b>(87,238)</b>	<b>(333,709)</b>	<b>238,829</b>
Net Position Beginning of Year - Restated	18,779,323	4,276,099	40,921,332	3,140,591
<b>Net Position End of Year</b>	<b>\$ 19,640,828</b>	<b>\$ 4,188,861</b>	<b>\$ 40,587,623</b>	<b>\$ 3,379,420</b>

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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<u>Total</u>	Governmental Activities - Internal Service Funds
\$ 39,477,780	\$ 3,633,945
755,879	0
<u>1,431,300</u>	<u>0</u>
<u>41,664,959</u>	<u>3,633,945</u>
12,426,291	2,549,971
2,905,274	915,689
1,285,763	40,210
20,105,281	0
<u>3,097,170</u>	<u>0</u>
<u>39,819,779</u>	<u>3,505,870</u>
1,845,180	128,075
(260,726)	0
(300)	0
(177,999)	0
330,427	0
<u>(265,533)</u>	<u>0</u>
<u>(374,131)</u>	<u>0</u>
1,471,049	128,075
<u>(791,662)</u>	<u>0</u>
<u>(791,662)</u>	<u>0</u>
679,387	128,075
<u>67,117,345</u>	<u>(465,711)</u>
<u>\$ 67,796,732</u>	<u>\$ (337,636)</u>
\$ 679,387	
<u>70,070</u>	
<u>\$ 749,457</u>	

**CITY OF PAINESVILLE, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2018**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Electric
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$6,197,064	\$4,108,915	\$30,367,132
Cash Receipts from Interfund Services Provided	0	0	0
Cash Payments for Goods and Services	(1,167,247)	(1,012,744)	(22,213,148)
Cash Payments to Employees	(2,606,173)	(2,311,937)	(6,319,541)
Cash Payments for Employee Medical Claims	0	0	0
Net Cash Provided by Operating Activities	<u>2,423,644</u>	<u>784,234</u>	<u>1,834,443</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers Out to Other Funds	0	(20,000)	(771,662)
Net Cash Used by Noncapital Financing Activities	<u>0</u>	<u>(20,000)</u>	<u>(771,662)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds of General Obligation Notes	344,759	0	0
Premiums on Debt Issuances	184	0	0
Principal Paid on General Obligation Notes	(689,829)	(22,000)	0
Acquisition and Construction of Assets	(3,788,217)	(190,817)	(1,741,190)
Issuance of Ohio Water Development Authority Loans	2,382,365	0	0
Principal Paid on Capital Leases	(210,429)	(37,971)	(26,306)
Principal Paid on General Obligation Bonds	0	0	0
Principal Paid on Ohio Public Works Commission Loans	0	(2,048)	0
Principal Paid on Ohio Water Development Authority Loans	(109,667)	(152,302)	0
Interest Paid on All Debt	(114,208)	(86,350)	(4,379)
Net Cash Used for Capital and Related Financing Activities	<u>(2,185,042)</u>	<u>(491,488)</u>	<u>(1,771,875)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	238,602	272,746	(709,094)
Cash and Cash Equivalents at Beginning of Year	4,389,206	1,937,316	18,343,642
Cash and Cash Equivalents at End of Year	<u>\$4,627,808</u>	<u>\$2,210,062</u>	<u>\$17,634,548</u>
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet</u>			
Cash and Cash Equivalents	\$4,070,549	\$2,210,062	\$16,719,554
Restricted Cash and Cash Equivalents	557,259	0	914,994
Cash and Cash Equivalents at End of Year	<u>\$4,627,808</u>	<u>\$2,210,062</u>	<u>\$17,634,548</u>

**CITY OF PAINESVILLE, OHIO**

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Other Enterprise Funds	Total	Governmental Activities
		Internal Service Funds
\$613,993	\$41,287,104	\$0
0	0	3,633,945
(74,613)	(24,467,752)	(950,860)
(121,349)	(11,359,000)	(93,570)
0	0	(2,584,543)
<u>418,031</u>	<u>5,460,352</u>	<u>4,972</u>
0	(791,662)	0
0	(791,662)	0
119,324	464,083	0
65	249	0
(192,018)	(903,847)	0
(64,917)	(5,785,141)	0
0	2,382,365	0
(11,154)	(285,860)	0
(75,000)	(75,000)	0
0	(2,048)	0
0	(261,969)	0
(62,192)	(267,129)	0
<u>(285,892)</u>	<u>(4,734,297)</u>	<u>0</u>
132,139	(65,607)	4,972
903,771	25,573,935	467,033
<u>\$1,035,910</u>	<u>\$25,508,328</u>	<u>\$472,005</u>
\$1,035,910	\$24,036,075	\$472,005
0	1,472,253	0
<u>\$1,035,910</u>	<u>\$25,508,328</u>	<u>\$472,005</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2018**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Electric
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income (Loss)	\$884,272	(\$22,133)	\$674,243
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	1,133,367	621,088	1,228,428
Miscellaneous Nonoperating Revenues	136,298	68,945	210,540
Miscellaneous Nonoperating Expenses	(11,500)	(30,483)	(221,463)
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
Increase in Accounts Receivable	(9,862)	(26,328)	(753,328)
Increase in Inventory	0	0	(17,965)
(Increase) Decrease in Prepaid Items	3,328	(8,282)	(26,261)
Decrease in Deferred Outflows of Resources	605,611	505,495	1,362,455
Increase (Decrease) in Accounts Payable	22,540	(11,262)	71,931
Increase (Decrease) in Accrued Wages and Benefits	7,626	11,804	44,363
Increase (Decrease) in Intergovernmental Payable	32,692	17,014	17,456
Increase (Decrease) in Compensated Absences Payable	(6,814)	(1,462)	19,446
Decrease in Claims Liability	0	0	0
Decrease in Net Pension Liability	(1,100,317)	(958,325)	(2,560,282)
Increase in Net OPEB Liability	11,831	29,278	104,716
Increase in Deferred Inflows of Resources	714,572	588,885	1,680,164
Total Adjustments	1,539,372	806,367	1,160,200
Net Cash Provided by Operating Activities	\$2,423,644	\$784,234	\$1,834,443

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2018 the Water, Sewer, and Electric Funds had outstanding liabilities of \$1,392,810, \$11,505, and \$55,562 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	Governmental Activities  Internal Service Funds
\$308,798	\$1,845,180	\$128,075
114,287	3,097,170	0
0	415,783	0
(7,735)	(271,181)	0
(4,120)	(793,638)	0
0	(17,965)	0
0	(31,215)	0
31,277	2,504,838	0
(834)	82,375	5,039
(471)	63,322	0
(90)	67,072	0
(693)	10,477	0
0	0	(128,142)
(57,374)	(4,676,298)	0
139	145,964	0
34,847	3,018,468	0
109,233	3,615,172	(123,103)
\$418,031	\$5,460,352	\$4,972

**CITY OF PAINESVILLE, OHIO**

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**Statement of Net Position  
Fiduciary Funds  
December 31, 2018**

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	Private Purpose	
	Trust	
	Deposit Trust	Agency
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 988,795	\$ 247,591
Receivables:		
Taxes	0	64,125
<b>Total Assets</b>	<u>988,795</u>	<u>311,716</u>
<b>Liabilities:</b>		
Intergovernmental Payable	0	48,094
Due to Others	0	263,622
<b>Total Liabilities</b>	<u>0</u>	<u>311,716</u>
<b>Net Position:</b>		
Restricted For:		
Other Purposes	988,795	0
<b>Total Net Position</b>	<u>\$ 988,795</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

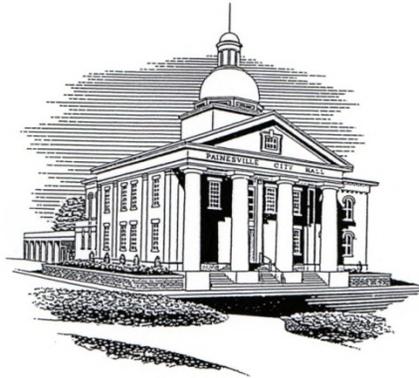
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**Statement of Changes in Net Position  
Fiduciary Fund  
For the Year Ended December 31, 2018**

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	Private Purpose Trust
	<u>Deposit Trust</u>
<b>Additions:</b>	
Contributions:	
Private Donations	\$ 41,089
Total Additions	<u>41,089</u>
<b>Deductions:</b>	
Administrative Expenses	<u>52,081</u>
Total Deductions	<u>52,081</u>
Change in Net Position	(10,992)
<b>Net Position at Beginning of Year</b>	<u>999,787</u>
<b>Net Position End of Year</b>	<u>\$ 988,795</u>

See accompanying notes to the basic financial statements



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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

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

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

**B. Basis of Presentation - Fund Accounting**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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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 is the City's only major governmental fund:

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.

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

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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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, deposits from contractors, and income tax collections generated by the Concord Township Joint Economic Development District.

**C. Basis of Presentation - Financial Statements**

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

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

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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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, and deferred outflows/inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

**D. Basis of Accounting**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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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, 2018, but which are not intended to finance 2018 operations or are not expected to be received within sixty (60) days after year end, are recorded as deferred inflows of resources. Property taxes are further described in Note 6.

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

**E. Budgetary Process**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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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 2018.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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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 Balance--Budget and Actual—General 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, 2018***

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**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 Balance-Budget and Actual” for the General Fund:

	<u>Net Change in Fund Balance</u>
	<u>General Fund</u>
GAAP Basis (as reported)	(\$34,245)
Increase (Decrease):	
Accrued Revenues at December 31, 2018 received during 2019	(1,553,226)
Accrued Revenues at December 31, 2017 received during 2018	1,833,661
Accrued Expenditures at December 31, 2018 paid during 2019	575,714
Accrued Expenditures at December 31, 2017 paid during 2018	(428,253)
2017 Prepays for 2018	90,763
2018 Prepays for 2019	(101,154)
2017 Adjustment to Fair Value	(304,361)
2018 Adjustment to Fair Value	385,829
Outstanding Encumbrances	(1,006,912)
Perspective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	<u>(189)</u>
Budget Basis	<u><u>(\$542,373)</u></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, 2018***

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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 and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" and GASB Statement No. 72, "Fair Value Measurement and Application," the City records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements. Interest revenue credited to the General Fund during 2018 amounted to \$672,471, which includes \$611,845 assigned from other funds.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City's investment in the State Treasury Asset Reserve of Ohio (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 and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

**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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Inventory**

On the government-wide financial statements and in the proprietary funds, inventories are presented at cost on a first-in, first-out basis and are expensed when used.

**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 acquisition 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 acquisition 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, 2018***

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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, 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. 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, 2018***

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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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 or contractually required to be maintained intact.

*Restricted* – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

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

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

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

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

**O. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2018, 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, 2018***

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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. Pension/OPEB**

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

**S. Net Position**

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

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

**T. Estimates**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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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 City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2018.

**W. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. For the City, deferred outflows of resources are reported for pension/OPEB amounts on the government-wide and proprietary funds statement of net position. See Notes 12 and 13.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension/OPEB are reported on the government-wide and proprietary funds statement of net position. See Notes 12 and 13.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018**

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

For 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” Statement No. 85, “Omnibus 2017,” and Statement No. 86, “Certain Debt Extinguishment Issues.”

GASB Statement No. 75 addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to OPEB.

GASB Statement No. 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

The implementation of GASB 75 had the following effect on net position as reported December 31, 2017:

	Governmental Activities	Business-type Activities	Water Fund	Sewer Fund
Net position December 31, 2017	\$42,893,773	\$73,363,896	\$20,198,988	\$5,541,477
Adjustments:				
Net OPEB Liability	(11,759,026)	(6,531,561)	(1,436,713)	(1,279,791)
Deferred Outflow - Payments Subsequent to the Measurement Date	48,248	72,477	17,048	14,413
Restated Net Position December 31, 2017	<u>\$31,182,995</u>	<u>\$66,904,812</u>	<u>\$18,779,323</u>	<u>\$4,276,099</u>
	Electric Fund	Storm Water Utility Fund	Community Programs Fund	
Net position December 31, 2017	\$44,628,215	\$2,438,899	(\$609)	
Adjustments:				
Net OPEB Liability	(3,747,048)	(57,394)	(10,615)	
Deferred Outflow - Payments Subsequent to the Measurement Date	40,165	717	134	
Restated Net Position December 31, 2017	<u>\$40,921,332</u>	<u>\$2,382,222</u>	<u>(\$11,090)</u>	

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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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	\$1,673,794
Shared Revenues	554,538
Interest Revenues	86,867
Charges for Services	74,206
Grant Revenue	43,278
	<u>\$2,432,683</u>

*Net Pension liability and related deferred outflows/inflows:*

Deferred Outflows - Pension	\$2,527,071
Deferred Inflows - Pension	(1,529,139)
Net Pension Liability	<u>(15,332,194)</u>
	<u>(\$14,334,262)</u>

*Net OPEB liability and related deferred outflows/inflows:*

Deferred Outflows - OPEB	\$1,281,181
Deferred Inflows - OPEB	(544,956)
Net OPEB Liability	<u>(13,413,462)</u>
	<u>(\$12,677,237)</u>

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

General Obligation Bonds Payable	(\$7,091,596)
Special Assessment Bonds Payable	(190,000)
Long Term Notes Payable	(535,917)
OPWC Loans Payable	(1,156,197)
Accrued Interest on Long-Term Debt	(84,775)
Capital Leases Payable	(96,996)
Police/Firemen's Pension Accrued Liability	(574,892)
Compensated Absences Payable	<u>(1,358,858)</u>
	<u>(\$11,089,231)</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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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	\$2,823,437
Depreciation Expense	(1,908,194)
	<u>\$915,243</u>

*Governmental revenues not reported in the funds:*

Increase in Tax Revenue	\$302,897
Decrease in Intergovernmental Revenue	(56,550)
Increase in Interest Revenue	361
Increase in Charges for Services	10,750
Increase in Grant Revenue	43,278
Decrease in Special Assessment Revenue	(23,495)
	<u>\$277,241</u>

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

Long-Term Note Issuance	(\$535,917)
Long-Term Note Principal Payment	696,153
Premium Amortization	7,828
General Obligation Bond Principal Payment	427,000
Special Assessment Bond Principal Payment	20,000
OPWC Loan Principal Payment	53,246
Police/Firemen's Pension Liability Payment	23,730
Capital Lease Payments	48,634
	<u>\$740,674</u>

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

Increase in Compensated Absences Payable	(\$31,254)
	<u>(\$31,254)</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

**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	Other Governmental Funds	Total Governmental Funds
Nonspendable:			
Land Held for Resale	\$785,000	\$0	\$785,000
Prepaid Items	101,154	11,148	112,302
Permanent Fund Corpus	0	1,182,105	1,182,105
Total Nonspendable	<u>886,154</u>	<u>1,193,253</u>	<u>2,079,407</u>
Restricted:			
Street Maintenance and Repair	0	2,681,810	2,681,810
Cemetery Maintenance	0	775,648	775,648
Law Enforcement	0	341,012	341,012
Fire Department Operations	0	834,150	834,150
Drug and Alcohol Treatment	0	93,837	93,837
Adult Probation Program	0	112,544	112,544
Court Computer Improvements	0	178,904	178,904
Brownfield Clean up	0	520	520
Debt Retirement	0	1,816,678	1,816,678
Capital Improvements	0	530,749	530,749
Total Restricted	<u>0</u>	<u>7,365,852</u>	<u>7,365,852</u>
Committed:			
Emergency Medical Services	0	165,396	165,396
Capital Improvements	0	2,248,676	2,248,676
Underground Storage Tank Cleanup	10,931	0	10,931
Total Committed	<u>10,931</u>	<u>2,414,072</u>	<u>2,425,003</u>
Assigned:			
Budget Resource	343,159	0	343,159
Contractual Services and Supplies	933,899	0	933,899
Total Assigned	<u>1,277,058</u>	<u>0</u>	<u>1,277,058</u>
Unassigned (Deficits):			
	<u>5,338,589</u>	<u>0</u>	<u>5,338,589</u>
Total Fund Balances	<u>\$7,512,732</u>	<u>\$10,973,177</u>	<u>\$18,485,909</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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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, 2018**

**NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)**

**A. Deposits**

Custodial credit risk is the risk that in the event of bank failure, the City’s deposits may not be returned to it. The City has no deposit policy for custodial risk beyond the requirements of State statute.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

At December 31, 2018, the carrying amount of the City’s deposits was \$3,785,052 and the bank balance was \$4,297,083. Of the bank balance, \$750,000 was covered by federal depository insurance and \$3,547,083 was exposed to custodial risk and was collateralized with securities held in the Ohio Pooled Collateral System.

**B. Investments**

The City's investments at December 31, 2018 were as follows:

	Fair Value	Credit Rating	Fair Value Hierarchy	Concentration of Credit Risk	Investment Maturities (in Years)		
					less than 1	1-3	3-5
STAR Ohio <sup>4</sup>	\$5,276,735	AAAm <sup>1</sup>	NA	13.15%	\$5,276,735	\$0	\$0
Negotiable CD's	4,122,563	AAA <sup>3</sup>	Level 2	10.27%	1,475,275	1,214,767	1,432,521
Commercial Paper	5,274,611	A1 <sup>1</sup> /P1 <sup>2</sup>	Level 2	13.14%	5,274,611	0	0
FHLB	3,344,580	AA+ <sup>1</sup> /Aaa <sup>2</sup>	Level 2	8.33%	0	1,717,455	1,627,125
FHLMC	12,356,155	AA+ <sup>1</sup> /Aaa <sup>2</sup>	Level 2	30.78%	2,718,183	8,773,061	864,911
FFCB	5,586,753	AA+ <sup>1</sup> /Aaa <sup>2</sup>	Level 2	13.92%	0	3,249,042	2,337,711
FNMA	4,179,038	AAA <sup>1</sup> /Aaa <sup>2</sup>	Level 2	10.41%	1,740,690	2,192,553	245,795
<b>Total Investments</b>	<b>\$40,140,435</b>			<b>100.00%</b>	<b>\$16,485,494</b>	<b>\$17,146,878</b>	<b>\$6,508,063</b>

<sup>1</sup> Standard & Poor’s

<sup>2</sup> Moody’s Investor Service

<sup>3</sup> All are fully FDIC insured and therefore have an implied AAA credit rating

<sup>4</sup> Reported at amortized cost

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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**NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)**

**B. Investments** (Continued)

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

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

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Level 2 inputs are significant other observable inputs. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs.

**C. Cemetery Endowments**

The Cemetery Trust and Endowment Trust funds report endowments received and held by the City. The endowments are to be held permanently by the City and are invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). Earnings from the endowments are to be used for upkeep of the City’s two cemeteries. Restricted fund balance of \$174,298 in these funds at December 31, 2018 represents the net earnings on the endowments available for expenditure. The City disburses earnings from the endowments periodically for cemetery upkeep as stipulated in the trust agreement.

**NOTE 6 - PROPERTY TAX**

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2018 were levied after October 1, 2017 on assessed values as of January 1, 2017, 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 2018. 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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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

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.

The full tax rate for all City operations for the year ended December 31, 2018 was \$8.17 per \$1,000 of assessed value. The assessed value upon which the 2018 collections were based was \$222,787,360. This amount constitutes \$219,954,610 in real property assessed value and \$2,832,750 in public utility assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Property taxes recorded as revenue in 2018 were based on a tax rate equal to .817% (8.17 mills) of assessed value.

The City provides tax incentives under the Community Reinvestment Area (CRA) Tax Abatement Program.

***Real Estate Tax Abatement***

Pursuant to Ohio Revised Code Chapter 5709, the City established a Community Reinvestment Area. The City authorizes incentives through the Community Reinvestment Area Tax Abatement Program and those abatements are authorized by the Lake County Court House. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The establishment of the Community Reinvestment Area gave the City the ability to maintain and expand business located within the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate and includes major housing improvements in specified areas.

The City has offered the CRA abatements to encourage economic stability, maintain property values, and generate new employment opportunities and population growth. Below is the information relevant to the disclosure of this program for the year ending December 31, 2018.

	<u>Total Amount of Taxes Abated For the year 2018</u>
<i>Community Reinvestment Area (CRA)</i>	
Industrial	<u>\$2,000,562</u>
	<u><u>\$2,000,562</u></u>

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2018 consisted of taxes, interest, accounts receivable, and intergovernmental receivables arising from shared revenues.

**CITY OF PAINESVILLE, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018**

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**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, 2018 the City's Land Held for Resale balance was \$785,000.

**NOTE 9 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances at December 31, 2018 consist of the following individual fund receivables and payables:

Fund	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$100,000	\$0
Nonmajor Governmental Fund	0	100,000
Totals	<u>\$100,000</u>	<u>\$100,000</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 in 2019.

