



Dave Yost • Auditor of State

CITY OF PAINESVILLE
LAKE COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	1

This page intentionally left blank.



Dave Yost • Auditor of State

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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Painesville, Lake County, (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 19, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

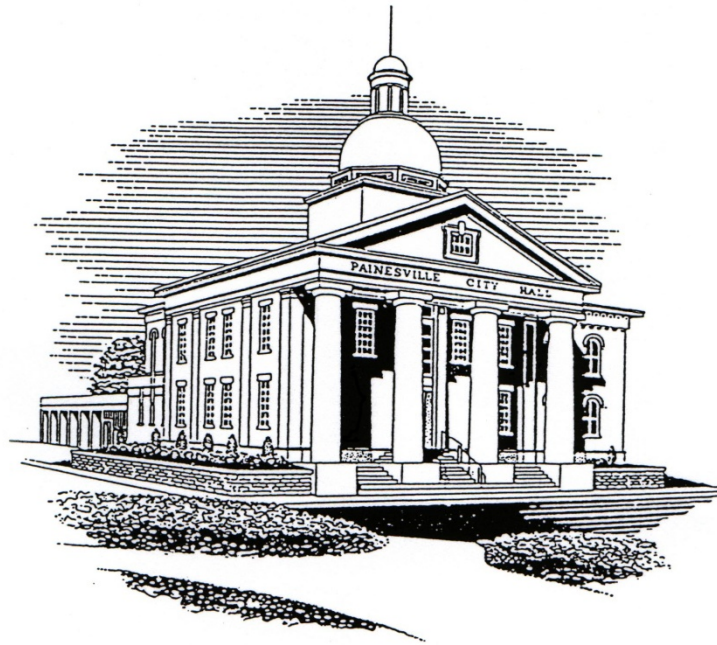
This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering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

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

Dave Yost
Auditor of State
Columbus, Ohio

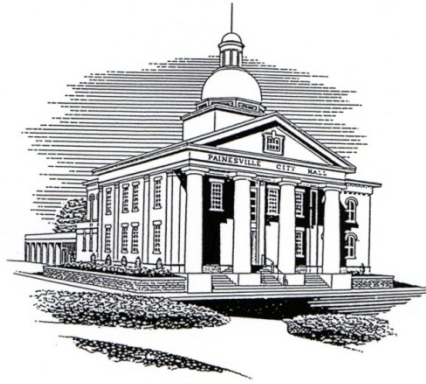
June 19, 2018

CITY OF PAINESVILLE, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2017



Lake County, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2017

Prepared by the Finance Department

Andrew A. Unetic
Director

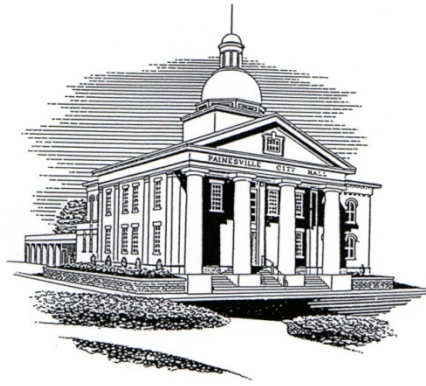


TABLE OF CONTENTS

CITY OF PAINESVILLE
LAKE COUNTY, OHIO

I INTRODUCTORY SECTION

A Letter of Transmittalv
B List of Principal Officialsxv
C City Organizational Chartxvi
D Certificate of Achievement for Excellence in Financial Reporting.....xvii

II FINANCIAL SECTION

A Independent Auditor’s Report.....1
B Management’s Discussion and Analysis.....5
C Basic Financial Statements:
 Government-wide Financial Statements:
 Statement of Net Position16
 Statement of Activities18
 Fund Financial Statements:
 Governmental Funds:
 Balance Sheet20
 Reconciliation of Total Governmental Fund Balances to Net Position of
 Governmental Activities.....21
 Statement of Revenues, Expenditures and Changes in Fund Balances22
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities23
 Statement of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual (Non-GAAP Budgetary Basis)
 General Fund24
 Proprietary Funds:
 Statement of Net Position26
 Statement of Revenues, Expenses and Changes in Fund Net Position.....30
 Statement of Cash Flows32
 Fiduciary Funds:
 Statement of Net Position36
 Statement of Changes in Net Position37
Notes to the Basic Financial Statements.....39

D Required Supplemental Information:

 Schedule of the City’s Proportionate Share of the Net
 Pension Liability91

 Schedule of City Contributions92

 Notes to the Required Supplemental Information93

E Combining and Individual Fund Statements and Schedules:

 Nonmajor Governmental Financial Statements:

 Combining Balance Sheet.....100

 Combining Statement of Revenues, Expenditures and Changes in Fund
 Balances101

 Combining Balance Sheet – Nonmajor Special Revenue Funds102

 Combining Statement of Revenues, Expenditures and Changes in Fund
 Balances – Nonmajor Special Revenue Funds108

 Combining Balance Sheet – Nonmajor Debt Service Funds114

 Combining Statement of Revenues, Expenditures and Changes in Fund
 Balances – Nonmajor Debt Service Funds115

 Combining Balance Sheet – Nonmajor Capital Projects Funds116

 Combining Statement of Revenues, Expenditures and Changes in Fund
 Balances – Nonmajor Capital Projects Funds.....118

 Combining Balance Sheet – Nonmajor Permanent Funds.....120

 Combining Statement of Revenues, Expenditures and Changes in Fund
 Balances – Nonmajor Permanent Funds121

 Individual Schedules of Revenues, Expenditures and Changes in Fund
 Balance - Budget and Actual (Non-GAAP Budgetary Basis):

 Major Governmental Funds:

General Fund.....122

 Nonmajor Governmental Funds:

Special Revenue Funds:

 Street Construction, Maintenance and Repair Fund129

 State Highway Improvement Fund.....130

 Cemeteries Fund.....131

 Police Pension Transfer Fund.....132

 Fire Pension Transfer Fund133

 Law Enforcement Fund134

 Municipal Motor Vehicle License Tax Fund135

 Indigent Drivers Alcohol Treatment Fund136

Nonmajor Governmental Funds: (Continued)

Special Revenue Funds: (Continued)

Enforcement and Education Fund	137
City Motor Vehicle License Tax Fund	138
Fire Levy Fund	139
Underground Storage Tank Fund	140
Probation Services Fund	141
Community Oriented Policing Services (COPS) Fast Grant Fund	142
Skate Facility Fund	143
Fire Fund	144
Victim’s Advocate Grant Fund	145
Emergency Medical Services Fund	146
Municipal Court Computerization Fund	147
Shamrock Business Center TIF Fund	148
Brownfield Grant Fund	149
Zoning Application Fund	150
Fire Improvement Levy Fund	151
Road Improvement Levy Fund	152
Columbarium Trust Fund	153
Law Enforcement Trust Fund	154

Debt Service Funds:

General Bond Retirement Fund	155
Special Assessment Bond Retirement Fund	156

Capital Projects Funds:

Municipal Court Improvement Fund	157
Capital Equipment Reserve Fund	158
Capital Improvement Fund	160
Lake Hospital Demolition Fund	162
Jackson Street Interchange Project Fund	163
Industrial Park Project Fund	164
Municipal Court Special Projects Fund	165
Millstone Acquisition Fund	166
City Hall Fire Fund	167
Shamrock Boulevard Road Project Fund	168

Permanent Funds:

Cemetery Trust Fund	169
Special Endowment Fund	170
Evergreen Cemetery Trust Fund	171
Riverside Cemetery Trust Fund	172
Special Endowment Trust Fund	173

Nonmajor Proprietary Funds:

Nonmajor Enterprise Funds:

Combining Statement of Net Position	176
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	180
Combining Statement of Cash Flows	182

Nonmajor Internal Service Funds:

Combining Statement of Net Position	187
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	188
Combining Statement of Cash Flows	189

Fiduciary Funds – Agency Funds:

Combining Statement of Changes in Assets and Liabilities	192
--	-----

III

STATISTICAL SECTION

Net Position by Component - Last Ten Years	S 2
Changes in Net Position - Last Ten Years	S 4
Fund Balances, Governmental Funds - Last Ten Years	S 8
Changes in Fund Balances, Governmental Funds - Last Ten Years.....	S 10
Income Tax Revenues by Source, Governmental Funds - Last Ten Years	S 14
Income Tax Collections - Current Year and Nine Years Ago	S 17
Ratios of Outstanding Debt by Type - Last Ten Years.....	S 18
Ratios of General Bonded Debt Outstanding - Last Ten Years.....	S 20
Computation of Direct and Overlapping Debt Attributable to Governmental Activities - Current Year.....	S 23
Debt Limitations - Last Ten Years	S 24
Pledged Revenue Coverage - Last Ten Years	S 26
Demographic and Economic Statistics - Last Ten Years	S 28
Principal Employers - Current Year and Nine Years Ago.....	S 31
Full Time Equivalent Employees by Function - Last Ten Years.....	S 32
Operating Indicators by Function - Last Ten Years	S 34
Capital Asset Statistics by Function - Last Ten Years.....	S 38

INTRODUCTORY SECTION





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

June 19, 2018

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, 2017. 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, 2017***

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, 2017. The chief executive power of the City is vested in the City Manager who is appointed by the City Council. The Director of Finance and Law Director, as well as other administrative directors, are appointed by the City Manager, with the affirmation of City Council.

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, 2017***

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, 2017***

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, 2017***

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 2017 was business attraction as well as business retention. With improvement in the local economy, there was some positive feedback we began to see from local businesses in our manufacturing sector and had one new manufacturing investment secured. At the same time, we are seeing our commercial, retail and office sectors return to seeing new growth.

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

***Letter of Transmittal
For the Year Ended December 31, 2017***

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

Local Business

We are now re-focusing efforts on attracting new customers, attracting new industry and business and continuing our business retention and expansion efforts.

This past year the Economic Development Office worked closely with and offered proposals on several leads on industrial investment in 2017 and the beginning of this year. This continues to be a good year for industrial investment and interest in industrial land has increased due to less industrial building inventory on the market. We also had two large industrial buildings come open and we have had one prospect for the former chemical building. We are excited to see the opportunity that building re-use will bring the community.