**NOTE 10 - TRANSFERS**

Following is a summary of transfers in and out for all funds for 2018:

Fund	Transfer In	Transfer Out
Governmental Funds		
General Fund	\$791,662	\$1,378,560
Other Governmental Funds	1,378,560	0
Total Governmental Funds	<u>2,170,222</u>	<u>1,378,560</u>
Enterprise Funds		
Sewer Fund	0	20,000
Electric Fund	0	771,662
Total Enterprise Funds	<u>0</u>	<u>791,662</u>
Totals	<u>\$2,170,222</u>	<u>\$2,170,222</u>

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

The City's Electric Fund collects a State levied Kilowatt Hour Tax that is distributed to the State of Ohio and a portion to the City monthly. In 2018 the portion due to the City was \$771,662, which was transferred to the General Fund as required by Ohio Revised Code.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018**

**NOTE 11 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2018:

**Historical Cost:**

Class	December 31, 2017	Additions	Deletions	December 31, 2018
<b>Capital assets not being depreciated:</b>				
Land	\$13,008,115	\$30,860	\$0	\$13,038,975
Construction in Progress	1,336,877	64,103	(25,442)	1,375,538
Subtotal	14,344,992	94,963	(25,442)	14,414,513
<b>Capital assets being depreciated:</b>				
Buildings and Improvements	5,674,785	40,328	0	5,715,113
Improvements other than Buildings	1,111,884	71,846	0	1,183,730
Machinery and Equipment	7,406,095	502,213	(105,898)	7,802,410
Infrastructure	47,303,992	2,139,529	0	49,443,521
Subtotal	61,496,756	2,753,916	(105,898)	64,144,774
Total Cost	\$75,841,748	\$2,848,879	(\$131,340)	\$78,559,287

**Accumulated Depreciation:**

Class	December 31, 2017	Additions	Deletions	December 31, 2018
Buildings and Improvements	(\$2,680,161)	(\$62,289)	\$0	(\$2,742,450)
Improvements other than Buildings	(737,174)	(29,369)	0	(766,543)
Machinery and Equipment	(5,318,741)	(555,604)	103,099	(5,771,246)
Infrastructure	(18,541,268)	(1,260,932)	0	(19,802,200)
Total Depreciation	(\$27,277,344)	(\$1,908,194) *	\$103,099	(\$29,082,439)
<b>Net Value:</b>	\$48,564,404			\$49,476,848

\*Depreciation expense was charged to governmental functions as follows:

General Government	\$130,637
Public Safety	190,078
Highways and Streets	1,474,265
Public Health and Welfare	49,885
Culture and Recreation	63,329
Total Depreciation Expense	\$1,908,194

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018**

**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, 2018:

**Historical Cost:**

Class	December 31, 2017	Additions	Deletions	December 31, 2018
<b>Capital assets not being depreciated:</b>				
Land	\$1,397,784	\$612,883	\$0	\$2,010,667
Construction In Progress	15,567,945	6,209,179	(852,186)	20,924,938
Subtotal	16,965,729	6,822,062	(852,186)	22,935,605
<b>Capital assets being depreciated:</b>				
Buildings and Improvements	30,269,538	126,821	0	30,396,359
Infrastructure	55,815,611	307,640	0	56,123,251
Machinery and Equipment	35,939,518	531,381	(217,981)	36,252,918
Subtotal	122,024,667	965,842	(217,981)	122,772,528
Total Cost	\$138,990,396	\$7,787,904	(\$1,070,167)	\$145,708,133

**Accumulated Depreciation:**

Class	December 31, 2017	Additions	Deletions	December 31, 2018
Buildings and Improvements	(\$20,968,557)	(\$446,898)	\$0	(\$21,415,455)
Infrastructure	(26,611,255)	(1,360,381)	0	(27,971,636)
Machinery and Equipment	(22,653,747)	(1,289,891)	217,681	(23,725,957)
Total Depreciation	(\$70,233,559)	(\$3,097,170)	\$217,681	(\$73,113,048)
<b>Net Value:</b>	\$68,756,837			\$72,595,085

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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**NOTE 12 – DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

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

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

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

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

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

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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

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

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

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018**

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

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

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

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

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

	<u>State and Local</u>	<u>Law Enforcement</u>
<b>2018 Statutory Maximum Contribution Rates</b>		
Employer	14.0 %	18.1 %
Employee	10.0 %	*
<b>2018 Actual Contribution Rates</b>		
Employer:		
Pension	14.0 %	18.1 %
Post-employment Health Care Benefits	0.0	0.0
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>13.0 %</u>

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$1,397,091 for 2018. Of this amount, \$174,273 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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

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

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

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

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

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

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

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018**

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

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

	<u>Police</u>	<u>Firefighters</u>
<b>2018 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2018 through December 31, 2018	12.25 %	12.25 %
<b>2018 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2018 through December 31, 2018	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$1,061,198 for 2018. Of this amount, \$147,199 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$11,508,461	\$13,226,399	\$24,734,860
Proportion of the Net Pension Liability-2018	0.073358%	0.215503%	
Proportion of the Net Pension Liability-2017	<u>0.078734%</u>	<u>0.219641%</u>	
Percentage Change	<u>(0.005376%)</u>	<u>(0.004138%)</u>	
Pension Expense	\$2,108,337	\$1,564,625	\$3,672,962

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018**

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

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Changes in assumptions	\$1,375,335	\$576,344	\$1,951,679
Differences between expected and actual experience	11,753	200,719	212,472
Change in proportionate share	0	76,446	76,446
City contributions subsequent to the measurement date	<u>1,397,091</u>	<u>1,061,198</u>	<u>2,458,289</u>
Total Deferred Outflows of Resources	<u>\$2,784,179</u>	<u>\$1,914,707</u>	<u>\$4,698,886</u>
<b>Deferred Inflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$2,470,712	\$457,531	\$2,928,243
Differences between expected and actual experience	226,796	23,925	250,721
Change in proportionate share	<u>639,362</u>	<u>199,110</u>	<u>838,472</u>
Total Deferred Inflows of Resources	<u>\$3,336,870</u>	<u>\$680,566</u>	<u>\$4,017,436</u>

\$2,458,289 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2019	\$672,432	\$318,775	\$991,207
2020	(518,987)	227,006	(291,981)
2021	(1,087,972)	(299,372)	(1,387,344)
2022	(1,015,255)	(209,573)	(1,224,828)
2023	0	109,780	109,780
2024	<u>0</u>	<u>26,327</u>	<u>26,327</u>
Total	<u>(\$1,949,782)</u>	<u>\$172,943</u>	<u>(\$1,776,839)</u>

**Actuarial Assumptions - OPERS**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

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

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

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82% for 2017.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other investments	18.00	5.26
Total	100.00 %	5.66 %

**Discount Rate** The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$20,436,096	\$11,508,461	\$4,065,505

In October 2018, the OPERS Board adopted certain assumption changes which will impact their valuation prepared as of January 1, 2018. The most significant change is a reduction in the assumed actuarial rate of return from 7.50 percent to 7.20 percent. Although the exact amount of these changes is not known, it has the potential to impact the City’s net pension liability.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018**

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

**Actuarial Assumptions – OPF**

OPF’s total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, are presented below:

Valuation Date	January 1, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Increases	3.25 percent
Inflation Assumptions	2.75 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent for increases based on the lesser of the increase in CPI and 3%.

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

	Age	Police	Fire
<b>Healthy Mortality</b>			
	67 or less	77%	68%
	68-77	105%	87%
	78 and up	115%	120%
<b>Disabled Mortality</b>			
	59 or less	35%	35%
	60-69	60%	45%
	70-79	75%	70%
	80 and up	100%	90%

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2017 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected *	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Real Assets	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	120.00 %	

\* levered 2x

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$18,335,259	\$13,226,399	\$9,059,659

**NOTE 13 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability***

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

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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**NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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**NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)**

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2018.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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**NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)**

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

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 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$25,342 for 2018. Of this amount, \$3,488 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$7,880,880	\$12,210,107	\$20,090,987
Proportion of the Net OPEB Liability-2018	0.072573%	0.215503%	
Proportion of the Net OPEB Liability-2017	<u>0.077866%</u>	<u>0.219641%</u>	
Percentage Change	<u>(0.005293%)</u>	<u>(0.004138%)</u>	
OPEB Expense	\$481,868	\$929,935	\$1,411,803

**CITY OF PAINESVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)**

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Changes in assumptions	\$573,812	\$1,191,447	\$1,765,259
Differences between expected and actual experience	6,139	0	6,139
City contributions subsequent to the measurement date	0	25,342	25,342
Total Deferred Outflows of Resources	<u>\$579,951</u>	<u>\$1,216,789</u>	<u>\$1,796,740</u>
<b>Deferred Inflows of Resources</b>			
Net difference between projected and actual earnings on OPEB plan investments	\$587,074	\$80,371	\$667,445
Differences between expected and actual experience	0	61,583	61,583
Change in proportionate share	361,702	171,346	533,048
Total Deferred Inflows of Resources	<u>\$948,776</u>	<u>\$313,300</u>	<u>\$1,262,076</u>

\$25,342 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2019	(\$42,423)	\$120,042	\$77,619
2020	(42,423)	120,042	77,619
2021	(137,209)	120,042	(17,167)
2022	(146,770)	120,041	(26,729)
2023	0	140,135	140,135
2024	0	140,135	140,135
2025	0	117,710	117,710
Total	<u>(\$368,825)</u>	<u>\$878,147</u>	<u>\$509,322</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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**NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)**

***Actuarial Assumptions - OPERS***

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

**NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)**

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	100.00 %	4.98 %

**Discount Rate** A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)**

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$10,470,091	\$7,880,880	\$5,786,236

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$7,540,323	\$7,880,880	\$8,232,668

**Actuarial Assumptions – OP&F**

OP&F's total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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**NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)**

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

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

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	3.24 percent
Prior measurement date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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**NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)**

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

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

The most recent experience study was completed for the five year period ended December 31, 2016. The prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	<u>120.00 %</u>	

Note: Assumptions are geometric.

\* levered 2x

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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**NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)**

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

***Discount Rate*** The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$15,262,779	\$12,210,107	\$9,861,207

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)**

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate** Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

Year	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	1% Decrease	Current Rates	1% Increase
City's proportionate share of the net OPEB liability	\$9,485,030	\$12,210,107	\$15,882,586

**Changes between Measurement Date and Report Date**

In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the City's NOL is not known.

**CITY OF PAINESVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018**

**NOTE 14 - LONG-TERM DEBT**

Long-term debt of the City at December 31, 2018 is as follows:

		Restated Balance December 31, 2017	Issued	(Retired)	Balance December 31, 2018	Amount Due Within One Year	
<b>Governmental Activities:</b>							
General Obligation Bonds:							
4.250 - 5.000%	Various Purpose	2007	\$970,000	\$0	(\$115,000)	\$855,000	\$120,000
2.850%	Shamrock Blvd Improvement	2013	1,594,000	0	(87,000)	1,507,000	89,000
2.0 - 3.000%	Shamrock Blvd Improvement TIF	2012	4,845,000	0	(225,000)	4,620,000	230,000
	Premium on Debt Issuance		117,424	(7,828)	0	109,596	0
	<b>Total General Obligation Bonds</b>		<b>7,526,424</b>	<b>(7,828)</b>	<b>(427,000)</b>	<b>7,091,596</b>	<b>439,000</b>
Special Assessment Debt (with governmental commitment)							
4.75%	Renaissance Parkway	2005	210,000	0	(20,000)	190,000	25,000
Ohio Public Works Commission Loans (OPWC):							
0.000%	Chester Street Improvements	2008	48,901	0	(4,890)	44,011	4,890
0.000%	Brookstone Blvd Improvements	2013	1,160,542	0	(48,356)	1,112,186	48,356
	<b>Total OPWC Loans</b>		<b>1,209,443</b>	<b>0</b>	<b>(53,246)</b>	<b>1,156,197</b>	<b>53,246</b>
Long-Term Notes Payable:							
3.00%	Various Purpose	2011	696,153	535,917	(696,153)	535,917	180,606
Net Pension Liability:							
	Ohio Public Employees Retirement System		4,852,468	0	(1,745,427)	3,107,041	0
	Ohio Police and Fire Pension Fund		12,859,473	0	(634,320)	12,225,153	0
	<b>Total Net Pension Liability</b>		<b>17,711,941</b>	<b>0</b>	<b>(2,379,747)</b>	<b>15,332,194</b>	<b>0</b>
Net OPEB Liability:							
	Ohio Public Employees Retirement System		2,123,314	4,356	0	2,127,670	0
	Ohio Police and Fire Pension Fund		9,635,712	1,650,080	0	11,285,792	0
	<b>Total Net OPEB Liability</b>		<b>11,759,026</b>	<b>1,654,436</b>	<b>0</b>	<b>13,413,462</b>	<b>0</b>
	Compensated Absences		1,330,934	321,119	(233,273)	1,418,780	281,984
	Workers' Compensation Liability		640,630	577,970	(640,630)	577,970	141,361
	Capital Lease Payable		145,630	0	(48,634)	96,996	24,052
	Police/Firemen's Pension Accrued Liability		598,622	0	(23,730)	574,892	24,750
	<b>Total Governmental Activities</b>		<b>\$41,828,803</b>	<b>\$3,081,614</b>	<b>(\$4,522,413)</b>	<b>\$40,388,004</b>	<b>\$1,169,999</b>

**CITY OF PAINESVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018**

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

Long-term debt of the City at December 31, 2018 is as follows:

		Restated Balance December 31, 2017	Issued	(Retired)	Balance December 31, 2018	Amount Due Within One Year
<b>Business-Type Activities:</b>						
General Obligation Bonds:						
3.25% Storm Water Improvements	2016	\$1,790,000	\$0	(\$75,000)	\$1,715,000	\$75,000
Ohio Water Development Authority Loans (OWDA):						
4.618% Safe Drinking Water	1998	224,519	0	(109,667)	114,852	114,852
3.420% WPCLF WWTP Upgrades	2009	2,682,941	0	(152,302)	2,530,639	157,555
0.000% Water Intake Design	2014	2,908,370	2,382,365	0	5,290,735	0
Total OWDA Loans		<u>5,815,830</u>	<u>2,382,365</u>	<u>(261,969)</u>	<u>7,936,226</u>	<u>272,407</u>
Ohio Public Works Commission Loans (OPWC):						
0.000% Mentor Ave / Jackson Street Sewer	2008	20,491	0	(2,048)	18,443	2,054
Long-Term Notes Payable:						
3.00% Various Purpose	2011	903,847	464,083	(903,847)	464,083	169,394
Capital Leases Payable		2,503,526	0	(285,860)	2,217,666	220,803
Net Pension Liability:						
Ohio Public Employees Retirement System		13,026,624	0	(4,625,204)	8,401,420	0
Ohio Police and Fire Pension Fund		1,052,340	0	(51,094)	1,001,246	0
Total Net Pension Liability		<u>14,078,964</u>	<u>0</u>	<u>(4,676,298)</u>	<u>9,402,666</u>	<u>0</u>
Net OPEB Liability:						
Ohio Public Employees Retirement System		5,741,428	11,782	0	5,753,210	0
Ohio Police and Fire Pension Fund		790,133	134,182	0	924,315	0
Total Net OPEB Liability		<u>6,531,561</u>	<u>145,964</u>	<u>0</u>	<u>6,677,525</u>	<u>0</u>
Compensated Absences		1,495,602	631,666	(621,189)	1,506,079	696,530
Total Business-Type Activities		<u>\$33,139,821</u>	<u>\$3,624,078</u>	<u>(\$6,826,211)</u>	<u>\$29,937,688</u>	<u>\$1,436,188</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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

**A. Long Term Notes**

Long term notes payable at December 31, 2018 consisted of Various Purpose Improvement Notes. All of the debt has a term of one year or less and was issued to finance improvements to City owned property and to acquire equipment. The City has been retiring a portion of the Various Purpose Improvement Notes as they mature and is issuing new notes for the remaining balance. The notes are dated February 15, 2018 and are due February 14, 2019, at an interest rate of 3.0%. Subsequent to year-end, the Various Purpose Improvement Notes, due February 14, 2019, 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 \$1,911,955 for the City as of December 31, 2018.

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, 2018 amounted to \$1,012,904.

**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, 2018 was \$805,019 in principal and scheduled interest payments through the year 2035. Only the principal portion of the payments due is included in the government-wide statement of net position.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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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 \$7,364,181. 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 Fund, Sewer Fund, and Electric Fund (major enterprise funds). The capital leases payable are recorded in Governmental Activities and the Business-Type Activities in the amount of \$96,996, and \$2,217,666, 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, 2018:

Year Ending December 31,	Governmental Activities	Business-Type Activities
2019	\$ 28,698	\$ 314,896
2020	28,698	314,906
2021	28,699	314,896
2022	23,003	314,896
2023	0	314,896
2024-2027	0	1,102,132
Minimum Lease Payments	109,098	2,676,622
Less: amount representing interest at the City's incremental borrowing rate of interest	(12,102)	(458,956)
Present value of minimum lease payments	<u>\$96,996</u>	<u>\$2,217,666</u>

**E. Special Assessments with Governmental Commitment**

The principal amount of the City's special assessment debt outstanding at December 31, 2018, \$190,000, 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 \$94,261 in the Special Assessment Bond Retirement Fund at December 31, 2018 is restricted for the retirement of outstanding special assessment bonds.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018**

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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, 2018, the loan had an outstanding balance of \$114,852.

In 2009, the City entered into an agreement with the Ohio Water Development Authority to receive loans for wastewater treatment plant upgrades in the amount of \$3,495,846. The interest rate on the loan is 3.42% per annum. This loan is payable from wastewater service charges. The loan can only be received by the City in increments as the project is completed. The City began repaying the loan in semiannual payments in 2015 based on a loan amount of \$3,495,846 to be paid through 2031. As of December 31, 2018, the loan had an outstanding balance of \$2,530,639.

In 2014, the City entered into an agreement with the Ohio Water Development Authority to receive a loan for the planning and design of water system intake improvements. In 2016, this loan was rolled into a new loan for the construction of water system intake improvements. The interest rate on the new loan is 0.00% per annum. This loan is payable from water service charges. The loan can only be received by the City in increments as the project is completed. As of December 31, 2018, the City had received \$5,290,735. As of December 31, 2018, 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, 2018, are as follows:

Years	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2019	\$514,000	\$276,563	\$25,000	\$9,500
2020	537,000	260,988	25,000	8,250
2021	549,000	244,566	25,000	7,000
2022	567,000	227,737	25,000	5,750
2023	510,000	207,860	30,000	4,500
2024-2028	2,673,000	786,183	60,000	4,500
2029-2033	2,697,000	349,203	0	0
2034-2035	650,000	24,363	0	0
Totals	<u>\$8,697,000</u>	<u>\$2,377,463</u>	<u>\$190,000</u>	<u>\$39,500</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018**

**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
2019	\$272,407	\$77,816	\$55,300	\$0	\$24,750	\$24,173
2020	162,987	69,980	55,294	0	25,813	23,110
2021	168,612	65,049	55,294	0	26,921	22,001
2022	174,427	59,947	55,294	0	28,078	20,845
2023	180,444	54,670	55,294	0	29,284	19,639
2024-2028	999,985	187,590	269,543	0	166,402	78,211
2029-2033	686,629	36,557	241,780	0	205,343	39,271
2034-2038	0	0	241,780	0	68,301	2,877
2039-2041	0	0	145,061	0	0	0
Totals	<u>\$2,645,491</u>	<u>\$551,609</u>	<u>\$1,174,640</u>	<u>\$0</u>	<u>\$574,892</u>	<u>\$230,127</u>

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

**CITY OF PAINESVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018**

**NOTE 15 - RISK MANAGEMENT**

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

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During 2018 the City contracted with several different insurance providers for various insurance coverages, as follows:

Insurance Provider	Coverage	Deductible
McGowan Underwriters of America	Public Employee Dishonesty/ Forgery	\$1,000
McGowan Underwriters of America	Law Enforcement Professional Liability	\$25,000
McGowan Underwriters of America	Public Officials Liability	\$25,000
McGowan Underwriters of America	Comprehensive General Liability	\$10,000
McGowan Underwriters of America	Ohio Employers Intentional Tort Liability	\$0
McGowan Underwriters of America	Commercial Umbrella Liability	\$0
McGowan Underwriters of America	Boiler and Machinery	\$25,000
McGowan Underwriters of America	Automobile	\$1,000
McGowan Underwriters of America	Commercial General Liability (Fire)	\$0
McGowan Underwriters of America	Commercial Umbrella	\$0

In 1993, the Workers' Compensation Retrospective Rating Fund was established to account for the funding of the City's workers' compensation plan. Under the plan, the City is charged by the State of Ohio for administrative fees, claims paid and premiums for individual and aggregate claim limits. All City funds are charged a premium per employee covered by the Workers' Compensation Retrospective Rating Fund based on claims experience. The City has a claims limit of \$300,000 per individual and a maximum yearly amount for all claims which varies each policy year. The claims liability of \$577,970 reported in the fund at December 31, 2018 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:

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Year Liability
2017	\$481,660	\$301,260	(\$142,290)	\$640,630
2018	640,630	30,910	(93,570)	577,970

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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**NOTE 15 - RISK MANAGEMENT (Continued)**

In 2000, the Employee Health Insurance Fund was created to account for the City's self-funded employee health insurance. Under this program, the City operates with a third party administrator and under stop-loss thresholds. The actual claims are passed through the City for payment. There is protection as to the amount of claims that can be passed through to the City—both specific and aggregate stop-loss protection. Under specific stop-loss, the City pays 100% for any one individual generating claims up to the specific level of \$75,000. Any dollar amount over this specific level is paid by the re-insurance carrier. The aggregate stop-loss protects the City from having a large number of claims exceeding the expected claims level by more than 20% or 25%. Any claims over the specific level do not count toward the aggregate level. Only claims less than the specific level are applied toward the aggregate level. The claims liability of \$220,875 reported in the fund at December 31, 2018 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>
2017	\$294,188	\$2,232,084	(\$2,239,915)	\$286,357
2018	286,357	2,519,061	(2,584,543)	220,875

**NOTE 16 - JOINT VENTURE**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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**NOTE 16 - JOINT VENTURE (Continued)**

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Distributive Generation Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. Under the terms of the Agreement each Financing Participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV2 debt service and any other outstanding senior lien electric system revenue obligations. No bonds are currently outstanding.

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. The outstanding debt was paid off in 2017. 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 \$346,351 at December 31, 2018. 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**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018**

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**NOTE 16 - JOINT VENTURE (Continued)**

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2018 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>
			Grand Total	<u>100.00%</u>	<u>134,081</u>

**CITY OF PAINESVILLE, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018**

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**NOTE 17 – SIGNIFICANT COMMITMENTS**

As of December 31, 2018, 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>
Mentor Avenue/Jackson Storm water	\$11,569	2019
Storrs Street Building	114,960	2019
Newell Street Railroad Crossing	10,621	2019
North Park Place Streetscape	67,401	2019
Annual Paving Program	187,867	2019
Pearl and Richmond Street Waterline	44,021	2019
Miscellaneous Road Improvements	51,999	2019
Walnut Avenue Construction	48,793	2019
Water Intake Project	10,937,063	2019
Total	<u>\$11,474,294</u>	

At December 31, 2018 the City had encumbrance commitments in the Governmental Funds as follows:

<u>Fund</u>	<u>Encumbrances</u>
General Fund	\$1,006,921
Other Governmental Funds	1,205,250
Total Governmental Funds	<u>\$2,212,171</u>

**NOTE 18 - COMPLIANCE AND ACCOUNTABILITY**

*Deficit Fund Equities* - The fund deficits at December 31, 2018 of \$11,738 in the Community Programs Fund (enterprise fund), \$77,966 in the Employee Health Insurance Fund and \$424,191 in the Workers' Compensation Retrospective Fund (internal service funds) arise from the recognition of expenditures/expenses on the modified accrual/accrual basis that are greater than expenditures/expenses recognized on the budgetary/cash basis. Deficits do not exist under the budgetary/cash basis of accounting. Transfers are provided when cash is required, not when accruals occur.

**NOTE 19 - CONTINGENCIES**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018***

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**NOTE 20 – PURCHASE COMMITMENT**

***American Municipal Power Generating Station Project (AMPGS)***

The City is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The City's project share was 13,000 kilowatts (kW) of a total 771,281 kW, giving the City a 1.69 percent project share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. All project costs incurred prior to the cancellation and related to the cancellation were therefore deemed *impaired* and participants were obligated to pay those incurred costs. In prior years, payment of these costs was not required due to AMP's pursuit of legal action to collect them from Bechtel. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The City's estimated share of the impaired costs at March 31, 2014 was \$2,240,514. The City received a credit of \$587,923 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU). The City also made payments totaling \$2,194,829 leaving an estimated net credit balance of \$542,238. The City has opted to leave the credit balance with AMP to offset any additional AMPGS Project costs in the future. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact, either positively or negatively, the City's credit balance. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement among the participants and the AMP General Fund based on each participant's original project share in kW including the AMP General Fund's project share.

Since March 31, 2014, the City's allocation of additional costs incurred by the project is \$27,002 and interest on the credit balance credited to the City has been \$40,470, resulting in a net credit balance at December 31, 2018 of \$555,706. The City does have a potential PHFU Liability of \$633,732 resulting in a net total potential liability of \$78,026, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the City's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include such negative items as property taxes as well as positive items such as revenue from leases or sale of all or a portion of the Meigs County site property.

**NOTE 21 – SUBSEQUENT EVENT**

In February 2019 the City issued \$650,000 of various purpose General Obligation Notes. These notes carry an interest rate of 3.5% and mature in February 2020.