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

Business Growth

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

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

***Letter of Transmittal
For the Year Ended December 31, 2017***

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 2017, the City continued to uphold that mission by expanding and improving services, upgrading and constructing infrastructure, and enhancing public grounds and facilities.

During the year, vehicles were acquired by the Fire, Public Works, 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 thirteenth 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 2017, the City budgeted \$1,975,000 for road paving projects that were paid for with General Fund monies, road levy monies, and through grants the City received. Also in 2017, the City was constructing a new building for our Public Works and Electric Departments.

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 2017, 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 over \$2,200,000 on repaving roads in 2018.

In 2018, the City will continue the construction of the new water intake in Lake Erie.

***Letter of Transmittal
For the Year Ended December 31, 2017***

In 2018, the Electric Department will be spending over \$3.5 million on Advanced Metering Infrastructure, which will allow the electric meters to be read remotely and increase the Electric Department's efficiency and improve customer service.

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, 2017***

Accounting System

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

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

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

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 2017 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, 2016. 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, 2017***

A Certificate of Achievement is valid for a period of one year. Painesville has received a Certificate of Achievement for the last thirty consecutive years, fiscal years ended 1987 – 2016. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting the report to the GFOA to determine its eligibility for another certificate.

The Government Finance Officers Association of the United States and Canada (GFOA) also awarded the City with the Distinguished Budget Presentation Award. The GFOA established the Distinguished Budget Presentation Awards Program to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's recommended practices on budgeting and then to recognize individual governments that succeed in achieving that goal. The City of Painesville has received this award for seventeen consecutive years from 2001 – 2017.

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.

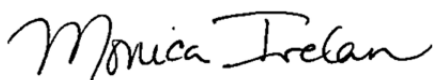
Acknowledgements

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

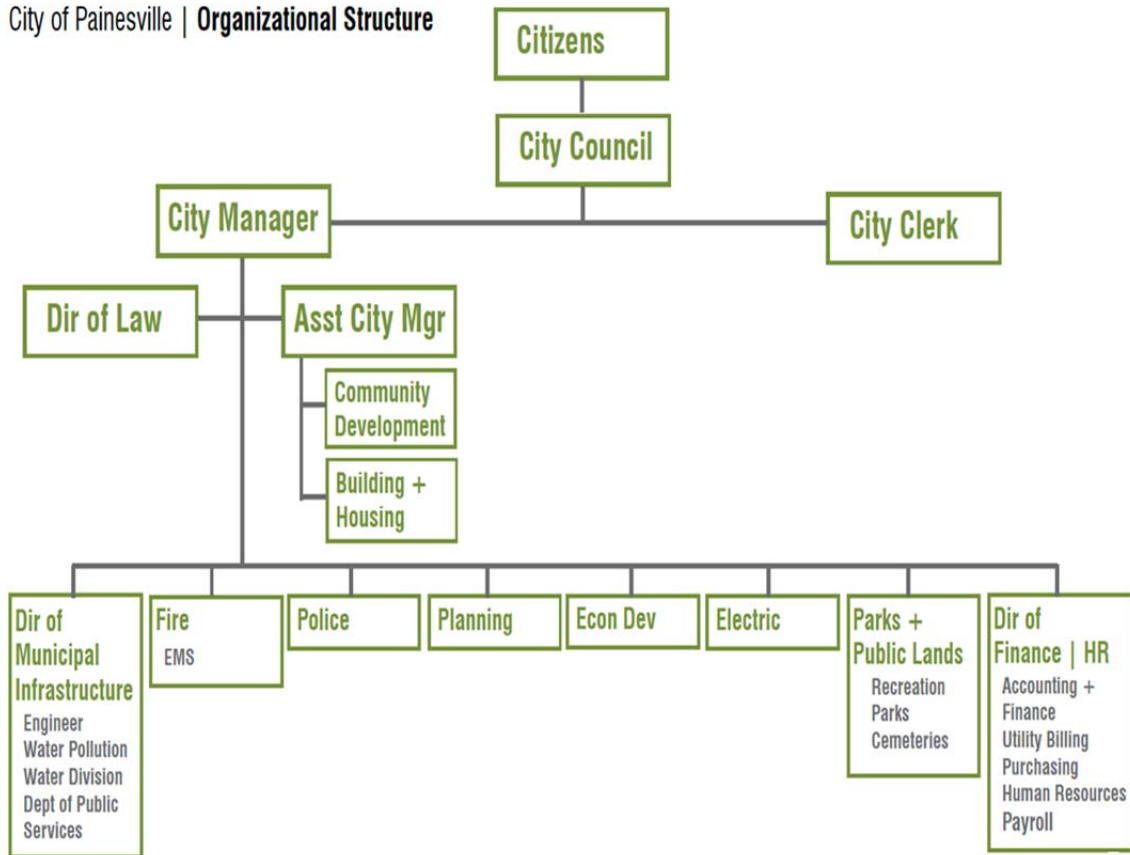
CITY OF PAINESVILLE, OHIO

**List of Principal Officials
For the Year Ended December 31, 2017**

Name	Title	Position	Years of Municipal/Governmental Service			
			City	Municipal/ Governmental Service	Other Municipal/ Governmental Service	Total Public Service
CITY COUNCIL						
Paul W. Hach II	President (Ward 4)	4.0	14.0	0.0		14.0
Lori Dinallo	Vice President (at Large)	4.0	8.0	2.0		10.0
Tom Fitzgerald	Council Member (at Large)	4.0	4.0	0.0		4.0
Jim Fodor	Council Member (at Large)	8.0	8.0	0.0		8.0
Christine Shoop	Council Member (Ward 1)	2.0	2.0	0.0		2.0
Katie Jenkins	Council Member (Ward 2)	6.0	6.0	9.0		15.0
Mike DeLeone	Council Member (Ward 3)	6.0	6.0	13.0		19.0
Valerie Vargo	Clerk of Council	1.1	1.1	0.0		1.1
CITY ADMINISTRATION						
Monica Irelan	City Manager	1.1	1.1	9.8		10.9
Doug Lewis	Assistant City Manager	9.6	9.6	13.0		22.6
Andrew A. Unetic	Director of Finance	10.1	10.1	14.1		24.2
Joseph M. Gurley	Director of Law	30.0	37.3	15.3		52.6
DEPARTMENT/DIVISION HEADS						
Brian Belfiore	Service Director	4.0	11.9	0.0		11.9
Leanne Exum	City Engineer	3.5	3.5	0.0		3.5
Jeffrey McHugh	Electric Power Superintendent	5.3	5.3	33.3		38.6
Randy Bruback	Water Pollution Control Superintendent	15.8	15.8	16.0		31.8
Mark Mlachak	Fire Chief	15.3	36.3	0.0		36.3
Daniel Waterman	Chief of Police	0.3	21.0	0.8		21.8
Michelle LaPuma	Director of Recreation and Public Lands	2.3	5.2	0.0		5.2
Lynn White	City Planner	3.0	25.5	0.0		25.5

**City Organizational Chart
For the Year Ended December 31, 2017**

City of Painesville | **Organizational Structure**





Government Finance Officers Association

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

Presented to

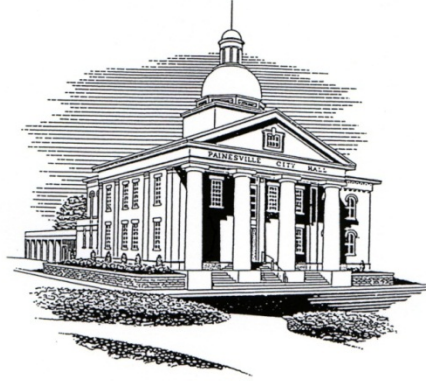
**City of Painesville
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrill

Executive Director/CEO



FINANCIAL SECTION





Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Painesville, Lake County, Ohio (the City), as of and for the year ended December 31, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected 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.

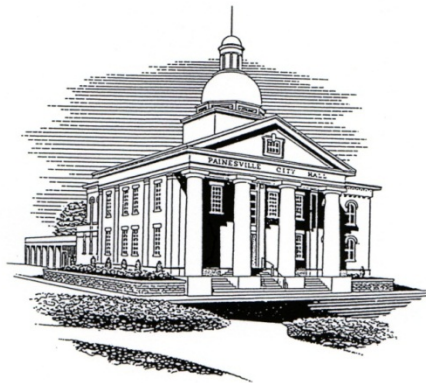
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2018, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

June 19, 2018



***Management's Discussion and Analysis
For the Year Ended December 31, 2017***

Unaudited

The discussion and analysis of the City of Painesville's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2017. 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 2017 are as follows:

- ❑ In total, net position increased \$1,660,082. Net position of governmental activities increased \$2,027,943, which represents a 5% increase from 2016. Net position of business-type activities decreased \$367,861, or less than 1% from 2016.
- ❑ General revenues accounted for \$13,694,215 in revenue, or 24% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$42,593,902, or 76% of total revenues of \$56,288,117.
- ❑ The City had \$16,882,052 in expenses related to governmental activities; only \$4,458,768 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$13,694,215 were adequate to fully provide for these programs.
- ❑ Among major funds, the general fund had \$13,528,347 in revenues, including other financing sources and \$13,589,871 in expenditures, including other financing uses. The general fund's fund balance decreased \$61,524.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

**Management's Discussion and Analysis
For the Year Ended December 31, 2017**

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, 2017 and 2016:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$23,556,318	\$22,492,611	\$30,270,901	\$31,500,494	\$53,827,219	\$53,993,105
Capital Assets, Net	48,564,404	47,414,423	68,756,837	65,021,722	117,321,241	112,436,145
Total Assets	<u>72,120,722</u>	<u>69,907,034</u>	<u>99,027,738</u>	<u>96,522,216</u>	<u>171,148,460</u>	<u>166,429,250</u>
Deferred Outflows of Resources	4,117,727	4,595,633	5,119,735	4,162,862	9,237,462	8,758,495
Net Pension Liability	17,711,941	16,837,875	14,078,964	11,327,781	31,790,905	28,165,656
Long-Term Liabilities	12,357,836	13,054,589	12,529,296	11,754,429	24,887,132	24,809,018
Other Liabilities	883,814	1,266,355	3,988,368	3,670,025	4,872,182	4,936,380
Total Liabilities	<u>30,953,591</u>	<u>31,158,819</u>	<u>30,596,628</u>	<u>26,752,235</u>	<u>61,550,219</u>	<u>57,911,054</u>
Deferred Inflows of Resources	2,391,085	2,478,018	186,949	201,086	2,578,034	2,679,104
Net Position						
Net Investment in Capital Assets	38,776,754	36,810,050	57,658,019	55,073,798	96,434,773	91,883,848
Restricted	8,054,202	7,672,865	0	0	8,054,202	7,672,865
Unrestricted	(3,937,183)	(3,617,085)	15,705,877	18,657,959	11,768,694	15,040,874
Total Net Position	<u>\$42,893,773</u>	<u>\$40,865,830</u>	<u>\$73,363,896</u>	<u>\$73,731,757</u>	<u>\$116,257,669</u>	<u>\$114,597,587</u>