*REQUIRED SUPPLEMENTARY INFORMATION*

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**CITY OF PAINESVILLE, OHIO**

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

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**Ohio Public Employees Retirement System**

Year	2014	2015	2016
City's proportion of the net pension liability (asset)	0.078758%	0.078758%	0.080463%
City's proportionate share of the net pension liability (asset)	\$9,284,542	\$9,499,093	\$13,937,207
City's covered payroll	\$9,660,792	\$9,655,333	\$10,005,075
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	96.11%	98.38%	139.30%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

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

**Ohio Police and Fire Pension Fund**

Year	2014	2015	2016
City's proportion of the net pension liability (asset)	0.218634%	0.218634%	0.221177%
City's proportionate share of the net pension liability (asset)	\$10,648,162	\$11,326,153	\$14,228,449
City's covered payroll	\$4,943,828	\$4,373,483	\$4,529,777
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	215.38%	258.97%	314.11%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%

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

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2014 is not available. The schedule is reported as of the measurement date of the Net Pension Liability, which is the prior year end.

See notes to the required supplementary information

**CITY OF PAINESVILLE, OHIO**

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<u>2017</u>	<u>2018</u>
0.078734%	0.073358%
\$17,879,092	\$11,508,461
\$10,183,850	\$9,690,523
175.56%	118.76%
77.25%	84.66%

<u>2017</u>	<u>2018</u>
0.219641%	0.215503%
\$13,911,813	\$13,226,399
\$4,771,700	\$4,763,981
291.55%	277.63%
68.36%	70.91%

**CITY OF PAINESVILLE, OHIO**

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***Schedule of City Pension Contributions  
Last Six Years***

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**Ohio Public Employees Retirement System**

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

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

**Ohio Police and Fire Pension Fund**

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

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

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

See notes to the required supplementary information

**CITY OF PAINESVILLE, OHIO**

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<u>2016</u>	<u>2017</u>	<u>2018</u>
\$1,222,062	\$1,259,768	\$1,397,091
<u>1,222,062</u>	<u>1,259,768</u>	<u>1,397,091</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$10,183,850	\$9,690,523	\$9,979,221
12.00%	13.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>
\$999,545	\$997,803	\$1,061,198
<u>999,545</u>	<u>997,803</u>	<u>1,061,198</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,771,700	\$4,763,981	\$5,068,494
20.95%	20.94%	20.94%



***Schedule of City's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability  
Last Two Years***

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**Ohio Public Employees Retirement System**

Year	2017	2018
City's proportion of the net OPEB liability (asset)	0.077866%	0.072573%
City's proportionate share of the net OPEB liability (asset)	\$7,864,742	\$7,880,880
City's covered payroll	\$10,183,850	\$9,690,523
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	77.23%	81.33%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%

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

**Ohio Police and Fire Pension Fund**

Year	2017	2018
City's proportion of the net OPEB liability (asset)	0.219641%	0.215503%
City's proportionate share of the net OPEB liability (asset)	\$10,425,845	\$12,210,107
City's covered payroll	\$4,771,700	\$4,763,981
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	218.49%	256.30%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%

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

Notes: The City implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2016 is not available.

The schedule is reported as of the measurement date of the Net OPEB Liability, which is the prior year end.

See notes to the required supplementary information

**CITY OF PAINESVILLE, OHIO**

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***Schedule of City's Other Postemployment Benefit (OPEB) Contributions  
Last Six Years***

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**Ohio Public Employees Retirement System**

Year	2013	2014	2015
Contractually required contribution	\$96,608	\$193,107	\$200,102
Contributions in relation to the contractually required contribution	96,608	193,107	200,102
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered payroll	\$9,660,792	\$9,655,333	\$10,005,075
Contributions as a percentage of covered payroll	1.00%	2.00%	2.00%

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

**Ohio Police and Fire Pension Fund**

Year	2013	2014	2015
Contractually required contribution	\$178,304	\$21,867	\$22,649
Contributions in relation to the contractually required contribution	178,304	21,867	22,649
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered payroll	\$4,943,828	\$4,373,483	\$4,529,777
Contributions as a percentage of covered payroll	3.61%	0.50%	0.50%

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

Notes: The City implemented GASB Statement 75 in 2018.  
Information prior to 2013 is not available.

See notes to the required supplementary information

**CITY OF PAINESVILLE, OHIO**

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<u>2016</u>	<u>2017</u>	<u>2018</u>
\$203,677	\$96,905	\$0
<u>203,677</u>	<u>96,905</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$10,183,850	\$9,690,523	\$9,979,221
2.00%	1.00%	0.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>
\$23,859	\$23,820	\$25,342
<u>23,859</u>	<u>23,820</u>	<u>25,342</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,771,700	\$4,763,981	\$5,068,494
0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information  
For the Year Ended December 31, 2018***

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**NET PENSION LIABILITY**

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

*Changes in benefit terms:* There were no changes in benefit terms for the period 2014-2018.

*Changes in assumptions:*

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

**OHIO POLICE AND FIRE (OP&F) PENSION FUND**

*Changes in benefit terms:* There were no changes in benefit terms for the period 2014-2018.

*Changes in assumptions:*

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%

***Notes to the Required Supplementary Information  
For the Year Ended December 31, 2018***

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**NET OPEB LIABILITY**

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

*Changes in benefit terms:* For 2018, there were no changes in benefit terms.

*Changes in assumptions:* For 2018, the single discount rate changed from 4.23% to 3.85%.

**OHIO POLICE AND FIRE (OP&F) PENSION FUND**

*Changes in benefit terms:* For 2018, there were no changes in benefit terms.

*Changes in assumptions:* For 2018, the single discount rate changed from 3.79% to 3.24%.

*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**

Required by the Ohio Revised Code to account for 92.5% of the state gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City.

**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 (Continued)***

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

**Underground Storage Tank Fund**

To account for monies to pay for the deductible amount of costs of third party damages and corrective actions necessary to clean up a petroleum release from an underground storage tank. (The Balance Sheet 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.)

**Probation Services Fund**

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

**Community Oriented Policing Services (COPS) Fast Grant Fund**

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

**Skate Facility Fund**

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

**Fire Fund**

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

**Victim's Advocate Grant Fund**

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

**Emergency Medical Services (EMS) Fund**

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

(Continued)

***Special Revenue Funds (Continued)***

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**Municipal Court Computerization Fund**

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

**Brownfield Grant Fund**

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

**Zoning Application Fund**

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

**Fire Improvement Levy Fund**

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

**Road Improvement Levy Fund**

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

**Columbarium Trust Fund**

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

**Law Enforcement Trust Fund**

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

***Debt Service Funds***

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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.

**Shamrock Business Center TIF Fund**

To account for the retirement of bonds used for the extension of Shamrock Boulevard. The debt is retired from payments received in lieu of taxes per the tax increment financing agreement.

***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.

**Shamrock Boulevard Road Project Fund**

To account for costs associated with construction of Shamrock Boulevard.

***Permanent Funds***

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

**Cemetery Trust Fund**

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

**Special Endowment Fund**

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

**Evergreen Cemetery Trust Fund**

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

**Riverside Cemetery Trust Fund**

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

**Special Endowment Trust Fund**

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

**CITY OF PAINESVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2018**

	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	\$ 5,090,156	\$ 1,816,678	\$ 2,796,465	\$ 174,298	\$ 9,877,597
Receivables:					
Taxes	1,226,010	754,573	0	0	1,980,583
Accounts	109,897	0	0	0	109,897
Intergovernmental	430,725	3,810	0	0	434,535
Prepaid Items	11,148	0	0	0	11,148
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	1,182,105	1,182,105
<b>Total Assets</b>	<b>\$ 6,867,936</b>	<b>\$ 2,575,061</b>	<b>\$ 2,796,465</b>	<b>\$ 1,356,403</b>	<b>\$ 13,595,865</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 32,497	\$ 0	\$ 16,076	\$ 0	\$ 48,573
Accrued Wages and Benefits Payable	64,372	0	567	0	64,939
Intergovernmental Payable	23,570	0	397	0	23,967
Interfund Loans Payable	100,000	0	0	0	100,000
Compensated Absences Payable	27,617	0	0	0	27,617
<b>Total Liabilities</b>	<b>248,056</b>	<b>0</b>	<b>17,040</b>	<b>0</b>	<b>265,096</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Amounts	425,834	6,084	0	0	431,918
Property Tax Levy for Next Fiscal Year	1,173,375	752,299	0	0	1,925,674
<b>Total Deferred Inflows of Resources</b>	<b>1,599,209</b>	<b>758,383</b>	<b>0</b>	<b>0</b>	<b>2,357,592</b>
<b>Fund Balances:</b>					
Nonspendable	11,148	0	0	1,182,105	1,193,253
Restricted	4,844,127	1,816,678	530,749	174,298	7,365,852
Committed	165,396	0	2,248,676	0	2,414,072
<b>Total Fund Balances</b>	<b>5,020,671</b>	<b>1,816,678</b>	<b>2,779,425</b>	<b>1,356,403</b>	<b>10,973,177</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 6,867,936</b>	<b>\$ 2,575,061</b>	<b>\$ 2,796,465</b>	<b>\$ 1,356,403</b>	<b>\$ 13,595,865</b>

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2018**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Property Taxes	\$ 1,148,337	\$ 832,971	\$ 0	\$ 0	\$ 1,981,308
Intergovernmental Revenues	1,892,115	7,620	105,001	0	2,004,736
Charges for Services	676,909	0	0	0	676,909
Investment Earnings	0	0	0	20,290	20,290
Special Assessments	0	85,015	0	0	85,015
Fines and Forfeitures	281,439	0	177,671	0	459,110
All Other Revenues	19,637	0	0	21,870	41,507
<b>Total Revenues</b>	<b>4,018,437</b>	<b>925,606</b>	<b>282,672</b>	<b>42,160</b>	<b>5,268,875</b>
<b>Expenditures:</b>					
Current:					
General Government	307,623	18,335	130,388	0	456,346
Public Safety	897,063	0	0	0	897,063
Highways and Streets	2,129,639	163,294	101,846	0	2,394,779
Public Health and Welfare	377,641	0	0	0	377,641
Capital Outlay	0	0	945,078	0	945,078
Debt Service:					
Principal Retirement	456,996	750,356	37,681	0	1,245,033
Interest and Fiscal Charges	38,657	221,173	4,452	0	264,282
<b>Total Expenditures</b>	<b>4,207,619</b>	<b>1,153,158</b>	<b>1,219,445</b>	<b>0</b>	<b>6,580,222</b>
Excess (Deficiency) of Revenues Over Expenditures	(189,182)	(227,552)	(936,773)	42,160	(1,311,347)
<b>Other Financing Sources (Uses):</b>					
Long Term Note Issuance	255,917	280,000	0	0	535,917
Transfers In	578,560	0	800,000	0	1,378,560
<b>Total Other Financing Sources (Uses)</b>	<b>834,477</b>	<b>280,000</b>	<b>800,000</b>	<b>0</b>	<b>1,914,477</b>
Net Change in Fund Balances	645,295	52,448	(136,773)	42,160	603,130
<b>Fund Balances at Beginning of Year</b>	<b>4,375,376</b>	<b>1,764,230</b>	<b>2,916,198</b>	<b>1,314,243</b>	<b>10,370,047</b>
<b>Fund Balances End of Year</b>	<b>\$ 5,020,671</b>	<b>\$ 1,816,678</b>	<b>\$ 2,779,425</b>	<b>\$ 1,356,403</b>	<b>\$ 10,973,177</b>

\*In 2018 the Shamrock Business Center TIF Fund was reclassified from a nonmajor special revenue fund to a nonmajor debt service fund. Beginning of year balances reflect this reclassification.

**CITY OF PAINESVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2018**

	Street Construction, Maintenance and Repair Fund	State Highway Improvement Fund	Cemeteries Fund	Police Pension Transfer Fund
<b>Assets:</b>				
Pooled Cash and Investments	\$ 2,073,387	\$ 35,114	\$ 617,426	\$ 141,691
Receivables:				
Taxes	0	0	0	68,215
Accounts	0	0	0	0
Intergovernmental	324,357	20,074	0	4,763
Prepaid Items	0	0	3,041	0
<b>Total Assets</b>	<b>\$ 2,397,744</b>	<b>\$ 55,188</b>	<b>\$ 620,467</b>	<b>\$ 214,669</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 13,202	\$ 0	\$ 386	\$ 0
Accrued Wages and Benefits Payable	12,829	0	14,755	0
Intergovernmental Payable	6,587	8,731	1,024	0
Interfund Loans Payable	0	0	0	0
Compensated Absences Payable	0	0	0	0
<b>Total Liabilities</b>	<b>32,618</b>	<b>8,731</b>	<b>16,165</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	199,316	13,383	0	7,605
Property Tax Levy for Next Fiscal Year	0	0	0	65,373
<b>Total Deferred Inflows of Resources</b>	<b>199,316</b>	<b>13,383</b>	<b>0</b>	<b>72,978</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	3,041	0
Restricted	2,165,810	33,074	601,261	141,691
Committed	0	0	0	0
<b>Total Fund Balances</b>	<b>2,165,810</b>	<b>33,074</b>	<b>604,302</b>	<b>141,691</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,397,744</b>	<b>\$ 55,188</b>	<b>\$ 620,467</b>	<b>\$ 214,669</b>

**CITY OF PAINESVILLE, OHIO**

Fire Pension Transfer Fund	Law Enforcement Fund	Indigent Drivers Alcohol Treatment Fund	Enforcement and Education Fund	Fire Levy Fund	Probation Services Fund	COPS Fast Grant Fund
\$ 141,736	\$ 23,398	\$ 100,737	\$ 150,731	\$ 271,614	\$ 115,299	\$ 1,513
68,215	0	0	0	99,653	0	0
0	0	0	0	0	0	0
4,763	0	0	0	6,104	0	0
0	0	0	0	0	0	0
<u>\$ 214,714</u>	<u>\$ 23,398</u>	<u>\$ 100,737</u>	<u>\$ 150,731</u>	<u>\$ 377,371</u>	<u>\$ 115,299</u>	<u>\$ 1,513</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 26	\$ 0
0	0	0	0	0	2,651	0
0	0	6,900	0	0	78	0
0	0	0	0	100,000	0	0
0	0	0	0	0	0	0
0	0	6,900	0	100,000	2,755	0
7,605	0	0	0	10,185	0	0
65,373	0	0	0	95,572	0	0
72,978	0	0	0	105,757	0	0
0	0	0	0	0	0	0
141,736	23,398	93,837	150,731	171,614	112,544	1,513
0	0	0	0	0	0	0
<u>141,736</u>	<u>23,398</u>	<u>93,837</u>	<u>150,731</u>	<u>171,614</u>	<u>112,544</u>	<u>1,513</u>
<u>\$ 214,714</u>	<u>\$ 23,398</u>	<u>\$ 100,737</u>	<u>\$ 150,731</u>	<u>\$ 377,371</u>	<u>\$ 115,299</u>	<u>\$ 1,513</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2018**

	Fire Fund	Victim's Advocate Grant Fund	Emergency Medical Services Fund	Municipal Court Computerization Fund
<b>Assets:</b>				
Pooled Cash and Investments	\$ 7,374	\$ 7,345	\$ 189,724	\$ 180,821
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	109,897	0
Intergovernmental	0	2,935	0	0
Prepaid Items	0	0	8,107	0
<b>Total Assets</b>	<b>\$ 7,374</b>	<b>\$ 10,280</b>	<b>\$ 307,728</b>	<b>\$ 180,821</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 0	\$ 836	\$ 505
Accrued Wages and Benefits Payable	0	1,409	31,566	1,162
Intergovernmental Payable	0	0	0	250
Interfund Loans Payable	0	0	0	0
Compensated Absences Payable	0	0	27,617	0
<b>Total Liabilities</b>	<b>0</b>	<b>1,409</b>	<b>60,019</b>	<b>1,917</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	0	2,935	74,206	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>2,935</b>	<b>74,206</b>	<b>0</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	8,107	0
Restricted	7,374	5,936	0	178,904
Committed	0	0	165,396	0
<b>Total Fund Balances</b>	<b>7,374</b>	<b>5,936</b>	<b>173,503</b>	<b>178,904</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 7,374</b>	<b>\$ 10,280</b>	<b>\$ 307,728</b>	<b>\$ 180,821</b>

**CITY OF PAINESVILLE, OHIO**

Brownfield Grant Fund	Fire Improvement Levy Fund	Road Improvement Levy Fund	Columbarium Trust Fund	Law Enforcement Trust Fund	Total Nonmajor Special Revenue Funds
\$ 520	\$ 517,780	\$ 496,114	\$ 89	\$ 17,743	\$ 5,090,156
0	325,919	664,008	0	0	1,226,010
0	0	0	0	0	109,897
40,343	9,005	18,381	0	0	430,725
0	0	0	0	0	11,148
<u>\$ 40,863</u>	<u>\$ 852,704</u>	<u>\$ 1,178,503</u>	<u>\$ 89</u>	<u>\$ 17,743</u>	<u>\$ 6,867,936</u>
\$ 0	\$ 4,354	\$ 13,188	\$ 0	\$ 0	\$ 32,497
0	0	0	0	0	64,372
0	0	0	0	0	23,570
0	0	0	0	0	100,000
0	0	0	0	0	27,617
<u>0</u>	<u>4,354</u>	<u>13,188</u>	<u>0</u>	<u>0</u>	<u>248,056</u>
40,343	23,475	46,781	0	0	425,834
0	311,449	635,608	0	0	1,173,375
<u>40,343</u>	<u>334,924</u>	<u>682,389</u>	<u>0</u>	<u>0</u>	<u>1,599,209</u>
0	0	0	0	0	11,148
520	513,426	482,926	89	17,743	4,844,127
0	0	0	0	0	165,396
<u>520</u>	<u>513,426</u>	<u>482,926</u>	<u>89</u>	<u>17,743</u>	<u>5,020,671</u>
<u>\$ 40,863</u>	<u>\$ 852,704</u>	<u>\$ 1,178,503</u>	<u>\$ 89</u>	<u>\$ 17,743</u>	<u>\$ 6,867,936</u>

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2018**

	Street Construction, Maintenance and Repair Fund	State Highway Improvement Fund	Cemeteries Fund	Police Pension Transfer Fund
<b>Revenues:</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 57,451
Intergovernmental Revenues	1,627,901	49,342	0	9,526
Charges for Services	0	0	180,385	0
Fines and Forfeitures	0	0	0	0
All Other Revenues	0	0	11,505	0
<b>Total Revenues</b>	<u>1,627,901</u>	<u>49,342</u>	<u>191,890</u>	<u>66,977</u>
<b>Expenditures:</b>				
Current:				
General Government	0	0	0	808
Public Safety	0	0	0	0
Highways and Streets	1,447,604	79,551	0	0
Public Health and Welfare	0	0	377,641	0
Debt Service:				
Principal Retirement	434,043	0	0	0
Interest and Fiscal Charges	32,911	0	0	0
<b>Total Expenditures</b>	<u>1,914,558</u>	<u>79,551</u>	<u>377,641</u>	<u>808</u>
Excess (Deficiency) of Revenues Over Expenditures	(286,657)	(30,209)	(185,751)	66,169
<b>Other Financing Sources (Uses):</b>				
Long Term Note Issuance	255,917	0	0	0
Transfers In	135,000	0	305,000	0
<b>Total Other Financing Sources (Uses)</b>	<u>390,917</u>	<u>0</u>	<u>305,000</u>	<u>0</u>
Net Change in Fund Balances	104,260	(30,209)	119,249	66,169
<b>Fund Balances at Beginning of Year</b>	<u>2,061,550</u>	<u>63,283</u>	<u>485,053</u>	<u>75,522</u>
<b>Fund Balances End of Year</b>	<u>\$ 2,165,810</u>	<u>\$ 33,074</u>	<u>\$ 604,302</u>	<u>\$ 141,691</u>

**CITY OF PAINESVILLE, OHIO**

<u>Fire Pension Transfer Fund</u>	<u>Law Enforcement Fund</u>	<u>Indigent Drivers Alcohol Treatment Fund</u>	<u>Enforcement and Education Fund</u>	<u>Fire Levy Fund</u>	<u>Probation Services Fund</u>	<u>COPS Fast Grant Fund</u>
\$ 57,451	\$ 0	\$ 0	\$ 0	\$ 91,105	\$ 0	\$ 0
9,526	8,881	0	0	13,196	0	0
0	0	0	0	0	0	0
0	0	23,386	15,184	0	120,059	0
0	4,155	0	0	0	0	0
<u>66,977</u>	<u>13,036</u>	<u>23,386</u>	<u>15,184</u>	<u>104,301</u>	<u>120,059</u>	<u>0</u>
808	0	15,950	12,438	1,150	84,049	0
0	13,161	0	0	7,363	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	22,953	0	0
0	0	0	0	5,746	0	0
<u>808</u>	<u>13,161</u>	<u>15,950</u>	<u>12,438</u>	<u>37,212</u>	<u>84,049</u>	<u>0</u>
66,169	(125)	7,436	2,746	67,089	36,010	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
66,169	(125)	7,436	2,746	67,089	36,010	0
75,567	23,523	86,401	147,985	104,525	76,534	1,513
<u>\$ 141,736</u>	<u>\$ 23,398</u>	<u>\$ 93,837</u>	<u>\$ 150,731</u>	<u>\$ 171,614</u>	<u>\$ 112,544</u>	<u>\$ 1,513</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2018**

	Fire Fund	Victim's Advocate Grant Fund	Emergency Medical Services Fund	Municipal Court Computerization Fund
<b>Revenues:</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	40,000	22,663	0	0
Charges for Services	0	0	496,524	0
Fines and Forfeitures	0	0	0	122,810
All Other Revenues	2,787	0	0	0
<b>Total Revenues</b>	<b>42,787</b>	<b>22,663</b>	<b>496,524</b>	<b>122,810</b>
<b>Expenditures:</b>				
Current:				
General Government	0	24,871	0	75,233
Public Safety	51,128	0	641,772	0
Highways and Streets	0	0	0	0
Public Health and Welfare	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<b>51,128</b>	<b>24,871</b>	<b>641,772</b>	<b>75,233</b>
Excess (Deficiency) of Revenues				
Over Expenditures	(8,341)	(2,208)	(145,248)	47,577
<b>Other Financing Sources (Uses):</b>				
Long Term Note Issuance	0	0	0	0
Transfers In	0	0	100,000	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>100,000</b>	<b>0</b>
Net Change in Fund Balances	(8,341)	(2,208)	(45,248)	47,577
<b>Fund Balances at Beginning of Year</b>	<b>15,715</b>	<b>8,144</b>	<b>218,751</b>	<b>131,327</b>
<b>Fund Balances End of Year</b>	<b>\$ 7,374</b>	<b>\$ 5,936</b>	<b>\$ 173,503</b>	<b>\$ 178,904</b>