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

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

***Management's Discussion and Analysis
For the Year Ended December 31, 2017***

Unaudited

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

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

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

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

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

CITY OF PAINESVILLE, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2017**

Unaudited

Change in Net Position – The following table shows the change in net position for 2017 and 2016:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues:						
Charges for Services and Sales	\$2,724,491	\$2,686,552	\$38,135,134	\$37,796,684	\$40,859,625	\$40,483,236
Operating Grants and Contributions	1,057,201	1,046,834	0	0	1,057,201	1,046,834
Capital Grants and Contributions	677,076	62,266	0	294,500	677,076	356,766
Total Program Revenues	4,458,768	3,795,652	38,135,134	38,091,184	42,593,902	41,886,836
General Revenues:						
Property Taxes	2,318,191	2,214,980	0	0	2,318,191	2,214,980
Municipal Income Taxes	9,426,872	9,448,284	0	0	9,426,872	9,448,284
Intergovernmental, Unrestricted	822,685	840,902	0	0	822,685	840,902
Investment Earnings	488,373	347,822	0	0	488,373	347,822
Miscellaneous	638,094	667,251	0	0	638,094	667,251
Total General Revenues	13,694,215	13,519,239	0	0	13,694,215	13,519,239
Total Revenues	18,152,983	17,314,891	38,135,134	38,091,184	56,288,117	55,406,075
Program Expenses						
General Government	4,297,312	4,277,546	0	0	4,297,312	4,277,546
Public Safety	7,960,151	7,886,075	0	0	7,960,151	7,886,075
Highways and Streets	2,806,601	2,625,969	0	0	2,806,601	2,625,969
Public Health and Welfare	647,437	522,594	0	0	647,437	522,594
Culture and Recreation	763,163	723,245	0	0	763,163	723,245
Community Environment	140,834	119,266	0	0	140,834	119,266
Interest and Fiscal Charges	266,554	290,744	0	0	266,554	290,744
Water	0	0	5,229,158	5,746,233	5,229,158	5,746,233
Sewer	0	0	4,315,748	4,137,233	4,315,748	4,137,233
Electric	0	0	27,882,194	27,199,162	27,882,194	27,199,162
Refuse	0	0	3,411	3,300	3,411	3,300
Off-Street Parking	0	0	23,906	998,589	23,906	998,589
Storm Water Utility	0	0	250,201	274,588	250,201	274,588
Community Programs	0	0	41,365	47,185	41,365	47,185
Total Expenses	16,882,052	16,445,439	37,745,983	38,406,290	54,628,035	54,851,729
Excess (Deficiency) Before Transfers	1,270,931	869,452	389,151	(315,106)	1,660,082	554,346
Transfers	757,012	566,894	(757,012)	(566,894)	0	0
Total Change in Net Position	2,027,943	1,436,346	(367,861)	(882,000)	1,660,082	554,346
Beginning Net Position	40,865,830	39,429,484	73,731,757	74,613,757	114,597,587	114,043,241
Ending Net Position	\$42,893,773	\$40,865,830	\$73,363,896	\$73,731,757	\$116,257,669	\$114,597,587

**Management's Discussion and Analysis
For the Year Ended December 31, 2017**

Unaudited

Governmental Activities

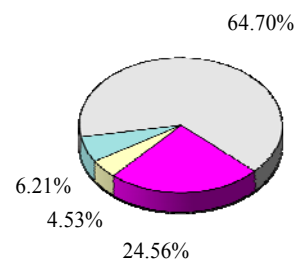
Net position of the City's governmental activities increased \$2,027,943. An increase in charges for services can mostly be attributed to various permits as well as court fines. Ohio Public Works Commission grants received for the Walnut Street reconstruction project resulted in an increase in capital grants.

Expenses remained stable, increasing approximately 3%, which can mostly be attributed to changes in the net pension liability.

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 65% of revenues for governmental activities in 2017. The City's reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2017	Percent of Total
Taxes	\$11,745,063	64.70%
Program Revenues	4,458,768	24.56%
Intergovernmental, Unrestricted	822,685	4.53%
General Other	1,126,467	6.21%
Total Revenue	\$18,152,983	100.00%



Business-Type Activities

Net position of the business-type activities decreased \$367,861. A small increase in electric charges to consumers as well as expenses for purchased power contributed to increases in charges for services and expenses. The disposal of a parking garage in the prior year resulted in an increase in expenses in Off Street Parking and a subsequent decrease in the current year. A decrease in Water expenses can mostly be attributed to significant health insurance claims cost incurred in the prior year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$17,917,024, which is an increase from last year's balance of \$17,058,477. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2017 and 2016:

	Fund Balance December 31, 2017	Fund Balance December 31, 2016	Increase (Decrease)
General	\$7,546,977	\$7,608,501	(\$61,524)
Other Governmental	10,370,047	9,449,976	920,071
Total	\$17,917,024	\$17,058,477	\$858,547

CITY OF PAINESVILLE, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2017***

Unaudited

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

	2017	2016	Increase
	<u>Revenues</u>	<u>Revenues</u>	<u>(Decrease)</u>
Property Taxes	\$392,509	\$365,462	\$27,047
Municipal Income Taxes	8,886,898	8,723,871	163,027
Intergovernmental Revenues	809,717	846,701	(36,984)
Charges for Services	69,148	57,139	12,009
Licenses, Permits and Inspection Fees	549,998	502,156	47,842
Investment Earnings	437,397	307,177	130,220
Fines and Forfeitures	998,233	989,137	9,096
All Other Revenue	596,301	609,839	(13,538)
Total	<u>\$12,740,201</u>	<u>\$12,401,482</u>	<u>\$338,719</u>

General Fund revenues remained stable in 2017, increasing approximately 3% when compared to 2016 revenues.

	2017	2016	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
Current:			
General Government	\$3,499,441	\$3,600,523	(\$101,082)
Public Safety	6,274,992	5,997,290	277,702
Highways and Streets	625,885	637,880	(11,995)
Public Health and Welfare	154,495	131,645	22,850
Culture and Recreation	613,505	644,296	(30,791)
Community Environment	121,553	120,000	1,553
Debt Service:			
Principal Retirement	0	69,139	(69,139)
Interest and Fiscal Charges	0	4,884	(4,884)
Total	<u>\$11,289,871</u>	<u>\$11,205,657</u>	<u>\$84,214</u>

General Fund expenditures increased \$84,214, or approximately 1% from the prior year. An increase in general government in the prior year due to insurance costs and severance payouts resulted in a subsequent decrease in general government in 2017. Public safety expenditures increased due to salaries and overtime.

***Management's Discussion and Analysis
For the Year Ended December 31, 2017***

Unaudited

Water Fund – The City's Water Fund reported an increase in net position of 5%. Revenues were consistent with the previous year. A decrease in expenses can mostly be attributed to significant health insurance claims cost incurred in the prior 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 5%.

Electric Fund – The City's Electric Fund net position remained stable, decreasing approximately 3%. The Electric Fund reported modest increases in electric charges to consumers as well as expenses for purchased power.

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 2017 the City amended its General Fund budget several times.

For the General Fund, final revenue and other financing sources estimates were 6% higher than original revenue estimates due to an increase in income tax receipts. Actual budget basis revenues were 5% higher than final revenue estimates due to an increase in income tax receipts and investment earnings. Final appropriations were 11% lower than original appropriations due to modest revisions across all general government departments. Final and actual budget basis expenditures were not materially different. The General Fund had an adequate fund balance to cover expenditures.

This space intentionally left blank.

**Management's Discussion and Analysis
For the Year Ended December 31, 2017**

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017 the City had \$117,321,241 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, \$48,564,404 was related to governmental activities and \$68,756,837 to the business-type activities. The following tables show 2017 and 2016 balances:

	Governmental Activities		Increase (Decrease)
	2017	2016	
Land	\$13,008,115	\$12,981,572	\$26,543
Construction in Progress	1,336,877	4,259,060	(2,922,183)
Buildings and Improvements	5,674,785	5,504,478	170,307
Improvements other than Buildings	1,111,884	1,106,740	5,144
Machinery and Equipment	7,406,095	6,531,781	874,314
Infrastructure	47,303,992	42,591,173	4,712,819
Less: Accumulated Depreciation	(27,277,344)	(25,560,381)	(1,716,963)
Totals	<u>\$48,564,404</u>	<u>\$47,414,423</u>	<u>\$1,149,981</u>

	Business-Type Activities		Increase (Decrease)
	2017	2016	
Land	\$1,397,784	\$1,397,784	\$0
Construction in Progress	15,567,945	24,199,716	(8,631,771)
Buildings and Improvements	30,269,538	30,268,395	1,143
Infrastructure	55,815,611	47,401,838	8,413,773
Machinery and Equipment	35,939,518	29,465,773	6,473,745
Less: Accumulated Depreciation	(70,233,559)	(67,711,784)	(2,521,775)
Totals	<u>\$68,756,837</u>	<u>\$65,021,722</u>	<u>\$3,735,115</u>

Increases in infrastructure in the Governmental Activities capital assets can mostly be attributed to paving of Erie Street, Walnut Street, and Lexington Avenue. Additions to machinery and equipment included a truck plow, ambulance, telephone system, and police vehicles.

In Business-Type capital assets, an increase in infrastructure can be attributed to water and storm water line replacement, the Cedarbrook detention basin project, and electric infrastructure improvements. A smart grid battery project, boiler improvements, and other various 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, 2017, the City had contractual commitments of \$14,324,393 related to various projects throughout the City. Additional information on the City's construction commitments can be found in Note 17.