**CITY OF PAINESVILLE, OHIO**

Brownfield Grant Fund	Fire Improvement Levy Fund	Road Improvement Levy Fund	Columbarium Trust Fund	Law Enforcement Trust Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 309,895	\$ 632,435	\$ 0	\$ 0	\$ 1,148,337
53,506	20,812	36,762	0	0	1,892,115
0	0	0	0	0	676,909
0	0	0	0	0	281,439
0	0	0	0	1,190	19,637
<u>53,506</u>	<u>330,707</u>	<u>669,197</u>	<u>0</u>	<u>1,190</u>	<u>4,018,437</u>
92,316	0	0	0	0	307,623
0	178,475	0	0	5,164	897,063
0	0	602,484	0	0	2,129,639
0	0	0	0	0	377,641
0	0	0	0	0	456,996
0	0	0	0	0	38,657
<u>92,316</u>	<u>178,475</u>	<u>602,484</u>	<u>0</u>	<u>5,164</u>	<u>4,207,619</u>
(38,810)	152,232	66,713	0	(3,974)	(189,182)
0	0	0	0	0	255,917
38,560	0	0	0	0	578,560
<u>38,560</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>834,477</u>
(250)	152,232	66,713	0	(3,974)	645,295
770	361,194	416,213	89	21,717	4,375,376
<u>\$ 520</u>	<u>\$ 513,426</u>	<u>\$ 482,926</u>	<u>\$ 89</u>	<u>\$ 17,743</u>	<u>\$ 5,020,671</u>

**CITY OF PAINESVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2018**

	General Bond Retirement Fund	Special Assessment Bond Retirement Fund	Shamrock Business Center TIF Fund	Total Nonmajor Debt Service Funds
<b>Assets:</b>				
Pooled Cash and Investments	\$ 357,923	\$ 94,261	\$ 1,364,494	\$ 1,816,678
Receivables:				
Taxes	54,573	0	700,000	754,573
Intergovernmental	3,810	0	0	3,810
<b>Total Assets</b>	<u>\$ 416,306</u>	<u>\$ 94,261</u>	<u>\$ 2,064,494</u>	<u>\$ 2,575,061</u>
<b>Liabilities:</b>				
<b>Total Liabilities</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	6,084	0	0	6,084
Property Tax Levy for Next Fiscal Year	52,299	0	700,000	752,299
<b>Total Deferred Inflows of Resources</b>	<u>58,383</u>	<u>0</u>	<u>700,000</u>	<u>758,383</u>
<b>Fund Balances:</b>				
Restricted	357,923	94,261	1,364,494	1,816,678
<b>Total Fund Balances</b>	<u>357,923</u>	<u>94,261</u>	<u>1,364,494</u>	<u>1,816,678</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 416,306</u>	<u>\$ 94,261</u>	<u>\$ 2,064,494</u>	<u>\$ 2,575,061</u>

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2018**

	General Bond Retirement Fund	Special Assessment Bond Retirement Fund	Shamrock Business Center TIF Fund	Total Nonmajor Debt Service Funds
<b>Revenues:</b>				
Property Taxes	\$ 45,958	\$ 0	\$ 787,013	\$ 832,971
Intergovernmental Revenues	7,620	0	0	7,620
Special Assessments	<u>0</u>	<u>85,015</u>	<u>0</u>	<u>85,015</u>
<b>Total Revenues</b>	<u>53,578</u>	<u>85,015</u>	<u>787,013</u>	<u>925,606</u>
<b>Expenditures:</b>				
Current:				
General Government	590	17,745	0	18,335
Highways and Streets	0	0	163,294	163,294
Debt Service:				
Principal Retirement	0	50,000	700,356	750,356
Interest and Fiscal Charges	<u>0</u>	<u>29,450</u>	<u>191,723</u>	<u>221,173</u>
<b>Total Expenditures</b>	<u>590</u>	<u>97,195</u>	<u>1,055,373</u>	<u>1,153,158</u>
Excess (Deficiency) of Revenues Over Expenditures	52,988	(12,180)	(268,360)	(227,552)
<b>Other Financing Sources (Uses):</b>				
Sale of Notes	<u>0</u>	<u>0</u>	<u>280,000</u>	<u>280,000</u>
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>280,000</u>	<u>280,000</u>
Net Change in Fund Balances	52,988	(12,180)	11,640	52,448
<b>Fund Balances at Beginning of Year</b>	<u>304,935</u>	<u>106,441</u>	<u>1,352,854</u>	<u>1,764,230</u>
<b>Fund Balances End of Year</b>	<u>\$ 357,923</u>	<u>\$ 94,261</u>	<u>\$ 1,364,494</u>	<u>\$ 1,816,678</u>

**CITY OF PAINESVILLE, OHIO**

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**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2018**

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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	\$ 134,689	\$ 925,080	\$ 1,273,535	\$ 10,775
<b>Total Assets</b>	<u>\$ 134,689</u>	<u>\$ 925,080</u>	<u>\$ 1,273,535</u>	<u>\$ 10,775</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 6,172	\$ 4,000	\$ 4,545	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
<b>Total Liabilities</b>	<u>6,172</u>	<u>4,000</u>	<u>4,545</u>	<u>0</u>
<b>Fund Balances:</b>				
Restricted	128,517	0	0	10,775
Committed	0	921,080	1,268,990	0
<b>Total Fund Balances</b>	<u>128,517</u>	<u>921,080</u>	<u>1,268,990</u>	<u>10,775</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 134,689</u>	<u>\$ 925,080</u>	<u>\$ 1,273,535</u>	<u>\$ 10,775</u>

**CITY OF PAINESVILLE, OHIO**

Jackson Street Interchange Project Fund	Industrial Park Project Fund	Municipal Court Special Projects Fund	Millstone Acquisition Fund	City Hall Fire Fund	Shamrock Boulevard Road Project Fund	Total Nonmajor Capital Projects Funds
\$ 116,715	\$ 58,606	\$ 187,383	\$ 31,578	\$ 189	\$ 57,915	\$ 2,796,465
<u>\$ 116,715</u>	<u>\$ 58,606</u>	<u>\$ 187,383</u>	<u>\$ 31,578</u>	<u>\$ 189</u>	<u>\$ 57,915</u>	<u>\$ 2,796,465</u>
\$ 0	\$ 0	\$ 1,359	\$ 0	\$ 0	\$ 0	\$ 16,076
0	0	567	0	0	0	567
0	0	397	0	0	0	397
<u>0</u>	<u>0</u>	<u>2,323</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>17,040</u>
116,715	0	185,060	31,578	189	57,915	530,749
0	58,606	0	0	0	0	2,248,676
<u>116,715</u>	<u>58,606</u>	<u>185,060</u>	<u>31,578</u>	<u>189</u>	<u>57,915</u>	<u>2,779,425</u>
<u>\$ 116,715</u>	<u>\$ 58,606</u>	<u>\$ 187,383</u>	<u>\$ 31,578</u>	<u>\$ 189</u>	<u>\$ 57,915</u>	<u>\$ 2,796,465</u>

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2018**

	Municipal Court Improvement Fund	Capital Equipment Reserve Fund	Capital Improvement Fund	Lake Hospital Demolition Fund
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 105,001	\$ 0
Fines and Forfeitures	66,024	0	0	0
<b>Total Revenues</b>	<b>66,024</b>	<b>0</b>	<b>105,001</b>	<b>0</b>
<b>Expenditures:</b>				
Current:				
General Government	35,543	0	0	0
Highways and Streets	0	14,846	87,000	0
Capital Outlay	9,172	357,566	578,340	0
Debt Service:				
Principal Retirement	0	25,681	0	0
Interest and Fiscal Charges	0	1,052	0	0
<b>Total Expenditures</b>	<b>44,715</b>	<b>399,145</b>	<b>665,340</b>	<b>0</b>
Excess (Deficiency) of Revenues				
Over Expenditures	21,309	(399,145)	(560,339)	0
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	500,000	300,000	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>500,000</b>	<b>300,000</b>	<b>0</b>
Net Change in Fund Balances	21,309	100,855	(260,339)	0
<b>Fund Balances at Beginning of Year</b>	<b>107,208</b>	<b>820,225</b>	<b>1,529,329</b>	<b>10,775</b>
<b>Fund Balances End of Year</b>	<b>\$ 128,517</b>	<b>\$ 921,080</b>	<b>\$ 1,268,990</b>	<b>\$ 10,775</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	Shamrock Boulevard Road Project Fund	Total Nonmajor Capital Project Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 105,001
0	0	111,647	0	0	0	177,671
0	0	111,647	0	0	0	282,672
0	0	94,845	0	0	0	130,388
0	0	0	0	0	0	101,846
0	0	0	0	0	0	945,078
0	12,000	0	0	0	0	37,681
0	3,400	0	0	0	0	4,452
0	15,400	94,845	0	0	0	1,219,445
0	(15,400)	16,802	0	0	0	(936,773)
0	0	0	0	0	0	800,000
0	0	0	0	0	0	800,000
0	(15,400)	16,802	0	0	0	(136,773)
116,715	74,006	168,258	31,578	189	57,915	2,916,198
<u>\$ 116,715</u>	<u>\$ 58,606</u>	<u>\$ 185,060</u>	<u>\$ 31,578</u>	<u>\$ 189</u>	<u>\$ 57,915</u>	<u>\$ 2,779,425</u>

**CITY OF PAINESVILLE, OHIO**

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***Combining Balance Sheet  
Nonmajor Permanent Funds  
December 31, 2018***

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	Cemetery Trust Fund	Special Endowment Trust Fund	Total Nonmajor Permanent Funds
<b>Assets:</b>			
Pooled Cash and Investments	\$ 104,140	\$ 70,158	\$ 174,298
Restricted Assets:			
Cash and Cash Equivalents	815,644	366,461	1,182,105
<b>Total Assets</b>	<u>\$ 919,784</u>	<u>\$ 436,619</u>	<u>\$ 1,356,403</u>
<b>Liabilities:</b>			
<b>Total Liabilities</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Fund Balances:</b>			
Nonspendable	815,644	366,461	1,182,105
Restricted	104,140	70,158	174,298
<b>Total Fund Balances</b>	<u>919,784</u>	<u>436,619</u>	<u>1,356,403</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 919,784</u>	<u>\$ 436,619</u>	<u>\$ 1,356,403</u>

**CITY OF PAINESVILLE, OHIO**

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***Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2018***

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	Cemetery Trust Fund	Special Endowment Trust Fund	Total Nonmajor Permanent Funds
<b>Revenues:</b>			
Investment Earnings	\$ 14,314	\$ 5,976	\$ 20,290
All Other Revenues	9,540	12,330	21,870
<b>Total Revenues</b>	<u>23,854</u>	<u>18,306</u>	<u>42,160</u>
<b>Expenditures:</b>			
<b>Total Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	23,854	18,306	42,160
<b>Fund Balances at Beginning of Year</b>	<u>895,930</u>	<u>418,313</u>	<u>1,314,243</u>
<b>Fund Balances End of Year</b>	<u>\$ 919,784</u>	<u>\$ 436,619</u>	<u>\$ 1,356,403</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, 2018***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes:				
Property Taxes:				
Real Estate and Public Utility	\$ 342,817	\$ 412,000	\$ 413,989	\$ 1,989
Municipal Income Tax	8,425,000	8,525,000	8,588,623	63,623
Total Taxes	8,767,817	8,937,000	9,002,612	65,612
Intergovernmental Revenues:				
Local Government Fund - County	670,000	670,000	732,235	62,235
Local Government Fund - State	15,000	15,000	0	(15,000)
Property Tax Allocation	108,000	108,000	68,586	(39,414)
Miscellaneous Tax	13,400	13,400	16,514	3,114
Other Grants	0	0	7,351	7,351
Total Intergovernmental Revenues	806,400	806,400	824,686	18,286
Charges for Services:				
General Government	620	620	632	12
Public Safety	23,800	23,800	35,791	11,991
Highways and Streets	18,000	18,000	14,895	(3,105)
Culture and Recreation	15,300	15,300	23,277	7,977
Community Environment	1,500	1,500	4,602	3,102
Total Charges for Services	59,220	59,220	79,197	19,977
Licenses, Permits and Inspection Fees:				
License Fees	35,200	35,200	49,635	14,435
Permit Fees	64,000	64,000	96,629	32,629
Inspection Fees	5,000	36,000	36,536	536
Zoning Appeal Fees	18,000	18,000	28,922	10,922
Other Fees	260,400	260,400	258,574	(1,826)
Total Licenses, Permits and Inspection Fees	382,600	413,600	470,296	56,696
Investment Earnings	470,000	720,000	738,582	18,582
Fines and Forfeitures	963,400	1,070,400	1,084,468	14,068
All Other Revenues	304,770	458,770	488,609	29,839
Total Revenues	11,754,207	12,465,390	12,688,450	223,060

(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, 2018***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Expenditures:</b>				
General Government:				
Legislative:				
Council:				
Personal Services	1,995,768	1,635,812	1,575,831	59,981
All Other Expenditures	9,261	5,886	5,054	832
Clerk of Council:				
Personal Services	7,164	7,164	3,749	3,415
All Other Expenditures	3,700	3,700	3,397	303
Judicial - Municipal Court:				
Judicial Activities:				
Personal Services	236,370	236,370	227,316	9,054
Clerk of Court:				
Personal Services	568,832	591,107	581,257	9,850
All Other Expenditures	26,319	28,974	28,646	328
Probation:				
Personal Services	196,749	196,749	187,666	9,083
Executive:				
City Manager:				
Personal Services	54,119	54,219	52,722	1,497
All Other Expenditures	9,422	9,422	9,277	145
Comm., Promotions and Public Relations Activities:				
Personal Services	8,618	10,968	7,402	3,566
All Other Expenditures	9,177	9,177	8,640	537
Information Technology:				
All Other Expenditures	45,384	36,634	35,063	1,571
Human Resources:				
Personal Services	34,761	35,361	34,336	1,025
All Other Expenditures	30,880	29,780	29,534	246
Economic Development:				
Personal Services	25,874	26,374	25,558	816
All Other Expenditures	28,293	30,303	30,121	182

(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, 2018***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Finance:				
Administration:				
Personal Services	43,189	45,729	44,616	1,113
All Other Expenditures	6,367	6,367	6,141	226
Accounting:				
Personal Services	23,341	23,341	22,140	1,201
All Other Expenditures	25,511	25,511	24,469	1,042
Purchasing/Warehousing:				
Personal Services	24,247	25,917	25,634	283
All Other Expenditures	1,516	1,515	1,258	257
Income Tax Collection:				
All Other Expenditures	259,460	308,785	308,770	15
Law:				
Administration:				
Personal Services	32,340	32,340	31,861	479
All Other Expenditures	600	0	0	0
Engineering:				
Administration:				
Personal Services	57,234	57,634	56,147	1,487
All Other Expenditures	11,244	11,489	11,327	162
Public Lands and Buildings:				
Building Operations, Maintenance and Repair:				
Personal Services	10,883	11,353	10,823	530
All Other Expenditures	53,342	52,797	51,152	1,645
Boards and Commissions:				
Civil Service Commission:				
All Other Expenditures	28	103	103	0
Miscellaneous:				
Insurance:				
All Other Expenditures	51,511	51,511	51,511	0
Tax Settlement Deductions:				
All Other Expenditures	17,050	15,380	13,804	1,576

(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, 2018***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Miscellaneous:				
Personal Services	200,000	200,000	82,662	117,338
All Other Expenditures	463,074	732,299	732,065	234
Total General Government	<u>4,571,628</u>	<u>4,550,071</u>	<u>4,320,052</u>	<u>230,019</u>
Public Safety:				
Police:				
Law Enforcement - Sworn Officers:				
Personal Services	3,185,590	3,421,590	3,354,746	66,844
Law Enforcement - Other:				
Personal Services	332,761	338,261	329,966	8,295
All Other Expenditures	227,462	257,205	256,256	949
Fire:				
Fire Fighting, Prevention and Inspection:				
Personal Services	2,171,523	2,356,433	2,263,385	93,048
All Other Expenditures	109,760	116,325	114,573	1,752
Fire Service - Other:				
Personal Services	159,101	83,148	72,254	10,894
Police and Fire Communications:				
Control Center:				
All Other Expenditures	543,300	547,935	547,930	5
Total Public Safety	<u>6,729,497</u>	<u>7,120,897</u>	<u>6,939,110</u>	<u>181,787</u>
Highways and Streets:				
Public Works:				
Administration:				
Personal Services	95,100	91,260	87,309	3,951
All Other Expenditures	31,169	31,369	30,897	472
Street Maintenance and Repair:				
All Other Expenditures	45,734	45,734	45,734	0
Sidewalks:				
All Other Expenditures	42,310	42,310	42,310	0

(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, 2018***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Building Maintenance:				
All Other Expenditures	34,639	54,052	53,529	523
Equipment Maintenance:				
Personal Services	29,863	29,863	25,881	3,982
All Other Expenditures	123,839	140,105	138,597	1,508
Employee Benefits:				
Personal Services	283,837	276,277	241,366	34,911
Sidewalks - Snow Removal:				
All Other Expenditures	400	400	400	0
Parking:				
Parking Meters:				
All Other Expenditures	1,002	1,369	1,368	1
Parking Lots:				
All Other Expenditures	13,402	13,402	13,395	7
Traffic Signs, Markings:				
Traffic Signs, Markings, Signals:				
Personal Services	34,262	35,337	34,209	1,128
All Other Expenditures	26,569	26,569	26,082	487
Total Highways and Streets	<u>762,126</u>	<u>788,047</u>	<u>741,077</u>	<u>46,970</u>
Public Health and Welfare:				
Payments to County Health Board:				
County Health District Assessments:				
All Other Expenditures	156,410	156,410	156,409	1
Assistance to Needy/Aged:				
Poor Relief:				
All Other Expenditures	300	300	0	300
Total Public Health and Welfare	<u>156,710</u>	<u>156,710</u>	<u>156,409</u>	<u>301</u>
Culture and Recreation:				
Parks:				
Administration:				
Personal Services	116,096	118,501	116,305	2,196
All Other Expenditures	13,264	22,411	22,407	4
Parks Systems:				
Personal Services	210,127	210,127	192,681	17,446
All Other Expenditures	79,952	85,000	84,450	550

(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, 2018***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Building Maintenance:				
All Other Expenditures	15,265	21,165	19,907	1,258
Morse Avenue Community Center:				
All Other Expenditures	7,651	9,757	9,256	501
Recreation Activities:				
Personal Services	149,285	147,830	133,210	14,620
All Other Expenditures	19,780	21,235	20,761	474
Other Leisure Time Activities:				
Senior Citizens Center:				
All Other Expenditures	26,200	26,200	26,200	0
Community Functions:				
All Other Expenditures	28,000	28,000	28,000	0
Total Culture and Recreation	<u>665,620</u>	<u>690,226</u>	<u>653,177</u>	<u>37,049</u>
Community Environment:				
Community Planning and Zoning:				
Planning Commission:				
All Other Expenditures	687	687	511	176
Demolition:				
All Other Expenditures	15,880	60,880	60,700	180
Planning and Development:				
Personal Services	32,981	34,841	34,317	524
All Other Expenditures	11,962	12,282	12,114	168
Housing and Building Code Enforcement:				
Code Enforcement:				
Personal Services	65,014	64,194	46,614	17,580
All Other Expenditures	32,123	32,943	32,058	885
Tree Care and Weed Control:				
Weed Control:				
All Other Expenditures	12,778	12,778	11,218	1,560
Total Community Environment	<u>171,425</u>	<u>218,605</u>	<u>197,532</u>	<u>21,073</u>
Total Expenditures	<u>13,057,006</u>	<u>13,524,556</u>	<u>13,007,357</u>	<u>517,199</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,302,799)	(1,059,166)	(318,907)	740,259

(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)  
Major Fund – General Fund  
For the Year Ended December 31, 2018***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	646	646
Insurance Proceeds	0	306,000	317,786	11,786
Transfers In	730,000	826,440	818,102	(8,338)
Transfers Out	(305,000)	(1,437,000)	(1,410,000)	27,000
Advances In	50,000	50,000	50,000	0
Total Other Financing Sources (Uses)	<u>475,000</u>	<u>(254,560)</u>	<u>(223,466)</u>	<u>31,094</u>
Net Change in Fund Balance	(827,799)	(1,313,726)	(542,373)	771,353
Fund Balance at Beginning of Year	4,929,392	4,929,392	4,929,392	0
Prior Year Encumbrances	616,223	616,223	616,223	0
Fund Balance at End of Year	<u>\$ 4,717,816</u>	<u>\$ 4,231,889</u>	<u>\$ 5,003,242</u>	<u>\$ 771,353</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, 2018***

<b>STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 883,000	\$ 793,000	\$ 814,031	\$ 21,031
Total Revenues	<u>883,000</u>	<u>793,000</u>	<u>814,031</u>	<u>21,031</u>
<b>Expenditures:</b>				
Highways and Streets:				
Public Works:				
Administration:				
Personal Services	142,606	122,123	98,666	23,457
Street Construction and Reconstruction:				
Personal Service	179,105	179,105	147,715	31,390
Street Maintenance and Repair:				
All Other Expenditures	9,087	9,570	9,570	0
Highway/Street Improvement:				
Capital Outlay	687,645	687,645	611,469	76,176
Snow and Ice Removal:				
All Other Expenditures	127,428	147,428	147,429	(1)
Debt Service:				
Principal Retirement	434,044	434,044	434,043	1
Interest Charges	33,295	33,295	33,051	244
Total Expenditures	<u>1,613,210</u>	<u>1,613,210</u>	<u>1,481,943</u>	<u>131,267</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(730,210)	(820,210)	(667,912)	152,298
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	255,917	255,917	255,917	0
Premiums on Debt Issuances	0	0	140	140
Transfers In	102,000	237,000	237,000	0
Total Other Financing Sources (Uses)	<u>357,917</u>	<u>492,917</u>	<u>493,057</u>	<u>140</u>
Net Changes in Fund Balance	(372,293)	(327,293)	(174,855)	152,438
Fund Balance at Beginning of Year	1,616,763	1,616,763	1,616,763	0
Prior Year Encumbrances	307,183	307,183	307,183	0
Fund Balance at End of Year	<u>\$ 1,551,653</u>	<u>\$ 1,596,653</u>	<u>\$ 1,749,091</u>	<u>\$ 152,438</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, 2018***

STATE HIGHWAY IMPROVEMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 46,000	\$ 46,000	\$ 49,210	\$ 3,210
Total Revenues	<u>46,000</u>	<u>46,000</u>	<u>49,210</u>	<u>3,210</u>
<b>Expenditures:</b>				
Highways and Streets:				
Public Works:				
State Highway Maintenance:				
All Other Expenditures	79,551	79,551	79,551	0
Total Expenditures	<u>79,551</u>	<u>79,551</u>	<u>79,551</u>	<u>0</u>
Net Change in Fund Balance	(33,551)	(33,551)	(30,341)	3,210
Fund Balance at Beginning of Year	50,988	50,988	50,988	0
Prior Year Encumbrances	5,736	5,736	5,736	0
Fund Balance at End of Year	<u>\$ 23,173</u>	<u>\$ 23,173</u>	<u>\$ 26,383</u>	<u>\$ 3,210</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, 2018***

<b>CEMETERIES FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 132,000	\$ 165,000	\$ 180,385	\$ 15,385
All Other Revenues	0	10,000	11,505	1,505
Total Revenues	<u>132,000</u>	<u>175,000</u>	<u>191,890</u>	<u>16,890</u>
<b>Expenditures:</b>				
Public Health and Welfare:				
Cemeteries:				
Administration:				
Personal Services	252,305	241,823	194,513	47,310
All Other Expenditures	6,529	6,564	6,531	33
Evergreen/Riverside Cemeteries:				
Personal Services	144,333	144,333	134,285	10,048
All Other Expenditures	25,743	32,975	32,912	63
Building Maintenance:				
All Other Expenditures	10,587	13,802	13,773	29
Total Expenditures	<u>439,497</u>	<u>439,497</u>	<u>382,014</u>	<u>57,483</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(307,497)	(264,497)	(190,124)	74,373
<b>Other Financing Sources (Uses):</b>				
Transfers In	305,000	305,000	305,000	0
Total Other Financing Sources (Uses)	<u>305,000</u>	<u>305,000</u>	<u>305,000</u>	<u>0</u>
Net Change in Fund Balance	(2,497)	40,503	114,876	74,373
Fund Balance at Beginning of Year	488,465	488,465	488,465	0
Prior Year Encumbrances	6,020	6,020	6,020	0
Fund Balance at End of Year	<u>\$ 491,988</u>	<u>\$ 534,988</u>	<u>\$ 609,361</u>	<u>\$ 74,373</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, 2018***

<b>POLICE PENSION TRANSFER FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 49,163	\$ 50,500	\$ 57,451	\$ 6,951
Intergovernmental Revenues	15,000	13,663	9,526	(4,137)
Total Revenues	<u>64,163</u>	<u>64,163</u>	<u>66,977</u>	<u>2,814</u>
<b>Expenditures:</b>				
Public Safety:				
Police:				
Law-Enforcement-Sworn Officers:				
Personal Services	70,000	0	0	0
All Other Expenditures	1,000	1,000	808	192
Total Expenditures	<u>71,000</u>	<u>1,000</u>	<u>808</u>	<u>192</u>
Net Changes in Fund Balance	(6,837)	63,163	66,169	3,006
Fund Balance at Beginning of Year	<u>75,522</u>	<u>75,522</u>	<u>75,522</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 68,685</u>	<u>\$ 138,685</u>	<u>\$ 141,691</u>	<u>\$ 3,006</u>

**CITY OF PAINESVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2018***

<b>FIRE PENSION TRANSFER FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 49,163	\$ 50,500	\$ 57,451	\$ 6,951
Intergovernmental Revenues	15,000	13,663	9,526	(4,137)
Total Revenues	<u>64,163</u>	<u>64,163</u>	<u>66,977</u>	<u>2,814</u>
<b>Expenditures:</b>				
Public Safety:				
Fire:				
Fire Fighting, Prevention, and Inspection:				
Personal Services	70,000	0	0	0
All Other Expenditures	1,000	1,000	808	192
Total Expenditures	<u>71,000</u>	<u>1,000</u>	<u>808</u>	<u>192</u>
Net Change in Fund Balance	(6,837)	63,163	66,169	3,006
Fund Balance at Beginning of Year	<u>75,567</u>	<u>75,567</u>	<u>75,567</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 68,730</u>	<u>\$ 138,730</u>	<u>\$ 141,736</u>	<u>\$ 3,006</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, 2018***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 8,881	\$ 8,881
All Other Revenues	2,000	4,000	4,155	155
Total Revenues	2,000	4,000	13,036	9,036
<b>Expenditures:</b>				
Public Safety:				
Police:				
Law-Enforcement-Other:				
All Other Expenditures	3,462	16,465	16,463	2
Total Expenditures	3,462	16,465	16,463	2
Net Change in Fund Balance	(1,462)	(12,465)	(3,427)	9,038
Fund Balance at Beginning of Year	21,061	21,061	21,061	0
Prior Year Encumbrances	2,462	2,462	2,462	0
Fund Balance at End of Year	\$ 22,061	\$ 11,058	\$ 20,096	\$ 9,038

**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, 2018***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 34,000	\$ 34,000	\$ 36,880	\$ 2,880
Total Revenues	<u>34,000</u>	<u>34,000</u>	<u>36,880</u>	<u>2,880</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	34,000	34,000	36,880	2,880
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(35,000)</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(35,000)</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>0</u>
Net Change in Fund Balance	(1,000)	(1,000)	1,880	2,880
Fund Balance at Beginning of Year	<u>18,722</u>	<u>18,722</u>	<u>18,722</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 17,722</u>	<u>\$ 17,722</u>	<u>\$ 20,602</u>	<u>\$ 2,880</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, 2018***

<b>INDIGENT DRIVERS ALCOHOL TREATMENT FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 18,000	\$ 22,000	\$ 23,386	\$ 1,386
Total Revenues	<u>18,000</u>	<u>22,000</u>	<u>23,386</u>	<u>1,386</u>
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
All Other Expenditures	62,850	62,850	32,850	30,000
Total Expenditures	<u>62,850</u>	<u>62,850</u>	<u>32,850</u>	<u>30,000</u>
Net Change in Fund Balance	(44,850)	(40,850)	(9,464)	31,386
Fund Balance at Beginning of Year	53,551	53,551	53,551	0
Prior Year Encumbrances	32,850	32,850	32,850	0
Fund Balance at End of Year	<u>\$ 41,551</u>	<u>\$ 45,551</u>	<u>\$ 76,937</u>	<u>\$ 31,386</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, 2018***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 12,000	\$ 15,000	\$ 15,184	\$ 184
Total Revenues	<u>12,000</u>	<u>15,000</u>	<u>15,184</u>	<u>184</u>
<b>Expenditures:</b>				
General Government:				
All Other Expenditures	4,850	4,850	0	4,850
Capital Outlay	<u>12,596</u>	<u>12,596</u>	<u>12,438</u>	<u>158</u>
Total Expenditures	<u>17,446</u>	<u>17,446</u>	<u>12,438</u>	<u>5,008</u>
Net Change in Fund Balance	(5,446)	(2,446)	2,746	5,192
Fund Balance at Beginning of Year	147,985	147,985	147,985	0
Fund Balance at End of Year	<u>\$ 142,539</u>	<u>\$ 145,539</u>	<u>\$ 150,731</u>	<u>\$ 5,192</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, 2018***

**CITY MOTOR VEHICLE LICENSE TAX FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 70,000	\$ 70,000	\$ 73,760	\$ 3,760
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>73,760</u>	<u>3,760</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	70,000	70,000	73,760	3,760
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(67,000)</u>	<u>(67,000)</u>	<u>(67,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(67,000)</u>	<u>(67,000)</u>	<u>(67,000)</u>	<u>0</u>
Net Change in Fund Balance	3,000	3,000	6,760	3,760
Fund Balance at Beginning of Year	<u>45,383</u>	<u>45,383</u>	<u>45,383</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 48,383</u>	<u>\$ 48,383</u>	<u>\$ 52,143</u>	<u>\$ 3,760</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, 2018***

<b>FIRE LEVY FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 87,407	\$ 87,407	\$ 91,105	\$ 3,698
Intergovernmental Revenues	12,000	12,000	13,196	1,196
Total Revenues	<u>99,407</u>	<u>99,407</u>	<u>104,301</u>	<u>4,894</u>
<b>Expenditures:</b>				
Public Safety:				
Fire Fighting, Prevention, and Inspection:				
All Other Expenditures	2,000	1,150	1,150	0
Fire Service - Other:				
All Other Expenditures	6,379	7,363	7,363	0
Debt Service:				
Principal Retirement	22,953	22,953	22,953	0
Interest and Fiscal Charges	5,746	5,746	5,746	0
Total Expenditures	<u>37,078</u>	<u>37,212</u>	<u>37,212</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	62,329	62,195	67,089	4,894
<b>Other Financing Sources (Uses):</b>				
Advances Out	(50,000)	(50,000)	(50,000)	0
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>0</u>
Net Change in Fund Balance	12,329	12,195	17,089	4,894
Fund Balance at Beginning of Year	254,146	254,146	254,146	0
Prior Year Encumbrances	379	379	379	0
Fund Balance at End of Year	<u>\$ 266,854</u>	<u>\$ 266,720</u>	<u>\$ 271,614</u>	<u>\$ 4,894</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, 2018***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	10,931	10,931	10,931	0
Fund Balance at End of Year	<u>\$ 10,931</u>	<u>\$ 10,931</u>	<u>\$ 10,931</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, 2018***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 105,000	\$ 120,000	\$ 120,059	\$ 59
Total Revenues	<u>105,000</u>	<u>120,000</u>	<u>120,059</u>	<u>59</u>
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Probation:				
Personal Services	86,865	83,660	58,948	24,712
All Other Expenditures	39,160	42,365	33,581	8,784
Total Expenditures	<u>126,025</u>	<u>126,025</u>	<u>92,529</u>	<u>33,496</u>
Net Change in Fund Balance	(21,025)	(6,025)	27,530	33,555
Fund Balance at Beginning of Year	65,722	65,722	65,722	0
Prior Year Encumbrances	14,135	14,135	14,135	0
Fund Balance at End of Year	<u>\$ 58,832</u>	<u>\$ 73,832</u>	<u>\$ 107,387</u>	<u>\$ 33,555</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, 2018***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	1,513	1,513	1,513	0
Fund Balance at End of Year	<u>\$ 1,513</u>	<u>\$ 1,513</u>	<u>\$ 1,513</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, 2018***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	627	627	627	0
Fund Balance at End of Year	<u>\$ 627</u>	<u>\$ 627</u>	<u>\$ 627</u>	<u>\$ 0</u>

**CITY OF PAINESVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2018***

	<b>FIRE FUND</b>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 51,000	\$ 51,229	\$ 229
All Other Revenues	0	2,000	2,787	787
Total Revenues	<u>0</u>	<u>53,000</u>	<u>54,016</u>	<u>1,016</u>
<b>Expenditures:</b>				
Public Safety:				
Fire:				
Fire Service - Other:				
All Other Expenditures	1,365	11,275	11,258	17
Capital Outlay	<u>0</u>	<u>40,000</u>	<u>40,000</u>	<u>0</u>
Total Expenditures	<u>1,365</u>	<u>51,275</u>	<u>51,258</u>	<u>17</u>
Net Change in Fund Balance	(1,365)	1,725	2,758	1,033
Fund Balance at Beginning of Year	3,121	3,121	3,121	0
Prior Year Encumbrances	<u>1,365</u>	<u>1,365</u>	<u>1,365</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,121</u>	<u>\$ 6,211</u>	<u>\$ 7,244</u>	<u>\$ 1,033</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, 2018***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 30,443	\$ 15,893	\$ 22,663	\$ 6,770
Total Revenues	<u>30,443</u>	<u>15,893</u>	<u>22,663</u>	<u>6,770</u>
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Clerk of Court:				
Personal Services	26,884	25,004	24,673	331
Total Expenditures	<u>26,884</u>	<u>25,004</u>	<u>24,673</u>	<u>331</u>
Net Changes in Fund Balance	3,559	(9,111)	(2,010)	7,101
Fund Balance at Beginning of Year	9,355	9,355	9,355	0
Fund Balance at End of Year	<u>\$ 12,914</u>	<u>\$ 244</u>	<u>\$ 7,345</u>	<u>\$ 7,101</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, 2018***

<b>EMERGENCY MEDICAL SERVICES FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 550,000	\$ 507,000	\$ 499,561	\$ (7,439)
Total Revenues	<u>550,000</u>	<u>507,000</u>	<u>499,561</u>	<u>(7,439)</u>
<b>Expenditures:</b>				
Public Safety:				
Fire:				
Fire Fighting, Prevention, and Inspection:				
Personal Services	470,345	494,630	462,354	32,276
All Other Expenditures	63,417	67,127	67,110	17
Fire Service - Other:				
Personal Services	132,244	104,249	100,482	3,767
Total Expenditures	<u>666,006</u>	<u>666,006</u>	<u>629,946</u>	<u>36,060</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(116,006)	(159,006)	(130,385)	28,621
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	100,000	100,000	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Net Change in Fund Balance	(116,006)	(59,006)	(30,385)	28,621
Fund Balance at Beginning of Year	188,278	188,278	188,278	0
Prior Year Encumbrances	15,016	15,016	15,016	0
Fund Balance at End of Year	<u>\$ 87,288</u>	<u>\$ 144,288</u>	<u>\$ 172,909</u>	<u>\$ 28,621</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, 2018***

**MUNICIPAL COURT COMPUTERIZATION FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 98,000	\$ 122,000	\$ 122,810	\$ 810
Total Revenues	<u>98,000</u>	<u>122,000</u>	<u>122,810</u>	<u>810</u>
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Clerk of Court:				
Personal Services	90,029	89,834	58,521	31,313
All Other Expenditures	20,676	20,676	20,676	0
Capital Outlay	15,000	15,000	15,000	0
Probation:				
Personal Services	11,957	12,152	11,843	309
Capital Outlay	11	11	0	11
Total Expenditures	<u>137,673</u>	<u>137,673</u>	<u>106,040</u>	<u>31,633</u>
Net Change in Fund Balance	(39,673)	(15,673)	16,770	32,443
Fund Balance at Beginning of Year	127,156	127,156	127,156	0
Prior Year Encumbrances	8,188	8,188	8,188	0
Fund Balance at End of Year	<u>\$ 95,671</u>	<u>\$ 119,671</u>	<u>\$ 152,114</u>	<u>\$ 32,443</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, 2018***

<b>BROWNFIELD GRANT FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 175,000	\$ 54,100	\$ 53,506	\$ (594)
Total Revenues	<u>175,000</u>	<u>54,100</u>	<u>53,506</u>	<u>(594)</u>
<b>Expenditures:</b>				
General Government:				
All Other Expenditures	175,000	92,830	92,830	0
Total Expenditures	<u>175,000</u>	<u>92,830</u>	<u>92,830</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(38,730)	(39,324)	(594)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	38,560	38,560	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>38,560</u>	<u>38,560</u>	<u>0</u>
Net Change in Fund Balance	0	(170)	(764)	(594)
Fund Balance at Beginning of Year	770	770	770	0
Fund Balance at End of Year	<u>\$ 770</u>	<u>\$ 600</u>	<u>\$ 6</u>	<u>\$ (594)</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, 2018***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 225	\$ 225	\$ 470	\$ 245
Total Revenues	<u>225</u>	<u>225</u>	<u>470</u>	<u>245</u>
<b>Expenditures:</b>				
Community Environment:				
Zoning Application:				
All Other Expenditures	<u>285</u>	<u>317</u>	<u>316</u>	<u>1</u>
Total Expenditures	<u>285</u>	<u>317</u>	<u>316</u>	<u>1</u>
Net Change in Fund Balance	(60)	(92)	154	246
Fund Balance at Beginning of Year	12,909	12,909	12,909	0
Prior Year Encumbrances	<u>85</u>	<u>85</u>	<u>85</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 12,934</u>	<u>\$ 12,902</u>	<u>\$ 13,148</u>	<u>\$ 246</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, 2018***

<b>FIRE IMPROVEMENT LEVY FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 290,214	\$ 290,214	\$ 309,895	\$ 19,681
Intergovernmental Revenues	24,000	24,000	20,812	(3,188)
Total Revenues	<u>314,214</u>	<u>314,214</u>	<u>330,707</u>	<u>16,493</u>
<b>Expenditures:</b>				
Public Safety:				
Fire:				
Fire Service - Other:				
All Other Expenditures	223,100	223,100	221,070	2,030
Capital Outlay	16,000	16,000	16,000	0
Total Expenditures	<u>239,100</u>	<u>239,100</u>	<u>237,070</u>	<u>2,030</u>
Net Change in Fund Balance	75,114	75,114	93,637	18,523
Fund Balance at Beginning of Year	295,544	295,544	295,544	0
Prior Year Encumbrances	65,650	65,650	65,650	0
Fund Balance at End of Year	<u>\$ 436,308</u>	<u>\$ 436,308</u>	<u>\$ 454,831</u>	<u>\$ 18,523</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, 2018***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 603,253	\$ 603,253	\$ 632,435	\$ 29,182
Intergovernmental Revenues	38,000	38,000	36,762	(1,238)
Total Revenues	<u>641,253</u>	<u>641,253</u>	<u>669,197</u>	<u>27,944</u>
<b>Expenditures:</b>				
Highways and Streets:				
Public Works:				
All Other Expenditures	8,000	8,483	8,482	1
Capital Outlay	722,916	722,433	647,831	74,602
Total Expenditures	<u>730,916</u>	<u>730,916</u>	<u>656,313</u>	<u>74,603</u>
Net Change in Fund Balance	(89,663)	(89,663)	12,884	102,547
Fund Balance at Beginning of Year	328,297	328,297	328,297	0
Prior Year Encumbrances	87,916	87,916	87,916	0
Fund Balance at End of Year	<u>\$ 326,550</u>	<u>\$ 326,550</u>	<u>\$ 429,097</u>	<u>\$ 102,547</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, 2018***

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	COLUMBARIUM TRUST FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	89	89	89	0
Fund Balance at End of Year	<u>\$ 89</u>	<u>\$ 89</u>	<u>\$ 89</u>	<u>\$ 0</u>

**CITY OF PAINESVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2018***

<b>LAW ENFORCEMENT TRUST FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 0	\$ 700	\$ 1,190	\$ 490
Total Revenues	<u>0</u>	<u>700</u>	<u>1,190</u>	<u>490</u>
<b>Expenditures:</b>				
Public Safety:				
Police:				
Law Enforcement - Other:				
All Other Expenditures	6,000	6,000	5,164	836
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>5,164</u>	<u>836</u>
Net Change in Fund Balance	(6,000)	(5,300)	(3,974)	1,326
Fund Balance at Beginning of Year	<u>21,717</u>	<u>21,717</u>	<u>21,717</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 15,717</u>	<u>\$ 16,417</u>	<u>\$ 17,743</u>	<u>\$ 1,326</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, 2018***

<b>GENERAL BOND RETIREMENT FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 49,330	\$ 49,330	\$ 45,958	\$ (3,372)
Intergovernmental Revenues	12,000	12,000	7,620	(4,380)
Total Revenues	<u>61,330</u>	<u>61,330</u>	<u>53,578</u>	<u>(7,752)</u>
<b>Expenditures:</b>				
General Government:				
All Other Expenditures	900	900	646	254
Total Expenditures	<u>900</u>	<u>900</u>	<u>646</u>	<u>254</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	60,430	60,430	52,932	(7,498)
<b>Other Financing Sources (Uses):</b>				
Premiums on Debt Issuance	0	0	56	56
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>56</u>	<u>56</u>
Net Change in Fund Balance	60,430	60,430	52,988	(7,442)
Fund Balance at Beginning of Year	<u>304,935</u>	<u>304,935</u>	<u>304,935</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 365,365</u>	<u>\$ 365,365</u>	<u>\$ 357,923</u>	<u>\$ (7,442)</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, 2018***

<b>SPECIAL ASSESSMENT BOND RETIREMENT FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Special Assessments	\$ 70,000	\$ 83,000	\$ 85,015	\$ 2,015
Total Revenues	<u>70,000</u>	<u>83,000</u>	<u>85,015</u>	<u>2,015</u>
<b>Expenditures:</b>				
General Government:				
All Other Expenditures	19,795	19,795	18,135	1,660
Debt Service Function:				
Debt Service - Unvoted:				
Debt Service:				
Principal Retirement	50,000	50,000	50,000	0
Interest and Fiscal Charges	29,450	29,450	29,450	0
Total Expenditures	<u>99,245</u>	<u>99,245</u>	<u>97,585</u>	<u>1,660</u>
Net Change in Fund Balance	(29,245)	(16,245)	(12,570)	3,675
Fund Balance at Beginning of Year	106,246	106,246	106,246	0
Prior Year Encumbrances	195	195	195	0
Fund Balance at End of Year	<u>\$ 77,196</u>	<u>\$ 90,196</u>	<u>\$ 93,871</u>	<u>\$ 3,675</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, 2018***

**SHAMROCK BUSINESS CENTER TIF FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 685,000	\$ 785,000	\$ 787,013	\$ 2,013
Total Revenues	<u>685,000</u>	<u>785,000</u>	<u>787,013</u>	<u>2,013</u>
<b>Expenditures:</b>				
Highways and Streets:				
All Other Expenditures	155,700	163,295	163,294	1
Debt Service:				
Principal Retirement	700,356	700,356	700,356	0
Interest and Fiscal Charges	191,874	191,874	191,874	0
Total Expenditures	<u>1,047,930</u>	<u>1,055,525</u>	<u>1,055,524</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(362,930)	(270,525)	(268,511)	2,014
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	280,000	280,000	280,000	0
Premiums on Debt Issuances	0	0	151	151
Total Other Financing Sources (Uses)	<u>280,000</u>	<u>280,000</u>	<u>280,151</u>	<u>151</u>
Net Change in Fund Balance	(82,930)	9,475	11,640	2,165
Fund Balance at Beginning of Year	<u>1,352,854</u>	<u>1,352,854</u>	<u>1,352,854</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,269,924</u>	<u>\$ 1,362,329</u>	<u>\$ 1,364,494</u>	<u>\$ 2,165</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, 2018***

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**MUNICIPAL COURT IMPROVEMENT FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 53,000	\$ 53,000	\$ 66,024	\$ 13,024
Total Revenues	<u>53,000</u>	<u>53,000</u>	<u>66,024</u>	<u>13,024</u>
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
Capital Outlay	23,740	23,740	14,172	9,568
Clerk of Court:				
Capital Outlay	71,406	71,406	54,123	17,283
Total Expenditures	<u>95,146</u>	<u>95,146</u>	<u>68,295</u>	<u>26,851</u>
Net Change in Fund Balance	(42,146)	(42,146)	(2,271)	39,875
Fund Balance at Beginning of Year	47,431	47,431	47,431	0
Prior Year Encumbrances	60,146	60,146	60,146	0
Fund Balance at End of Year	<u>\$ 65,431</u>	<u>\$ 65,431</u>	<u>\$ 105,306</u>	<u>\$ 39,875</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, 2018***

<b>CAPITAL EQUIPMENT RESERVE FUND</b>				
	Original Budget	Final Budget	Actual	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	12,867	12,867	11,508	1,359
Finance:				
Accounting:				
Capital Outlay	2,546	2,546	1,513	1,033
Total General Government	15,413	15,413	13,021	2,392
Public Safety:				
Police:				
Law Enforcement - Other:				
Capital Outlay	158,250	158,250	158,064	186
Total Public Safety	158,250	158,250	158,064	186
Highways and Streets:				
Public Works:				
Administration:				
Capital Outlay	32,134	32,134	32,134	0
Street Construction and Reconstruction:				
Capital Outlay	12,867	12,867	9,782	3,085
Street Maintenance and Repair:				
Capital Outlay	118,000	118,000	112,000	6,000
Equipment Maintenance:				
Capital Outlay	5,898	5,898	5,898	0
Total Highways and Streets	168,899	168,899	159,814	9,085

**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, 2018***

<b>CAPITAL EQUIPMENT RESERVE FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Culture and Recreation:				
Parks:				
Parks Systems:				
Capital Outlay	80,000	80,000	76,337	3,663
Total Culture and Recreation	<u>80,000</u>	<u>80,000</u>	<u>76,337</u>	<u>3,663</u>
Community Environment:				
Community Planning and Zoning:				
Planning and Development:				
Capital Outlay	2,500	2,500	2,500	0
Housing and Building Code Enforcement:				
Code Enforcement:				
Capital Outlay	22,746	22,745	20,246	2,499
Total Community Environment	<u>25,246</u>	<u>25,245</u>	<u>22,746</u>	<u>2,499</u>
Debt Service:				
Principal Retirement	25,681	25,682	25,681	1
Interest and Fiscal Charges	1,053	1,053	1,052	1
Total Expenditures	<u>474,542</u>	<u>474,542</u>	<u>456,715</u>	<u>17,827</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(474,542)	(474,542)	(456,715)	17,827
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	500,000	500,000	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>500,000</u>	<u>500,000</u>	<u>0</u>
Net Change in Fund Balance	(474,542)	25,458	43,285	17,827
Fund Balance at Beginning of Year	778,167	778,167	778,167	0
Prior Year Encumbrances	42,058	42,058	42,058	0
Fund Balance at End of Year	<u>\$ 345,683</u>	<u>\$ 845,683</u>	<u>\$ 863,510</u>	<u>\$ 17,827</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, 2018***