**Management's Discussion and Analysis
For the Year Ended December 31, 2017**

Unaudited

Long Term Obligations

At December 31, 2017, the City had \$9,316,424 in general obligation bonds outstanding, \$502,000 due within one year. The following table summarizes the City's long term obligations outstanding as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Governmental Activities:		
General Obligation Bonds	\$7,526,424	\$7,953,252
Special Assessment Bonds	210,000	230,000
Ohio Public Works Commission Loans	1,209,443	1,262,689
Long Term Notes Payable	696,153	898,389
Net Pension Liability	17,711,941	16,837,875
Compensated Absences	1,330,934	1,347,181
Workers' Compensation Liability	640,630	481,660
Capital Leases	145,630	260,043
Police and Firemen's Accrued Pension	598,622	621,375
Total Governmental Activities	<u>30,069,777</u>	<u>29,892,464</u>
Business-Type Activities:		
Mortgage Revenue Bonds	0	275,899
General Obligation Bonds	1,790,000	1,865,000
Ohio Water Development Authority Loans	5,815,830	3,929,625
Ohio Public Works Commission Loans	20,491	22,539
Long Term Notes Payable	903,847	1,351,611
Capital Leases	2,503,526	2,779,149
Net Pension Liability	14,078,964	11,327,781
Compensated Absences	1,495,602	1,530,606
Total Business-Type Activities	<u>26,608,260</u>	<u>23,082,210</u>
Totals	<u>\$56,678,037</u>	<u>\$52,974,674</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, 2017, 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 fourth year in a row, the 2017 General Fund original budget was balanced without having to use carryover to balance it. When the carryover is included, the carryover balances and encumbrances constitute the original budget presented in the Non-GAAP budgetary basis statement on page 24. The actual General Fund 2017 revenues decreased slightly from 2016. The General Fund continues to be negatively affected by the state's decision to reduce the Local Government Fund revenue sharing and the elimination of the inheritance tax in 2013. The Sewer and Electric Funds actual revenues were up in 2017, while the Water Fund revenues were down. In 2017, the City of Painesville resident's voted to renew a road levy and the new fire levy. The City continued to receive these levy monies in 2017 and was able to do some much needed paving on several roads in 2017 as well as buy some critical pieces of fire equipment for the Fire Department.

City Council continued a conservative spending pattern in 2017. Departments of the City were asked to maintain their 2017 operating budgets at 2016 levels. Capital items that management and City Council determined necessary, or had off-setting grant revenues were appropriated. A close watch of current economic conditions is ongoing to determine if increased revenues, or further reductions in expenditures, are necessary in order to maintain fiscal stability.

REQUESTS FOR INFORMATION

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

CITY OF PAINESVILLE, OHIO

**Statement of Net Position
December 31, 2017**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled Cash and Investments	\$ 15,009,252	\$ 24,181,618	\$ 39,190,870
Receivables:			
Taxes	5,102,654	0	5,102,654
Accounts	150,574	3,494,766	3,645,340
Intergovernmental	859,541	0	859,541
Interest	152,162	0	152,162
Special Assessments	23,495	0	23,495
Internal Balances	212,533	(212,533)	0
Inventory of Supplies at Cost	0	571,784	571,784
Land Held for Resale	785,000	0	785,000
Prepaid Items	100,872	318,599	419,471
Investment in Joint Venture	0	524,350	524,350
Restricted Assets:			
Cash and Cash Equivalents	1,160,235	1,392,317	2,552,552
Capital Assets:			
Capital Assets Not Being Depreciated	14,344,992	16,965,729	31,310,721
Capital Assets Being Depreciated, Net	34,219,412	51,791,108	86,010,520
Total Assets	72,120,722	99,027,738	171,148,460
Deferred Outflows of Resources:			
Pension:			
OPERS	1,840,789	4,941,662	6,782,451
OP&F	2,276,938	178,073	2,455,011
Total Deferred Outflows of Resources	4,117,727	5,119,735	9,237,462
Liabilities:			
Accounts Payable	71,559	2,014,103	2,085,662
Accrued Wages and Benefits	438,926	437,237	876,163
Intergovernmental Payable	3,488	13,915	17,403
Claims Payable	286,357	0	286,357
Retainage Payable	0	65,124	65,124
Refundable Deposits	0	1,392,317	1,392,317
Accrued Interest Payable	83,484	65,672	149,156
Noncurrent Liabilities:			
Due Within One Year	1,081,922	1,685,830	2,767,752
Due in More Than One Year:			
Net Pension Liability	17,711,941	14,078,964	31,790,905
Other Amounts Due in More Than One Year	11,275,914	10,843,466	22,119,380
Total Liabilities	30,953,591	30,596,628	61,550,219
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	2,292,740	0	2,292,740
Pension:			
OPERS	68,738	184,527	253,265
OP&F	29,607	2,422	32,029
Total Deferred Inflows of Resources	2,391,085	186,949	2,578,034

CITY OF PAINESVILLE, OHIO

	Governmental Activities	Business-Type Activities	Total
Net Position:			
Net Investment in Capital Assets	38,776,754	57,658,019	96,434,773
Restricted For:			
Capital Projects	487,849	0	487,849
Debt Service	440,559	0	440,559
Highways	4,125,000	0	4,125,000
Public Safety	1,239,548	0	1,239,548
Cemetery Operations:			
Nonexpendable	1,160,235	0	1,160,235
Expendable	601,011	0	601,011
Unrestricted (Deficit)	(3,937,183)	15,705,877	11,768,694
Total Net Position	\$ 42,893,773	\$ 73,363,896	\$ 116,257,669

See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

**Statement of Activities
For the Year Ended December 31, 2017**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 4,297,312	\$ 1,530,658	\$ 197,346	\$ 15,852
Public Safety	7,960,151	620,251	101,737	0
Highways and Streets	2,806,601	18,892	758,118	611,224
Public Health and Welfare	647,437	157,765	0	0
Culture and Recreation	763,163	22,560	0	0
Community Environment	140,834	374,365	0	50,000
Interest and Fiscal Charges	266,554	0	0	0
Total Governmental Activities	16,882,052	2,724,491	1,057,201	677,076
Business-Type Activities:				
Water	5,229,158	6,215,373	0	0
Sewer	4,315,748	4,000,567	0	0
Electric	27,882,194	27,301,029	0	0
Refuse	3,411	2,749	0	0
Off Street Parking	23,906	3,559	0	0
Storm Water Utility	250,201	568,901	0	0
Community Programs	41,365	42,956	0	0
Total Business-Type Activities	37,745,983	38,135,134	0	0
Totals	\$ 54,628,035	\$ 40,859,625	\$ 1,057,201	\$ 677,076

General Revenues and Transfers

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

Change in Net Position

Net Position Beginning of Year
Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (2,553,456)	\$ 0	\$ (2,553,456)
(7,238,163)	0	(7,238,163)
(1,418,367)	0	(1,418,367)
(489,672)	0	(489,672)
(740,603)	0	(740,603)
283,531	0	283,531
(266,554)	0	(266,554)
<u>(12,423,284)</u>	<u>0</u>	<u>(12,423,284)</u>
0	986,215	986,215
0	(315,181)	(315,181)
0	(581,165)	(581,165)
0	(662)	(662)
0	(20,347)	(20,347)
0	318,700	318,700
0	1,591	1,591
<u>0</u>	<u>389,151</u>	<u>389,151</u>
\$ (12,423,284)	\$ 389,151	\$ (12,034,133)
2,318,191	0	2,318,191
9,426,872	0	9,426,872
822,685	0	822,685
488,373	0	488,373
638,094	0	638,094
<u>757,012</u>	<u>(757,012)</u>	<u>0</u>
<u>14,451,227</u>	<u>(757,012)</u>	<u>13,694,215</u>
2,027,943	(367,861)	1,660,082
<u>40,865,830</u>	<u>73,731,757</u>	<u>114,597,587</u>
\$ <u>42,893,773</u>	\$ <u>73,363,896</u>	\$ <u>116,257,669</u>

CITY OF PAINESVILLE, OHIO

**Balance Sheet
Governmental Funds
December 31, 2017**

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Pooled Cash and Investments	\$ 5,265,806	\$ 9,276,413	\$ 14,542,219
Receivables:			
Taxes	3,149,128	1,953,526	5,102,654
Accounts	48,390	102,184	150,574
Intergovernmental	413,316	446,225	859,541
Interest	152,162	0	152,162
Special Assessments	0	23,495	23,495
Interfund Loans Receivable	150,000	0	150,000
Land Held for Resale	785,000	0	785,000
Prepaid Items	90,763	10,109	100,872
Restricted Assets:			
Cash and Cash Equivalents	0	1,160,235	1,160,235
Total Assets	\$ 10,054,565	\$ 12,972,187	\$ 23,026,752
Liabilities:			
Accounts Payable	\$ 39,108	\$ 26,694	\$ 65,802
Accrued Wages and Benefits Payable	384,158	54,768	438,926
Intergovernmental Payable	2,598	890	3,488
Interfund Loans Payable	0	150,000	150,000
Compensated Absences Payable	2,389	941	3,330
Total Liabilities	428,253	233,293	661,546
Deferred Inflows of Resources:			
Unavailable Amounts	1,662,321	493,121	2,155,442
Property Tax Levy for Next Fiscal Year	417,014	1,875,726	2,292,740
Total Deferred Inflows of Resources	2,079,335	2,368,847	4,448,182
Fund Balances:			
Nonspendable	875,763	1,170,344	2,046,107
Restricted	0	6,564,682	6,564,682
Committed	10,931	2,635,021	2,645,952
Assigned	756,999	0	756,999
Unassigned	5,903,284	0	5,903,284
Total Fund Balances	7,546,977	10,370,047	17,917,024
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 10,054,565	\$ 12,972,187	\$ 23,026,752

See accompanying notes to the basic financial statements

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2017***

Total Governmental Fund Balances	\$ 17,917,024
<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.	48,564,404
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	2,155,442
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.	(13,692,559)
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.	(253,178)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(11,797,360)</u>
<i>Net Position of Governmental Activities</i>	<u>\$ 42,893,773</u>

See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017**

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Property Taxes	\$ 392,509	\$ 1,924,470	\$ 2,316,979
Municipal Income Taxes	8,886,898	0	8,886,898
Intergovernmental Revenues	809,717	1,658,091	2,467,808
Charges for Services	69,148	710,838	779,986
Licenses, Permits and Inspection Fees	549,998	0	549,998
Investment Earnings	437,397	10,961	448,358
Special Assessments	0	96,820	96,820
Fines and Forfeitures	998,233	427,434	1,425,667
All Other Revenues	596,301	42,443	638,744
Total Revenues	12,740,201	4,871,057	17,611,258
Expenditures:			
Current:			
General Government	3,499,441	512,875	4,012,316
Public Safety	6,274,992	1,092,217	7,367,209
Highways and Streets	625,885	2,420,041	3,045,926
Public Health and Welfare	154,495	384,674	539,169
Culture and Recreation	613,505	0	613,505
Community Environment	121,553	0	121,553
Capital Outlay	0	726,411	726,411
Debt Service:			
Principal Retirement	0	1,505,048	1,505,048
Interest and Fiscal Charges	0	278,970	278,970
Total Expenditures	11,289,871	6,920,236	18,210,107
Excess (Deficiency) of Revenues Over Expenditures	1,450,330	(2,049,179)	(598,849)
Other Financing Sources (Uses):			
Sale of Capital Assets	1,134	18,097	19,231
Long Term Note Issuance	0	696,153	696,153
Transfers In	787,012	2,255,000	3,042,012
Transfers Out	(2,300,000)	0	(2,300,000)
Total Other Financing Sources (Uses)	(1,511,854)	2,969,250	1,457,396
Net Change in Fund Balances	(61,524)	920,071	858,547
Fund Balance at Beginning of Year	7,608,501	9,449,976	17,058,477
Fund Balance End of Year	\$ 7,546,977	\$ 10,370,047	\$ 17,917,024

See accompanying notes to the basic financial statements

***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, 2017***

Net Change in Fund Balances - Total Governmental Funds	\$ 858,547
<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.	1,190,293
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.	(40,312)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	541,725
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	1,264,269
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(2,606,425)
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.	839,476
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	4,588
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.	19,577
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>(43,795)</u>
<i>Change in Net Position of Governmental Activities</i>	<u>\$ 2,027,943</u>

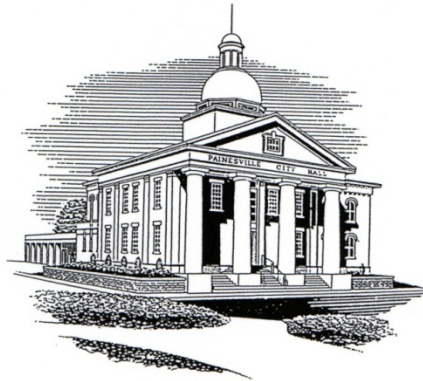
See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 390,934	\$ 372,000	\$ 394,449	\$ 22,449
Municipal Income Taxes	8,411,000	8,611,000	8,703,871	92,871
Intergovernmental Revenue	811,400	811,400	815,512	4,112
Charges for Services	46,280	46,280	69,148	22,868
Licenses, Permits and Inspection Fees	389,100	389,100	554,057	164,957
Investment Earnings	370,000	370,000	546,306	176,306
Fines and Forfeitures	966,000	984,934	998,233	13,299
All Other Revenues	308,770	508,770	600,146	91,376
Total Revenues	<u>11,693,484</u>	<u>12,093,484</u>	<u>12,681,722</u>	<u>588,238</u>
Expenditures:				
Current:				
General Government	4,668,441	3,996,395	3,916,489	79,906
Public Safety	6,584,805	6,531,780	6,376,479	155,301
Highways and Streets	749,772	730,847	656,520	74,327
Public Health and Welfare	154,894	154,894	154,495	399
Culture and Recreation	664,113	683,095	641,669	41,426
Community Environment	147,118	150,558	139,981	10,577
Debt Service:				
Principal Retirement	27	0	0	0
Total Expenditures	<u>12,969,170</u>	<u>12,247,569</u>	<u>11,885,633</u>	<u>361,936</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,275,686)	(154,085)	796,089	950,174
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	1,134	1,134
Transfers In	700,000	1,025,000	1,062,012	37,012
Transfers Out	(377,000)	(2,575,000)	(2,575,000)	0
Advances In	20,000	20,000	20,000	0
Total Other Financing Sources (Uses):	<u>343,000</u>	<u>(1,530,000)</u>	<u>(1,491,854)</u>	<u>38,146</u>
Net Changes in Fund Balance	(932,686)	(1,684,085)	(695,765)	988,320
Fund Balance at Beginning of Year	4,953,521	4,953,521	4,953,521	0
Prior Year Encumbrances	671,636	671,636	671,636	0
Fund Balance at End of Year	<u>\$ 4,692,471</u>	<u>\$ 3,941,072</u>	<u>\$ 4,929,392</u>	<u>\$ 988,320</u>

See accompanying notes to the basic financial statements



CITY OF PAINESVILLE, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2017**

	Business-Type Activities			
	Enterprise Funds			
	Water	Sewer	Electric	Other Enterprise Funds
Assets:				
Current Assets:				
Pooled Cash and Investments	\$ 3,868,688	\$ 1,937,316	\$ 17,471,843	\$ 903,771
Receivables:				
Accounts	506,048	331,265	2,610,248	47,205
Inventory of Supplies at Cost	0	0	571,784	0
Prepaid Items	78,591	71,369	168,639	0
Total Current Assets	4,453,327	2,339,950	20,822,514	950,976
Noncurrent Assets:				
Restricted Assets:				
Cash and Cash Equivalents	520,518	0	871,799	0
Investment in Joint Venture	0	0	524,350	0
Capital Assets:				
Capital Assets Not Being Depreciated	5,949,322	554,559	9,268,200	1,193,648
Capital Assets Being Depreciated, Net	18,780,525	7,798,003	22,023,082	3,189,498
Total Noncurrent Assets	25,250,365	8,352,562	32,687,431	4,383,146
Total Assets	29,703,692	10,692,512	53,509,945	5,334,122
Deferred Outflows of Resources:				
Pension:				
OPERS	1,183,781	980,510	2,717,855	59,516
OP&F	12,081	36,242	129,750	0
Total Deferred Outflows of Resources	1,195,862	1,016,752	2,847,605	59,516
Liabilities:				
Current Liabilities:				
Accounts Payable	388,656	28,450	1,595,918	1,079
Accrued Wages and Benefits	104,630	85,851	241,835	4,921
Intergovernmental Payable	314	13,015	496	90
Claims Payable - Current	0	0	0	0
Retainage Payable	16,714	0	48,410	0
Refundable Deposits	520,518	0	871,799	0
Accrued Interest Payable	16,734	40,820	142	7,976
Capital Leases Payable - Current	210,429	37,971	26,306	11,154
General Obligation Bonds Payable - Current	0	0	0	75,000
OWDA Loans Payable - Current	109,667	152,302	0	0
OPWC Loans Payable - Current	0	2,048	0	0
Long Term Notes Payable - Current	345,070	22,000	0	72,694
Compensated Absences Payable - Current	150,793	116,573	344,272	9,551
Total Current Liabilities	1,863,525	499,030	3,129,178	182,465

CITY OF PAINESVILLE, OHIO

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 24,181,618	\$ 467,033
3,494,766	0
571,784	0
318,599	0
<u>28,566,767</u>	<u>467,033</u>
1,392,317	0
524,350	0
16,965,729	0
51,791,108	0
<u>70,673,504</u>	<u>0</u>
<u>99,240,271</u>	<u>467,033</u>
4,941,662	0
178,073	0
<u>5,119,735</u>	<u>0</u>
2,014,103	5,757
437,237	0
13,915	0
0	402,160
65,124	0
1,392,317	0
65,672	0
285,860	0
75,000	0
261,969	0
2,048	0
439,764	0
621,189	0
<u>5,674,198</u>	<u>407,917</u>

(Continued)

CITY OF PAINESVILLE, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2017**

	Business-Type Activities			
	Enterprise Funds			
	Water	Sewer	Electric	Other Enterprise Funds
Noncurrent Liabilities:				
Capital Leases Payable	1,995,899	133,060	88,707	0
General Obligation Bonds Payable	0	0	0	1,715,000
Claims Payable	0	0	0	0
OWDA Loans Payable	3,023,222	2,530,639	0	0
OPWC Loans Payable	0	18,443	0	0
Compensated Absences Payable	236,829	150,552	477,045	9,987
Long Term Notes Payable	344,759	0	0	119,324
Net Pension Liability	3,191,965	2,798,956	7,931,151	156,892
Total Noncurrent Liabilities	8,792,674	5,631,650	8,496,903	2,001,203
Total Liabilities	10,656,199	6,130,680	11,626,081	2,183,668
Deferred Inflows of Resources:				
Pension:				
OPERS	44,203	36,614	101,489	2,221
OP&F	164	493	1,765	0
Total Deferred Inflows of Resources	44,367	37,107	103,254	2,221
Net Position				
Net Investment in Capital Assets	18,684,087	5,456,099	31,127,859	2,389,974
Unrestricted	1,514,901	85,378	13,500,356	817,775
Total Net Position	\$ 20,198,988	\$ 5,541,477	\$ 44,628,215	\$ 3,207,749

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

Net Position of Business-type Activities

See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
2,217,666	0
1,715,000	0
0	524,827
5,553,861	0
18,443	0
874,413	0
464,083	0
<u>14,078,964</u>	<u>0</u>
<u>24,922,430</u>	<u>524,827</u>
<u>30,596,628</u>	<u>932,744</u>
184,527	0
<u>2,422</u>	<u>0</u>
<u>186,949</u>	<u>0</u>
57,658,019	0
<u>15,918,410</u>	<u>(465,711)</u>
<u>\$ 73,576,429</u>	<u>\$ (465,711)</u>
<u>(212,533)</u>	
<u>\$ 73,363,896</u>	