CAPITAL IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 40,000	\$ 105,000	\$ 105,001	\$ 1
Total Revenues	40,000	105,000	105,001	1
<b>Expenditures:</b>				
General Government:				
Public Lands and Buildings:				
Building Operations, Maintenance and Repair:				
Capital Outlay	824,000	824,000	824,000	0
Total General Government	824,000	824,000	824,000	0
Highways and Streets:				
Public Works:				
Street Construction and Reconstruction:				
Capital Outlay	137,000	137,000	137,000	0
Highway/Street Improvement:				
Capital Outlay	40,000	40,000	40,000	0
Total Highways and Streets	177,000	177,000	177,000	0
Culture and Recreation:				
Parks:				
Recreation Activities:				
Capital Outlay	107,111	120,411	120,229	182
Total Culture and Recreation	107,111	120,411	120,229	182
Community Environment:				
Community Planning and Zoning:				
Planning and Development:				
Capital Outlay	123,457	123,457	120,860	2,597
Total Community Environment	123,457	123,457	120,860	2,597
Total Expenditures	1,231,568	1,244,868	1,242,089	2,779
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,191,568)	(1,139,868)	(1,137,088)	2,780

**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, 2018***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	300,000	300,000	0
Total Other Financing Sources (Uses)	0	300,000	300,000	0
Net Change in Fund Balance	(1,191,568)	(839,868)	(837,088)	2,780
Fund Balance at Beginning of Year	1,105,761	1,105,761	1,105,761	0
Prior Year Encumbrances	423,568	423,568	423,568	0
Fund Balance at End of Year	<u>\$ 337,761</u>	<u>\$ 689,461</u>	<u>\$ 692,241</u>	<u>\$ 2,780</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, 2018***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	10,775	10,775	10,775	0
Fund Balance at End of Year	<u>\$ 10,775</u>	<u>\$ 10,775</u>	<u>\$ 10,775</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, 2018***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 25,000	\$ 0	\$ 0	\$ 0
Total Revenues	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures:</b>				
Highways and Streets:				
Miscellaneous:				
Capital Outlay	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	15,000	0	0	0
Fund Balance at Beginning of Year	<u>116,715</u>	<u>116,715</u>	<u>116,715</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 131,715</u>	<u>\$ 116,715</u>	<u>\$ 116,715</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, 2018***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	12,000	12,000	12,000	0
Interest and Fiscal Charges	3,400	3,400	3,400	0
Total Expenditures	15,400	15,400	15,400	0
Net Change in Fund Balance	(15,400)	(15,400)	(15,400)	0
Fund Balance at Beginning of Year	74,006	74,006	74,006	0
Fund Balance at End of Year	\$ 58,606	\$ 58,606	\$ 58,606	\$ 0

**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, 2018***

**MUNICIPAL COURT SPECIAL PROJECTS FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 87,500	\$ 102,500	\$ 111,647	\$ 9,147
Total Revenues	<u>87,500</u>	<u>102,500</u>	<u>111,647</u>	<u>9,147</u>
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
Personal Services	6,641	6,641	2,834	3,807
All Other Expenditures	41,992	41,992	38,398	3,594
Clerk of Court:				
Personal Services	26,509	20,322	8,177	12,145
All Other Expenditures	77,256	94,443	91,870	2,573
Immobilization Remote Devices:				
All Other Expenditures	19,358	19,358	9,358	10,000
Total Expenditures	<u>171,756</u>	<u>182,756</u>	<u>150,637</u>	<u>32,119</u>
Net Change in Fund Balance	(84,256)	(80,256)	(38,990)	41,266
Fund Balance at Beginning of Year	132,195	132,195	132,195	0
Prior Year Encumbrances	41,056	41,056	41,056	0
Fund Balance at End of Year	<u>\$ 88,995</u>	<u>\$ 92,995</u>	<u>\$ 134,261</u>	<u>\$ 41,266</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, 2018***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	31,578	31,578	31,578	0
Fund Balance at End of Year	<u>\$ 31,578</u>	<u>\$ 31,578</u>	<u>\$ 31,578</u>	<u>\$ 0</u>

**CITY OF PAINESVILLE, OHIO**

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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, 2018***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	189	189	189	0
Fund Balance at End of Year	<u>\$ 189</u>	<u>\$ 189</u>	<u>\$ 189</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, 2018***

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**SHAMROCK BOULEVARD ROAD PROJECT FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<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>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	<u>57,915</u>	<u>57,915</u>	<u>57,915</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 57,915</u>	<u>\$ 57,915</u>	<u>\$ 57,915</u>	<u>\$ 0</u>

**CITY OF PAINESVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2018***

**CEMETERY TRUST FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 200	\$ 12,200	\$ 14,314	\$ 2,114
Total Revenues	<u>200</u>	<u>12,200</u>	<u>14,314</u>	<u>2,114</u>
<b>Expenditures:</b>				
Public Health and Welfare:				
Cemeteries:				
Evergreen/Riverside Cemeteries:				
All Other Expenditures	200	200	0	200
Total Expenditures	<u>200</u>	<u>200</u>	<u>0</u>	<u>200</u>
Net Change in Fund Balance	0	12,000	14,314	2,314
Fund Balance at Beginning of Year	<u>89,826</u>	<u>89,826</u>	<u>89,826</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 89,826</u></u>	<u><u>\$ 101,826</u></u>	<u><u>\$ 104,140</u></u>	<u><u>\$ 2,314</u></u>

**CITY OF PAINESVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2018***

<b>SPECIAL ENDOWMENT FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 100	\$ 100	\$ 5,976	\$ 5,876
Total Revenues	<u>100</u>	<u>100</u>	<u>5,976</u>	<u>5,876</u>
<b>Expenditures:</b>				
Public Health and Welfare:				
Cemeteries:				
Evergreen/Riverside Cemeteries:				
All Other Expenditures	<u>100</u>	<u>100</u>	<u>0</u>	<u>100</u>
Total Expenditures	<u>100</u>	<u>100</u>	<u>0</u>	<u>100</u>
Net Change in Fund Balance	0	0	5,976	5,976
Fund Balance at Beginning of Year	<u>64,182</u>	<u>64,182</u>	<u>64,182</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 64,182</u></u>	<u><u>\$ 64,182</u></u>	<u><u>\$ 70,158</u></u>	<u><u>\$ 5,976</u></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, 2018***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 200	\$ 200	\$ 150	\$ (50)
Total Revenues	<u>200</u>	<u>200</u>	<u>150</u>	<u>(50)</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	200	200	150	(50)
Fund Balance at Beginning of Year	<u>406,307</u>	<u>406,307</u>	<u>406,307</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 406,507</u>	<u>\$ 406,507</u>	<u>\$ 406,457</u>	<u>\$ (50)</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, 2018***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 4,000	\$ 9,000	\$ 9,390	\$ 390
Total Revenues	<u>4,000</u>	<u>9,000</u>	<u>9,390</u>	<u>390</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	4,000	9,000	9,390	390
Fund Balance at Beginning of Year	<u>399,797</u>	<u>399,797</u>	<u>399,797</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 403,797</u>	<u>\$ 408,797</u>	<u>\$ 409,187</u>	<u>\$ 390</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, 2018***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 3,300	\$ 11,300	\$ 12,330	\$ 1,030
Total Revenues	<u>3,300</u>	<u>11,300</u>	<u>12,330</u>	<u>1,030</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	3,300	11,300	12,330	1,030
Fund Balance at Beginning of Year	<u>354,131</u>	<u>354,131</u>	<u>354,131</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 357,431</u>	<u>\$ 365,431</u>	<u>\$ 366,461</u>	<u>\$ 1,030</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 offered by the City.

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Net Position  
Nonmajor Enterprise Funds  
December 31, 2018**

	Refuse Fund	Off Street Parking Fund	Storm Water Utility Fund
<b>Assets:</b>			
Current Assets:			
Pooled Cash and Investments	\$ 13,042	\$ 24,620	\$ 982,571
Receivables:			
Accounts	0	0	51,325
Total Current Assets	13,042	24,620	1,033,896
Noncurrent Assets:			
Capital Assets:			
Capital Assets Not Being Depreciated	0	731,855	512,604
Capital Assets Being Depreciated, Net	0	0	3,090,858
Total Noncurrent Assets	0	731,855	3,603,462
<b>Total Assets</b>	<b>13,042</b>	<b>756,475</b>	<b>4,637,358</b>
<b>Deferred Outflows of Resources:</b>			
Pension	0	0	20,317
OPEB	0	0	4,232
<b>Total Deferred Outflows of Resources</b>	<b>0</b>	<b>0</b>	<b>24,549</b>
<b>Liabilities:</b>			
Current Liabilities:			
Accounts Payable	0	0	1,786
Accrued Wages and Benefits	0	0	4,450
Accrued Interest Payable	0	0	8,083
General Obligation Bonds Payable - Current	0	0	75,000
Long Term Notes Payable - Current	0	0	74,324
Compensated Absences Payable - Current	0	0	10,428
Total Current Liabilities	0	0	174,071
Noncurrent Liabilities:			
General Obligation Bonds Payable	0	0	1,640,000
Compensated Absences Payable	0	0	8,417
Long Term Notes Payable	0	0	45,000
Net Pension Liability	0	0	83,986
Net OPEB Liability	0	0	57,511
Total Noncurrent Liabilities	0	0	1,834,914
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>2,008,985</b>

**CITY OF PAINESVILLE, OHIO**

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<u>Community Programs Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 15,677	\$ 1,035,910
<u>0</u>	<u>51,325</u>
<u>15,677</u>	<u>1,087,235</u>
0	1,244,459
<u>0</u>	<u>3,090,858</u>
<u>0</u>	<u>4,335,317</u>
<u>15,677</u>	<u>5,422,552</u>
3,758	24,075
<u>783</u>	<u>5,015</u>
<u>4,541</u>	<u>29,090</u>
0	1,786
0	4,450
0	8,083
0	75,000
0	74,324
<u>0</u>	<u>10,428</u>
<u>0</u>	<u>174,071</u>
0	1,640,000
0	8,417
0	45,000
15,532	99,518
<u>10,637</u>	<u>68,148</u>
<u>26,169</u>	<u>1,861,083</u>
<u>26,169</u>	<u>2,035,154</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

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***Combining Statement of Net Position  
Nonmajor Enterprise Funds  
December 31, 2018***

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	<u>Refuse Fund</u>	<u>Off Street Parking Fund</u>	<u>Storm Water Utility Fund</u>
<b>Deferred Inflows of Resources:</b>			
Pension	0	0	24,357
OPEB	0	0	6,924
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>31,281</u>
<b>Net Position</b>			
Net Investment in Capital Assets	0	731,855	1,769,138
Unrestricted	13,042	24,620	852,503
<b>Total Net Position</b>	<u>\$ 13,042</u>	<u>\$ 756,475</u>	<u>\$ 2,621,641</u>

**CITY OF PAINESVILLE, OHIO**

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<u>Community Programs Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
4,506	28,863
<u>1,281</u>	<u>8,205</u>
<u>5,787</u>	<u>37,068</u>
0	2,500,993
<u>(11,738)</u>	<u>878,427</u>
<u>\$ (11,738)</u>	<u>\$ 3,379,420</u>

**CITY OF PAINESVILLE, OHIO**

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**Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2018**

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	Refuse Fund	Off Street Parking Fund	Storm Water Utility Fund
<b>Operating Revenues:</b>			
Charges for Services	\$ 41	\$ 0	\$ 560,704
Other Charges for Services	0	0	6,216
Other Operating Revenues	2,317	0	0
<b>Total Operating Revenues</b>	<u>2,358</u>	<u>0</u>	<u>566,920</u>
<b>Operating Expenses:</b>			
Personal Services	0	0	111,237
Contractual Services	2,300	0	20,250
Materials and Supplies	0	0	11,758
Depreciation	0	0	114,287
<b>Total Operating Expenses</b>	<u>2,300</u>	<u>0</u>	<u>257,532</u>
<b>Operating Income (Loss)</b>	58	0	309,388
<b>Non-Operating Revenue (Expenses):</b>			
Interest and Fiscal Charges	0	0	(62,234)
Other Nonoperating Expense	0	0	(7,735)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>0</u>	<u>0</u>	<u>(69,969)</u>
<b>Change in Net Position</b>	58	0	239,419
<b>Net Position Beginning of Year - Restated</b>	<u>12,984</u>	<u>756,475</u>	<u>2,382,222</u>
<b>Net Position End of Year</b>	<u>\$ 13,042</u>	<u>\$ 756,475</u>	<u>\$ 2,621,641</u>

**CITY OF PAINESVILLE, OHIO**

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<u>Community Programs Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 39,015	\$ 599,760
0	6,216
<u>9,820</u>	<u>12,137</u>
<u>48,835</u>	<u>618,113</u>
17,843	129,080
26,220	48,770
5,420	17,178
<u>0</u>	<u>114,287</u>
<u>49,483</u>	<u>309,315</u>
(648)	308,798
0	(62,234)
<u>0</u>	<u>(7,735)</u>
<u>0</u>	<u>(69,969)</u>
(648)	238,829
<u>(11,090)</u>	<u>3,140,591</u>
<u>\$ (11,738)</u>	<u>\$ 3,379,420</u>

**CITY OF PAINESVILLE, OHIO**

***Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2018***

	Refuse Fund	Off-Street Parking Fund	Storm Water Utility Fund
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$2,358	\$0	\$562,800
Cash Payments for Goods and Services	(2,300)	0	(40,673)
Cash Payments to Employees	0	0	(104,773)
Net Cash Provided by Operating Activities	58	0	417,354
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from General Obligation Notes	0	0	119,324
Premium on Debt Issuances	0	0	65
Principal Paid on General Obligation Notes	0	0	(192,018)
Acquisition and Construction of Assets	0	(1,160)	(63,757)
Principal Paid on Capital Leases	0	0	(11,154)
Principal Paid on General Obligation Bonds	0	0	(75,000)
Interest Paid on All Debt	0	0	(62,192)
Net Cash Used by Capital and Related Financing Activities	0	(1,160)	(284,732)
Net Increase (Decrease) in Cash and Cash Equivalents	58	(1,160)	132,622
Cash and Cash Equivalents at Beginning of Year	12,984	25,780	849,949
Cash and Cash Equivalents at End of Year	\$13,042	\$24,620	\$982,571

**CITY OF PAINESVILLE, OHIO**

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Community Programs Fund	Total Nonmajor Enterprise Funds
\$48,835	\$613,993
(31,640)	(74,613)
<u>(16,576)</u>	<u>(121,349)</u>
619	418,031
0	119,324
0	65
0	(192,018)
0	(64,917)
0	(11,154)
0	(75,000)
<u>0</u>	<u>(62,192)</u>
0	(285,892)
619	132,139
<u>15,058</u>	<u>903,771</u>
<u>\$15,677</u>	<u>\$1,035,910</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

***Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2018***

	Refuse Fund	Off-Street Parking Fund	Storm Water Utility Fund
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income (Loss)	\$58	\$0	\$309,388
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	0	0	114,287
Miscellaneous Nonoperating Expenses	0	0	(7,735)
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
Increase in Accounts Receivable	0	0	(4,120)
Decrease in Deferred Outflows of Resources	0	0	26,322
Decrease in Accounts Payable	0	0	(834)
Decrease in Accrued Wages and Benefits	0	0	(471)
Decrease in Intergovernmental Payable	0	0	(90)
Decrease in Compensated Absences Payable	0	0	(693)
Decrease in Net Pension Liability	0	0	(48,226)
Increase in Net OPEB Liability	0	0	117
Increase in Deferred Inflows of Resources	0	0	29,409
Total Adjustments	<u>0</u>	<u>0</u>	<u>107,966</u>
Net Cash Provided by Operating Activities	<u>\$58</u>	<u>\$0</u>	<u>\$417,354</u>

**CITY OF PAINESVILLE, OHIO**

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<u>Community Programs Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
(\$648)	\$308,798
0	114,287
0	(7,735)
0	(4,120)
4,955	31,277
0	(834)
0	(471)
0	(90)
0	(693)
(9,148)	(57,374)
22	139
<u>5,438</u>	<u>34,847</u>
<u>1,267</u>	<u>109,233</u>
<u>\$619</u>	<u>\$418,031</u>

***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**

**Combining Statement of Net Position  
Nonmajor Internal Service Funds  
December 31, 2018**

	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	\$ 132,602	\$ 31,919	\$ 153,705	\$ 153,779	\$ 472,005
<b>Total Assets</b>	<u>132,602</u>	<u>31,919</u>	<u>153,705</u>	<u>153,779</u>	<u>472,005</u>
<b>Liabilities:</b>					
Current Liabilities:					
Accounts Payable	0	0	10,796	0	10,796
Claims Payable - Current	0	0	220,875	141,361	362,236
Total Current Liabilities	<u>0</u>	<u>0</u>	<u>231,671</u>	<u>141,361</u>	<u>373,032</u>
Noncurrent Liabilities:					
Claims Payable	0	0	0	436,609	436,609
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>231,671</u>	<u>577,970</u>	<u>809,641</u>
<b>Net Position:</b>					
Unrestricted	132,602	31,919	(77,966)	(424,191)	(337,636)
<b>Total Net Position</b>	<u>\$ 132,602</u>	<u>\$ 31,919</u>	<u>\$ (77,966)</u>	<u>\$ (424,191)</u>	<u>\$ (337,636)</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, 2018**

	Fuel and Oil Rotary Fund	Supplies Rotary Fund	Employee Health Insurance Fund	Workers' Compensation Retrospective Fund	Total
<b>Operating Revenues:</b>					
Charges for Services	\$ 6,924	\$ 38,258	\$ 3,310,967	\$ 277,796	\$ 3,633,945
<b>Total Operating Revenues</b>	<u>6,924</u>	<u>38,258</u>	<u>3,310,967</u>	<u>277,796</u>	<u>3,633,945</u>
<b>Operating Expenses:</b>					
Personal Services	0	0	2,519,061	30,910	2,549,971
Contractual Services	0	0	731,463	184,226	915,689
Materials and Supplies	0	40,210	0	0	40,210
<b>Total Operating Expenses</b>	<u>0</u>	<u>40,210</u>	<u>3,250,524</u>	<u>215,136</u>	<u>3,505,870</u>
Change in Net Position	6,924	(1,952)	60,443	62,660	128,075
<b>Net Position Beginning of Year</b>	<u>125,678</u>	<u>33,871</u>	<u>(138,409)</u>	<u>(486,851)</u>	<u>(465,711)</u>
<b>Net Position End of Year</b>	<u>\$ 132,602</u>	<u>\$ 31,919</u>	<u>\$ (77,966)</u>	<u>\$ (424,191)</u>	<u>\$ (337,636)</u>

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Cash Flows  
Nonmajor Internal Service Funds  
For the Year Ended December 31, 2018**

	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	\$6,924	\$38,258	\$3,310,967	\$277,796	\$3,633,945
Cash Payments for Goods and Services	0	(40,210)	(726,424)	(184,226)	(950,860)
Cash Payments to Employees	0	0	0	(93,570)	(93,570)
Cash Payments for Employee Medical Claims	0	0	(2,584,543)	0	(2,584,543)
Net Cash Provided (Used) by Operating Activities	6,924	(1,952)	0	0	4,972
Net Increase (Decrease) in Cash and Cash Equivalents	6,924	(1,952)	0	0	4,972
Cash and Cash Equivalents at Beginning of Year	125,678	33,871	153,705	153,779	467,033
Cash and Cash Equivalents at End of Year	\$132,602	\$31,919	\$153,705	\$153,779	\$472,005
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>					
Operating Income (Loss)	\$6,924	(\$1,952)	\$60,443	\$62,660	\$128,075
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Changes in Assets and Liabilities:					
Increase in Accounts Payable	0	0	5,039	0	5,039
Decrease in Claims Liability	0	0	(65,482)	(62,660)	(128,142)
Total Adjustments	0	0	(60,443)	(62,660)	(123,103)
Net Cash Provided (Used) by Operating Activities	\$6,924	(\$1,952)	\$0	\$0	\$4,972



***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, 2018**

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<b>Municipal Court Fund</b>				
Assets:				
Cash and Cash Equivalents	\$44,042	\$3,400,015	(\$3,403,187)	\$40,870
Total Assets	<u>\$44,042</u>	<u>\$3,400,015</u>	<u>(\$3,403,187)</u>	<u>\$40,870</u>
Liabilities:				
Due to Others	\$44,042	\$3,400,015	(\$3,403,187)	\$40,870
Total Liabilities	<u>\$44,042</u>	<u>\$3,400,015</u>	<u>(\$3,403,187)</u>	<u>\$40,870</u>
<b>State Patrol Transfer Fund</b>				
Assets:				
Cash and Cash Equivalents	\$18,284	\$100,137	(\$100,136)	\$18,285
Total Assets	<u>\$18,284</u>	<u>\$100,137</u>	<u>(\$100,136)</u>	<u>\$18,285</u>
Liabilities:				
Due to Others	\$18,284	\$100,137	(\$100,136)	\$18,285
Total Liabilities	<u>\$18,284</u>	<u>\$100,137</u>	<u>(\$100,136)</u>	<u>\$18,285</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	\$8,253	\$0	\$0	\$8,253
Total Assets	<u>\$8,253</u>	<u>\$0</u>	<u>\$0</u>	<u>\$8,253</u>
Liabilities:				
Due to Others	\$8,253	\$0	\$0	\$8,253
Total Liabilities	<u>\$8,253</u>	<u>\$0</u>	<u>\$0</u>	<u>\$8,253</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<b>Plan Review Fund</b>				
Assets:				
Cash and Cash Equivalents	\$160,693	\$7,049	\$0	\$167,742
Total Assets	<u>\$160,693</u>	<u>\$7,049</u>	<u>\$0</u>	<u>\$167,742</u>
Liabilities:				
Due to Others	\$160,693	\$7,049	\$0	\$167,742
Total Liabilities	<u>\$160,693</u>	<u>\$7,049</u>	<u>\$0</u>	<u>\$167,742</u>
<b>C.D.B.G Fund</b>				
Assets:				
Cash and Cash Equivalents	\$188	\$35,010	(\$30,010)	\$5,188
Total Assets	<u>\$188</u>	<u>\$35,010</u>	<u>(\$30,010)</u>	<u>\$5,188</u>
Liabilities:				
Due to Others	\$188	\$35,010	(\$30,010)	\$5,188
Total Liabilities	<u>\$188</u>	<u>\$35,010</u>	<u>(\$30,010)</u>	<u>\$5,188</u>
<b>JEDD Fund</b>				
Assets:				
Cash and Cash Equivalents	\$0	\$1,103,923	(\$1,103,876)	\$47
Receivables:				
Taxes	57,243	64,125	(57,243)	64,125
Total Assets	<u>\$57,243</u>	<u>\$1,168,048</u>	<u>(\$1,161,119)</u>	<u>\$64,172</u>
Liabilities:				
Intergovernmental Payable	\$42,932	\$48,094	(\$42,932)	\$48,094
Due to Others	14,311	1,119,954	(1,118,187)	16,078
Total Liabilities	<u>\$57,243</u>	<u>\$1,168,048</u>	<u>(\$1,161,119)</u>	<u>\$64,172</u>
<b>Totals - All Agency Funds</b>				
Assets:				
Cash and Cash Equivalents	\$238,666	\$4,646,134	(\$4,637,209)	\$247,591
Receivables:				
Taxes	57,243	64,125	(57,243)	64,125
Total Assets	<u>\$295,909</u>	<u>\$4,710,259</u>	<u>(\$4,694,452)</u>	<u>\$311,716</u>
Liabilities:				
Intergovernmental Payable	\$42,932	\$48,094	(\$42,932)	\$48,094
Due to Others	252,977	4,662,165	(4,651,520)	263,622
Total Liabilities	<u>\$295,909</u>	<u>\$4,710,259</u>	<u>(\$4,694,452)</u>	<u>\$311,716</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, Ohio**

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$28,000,333	\$29,982,485	\$30,387,358	\$33,102,011
Restricted	2,173,310	3,246,469	4,044,306	3,724,814
Unrestricted	10,186,938	7,286,446	6,921,791	6,862,608
Total Governmental Activities Net Position	<u>\$40,360,581</u>	<u>\$40,515,400</u>	<u>\$41,353,455</u>	<u>\$43,689,433</u>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$41,103,064	\$41,322,460	\$44,350,926	\$48,090,083
Restricted	0	0	0	0
Unrestricted	27,590,062	28,707,112	28,876,607	32,820,932
Total Business-type Activities Net Position	<u>\$68,693,126</u>	<u>\$70,029,572</u>	<u>\$73,227,533</u>	<u>\$80,911,015</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$69,103,397	\$71,304,945	\$74,738,284	\$81,192,094
Restricted	2,173,310	3,246,469	4,044,306	3,724,814
Unrestricted	37,777,000	35,993,558	35,798,398	39,683,540
Total Primary Government Net Position	<u>\$109,053,707</u>	<u>\$110,544,972</u>	<u>\$114,580,988</u>	<u>\$124,600,448</u>

Source: Finance Director's Office

\* Restated

*City of Painesville, Ohio*

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2013	*	2015	2016	*	2018
2013	2014	2015	2016	2017	2018
\$31,513,541	\$33,584,837	\$35,636,534	\$36,810,050	\$38,776,754	\$40,406,142
5,438,792	6,309,396	7,102,200	7,672,865	8,054,202	8,799,048
7,096,616	(4,187,406)	(3,309,250)	(3,617,085)	(15,647,961)	(17,105,653)
<u>\$44,048,949</u>	<u>\$35,706,827</u>	<u>\$39,429,484</u>	<u>\$40,865,830</u>	<u>\$31,182,995</u>	<u>\$32,099,537</u>
\$53,612,184	\$54,456,010	\$54,770,683	\$55,073,798	\$57,658,019	\$60,113,342
0	0	0	0	0	0
28,133,474	20,419,355	19,843,074	18,657,959	9,246,793	7,540,927
<u>\$81,745,658</u>	<u>\$74,875,365</u>	<u>\$74,613,757</u>	<u>\$73,731,757</u>	<u>\$66,904,812</u>	<u>\$67,654,269</u>
\$85,125,725	\$88,040,847	\$90,407,217	\$91,883,848	\$96,434,773	\$100,519,484
5,438,792	6,309,396	7,102,200	7,672,865	8,054,202	8,799,048
35,230,090	16,231,949	16,533,824	15,040,874	(6,401,168)	(9,564,726)
<u>\$125,794,607</u>	<u>\$110,582,192</u>	<u>\$114,043,241</u>	<u>\$114,597,587</u>	<u>\$98,087,807</u>	<u>\$99,753,806</u>

## City of Painesville, Ohio

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

	2009	2010	2011	2012
<b>Expenses</b>				
Governmental Activities:				
General Government	\$4,444,947	\$4,594,616	\$5,319,087	\$4,802,387
Public Safety	7,687,567	7,029,666	7,418,708	6,830,774
Highways and Streets	3,823,054	2,158,737	1,821,320	3,067,864
Public Health and Welfare	688,623	637,876	635,108	559,347
Culture and Recreation	843,945	778,109	792,999	682,194
Community Environment	476,715	525,976	377,113	180,433
Interest and Fiscal Charges	266,284	202,221	167,510	304,756
<i>Total Governmental Activities Expenses</i>	<u>18,231,135</u>	<u>15,927,201</u>	<u>16,531,845</u>	<u>16,427,755</u>
Business-type Activities:				
Water	4,683,197	4,934,978	4,651,337	5,155,459
Sewer	3,462,406	4,132,446	3,700,750	3,930,761
Electric	20,517,909	24,023,809	24,798,140	20,741,060
Other Enterprise	507,534	381,553	563,107	436,918
<i>Total Business-type Activities Expenses</i>	<u>29,171,046</u>	<u>33,472,786</u>	<u>33,713,334</u>	<u>30,264,198</u>
<i>Total Primary Government Expenses</i>	<u>\$47,402,181</u>	<u>\$49,399,987</u>	<u>\$50,245,179</u>	<u>\$46,691,953</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services				
General Government	\$1,575,108	\$1,942,968	\$1,533,460	\$1,861,207
Public Safety	671,145	658,667	756,827	670,873
Highways and Streets	36,694	35,895	32,842	26,650
Public Health and Welfare	119,891	109,421	119,652	124,596
Culture and Recreation	18,112	12,372	20,456	14,448
Community Environment	135,666	115,077	98,930	665,096
Operating Grants and Contributions	951,327	863,877	883,020	1,363,819
Capital Grants and Contributions	2,494,194	432,405	1,693,078	2,958,673
<i>Total Governmental Activities Program Revenues</i>	<u>6,002,137</u>	<u>4,170,682</u>	<u>5,138,265</u>	<u>7,685,362</u>

*City of Painesville, Ohio*

2013	2014	2015	2016	2017	2018
\$3,739,730	\$3,921,566	\$3,848,049	\$4,277,546	\$4,297,312	\$4,243,338
6,887,389	6,752,510	7,172,546	7,886,075	7,960,151	9,101,205
2,566,021	2,637,941	3,189,101	2,625,969	2,806,601	2,850,216
516,688	488,651	491,545	522,594	647,437	606,592
590,591	618,468	666,284	723,245	763,163	750,338
314,010	105,322	114,791	119,266	140,834	138,948
313,959	318,637	303,218	290,744	266,554	257,745
<u>14,928,388</u>	<u>14,843,095</u>	<u>15,785,534</u>	<u>16,445,439</u>	<u>16,882,052</u>	<u>17,948,382</u>
5,302,197	6,117,078	5,542,369	5,746,233	5,229,158	5,308,516
4,295,486	4,387,215	4,257,321	4,137,233	4,315,748	4,202,467
22,217,456	24,835,860	24,875,586	27,199,162	27,882,194	30,563,700
418,213	409,740	363,673	1,323,662	318,883	379,284
<u>32,233,352</u>	<u>35,749,893</u>	<u>35,038,949</u>	<u>38,406,290</u>	<u>37,745,983</u>	<u>40,453,967</u>
<u>\$47,161,740</u>	<u>\$50,592,988</u>	<u>\$50,824,483</u>	<u>\$54,851,729</u>	<u>\$54,628,035</u>	<u>\$58,402,349</u>
\$1,720,626	\$1,749,663	\$1,446,087	\$1,490,185	\$1,530,658	\$1,645,439
587,466	616,933	811,277	681,672	620,251	666,103
19,050	60,591	67,287	22,686	18,892	15,335
108,261	110,225	133,515	145,531	157,765	180,385
12,580	9,232	7,580	15,150	22,560	23,277
152,640	306,134	482,434	331,328	374,365	316,352
802,599	876,783	921,812	1,046,834	1,057,201	1,185,541
1,042,448	1,659,154	1,542,778	62,266	677,076	1,023,476
<u>4,445,670</u>	<u>5,388,715</u>	<u>5,412,770</u>	<u>3,795,652</u>	<u>4,458,768</u>	<u>5,055,908</u>

(continued)

**City of Painesville, Ohio**

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

	2009	2010	2011
<b>Business-type Activities:</b>			
Charges for Services			
Water	4,422,481	4,883,093	5,489,308
Sewer	3,320,167	3,104,324	3,473,151
Electric	22,753,669	26,400,302	26,354,842
Other Enterprise	524,991	541,495	572,402
Operating Grants and Contributions	1,478,559	618,902	0
Capital Grants and Contributions	0	0	2,364,576
<i>Total Business-type Activities Program Revenues</i>	<u>32,499,867</u>	<u>35,548,116</u>	<u>38,254,279</u>
<i>Total Primary Government Program Revenues</i>	<u>38,502,004</u>	<u>39,718,798</u>	<u>43,392,544</u>
 <b>Net (Expense)/Revenue</b>			
Governmental Activities	(12,228,998)	(11,756,519)	(11,393,580)
Business-type Activities	3,328,821	2,075,330	4,540,945
<i>Total Primary Government Net (Expense)/Revenue</i>	<u><u>(\$8,900,177)</u></u>	<u><u>(\$9,681,189)</u></u>	<u><u>(\$6,852,635)</u></u>
 <b>General Revenues and Other Changes in Net Position</b>			
Governmental Activities:			
Property Taxes	\$1,214,434	\$1,168,067	\$1,175,475
Municipal Income Taxes	7,748,215	7,157,251	7,167,242
Other Local Taxes	11,164	13,305	6,400
Intergovernmental, Unrestricted	1,266,406	1,605,729	1,871,767
Investment Earnings	831,745	451,850	539,269
Miscellaneous	226,494	762,245	324,107
Transfers	1,084,895	752,891	1,253,475
<i>Total Governmental Activities</i>	<u>12,383,353</u>	<u>11,911,338</u>	<u>12,337,735</u>
 Business-type Activities:			
Investment Earnings	(90,789)	14,007	(89,509)
Transfers	(1,084,895)	(752,891)	(1,253,475)
<i>Total Business-type Activities</i>	<u>(1,175,684)</u>	<u>(738,884)</u>	<u>(1,342,984)</u>
<i>Total Primary Government</i>	<u><u>\$11,207,669</u></u>	<u><u>\$11,172,454</u></u>	<u><u>\$10,994,751</u></u>
 <b>Change in Net Position</b>			
Governmental Activities	\$154,355	\$154,819	\$944,155
Business-type Activities	2,153,137	1,336,446	3,197,961
<i>Total Primary Government Change in Net Position</i>	<u><u>\$2,307,492</u></u>	<u><u>\$1,491,265</u></u>	<u><u>\$4,142,116</u></u>

Source: Finance Director's Office

*City of Painesville, Ohio*

2012	2013	2014	2015	2016	2017	2018
6,576,748	6,307,635	6,209,116	5,956,836	6,224,784	6,215,373	6,170,021
3,746,854	3,985,434	3,706,993	3,822,411	3,842,638	4,000,567	4,135,229
26,692,992	23,082,430	26,107,694	25,264,720	27,174,232	27,301,029	31,071,723
570,045	479,933	522,492	510,942	555,030	618,165	618,113
0	7,154	128,071	3,136	0	0	0
1,324,655	584	146	58,539	294,500	0	0
<u>38,911,294</u>	<u>33,863,170</u>	<u>36,674,512</u>	<u>35,616,584</u>	<u>38,091,184</u>	<u>38,135,134</u>	<u>41,995,086</u>
<u>46,596,656</u>	<u>38,308,840</u>	<u>42,063,227</u>	<u>41,029,354</u>	<u>41,886,836</u>	<u>42,593,902</u>	<u>47,050,994</u>
(8,742,393)	(10,482,718)	(9,454,380)	(10,372,764)	(12,649,787)	(12,423,284)	(12,892,474)
8,647,096	1,629,818	924,619	577,635	(315,106)	389,151	1,541,119
<u>(\$95,297)</u>	<u>(\$8,852,900)</u>	<u>(\$8,529,761)</u>	<u>(\$9,795,129)</u>	<u>(\$12,964,893)</u>	<u>(\$12,034,133)</u>	<u>(\$11,351,355)</u>
\$1,185,735	\$1,144,755	\$1,966,322	\$2,215,786	\$2,214,980	\$2,318,191	\$2,364,159
7,519,822	7,721,126	7,900,150	9,190,538	9,448,284	9,426,872	8,645,785
0	0	0	0	0	0	0
1,086,944	875,970	847,630	881,985	840,902	822,685	952,903
173,022	47,643	177,819	318,260	347,822	488,373	693,122
144,224	256,805	284,727	649,609	667,251	638,094	361,385
968,624	795,935	1,118,310	839,243	566,894	757,012	791,662
<u>11,078,371</u>	<u>10,842,234</u>	<u>12,294,958</u>	<u>14,095,421</u>	<u>14,086,133</u>	<u>14,451,227</u>	<u>13,809,016</u>
5,010	760	0	0	0	0	0
(968,624)	(795,935)	(1,118,310)	(839,243)	(566,894)	(757,012)	(791,662)
<u>(963,614)</u>	<u>(795,175)</u>	<u>(1,118,310)</u>	<u>(839,243)</u>	<u>(566,894)</u>	<u>(757,012)</u>	<u>(791,662)</u>
<u>\$10,114,757</u>	<u>\$10,047,059</u>	<u>\$11,176,648</u>	<u>\$13,256,178</u>	<u>\$13,519,239</u>	<u>\$13,694,215</u>	<u>\$13,017,354</u>
\$2,335,978	\$359,516	\$2,840,578	\$3,722,657	\$1,436,346	\$2,027,943	\$916,542
7,683,482	834,643	(193,691)	(261,608)	(882,000)	(367,861)	749,457
<u>\$10,019,460</u>	<u>\$1,194,159</u>	<u>\$2,646,887</u>	<u>\$3,461,049</u>	<u>\$554,346</u>	<u>\$1,660,082</u>	<u>\$1,665,999</u>

**City of Painesville, Ohio**

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

	2009	2010	2011	2012
General Fund				
Nonspendable	\$0	\$0	\$996,297	\$1,005,381
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	416,777	742,007
Unassigned	0	0	5,733,751	5,698,670
Reserved	623,231	520,398	0	0
Unreserved	6,437,487	6,065,354	0	0
<i>Total General Fund</i>	<u>7,060,718</u>	<u>6,585,752</u>	<u>7,146,825</u>	<u>7,446,058</u>
All Other Governmental Funds				
Nonspendable	0	0	1,108,205	1,115,415
Restricted	0	0	3,161,485	7,717,818
Committed	0	0	1,359,464	1,090,045
Assigned	0	0	0	0
Unassigned	0	0	(1,826,088)	(1,870,841)
Reserved	2,111,943	1,974,139	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,482,725	1,204,465	0	0
Capital Projects Funds	(431,495)	(1,173,006)	0	0
Permanent Fund	226,050	236,087	0	0
<i>Total All Other Governmental Funds</i>	<u>3,389,223</u>	<u>2,241,685</u>	<u>3,803,066</u>	<u>8,052,437</u>
<i>Total Governmental Funds</i>	<u><u>\$10,449,941</u></u>	<u><u>\$8,827,437</u></u>	<u><u>\$10,949,891</u></u>	<u><u>\$15,498,495</u></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, Ohio*

2013	2014	2015	2016	2017	2018
\$1,012,204	\$876,065	\$877,739	\$868,584	\$875,763	\$886,154
0	0	0	0	0	0
0	0	0	11,931	10,931	10,931
756,351	923,785	1,091,861	926,069	756,999	1,277,058
5,950,964	5,764,760	6,216,145	5,801,917	5,903,284	5,338,589
0	0	0	0	0	0
0	0	0	0	0	0
<u>7,719,519</u>	<u>7,564,610</u>	<u>8,185,745</u>	<u>7,608,501</u>	<u>7,546,977</u>	<u>7,512,732</u>
1,126,574	1,279,005	1,146,021	1,175,425	1,170,344	1,193,253
4,827,946	4,663,014	5,598,192	6,192,754	6,564,682	7,365,852
1,140,484	1,436,758	1,702,514	2,081,797	2,635,021	2,414,072
0	0	0	0	0	0
(129,977)	(60,716)	(15,740)	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>6,965,027</u>	<u>7,318,061</u>	<u>8,430,987</u>	<u>9,449,976</u>	<u>10,370,047</u>	<u>10,973,177</u>
<u>\$14,684,546</u>	<u>\$14,882,671</u>	<u>\$16,616,732</u>	<u>\$17,058,477</u>	<u>\$17,917,024</u>	<u>\$18,485,909</u>

## City of Painesville, Ohio

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

	2009	2010	2011	2012
<b>Revenues:</b>				
Taxes	\$8,954,176	\$8,330,535	\$8,335,086	\$8,705,017
Intergovernmental Revenues	3,122,006	2,860,371	5,328,950	4,200,293
Charges for Services	660,330	801,465	834,222	777,772
Licenses, Permits and Inspection Fees	308,161	303,800	296,994	450,655
Investment Earnings	846,527	442,524	562,484	166,025
Special Assessments	104,844	89,140	92,547	115,843
Fines and Forfeitures	1,341,501	1,227,158	1,257,805	1,377,753
All Other Revenue	396,349	1,337,779	439,886	519,586
<b>Total Revenue</b>	<b>15,733,894</b>	<b>15,392,772</b>	<b>17,147,974</b>	<b>16,312,944</b>
<b>Expenditures:</b>				
Current:				
General Government	4,117,937	4,515,245	4,657,111	5,777,433
Public Safety	7,424,843	7,178,506	7,135,751	6,694,103
Highways and Streets	2,682,268	1,880,062	2,345,029	3,550,420
Public Health and Welfare	656,218	618,599	619,796	528,871
Culture and Recreation	771,982	712,688	725,325	619,372
Community Environment	465,922	509,372	363,544	201,364
Capital Outlay	3,547,668	1,702,801	1,101,883	616,881
Debt Service:				
Principal Retirement	488,042	399,072	346,102	1,796,045
Interest and Fiscal Charges	270,945	205,692	161,423	311,643
<b>Total Expenditures</b>	<b>20,425,825</b>	<b>17,722,037</b>	<b>17,455,964</b>	<b>20,096,132</b>
Excess (Deficiency) of Revenues Over Expenditures	(4,691,931)	(2,329,265)	(307,990)	(3,783,188)

*City of Painesville, Ohio*

2013	2014	2015	2016	2017	2018
\$8,778,000	\$9,912,425	\$11,411,537	\$10,950,272	\$11,203,877	\$10,707,047
2,694,920	3,369,400	3,363,173	1,956,828	2,467,808	2,834,399
672,887	678,643	823,641	731,184	779,986	756,546
337,067	476,660	551,881	502,156	549,998	474,497
49,611	147,622	373,424	308,897	448,358	692,761
76,294	91,321	205,700	112,284	96,820	85,015
1,416,206	1,428,419	1,314,000	1,374,157	1,425,667	1,543,578
462,724	519,613	649,609	669,658	638,744	365,100
<u>14,487,709</u>	<u>16,624,103</u>	<u>18,692,965</u>	<u>16,605,436</u>	<u>17,611,258</u>	<u>17,458,943</u>
3,558,335	3,785,221	3,788,515	4,211,050	4,012,316	3,926,735
6,660,415	6,591,728	7,115,031	6,971,484	7,367,209	7,789,590
5,882,834	4,394,199	4,180,040	2,703,940	3,045,926	3,079,358
494,241	480,801	489,786	493,012	539,169	534,050
538,577	574,406	634,046	644,296	613,505	643,694
309,105	113,556	112,913	120,000	121,553	127,541
820,402	1,493,091	612,219	621,855	726,411	945,078
1,336,673	1,292,115	1,753,434	1,737,466	1,505,048	1,245,033
268,510	327,143	311,109	299,911	278,970	264,282
<u>19,869,092</u>	<u>19,052,260</u>	<u>18,997,093</u>	<u>17,803,014</u>	<u>18,210,107</u>	<u>18,555,361</u>
(5,381,383)	(2,428,157)	(304,128)	(1,197,578)	(598,849)	(1,096,418)

(continued)

## City of Painesville, Ohio

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

	2009	2010	2011	2012
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	9,745	9,169	0	758
Other Financing Sources - Capital Leases	0	0	0	0
Ohio Public Works Commission Loan	0	0	0	0
General Obligation Bonds Issued	0	0	0	5,485,000
Premium on Debt Issuance	1,192	0	0	156,564
Long Term Note Issuance	0	0	1,440,751	1,190,481
Insurance Proceeds	0	0	5,513	607,425
Transfers In	2,132,398	1,682,167	1,698,475	1,734,524
Transfers Out	(1,097,503)	(969,276)	(595,000)	(845,900)
<b>Total Other Financing Sources (Uses)</b>	<u>1,045,832</u>	<u>722,060</u>	<u>2,549,739</u>	<u>8,328,852</u>
<b>Net Change in Fund Balance</b>	<u>(\$3,646,099)</u>	<u>(\$1,607,205)</u>	<u>\$2,241,749</u>	<u>\$4,545,664</u>
 <b>Debt Service as a Percentage of Noncapital Expenditures</b>	 4.49%	 4.05%	 3.25%	 13.32%

Source: Finance Director's Office

*City of Painesville, Ohio*

2013	2014	2015	2016	2017	2018
30,322	10	19,401	46,487	19,231	646
0	147,000	111,000	125,000	0	0
840,030	358,135	8,180	2,553	0	0
1,917,000	0	0	0	0	0
0	0	0	0	0	0
1,031,876	1,205,271	1,060,365	898,389	696,153	535,917
3,482	0	0	0	0	337,078
1,628,935	3,218,310	3,015,243	3,141,894	3,042,012	2,170,222
(883,000)	(2,150,000)	(2,176,000)	(2,575,000)	(2,300,000)	(1,378,560)
4,568,645	2,778,726	2,038,189	1,639,323	1,457,396	1,665,303
<u>(\$812,738)</u>	<u>\$350,569</u>	<u>\$1,734,061</u>	<u>\$441,745</u>	<u>\$858,547</u>	<u>\$568,885</u>
11.00%	11.13%	12.98%	12.90%	11.74%	9.59%

## *City of Painesville, Ohio*

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

<b>Tax year</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Income Tax Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Estimated Personal Income	\$662,226	\$694,976	\$780,798	\$788,822	\$850,247
Total Tax Collected	\$7,867,889	\$6,968,103	\$6,959,790	\$7,230,012	\$6,870,545
Income Tax Receipts					
Withholding	6,412,330	5,685,972	5,679,189	5,899,690	5,606,364
Percentage	81.5%	81.6%	81.6%	81.6%	81.6%
Corporate	629,431	634,097	633,341	657,931	625,220
Percentage	8.0%	9.1%	9.1%	9.1%	9.1%
Individuals	826,128	648,034	647,260	672,391	638,961
Percentage	10.5%	9.3%	9.3%	9.3%	9.3%

Source: City Income Tax Department

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

***City of Painesville, Ohio***

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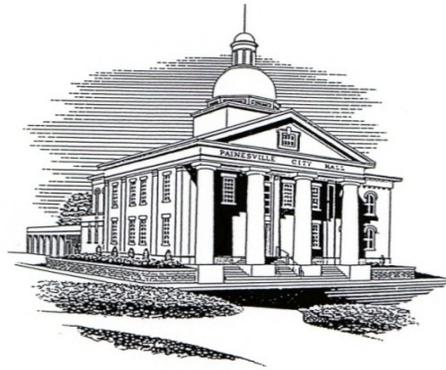