CITY OF PAINESVILLE, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017**

	Business-Type Activities			
	Enterprise Funds			Other Enterprise Funds
	Water	Sewer	Electric	
Operating Revenues:				
Charges for Services	\$ 4,290,842	\$ 3,838,531	\$ 26,807,810	\$ 598,591
Other Charges for Services	407,357	117,637	270,933	6,448
Other Operating Revenues	1,315,951	18,227	86,732	9,504
Total Operating Revenues	6,014,150	3,974,395	27,165,475	614,543
Operating Expenses:				
Personal Services	2,949,153	2,532,663	7,161,452	131,209
Contractual Services	437,491	566,522	1,895,454	23,511
Materials and Supplies	142,764	214,557	826,154	8,275
Utilities	428,201	298,661	16,578,194	0
Depreciation	1,146,911	603,632	969,042	75,838
Total Operating Expenses	5,104,520	4,216,035	27,430,296	238,833
Operating Income (Loss)	909,630	(241,640)	(264,821)	375,710
Non-Operating Revenue (Expenses):				
Interest and Fiscal Charges	(120,388)	(83,603)	(4,954)	(62,726)
Loss on Disposal of Assets	0	0	(130,990)	(17,324)
Loss on Investment in Joint Venture	0	0	(170,785)	0
Other Nonoperating Revenue	201,223	26,172	266,544	3,622
Other Nonoperating Expense	(4,250)	(16,110)	(219,025)	0
Total Non-Operating Revenues (Expenses)	76,585	(73,541)	(259,210)	(76,428)
Income (Loss) Before Transfers	986,215	(315,181)	(524,031)	299,282
Transfers:				
Transfers In	30,000	0	0	0
Transfers Out	0	0	(787,012)	0
Total Transfers	30,000	0	(787,012)	0
Change in Net Position	1,016,215	(315,181)	(1,311,043)	299,282
Net Position Beginning of Year	19,182,773	5,856,658	45,939,258	2,908,467
Net Position End of Year	\$ 20,198,988	\$ 5,541,477	\$ 44,628,215	\$ 3,207,749

Change in Net Position - Total Enterprise Funds

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

Change in Net Position - Business-type Activities

See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 35,535,774	\$ 3,397,625
802,375	0
1,430,414	0
<u>37,768,563</u>	<u>3,397,625</u>
12,774,477	2,510,135
2,922,978	914,545
1,191,750	88,874
17,305,056	0
2,795,423	0
<u>36,989,684</u>	<u>3,513,554</u>
778,879	(115,929)
(271,671)	0
(148,314)	0
(170,785)	0
497,561	0
<u>(239,385)</u>	<u>0</u>
(332,594)	0
446,285	(115,929)
30,000	15,000
<u>(787,012)</u>	<u>0</u>
(757,012)	15,000
(310,727)	(100,929)
<u>73,887,156</u>	<u>(364,782)</u>
\$ <u>73,576,429</u>	\$ <u>(465,711)</u>
\$ (310,727)	
(57,134)	
<u>\$ (367,861)</u>	

CITY OF PAINESVILLE, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Electric
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$6,250,735	\$4,017,904	\$27,552,781
Cash Receipts from Interfund Services Provided	0	0	0
Cash Payments for Goods and Services	(1,005,536)	(1,075,349)	(19,652,831)
Cash Payments to Employees	(2,521,843)	(2,279,972)	(6,104,635)
Cash Payments for Employee Medical Claims	0	0	0
Net Cash Provided by Operating Activities	<u>2,723,356</u>	<u>662,583</u>	<u>1,795,315</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	30,000	0	0
Transfers Out to Other Funds	0	0	(787,012)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>30,000</u>	<u>0</u>	<u>(787,012)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds of General Obligation Notes	689,829	22,000	0
Premiums on Debt Issuances	2,891	67	0
Principal Paid on General Obligation Notes	(1,024,899)	(62,000)	0
Sale of Capital Assets	0	0	3,218
Acquisition and Construction of Assets	(3,386,168)	(127,145)	(2,853,519)
Issuance of Ohio Water Development Authority Loans	2,138,154	0	0
Principal Paid on Capital Leases	(202,052)	(36,986)	(25,631)
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	(104,725)	(147,224)	0
Interest Paid on All Debt	(129,589)	(92,438)	(5,053)
Net Cash Used for Capital and Related Financing Activities	<u>(2,016,559)</u>	<u>(445,774)</u>	<u>(2,880,985)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	736,797	216,809	(1,872,682)
Cash and Cash Equivalents at Beginning of Year	<u>3,652,409</u>	<u>1,720,507</u>	<u>20,216,324</u>
Cash and Cash Equivalents at End of Year	<u>\$4,389,206</u>	<u>\$1,937,316</u>	<u>\$18,343,642</u>
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet</u>			
Cash and Cash Equivalents	\$3,868,688	\$1,937,316	\$17,471,843
Restricted Cash and Cash Equivalents	520,518	0	871,799
Cash and Cash Equivalents at End of Year	<u>\$4,389,206</u>	<u>\$1,937,316</u>	<u>\$18,343,642</u>

CITY OF PAINESVILLE, OHIO

Other Enterprise Funds	Total	Governmental Activities
		Internal Service Funds
\$615,974	\$38,437,394	\$0
0	0	3,397,625
(34,098)	(21,767,814)	(998,993)
(108,492)	(11,014,942)	(142,290)
0	0	(2,239,915)
<u>473,384</u>	<u>5,654,638</u>	<u>16,427</u>
0	30,000	15,000
0	(787,012)	0
0	(757,012)	15,000
192,018	903,847	0
874	3,832	0
(264,712)	(1,351,611)	0
0	3,218	0
(169,495)	(6,536,327)	0
0	2,138,154	0
(10,954)	(275,623)	0
(75,000)	(75,000)	0
0	(2,048)	0
0	(251,949)	0
(64,244)	(291,324)	0
<u>(391,513)</u>	<u>(5,734,831)</u>	<u>0</u>
81,871	(837,205)	31,427
821,900	26,411,140	435,606
<u>\$903,771</u>	<u>\$25,573,935</u>	<u>\$467,033</u>
\$903,771	\$24,181,618	\$467,033
0	1,392,317	0
<u>\$903,771</u>	<u>\$25,573,935</u>	<u>\$467,033</u>

(Continued)

CITY OF PAINESVILLE, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017**

	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)	\$909,630	(\$241,640)	(\$264,821)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	1,146,911	603,632	969,042
Miscellaneous Nonoperating Revenues	241,048	26,158	297,424
Miscellaneous Nonoperating Expenses	(4,250)	(16,110)	(211,288)
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
(Increase) Decrease in Accounts Receivable	(4,463)	17,351	89,882
Decrease in Intergovernmental Receivable	84	12	72
Decrease in Inventory	0	0	30,884
Decrease in Prepaid Items	13,950	840	13,231
Increase in Deferred Outflows of Resources	(251,177)	(171,932)	(524,193)
Increase (Decrease) in Accounts Payable	(6,484)	7,471	92,762
Increase (Decrease) in Accrued Wages and Benefits	5,871	(4,921)	8,696
Increase (Decrease) in Intergovernmental Payable	(451)	12,117	(2,952)
Increase (Decrease) in Compensated Absences Payable	(12,544)	(66,468)	42,442
Decrease in Payable to Joint Venture	0	0	(275,899)
Increase in Claims Liability	0	0	0
Increase in Net Pension Liability	688,036	499,767	1,537,363
Decrease in Deferred Inflows of Resources	(2,805)	(3,694)	(7,330)
Total Adjustments	1,813,726	904,223	2,060,136
Net Cash Provided by Operating Activities	\$2,723,356	\$662,583	\$1,795,315

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2017 the Water and Electric Funds had outstanding liabilities of \$364,956 and \$11,086 respectively, for the purchase of certain capital assets.

See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
\$375,710	\$778,879	(\$115,929)
75,838	2,795,423	0
63	564,693	0
0	(231,648)	0
1,368	104,138	0
0	168	0
0	30,884	0
4,024	32,045	0
(9,571)	(956,873)	0
(1,162)	92,587	(18,783)
(251)	9,395	0
90	8,804	0
1,566	(35,004)	0
0	(275,899)	0
0	0	151,139
26,017	2,751,183	0
(308)	(14,137)	0
<u>97,674</u>	<u>4,875,759</u>	<u>132,356</u>
<u>\$473,384</u>	<u>\$5,654,638</u>	<u>\$16,427</u>

CITY OF PAINESVILLE, OHIO

**Statement of Net Position
Fiduciary Funds
December 31, 2017**

	Private Purpose Trust	
	Deposit Trust	Agency
Assets:		
Cash and Cash Equivalents	\$ 1,000,537	\$ 238,666
Receivables:		
Taxes	0	57,243
Total Assets	<u>1,000,537</u>	<u>295,909</u>
Liabilities:		
Accounts Payable	750	0
Intergovernmental Payable	0	42,932
Due to Others	0	252,977
Total Liabilities	<u>750</u>	<u>295,909</u>
Net Position:		
Restricted For:		
Other Purposes	999,787	0
Total Net Position	<u>\$ 999,787</u>	<u>\$ 0</u>

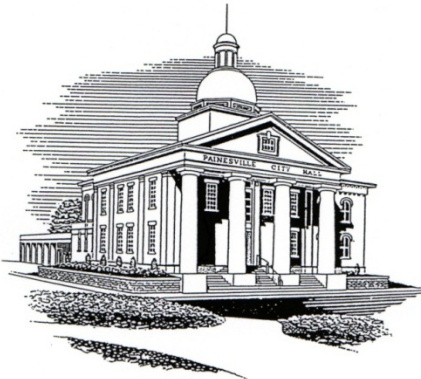
See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

**Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended December 31, 2017**

	Private Purpose Trust <u>Deposit Trust</u>
Additions:	
Contributions:	
Private Donations	\$ 174,652
Total Additions	<u>174,652</u>
Deductions:	
Administrative Expenses	<u>35,687</u>
Total Deductions	<u>35,687</u>
Change in Net Position	138,965
Net Position at Beginning of Year	<u>860,822</u>
Net Position End of Year	<u>\$ 999,787</u>

See accompanying notes to the basic financial statements



***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

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, 2017***

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, 2017***

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, 2017***

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, 2017***

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, 2017, but which are not intended to finance 2017 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, 2017***

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 2017.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

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, 2017**

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)	(\$61,524)
Increase (Decrease):	
Accrued Revenues at December 31, 2017 received during 2018	(1,833,661)
Accrued Revenues at December 31, 2016 received during 2017	1,663,313
Accrued Expenditures at December 31, 2017 paid during 2018	428,253
Accrued Expenditures at December 31, 2016 paid during 2017	(401,811)
2016 Prepays for 2017	83,584
2017 Prepays for 2018	(90,763)
2016 Adjustment to Fair Value	(171,427)
2017 Adjustment to Fair Value	304,361
Outstanding Encumbrances	(616,223)
Perspective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	<u>133</u>
Budget Basis	<u><u>(\$695,765)</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, 2017***

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 2017 amounted to \$437,397, which includes \$401,147 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 2017, 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, 2017**

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, 2017***

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, 2017***

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, 2017***

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, 2017, 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, 2017***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Restricted Assets

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

Q. Intergovernmental Revenues

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

R. Pensions

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

S. Net Position

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

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

T. Estimates

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

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 2017.