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2014	2015	2016	2017	2018
2.00%	2.00%	2.00%	2.00%	2.00%
\$866,328	\$873,158	\$905,602	\$840,818	\$924,915
\$7,955,171	\$8,737,608	\$8,982,680	\$8,460,238	\$8,308,548
6,491,419	7,129,887	6,476,511	6,226,735	6,156,635
81.6%	66.1%	72.1%	73.6%	74.1%
723,921	795,122	1,338,421	1,285,956	1,204,739
9.1%	21.9%	14.9%	15.2%	14.5%
739,831	812,599	1,167,748	947,547	947,174
9.3%	12.0%	13.0%	11.2%	11.4%

*City of Painesville, Ohio*

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## City of Painesville

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

Calendar Year 2018				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,820	34.95%	\$23,779,661	9.75%
20,000 - 49,999	1,570	30.16%	57,215,784	23.47%
50,000 - 74,999	816	15.67%	49,908,763	20.47%
75,000 - 99,999	488	9.37%	41,808,230	17.15%
Over 100,000	513	9.85%	71,089,391	29.16%
Total	5,207	100.00%	\$243,801,829	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to Painesville	\$847,320
Taxes Credited to Other Municipalities	375,874
	\$1,223,194

Calendar Year 2009				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,891	41.62%	\$11,415,917	7.38%
20,000 - 49,999	1,474	32.45%	49,085,380	31.71%
50,000 - 74,999	656	14.44%	40,011,833	25.86%
75,000 - 99,999	314	6.91%	26,942,051	17.41%
Over 100,000	208	4.58%	27,298,302	17.64%
Total	4,543	100.00%	\$154,753,483	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to Painesville	\$763,209
Taxes Credited to Other Municipalities	453,480
	\$1,216,689

Source: Finance Director's Office

## City of Painesville, Ohio

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

	2009	2010	2011	2012
<b>Governmental Activities</b> (1)				
General Obligation Bonds	\$1,840,000	\$1,700,000	\$1,565,000	\$7,116,564
Special Assessment Bonds	355,000	340,000	325,000	310,000
Ohio Public Works Commission Loan Payable	93,021	83,131	78,241	73,351
Long-Term Notes Payable	0	0	1,440,751	1,065,481
Construction Loan Payable	436,750	381,978	324,854	265,276
Capital Leases	594,226	414,816	280,728	219,902
<b>Business-type Activities</b> (1)				
Mortgage Revenue Bonds Payable	\$2,227,843	\$2,072,304	\$1,908,438	\$1,334,040
General Obligation Bonds Payable	3,045,000	2,540,000	2,025,000	1,500,000
Ohio Water Development Authority Loan Payable	3,325,443	4,281,356	4,282,382	4,072,160
Ohio Public Works Commission Loan Payable	464,922	361,516	258,111	154,706
Long-Term Notes Payable	0	0	1,754,179	1,535,519
Capital Leases	3,946,531	3,738,838	3,540,782	3,360,319
Total Primary Government	<u>\$16,328,736</u>	<u>\$15,913,939</u>	<u>\$17,783,466</u>	<u>\$21,007,318</u>
<b>Population</b> (2)				
City of Painesville	17,503	19,563	19,563	19,549
Outstanding Debt Per Capita	\$933	\$813	\$909	\$1,075
<b>Income</b> (3)				
Personal (in thousands)	\$662,226	\$694,976	\$780,798	\$788,822
Percentage of Personal Income	2.47%	2.29%	2.28%	2.66%

**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, Ohio*

2013	2014	2015	2016	2017	2018
\$8,930,736	\$8,750,908	\$8,373,080	\$7,953,252	\$7,526,424	\$7,091,596
290,000	270,000	250,000	230,000	210,000	190,000
908,491	1,261,736	1,265,026	1,262,689	1,209,443	1,156,197
960,876	1,205,271	1,060,365	898,389	696,153	535,917
203,139	135,547	69,193	0	0	0
201,737	281,980	306,061	260,043	145,630	96,996
\$1,050,236	\$795,089	\$536,294	\$275,899	\$0	\$0
1,250,000	0	0	1,865,000	1,790,000	1,715,000
3,853,679	3,708,874	3,882,369	3,929,625	5,815,830	7,936,226
111,301	67,896	24,587	22,539	20,491	18,443
1,339,124	2,254,729	1,799,635	1,351,611	903,847	464,083
3,548,506	3,301,087	3,044,934	2,779,149	2,503,526	2,217,666
<u>\$22,647,825</u>	<u>\$22,033,117</u>	<u>\$20,611,544</u>	<u>\$20,828,196</u>	<u>\$20,821,344</u>	<u>\$21,422,124</u>
19,563	19,933	19,840	19,776	19,563	20,192
\$1,158	\$1,105	\$1,039	\$1,053	\$1,064	\$1,061
\$850,247	\$866,328	\$873,158	\$905,602	\$840,818	\$924,915
2.66%	2.54%	2.36%	2.30%	2.48%	2.32%

## *City of Painesville, Ohio*

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

Year	2009	2010	2011	2012
<b>Population</b> (1)	17,503	19,563	19,563	19,549
<b>Personal Income</b> (2)	\$662,226,005	\$694,975,575	\$780,798,456	\$788,821,699
<b>General Bonded Debt</b>				
General Obligation Bonds	\$4,885,000	\$4,240,000	\$3,590,000	\$8,616,564
<b>Resources Available to Pay Principal</b>	\$47,318	\$95,541	\$160,845	\$102,737
<b>Net General Bonded Debt</b>	\$4,837,682	\$4,144,459	\$3,429,155	\$8,513,827
<b>Ratio of Net Bonded Debt to Personal Income</b>	0.73%	0.60%	0.44%	1.08%
<b>Net Bonded Debt per Capita</b>	\$276.39	\$211.85	\$175.29	\$435.51

**Sources:**

- (1) U.S. Bureau of Census of Population
- (2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2017, for the presentation of 2018 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, Ohio*

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2013	2014	2015	2016	2017	2018
19,563	19,933	19,840	19,776	19,563	20,192
\$850,247,106	\$866,328,046	\$873,158,400	\$905,602,368	\$840,817,740	\$924,914,752
\$10,180,736	\$8,750,908	\$8,373,080	\$9,818,252	\$9,316,424	\$8,806,596
\$161,951	\$121,648	\$182,798	\$243,667	\$304,935	\$357,923
\$10,018,785	\$8,629,260	\$8,190,282	\$9,574,585	\$9,011,489	\$8,448,673
1.18%	1.00%	0.94%	1.06%	1.07%	0.91%
\$512.13	\$432.91	\$412.82	\$484.15	\$460.64	\$418.42

*City of Painesville, Ohio*

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**City of Painesville, Ohio**

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2018*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Painesville</u>	<u>Amount Applicable to the City of Painesville</u>
<b>Direct:</b>			
City of Painesville	\$9,070,706	100.00%	\$9,070,706
<b>Overlapping:</b>			
Painesville City School District	27,984,595	100.00%	27,984,595
Morley Library	1,485,000	18.78%	278,883
Auburn Career Center	6,248,358	9.68%	604,841
Lakeland Career Center	83,540,004	3.80%	3,174,520
Riverside Schools	38,433,444	22.08%	8,486,104
Lake County	8,405,000	3.80%	319,390
		Subtotal	40,848,333
		Total	\$49,919,039

(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.

Source: Lake County

## City of Painesville, Ohio

### Debt Limitations Last Ten Years

Collection Year	2009	2010	2011	2012
<u>Total Debt</u>				
Net Assessed Valuation	\$275,691,690	\$256,194,750	\$251,049,200	\$252,866,440
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	28,947,627	26,900,449	26,360,166	26,550,976
City Debt Outstanding (2)	5,736,573	4,939,766	4,887,591	4,955,121
Less: Applicable Debt Service Fund Amounts	(47,318)	(95,541)	(160,845)	(102,737)
Net Indebtedness Subject to Limitation	<u>5,689,255</u>	<u>4,844,225</u>	<u>4,726,746</u>	<u>4,852,384</u>
Overall Legal Debt Margin	<u>\$23,258,372</u>	<u>\$22,056,224</u>	<u>\$21,633,420</u>	<u>\$21,698,592</u>
Debt Margin as a Percentage of Debt Limit	80.35%	81.99%	82.07%	81.72%
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$275,691,690	\$256,194,750	\$251,049,200	\$252,866,440
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	15,163,043	14,090,711	13,807,706	13,907,654
City Debt Outstanding (2)	20,000	0	0	0
Less: Applicable Debt Service Fund Amounts	(47,318)	(95,541)	(160,845)	(102,737)
Net Indebtedness Subject to Limitation	<u>(27,318)</u>	<u>(95,541)</u>	<u>(160,845)</u>	<u>(102,737)</u>
Overall Legal Debt Margin	<u>\$15,190,361</u>	<u>\$14,186,252</u>	<u>\$13,968,551</u>	<u>\$14,010,391</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, Ohio*

2013	2014	2015	2016	2017	2018
\$218,554,660	\$219,194,440	\$218,983,000	\$220,674,620	\$221,250,540	\$222,787,360
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
22,948,239	23,015,416	22,993,215	23,170,835	23,231,307	23,392,673
4,939,613	4,612,251	4,311,426	3,916,432	3,405,783	2,994,913
(161,951)	(121,648)	(182,798)	(243,667)	(304,935)	(357,923)
4,777,662	4,490,603	4,128,628	3,672,765	3,100,848	2,636,990
<u>\$18,170,577</u>	<u>\$18,524,813</u>	<u>\$18,864,587</u>	<u>\$19,498,070</u>	<u>\$20,130,459</u>	<u>\$20,755,683</u>
79.18%	80.49%	82.04%	84.15%	86.65%	88.73%
\$218,554,660	\$219,194,440	\$218,983,000	\$220,674,620	\$221,250,540	\$222,787,360
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
12,020,506	12,055,694	12,044,065	12,137,104	12,168,780	12,253,305
0	0	0	0	0	0
(161,951)	(121,648)	(182,798)	(243,667)	(304,935)	(357,923)
<u>(161,951)</u>	<u>(121,648)</u>	<u>(182,798)</u>	<u>(243,667)</u>	<u>(304,935)</u>	<u>(357,923)</u>
<u>\$12,182,457</u>	<u>\$12,177,342</u>	<u>\$12,226,863</u>	<u>\$12,380,771</u>	<u>\$12,473,715</u>	<u>\$12,611,228</u>

**City of Painesville, Ohio**

*Pledged Revenue Coverage  
Last Ten Years*

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Special Assessment Bonds (1)</b>				
Special Assessment Collections	\$104,845	\$89,140	\$57,402	\$77,616
Debt Service				
Principal	15,000	15,000	15,000	15,000
Interest	18,350	17,638	16,926	16,212
Coverage	3.14	2.73	1.80	2.49

(1) The special assessment bonds were issued for improvements to the Renaissance Parkway area.

Source: Finance Director's Office

*City of Painesville, Ohio*

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<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$56,832	\$78,213	\$56,770	\$56,719	\$57,090	\$57,179
20,000	20,000	20,000	20,000	20,000	20,000
15,500	14,500	13,500	12,500	11,500	10,500
1.60	2.27	1.69	1.75	1.81	1.87

# City of Painesville, Ohio

## Demographic and Economic Statistics Last Ten Years

Calendar Year	2009	2010	2011	2012
<b>Population</b> (1)				
City of Painesville	17,503	19,563	19,563	19,549
Lake County	232,466	236,775	230,041	229,582
<b>Income</b> (2) (a)				
Total Personal (in thousands)	\$662,226	\$694,976	\$780,798	\$788,822
Per Capita	\$37,835	\$35,525	\$39,912	\$40,351
<b>Unemployment Rate</b> (3)				
Federal	9.3%	9.0%	8.5%	7.8%
State	10.2%	9.0%	8.6%	6.7%
Lake County	8.8%	8.1%	8.4%	6.4%
<b>Civilian Work Force Estimates</b> (3)				
State	5,905,107	5,908,000	5,897,600	5,740,900
Lake County	124,400	133,900	133,600	126,800

### Sources:

(1) US Bureau of Census of Population

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2017, for the presentation of 2018 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, Ohio*

2013	2014	2015	2016	2017	2018
19,563	19,933	19,840	19,776	19,563	20,192
230,041	229,245	229,245	228,614	230,041	230,117
\$850,247	\$866,328	\$873,158	\$905,602	\$840,818	\$924,915
\$43,462	\$43,462	\$44,010	\$45,793	\$42,980	\$45,806
6.7%	5.6%	4.8%	4.9%	4.1%	3.9%
6.5%	4.8%	4.6%	4.9%	4.1%	4.6%
7.9%	6.2%	3.7%	4.8%	4.4%	4.6%
5,765,000	5,738,000	5,693,000	5,687,000	5,780,000	5,757,507
126,500	126,800	121,600	122,200	123,935	125,600

*City of Painesville, Ohio*

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## *City of Painesville, Ohio*

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

Employer	Nature of Business	2018		
		Number of Employees	Rank	Percentage of Total Employment
County of Lake	Government	977	1	16.76%
Fasson Division/Avery International Corp.	Manufacturing	556	2	9.54%
Painesville City Schools	Education	417	3	7.15%
The City of Painesville	Government	266	4	4.56%
Lake Erie College	Education	254	5	4.36%
Aero Fluid Products, Inc.	Manufacturing	168	6	2.88%
Cintas	Service	145	7	2.49%
Mar-Bal Corporation	Manufacturing	115	8	1.97%
Eckart America	Manufacturing	103	9	1.77%
Yokohama Industries Americas Ohio	Manufacturing	54	10	0.93%
Total		<u>3,055</u>		
Total Employment within the City		<u>5,829</u>		

Employer	Nature of Business	2009		
		Number of Employees	Rank	Percentage of Total Employment
County of Lake	Government	1,048	1	N/A
Lake Hospital System	Medical-Patient Care	878	2	N/A
Fasson Div. Avery Intl. Corporation	Manufacturing	611	3	N/A
Painesville City Schools	Education	426	4	N/A
City of Painesville	Government	273	5	N/A
Core Systems	Manufacturing	216	6	N/A
Lake Erie College	Education	155	7	N/A
AeroControlex Group, Inc.	Manufacturing	152	8	N/A
Coe Manufacturing	Manufacturing	109	9	N/A
SAS Rubber Co.	Manufacturing	85	10	N/A
Total		<u>3,953</u>		
Total Employment within the City		<u>N/A</u>		

**Source:**

Compiled by City of Painesville Finance Department

## *City of Painesville, Ohio*

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

	2009	2010	2011	2012	2013
<b>Governmental Activities</b>					
General Government					
Finance	7.00	7.00	7.00	7.00	6.00
Judicial	23.00	20.00	19.00	19.00	19.00
Administration	48.00	47.00	47.00	44.00	43.00
Maintenance	1.00	1.00	1.00	1.00	1.00
Public Safety					
Police	45.00	43.00	42.00	41.00	41.00
Fire	28.00	28.00	27.00	27.00	27.00
Public Works					
Public Works	17.00	17.00	16.00	15.00	15.00
Public Health and Welfare					
Cemeteries	5.00	5.00	5.00	4.00	4.00
Culture and Recreation					
Parks - Recreation	7.00	7.00	7.00	6.00	6.00
<b>Business-Type Activities</b>					
Utilities					
Water	20.00	21.00	20.00	19.00	20.00
Sewer	17.00	17.00	17.00	17.00	17.00
Electric	64.00	64.00	62.00	62.00	56.00
Off Street Parking	2.00	1.00	1.00	1.00	1.00
<i>Total Employees</i>	<u>284.00</u>	<u>278.00</u>	<u>271.00</u>	<u>263.00</u>	<u>256.00</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, Ohio*

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<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
6.00	6.00	6.00	5.50	5.50
17.00	20.00	20.00	20.00	20.00
43.00	42.00	42.00	42.00	42.00
1.00	1.00	1.00	1.00	1.00
42.00	42.00	42.00	42.00	44.00
26.00	26.00	26.00	26.00	26.00
16.00	15.00	16.00	16.00	17.00
4.00	4.00	4.00	4.00	5.00
6.00	6.00	6.00	6.00	6.00
21.00	20.00	21.00	21.00	21.00
17.00	17.00	16.00	16.00	14.00
56.00	56.00	56.00	56.00	47.00
1.00	1.00	0.00	0.00	0.00
<u>256.00</u>	<u>256.00</u>	<u>256.00</u>	<u>255.50</u>	<u>248.50</u>

**City of Painesville, Ohio**

*Operating Indicators by Function  
Last Ten Years*

	2009	2010	2011
<b>Governmental Activities</b>			
General Government			
Court			
Number of Probation Cases	2,023	1,968	1,683
Number of Traffic Cases	9,855	9,086	8,550
Licenses and Permits			
Number of Building Permits - Residential	340	531	508
Number of Building Permits - Commercial & Industrial	69	132	106
Number of Building Inspections - Residential	1,893	1,866	2,200
Number of Building Inspections - Commercial	2,150	954	543
Public Safety			
Police			
Number of Citations Issued	1,877	2,430	1,878
Number of Arrests	1,321	1,411	1,232
Number of Accidents	561	564	579
Fire			
Number of Fire Calls	116	119	104
Number of EMS Runs	2,431	2,659	2,686
Number of Inspections	718	624	625
Highways and Streets			
Public Works			
Number of Streets Resurfaced	3	7	2
Public Health and Welfare			
Cemeteries			
Number of Burials	215	183	197
Number of Cemeteries	2	2	2
Culture and Recreation			
Parks - Recreation			
Program Attendance (1)	7,150	40,429	39,929
Number of Park Visitations	109,000	139,050	135,000

*City of Painesville, Ohio*

2012	2013	2014	2015	2016	2017	2018
1,658	1,524	1,349	1,213	1,279	1,164	1,385
9,573	9,694	9,763	8,787	9,197	10,166	10,612
329	372	352	262	275	399	292
148	115	74	48	29	83	43
1,660	834	819	1,062	1,547	2,682	1,532
1,588	1,949	1,233	237	247	756	360
1,513	1,613	2,025	1,139	2,002	1,466	1,473
1,378	1,252	650	1,119	2,853	998	1,006
562	442	415	487	482	419	454
104	76	92	96	92	69	72
2,661	2,594	2,630	2,736	2,899	2,865	2,764
493	606	477	979	1,002	610	618
0	1	3	4	10	9	4
192	188	169	189	181	212	166
2	2	2	2	2	2	2
42,350	41,525	40,500	48,190	48,500	49,300	50,000
142,000	155,000	147,500	152,000	155,000	160,000	162,000

(Continued)

**City of Painesville, Ohio**

*Operating Indicators by Function  
Last Ten Years*

	2009	2010	2011
<b>Business-Type Activities</b>			
Water			
Number of Service Connections	10,184	10,254	10,316
Water Main Breaks	42	55	34
Daily Average Consumption (thousands of gallons)	3,485	3,590	3,440
Peak Daily Consumption (thousands of gallons)	5,573	4,667	5,208
Storage Capacity (thousands of gallons)	4,053	4,053	4,053
Sewer			
Daily Average Sewage Treatment (thousands of gallons)	3.03	2.75	4.11
Electric			
Number of Service Connections	12,056	12,041	12,038
Average Daily Generation in Kilowatt Hours	315,577	252,084	247,814
Peak Load in Kilowatts	55,200	54,000	55,500
Off Street Parking			
Number of Parking Garage Spaces (2)	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	6,046	6,095	6,095

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

(2) The parking garage was demolished in 2016.

Source: Finance Director's Office

*City of Painesville, Ohio*

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<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
10,380	10,454	10,536	10,602	10,661	10,767	10,832
50	44	43	42	35	39	44
3,410	3,059	3,100	3,319	3,064	3,093	3,069
6,098	4,450	4,051	6,246	5,140	4,821	4,904
4,053	4,053	4,053	4,053	4,053	4,053	4,053
3.33	3.29	3.30	3.12	3.16	3.27	3.44
12,032	12,231	12,240	12,273	12,305	12,360	12,417
79,714	41,115	16,983	18,939	21,257	10,235	10,469
57,400	54,500	50,600	51,300	54,100	49,000	53,900
502	502	502	475	0	0	0
60	60	60	60	60	60	60
101	101	101	101	101	101	101
7,103	7,605	7,631	7,655	7,727	7,762	7,804

**City of Painesville, Ohio**

*Capital Asset Statistics by Function  
Last Ten Years*

	2009	2010	2011	2012
<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	18	18	20
Fire				
Stations	1	1	1	1
Vehicles	12	13	13	13
Public Works				
Street				
Streets (lane miles)	58	58	59	59
Street Lights	1,571	1,571	1,571	1,571
Traffic Signals	116	116	116	116
Vehicles	28	28	28	27
Culture and Recreation				
Recreation/Seniors				
Land (acres)	125.32	125.32	125.32	140.51
Buildings	1	1	1	1
Parks	14	14	14	15
Playgrounds	7	8	8	11
Tennis Courts	2	2	2	2
Baseball/Softball Diamonds	9	9	9	9
Soccer Fields	1	1	1	0

*City of Painesville, Ohio*

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2013	2014	2015	2016	2017	2018
0.95 7	0.95 7	0.95 7	0.95 7	0.95 7	0.95 7
1 21	1 25	1 24	1 21	1 21	1 21
1 14	1 13	1 13	1 14	1 14	1 14
59 1,571 116 27	59 1,571 116 27	59 1,571 116 29	59 1,571 116 29	59 1,571 116 30	59 1,571 116 30
140.51 1 15 11 2 9 0	140.51 1 15 11 2 9 0	150.51 1 15 11 2 9 0	150.51 1 15 10 0 9 0	150.10 1 13 10 0 9 0	150.10 1 13 10 0 9 0

(Continued)

**City of Painesville, Ohio**

*Capital Asset Statistics by Function  
Last Ten Years*

	2009	2010	2011	2012
<b>Business-Type Activities</b>				
Utilities				
Water				
Waterlines (Miles)	132.3	132.6	132.7	132.9
Pump Stations	7	7	7	7
Number of Hydrants	1,797	1,803	1,805	1,813
Sewer				
Sewer lines (Miles)	50	50	50	50
Lift Stations	7	7	7	8
Electric				
Lines (Miles)	220	220	220	220
Off Street Parking				
Buildings and Improvements	1	1	1	1
Storm Water Drainage				
Storm Drains (Miles)	37	37	38	38
Number of Catch Basins	2,900	2,900	2,902	2,902
Treatment Capacity (thousands of gallons)	28,000	28,000	28,000	28,000

Source: Finance Director's Office

*City of Painesville, Ohio*

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<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
133.1	138.6	139.4	140.0	141.1	142.0
7	7	7	7	7	7
1,839	1,866	1,875	1,880	1,900	1,902
50	50	50	50	50	57
8	8	8	8	8	8
222	222	222	222	222	222
1	1	1	0	0	0
38	38	38	38	38	38
2,902	2,902	2,904	2,904	2,904	2,904
28,000	28,000	28,000	28,000	28,000	28,000

*City of Painesville, Ohio*

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