W. Deferred Outflows/Inflows of Resources

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

For 2017, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,” Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,” Statement No. 80, “Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14,” Statement No. 81, “Irrevocable Split-Interest Agreements,” and Statement No. 82, “Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73.”

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions.

GASB Statement No. 74 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments.

GASB Statement No. 81 addresses irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB Statement No. 82 addresses certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68.

These changes were incorporated in the City’s 2017 financial statements; however, there was no effect on beginning net position/fund balance.

This space intentionally left blank.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

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	\$1,370,897
Shared Revenues	611,088
Interest Revenues	86,506
Charges for Services	63,456
Special Assessment Revenue	23,495
	<u>\$2,155,442</u>

Net Pension liability and related deferred outflows/inflows:

Deferred Outflows - Pension	\$4,117,727
Deferred Inflows - Pension	(98,345)
Net Pension Liability	(17,711,941)
	<u>(\$13,692,559)</u>

Long-Term liabilities not reported in the funds:

General Obligation Bonds Payable	(\$7,526,424)
Special Assessment Bonds Payable	(210,000)
Long Term Notes Payable	(696,153)
OPWC Loans Payable	(1,209,443)
Accrued Interest on Long-Term Debt	(83,484)
Capital Leases Payable	(145,630)
Police/Firemen's Pension Accrued Liability	(598,622)
Compensated Absences Payable	(1,327,604)
	<u>(\$11,797,360)</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

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

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

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

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

Capital Outlay	\$3,035,598
Depreciation Expense	(1,845,305)
	<u>\$1,190,293</u>

Governmental revenues not reported in the funds:

Increase in Tax Revenue	\$541,186
Increase in Intergovernmental Revenue	88,504
Increase in Interest Revenue	40,015
Decrease in Charges for Services	(70,890)
Decrease in Special Assessment Revenue	(57,090)
	<u>\$541,725</u>

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

Long-Term Note Issuance	(\$696,153)
Long-Term Note Principal Payment	898,389
Premium Amortization	7,828
General Obligation Bond Principal Payment	419,000
Special Assessment Bond Principal Payment	20,000
OPWC Loan Principal Payment	53,246
Police/Firemen's Pension Liability Payment	22,753
Capital Lease Payments	114,413
	<u>\$839,476</u>

Expenses not requiring the use of current financial resources:

Decrease in Compensated Absences Payable	\$19,577
	<u>\$19,577</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

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	90,763	10,109	100,872
Permanent Fund Corpus	0	1,160,235	1,160,235
Total Nonspendable	<u>875,763</u>	<u>1,170,344</u>	<u>2,046,107</u>
Restricted:			
Street Maintenance and Repair	0	2,541,046	2,541,046
Cemetery Maintenance	0	636,417	636,417
Law Enforcement	0	278,404	278,404
Fire Department Operations	0	557,001	557,001
Drug and Alcohol Treatment	0	86,401	86,401
Adult Probation Program	0	76,534	76,534
Court Computer Improvements	0	131,327	131,327
Brownfield Clean up	0	770	770
Debt Retirement	0	411,376	411,376
Capital Improvements	0	1,845,406	1,845,406
Total Restricted	<u>0</u>	<u>6,564,682</u>	<u>6,564,682</u>
Committed:			
Emergency Medical Services	0	211,461	211,461
Capital Improvements	0	2,423,560	2,423,560
Underground Storage Tank Cleanup	10,931	0	10,931
Total Committed	<u>10,931</u>	<u>2,635,021</u>	<u>2,645,952</u>
Assigned:			
Budget Resource	182,393	0	182,393
Contractual Services and Supplies	574,606	0	574,606
Total Assigned	<u>756,999</u>	<u>0</u>	<u>756,999</u>
Unassigned (Deficits):			
	5,903,284	0	5,903,284
Total Fund Balances	<u>\$7,546,977</u>	<u>\$10,370,047</u>	<u>\$17,917,024</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

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).

CITY OF PAINESVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

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, 2017, the carrying amount of the City's deposits was \$2,159,442 and the bank balance was \$2,584,363. Of the bank balance, \$718,257 was covered by federal depository insurance and \$1,866,106 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, 2017 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 ⁴	\$5,179,520	AAAm ¹	NA	12.69%	\$5,179,520	\$0	\$0
Negotiable CD's	6,180,050	AAA ³	Level 2	15.14%	2,482,703	2,466,338	1,231,009
Commercial Paper	5,383,509	A1 ¹ / P1 ²	Level 2	13.18%	5,383,509	0	0
FHLB	1,964,351	AA+ ¹ / Aaa ²	Level 2	4.81%	0	1,717,638	246,713
FHLMC	12,681,983	AA+ ¹ / Aaa ²	Level 2	31.07%	349,836	8,030,199	4,301,948
FFCB	3,268,900	AA+ ¹ / Aaa ²	Level 2	8.01%	0	988,550	2,280,350
FNMA	6,164,870	AAA ¹ / Aaa ²	Level 2	15.10%	1,989,120	3,928,180	247,570
Total Investments	\$40,823,183			100.00%	\$15,384,688	\$17,130,905	\$8,307,590

¹ Standard & Poor's

² Moody's Investor Service

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

⁴ Reported at amortized cost

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)

B. Investments (Continued)

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

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

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

NOTE 6 - PROPERTY TAX

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2017 were levied after October 1, 2016 on assessed values as of January 1, 2016, the lien date. Assessed values are established by the county auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments are made in the third year following reappraisal. The last reappraisal was completed in 2012. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

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

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

The full tax rate for all City operations for the year ended December 31, 2017 was \$8.17 per \$1,000 of assessed value. The assessed value upon which the 2017 collections were based was \$221,250,540. This amount constitutes \$218,759,980 in real property assessed value and \$2,490,560 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 2017 were based on a tax rate equal to .817% (8.17 mills) of assessed value.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 6 - PROPERTY TAX (Continued)

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, 2017.

	Total Amount of Taxes Abated For the year 2017
<i>Community Reinvestment Area (CRA)</i>	
Industrial	\$168,740
	<u>\$168,740</u>

NOTE 7 - RECEIVABLES

Receivables at December 31, 2017 consisted of taxes, interest, accounts receivable, special assessments, and intergovernmental receivables arising from shared revenues.

NOTE 8 - LAND HELD FOR RESALE

In December 1999, the City purchased 43.1 acres of land with the intent of resale as part of the City's economic development strategy. Additional land was purchased during 2001 for the same purpose. This land is instrumental in the development of commercial or industrial facilities to create and preserve jobs. At December 31, 2017 the City's Land Held for Resale balance was \$785,000.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 9 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2017 consist of the following individual fund receivables and payables:

Fund	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$150,000	\$0
Nonmajor Governmental Fund	0	150,000
Totals	<u>\$150,000</u>	<u>\$150,000</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 2018.

NOTE 10 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2017:

Fund	Transfer In	Transfer Out
Governmental Funds		
General Fund	\$787,012	\$2,300,000
Other Governmental Funds	2,255,000	0
Total Governmental Funds	<u>3,042,012</u>	<u>2,300,000</u>
Enterprise Funds		
Water Fund	30,000	0
Electric Fund	0	787,012
Total Enterprise Funds	<u>30,000</u>	<u>787,012</u>
Internal Service Funds	15,000	0
Totals	<u>\$3,087,012</u>	<u>\$3,087,012</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 2017 the portion due to the City was \$787,012 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, 2017**

NOTE 11 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2017:

Historical Cost:

Class	December 31, 2016	Additions	Deletions	December 31, 2017
Capital assets not being depreciated:				
Land	\$12,981,572	\$26,543	\$0	\$13,008,115
Construction in Progress	4,259,060	144,903	(3,067,086)	1,336,877
Subtotal	17,240,632	171,446	(3,067,086)	14,344,992
Capital assets being depreciated:				
Buildings and Improvements	5,504,478	170,307	0	5,674,785
Improvements other than Buildings	1,106,740	33,997	(28,853)	1,111,884
Machinery and Equipment	6,531,781	1,014,115	(139,801)	7,406,095
Infrastructure	42,591,173	4,712,819	0	47,303,992
Subtotal	55,734,172	5,931,238	(168,654)	61,496,756
Total Cost	\$72,974,804	\$6,102,684	(\$3,235,740)	\$75,841,748

Accumulated Depreciation:

Class	December 31, 2016	Additions	Deletions	December 31, 2017
Buildings and Improvements	(\$2,617,046)	(\$63,115)	\$0	(\$2,680,161)
Improvements other than Buildings	(737,486)	(27,406)	27,718	(737,174)
Machinery and Equipment	(4,893,630)	(525,735)	100,624	(5,318,741)
Infrastructure	(17,312,219)	(1,229,049)	0	(18,541,268)
Total Depreciation	(\$25,560,381)	(\$1,845,305) *	\$128,342	(\$27,277,344)
Net Value:	\$47,414,423			\$48,564,404

*Depreciation expense was charged to governmental functions as follows:

General Government	\$139,005
Public Safety	176,580
Highways and Streets	1,428,090
Public Health and Welfare	42,004
Culture and Recreation	59,626
Total Depreciation Expense	\$1,845,305

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

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, 2017:

Historical Cost:

Class	December 31, 2016	Additions	Deletions	December 31, 2017
Capital assets not being depreciated:				
Land	\$1,397,784	\$0	\$0	\$1,397,784
Construction In Progress	24,199,716	5,495,140	(14,126,911)	15,567,945
Subtotal	25,597,500	5,495,140	(14,126,911)	16,965,729
Capital assets being depreciated:				
Buildings and Improvements	30,268,395	40,700	(39,557)	30,269,538
Infrastructure	47,401,838	8,413,773	0	55,815,611
Machinery and Equipment	29,465,773	6,866,389	(392,644)	35,939,518
Subtotal	107,136,006	15,320,862	(432,201)	122,024,667
Total Cost	\$132,733,506	\$20,816,002	(\$14,559,112)	\$138,990,396

Accumulated Depreciation:

Class	December 31, 2016	Additions	Deletions	December 31, 2017
Buildings and Improvements	(\$20,548,621)	(\$445,031)	\$25,095	(\$20,968,557)
Infrastructure	(25,478,019)	(1,133,236)	0	(26,611,255)
Machinery and Equipment	(21,685,144)	(1,217,156)	248,553	(22,653,747)
Total Depreciation	(\$67,711,784)	(\$2,795,423)	\$273,648	(\$70,233,559)
Net Value:	\$65,021,722			\$68,756,837

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

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, 2017**

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Group A	Group B	Group C
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
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

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>
2017 Statutory Maximum Contribution Rates		
Employer	14.0 %	18.1 %
Employee	10.0 %	*
2017 Actual Contribution Rates		
Employer:		
Pension	13.0 %	17.1 %
Post-employment Health Care Benefits	<u>1.0</u>	<u>1.0</u>
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 \$1,259,768 for 2017. Of this amount, \$167,200 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before 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, 2017***

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>
2017 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2017 through December 31, 2017	12.25 %	12.25 %
2017 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2017 through December 31, 2017	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$997,803 for 2017. Of this amount, \$122,924 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, 2016, 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, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$17,879,092	\$13,911,813	\$31,790,905
Proportion of the Net Pension Liability-2017	0.078734%	0.219641%	
Proportion of the Net Pension Liability-2016	<u>0.080463%</u>	<u>0.221177%</u>	
Percentage Change	<u>(0.001729%)</u>	<u>(0.001536%)</u>	
Pension Expense	\$3,721,902	\$1,657,998	\$5,379,900

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$2,662,608	\$1,352,863	\$4,015,471
Changes in assumptions	2,835,842	0	2,835,842
Differences between expected and actual experience	24,233	3,935	28,168
Change in proportionate share	0	100,410	100,410
City contributions subsequent to the measurement date	1,259,768	997,803	2,257,571
Total Deferred Outflows of Resources	<u>\$6,782,451</u>	<u>\$2,455,011</u>	<u>\$9,237,462</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$106,405	\$32,029	\$138,434
Change in proportionate share	146,860	0	146,860
Total Deferred Inflows of Resources	<u>\$253,265</u>	<u>\$32,029</u>	<u>\$285,294</u>

\$2,257,571 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2018	\$2,163,699	\$537,354	\$2,701,053
2019	2,243,295	537,354	2,780,649
2020	940,473	414,755	1,355,228
2021	(78,049)	(68,236)	(146,285)
2022	0	3,873	3,873
2023	0	79	79
Total	<u>\$5,269,418</u>	<u>\$1,425,179</u>	<u>\$6,694,597</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, 2017***

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, 2016 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 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. 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 is 8.3% for 2016.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

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 2016 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 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other investments	18.00	4.92
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	\$27,314,308	\$17,879,092	\$10,016,506

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, 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, 2016, are presented below:

Valuation Date	January 1, 2016
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

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, 2016 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 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Changes Between Measurement Date and Report Date In October 2017, the OPF Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8.0 percent. Although the exact amount of these changes is not known, the impact to the City’s net pension liability is expected to be significant.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$18,528,890	\$13,911,813	\$9,998,782

NOTE 13 - POSTEMPLOYMENT BENEFITS

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

Plan Description – OPERS administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care 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 health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

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

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

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS may be set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2017, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 13 - POSTEMPLOYMENT BENEFITS (Continued)

A. Ohio Public Employees Retirement System (“OPERS”) (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% during calendar year 2017. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.0% 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 for Member-Directed Plan participants for 2017 was 4.0%.

The City's contributions for health care to the OPERS for the years ending December 31, 2017, 2016, and 2015 were \$100,526, \$211,091 and \$209,963, respectively, which were equal to the required contributions for each year.

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

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

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

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

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

Funding Policy – The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 13 - POSTEMPLOYMENT BENEFITS (Continued)

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2017, the portion of employer contributions allocated to health care was 0.5% of covered payroll for both police officers and firefighters. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2017, 2016, and 2015 were \$13,346, \$13,071 and \$12,847 for police and \$10,301, \$9,889 and \$9,791 for firefighters, respectively, which were equal to the required contributions for each year.

This Space Intentionally Left Blank

CITY OF PAINESVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 14 - LONG-TERM DEBT

Long-term debt of the City at December 31, 2017 is as follows:

		Balance December 31, 2016	Issued	(Retired)	Balance December 31, 2017	Amount Due Within One Year
Governmental Activities:						
General Obligation Bonds:						
4.250 - 5.000% Various Purpose	2007	\$1,080,000	\$0	(\$110,000)	\$970,000	\$115,000
2.850% Shamrock Blvd Improvement	2013	1,678,000	0	(84,000)	1,594,000	87,000
2.0 - 3.000% Shamrock Blvd Improvement TIF	2012	5,070,000	0	(225,000)	4,845,000	225,000
Premium on Debt Issuance		125,252	(7,828)	0	117,424	0
Total General Obligation Bonds		<u>7,953,252</u>	<u>(7,828)</u>	<u>(419,000)</u>	<u>7,526,424</u>	<u>427,000</u>
Special Assessment Debt (with governmental commitment)						
4.75% Renaissance Parkway	2005	230,000	0	(20,000)	210,000	20,000
Ohio Public Works Commission Loans (OPWC):						
0.000% Chester Street Improvements	2008	53,791	0	(4,890)	48,901	4,890
0.000% Brookstone Blvd Improvements	2013	1,208,898	0	(48,356)	1,160,542	48,356
Total OPWC Loans		<u>1,262,689</u>	<u>0</u>	<u>(53,246)</u>	<u>1,209,443</u>	<u>53,246</u>
Long-Term Notes Payable:						
1.625% Various Purpose	2011	898,389	696,153	(898,389)	696,153	160,236
Net Pension Liability:						
Ohio Public Employees Retirement System		3,686,597	1,165,871	0	4,852,468	0
Ohio Police and Fire Pension Fund		13,151,278	0	(291,805)	12,859,473	0
Total Net Pension Liability		<u>16,837,875</u>	<u>1,165,871</u>	<u>(291,805)</u>	<u>17,711,941</u>	<u>0</u>
Compensated Absences		1,347,181	252,457	(268,704)	1,330,934	233,273
Workers' Compensation Liability		481,660	640,630	(481,660)	640,630	115,803
Capital Lease Payable		260,043	0	(114,413)	145,630	48,634
Police/Firemen's Pension Accrued Liability		621,375	0	(22,753)	598,622	23,730
Total Governmental Activities		<u>\$29,892,464</u>	<u>\$2,747,283</u>	<u>(\$2,569,970)</u>	<u>\$30,069,777</u>	<u>\$1,081,922</u>

CITY OF PAINESVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 14 - LONG-TERM DEBT (Continued)

Long-term debt of the City at December 31, 2017 is as follows:

		Balance December 31, 2016	Issued	(Retired)	Balance December 31, 2017	Amount Due Within One Year
Business-Type Activities:						
Amp-Ohio Joint Venture Agreement:						
4.600 - 4.750% Joint Venture Agreement		\$786,194	\$0	(\$786,194)	\$0	\$0
Joint Venture Reserve Amount		(510,295)	0	510,295	0	0
Net Joint Venture Agreement		<u>275,899</u>	<u>0</u>	<u>(275,899)</u>	<u>0</u>	<u>0</u>
General Obligation Bonds:						
3.25% Storm Water Improvements	2016	1,865,000	0	(75,000)	1,790,000	75,000
Ohio Water Development Authority Loans (OWDA):						
4.618% Safe Drinking Water	1998	329,244	0	(104,725)	224,519	109,667
3.420% WPCLF WWTP Upgrades	2009	2,830,165	0	(147,224)	2,682,941	152,302
0.000% Water Intake Design	2014	770,216	2,138,154	0	2,908,370	0
Total OWDA Loans		<u>3,929,625</u>	<u>2,138,154</u>	<u>(251,949)</u>	<u>5,815,830</u>	<u>261,969</u>
Ohio Public Works Commission Loans (OPWC):						
0.000% Mentor Ave / Jackson Street Sewer	2008	22,539	0	(2,048)	20,491	2,048
Long-Term Notes Payable:						
1.625% Various Purpose	2011	1,351,611	903,847	(1,351,611)	903,847	439,764
Capital Leases Payable		2,779,149	0	(275,623)	2,503,526	285,860
Net Pension Liability:						
Ohio Public Employees Retirement System		10,250,610	2,776,014	0	13,026,624	0
Ohio Police and Fire Pension Fund		<u>1,077,171</u>	<u>0</u>	<u>(24,831)</u>	<u>1,052,340</u>	<u>0</u>
Total Net Pension Liability		<u>11,327,781</u>	<u>2,776,014</u>	<u>(24,831)</u>	<u>14,078,964</u>	<u>0</u>
Compensated Absences		<u>1,530,606</u>	<u>639,392</u>	<u>(674,396)</u>	<u>1,495,602</u>	<u>621,189</u>
Total Business-Type Activities		<u>\$23,082,210</u>	<u>\$6,457,407</u>	<u>(\$2,931,357)</u>	<u>\$26,608,260</u>	<u>\$1,685,830</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 14 - LONG-TERM DEBT (Continued)

A. Long Term Notes

Long term notes payable at December 31, 2017 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 22, 2017 and are due February 22, 2018, at an interest rate of 2.0%. Subsequent to year-end, the Various Purpose Improvement Notes, due February 22, 2018, 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 \$1,786,909 for the City as of December 31, 2017.

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, 2017 amounted to \$1,039,627.

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, 2017 was \$853,941 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, 2017**

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 \$7,847,924. Such agreements are, in substance, lease purchases (capital leases) and are classified as long-term obligations in the financial statements. The costs of these assets are included in the capital asset balances of the Governmental Activities and Water Fund, Sewer Fund, Electric Fund (major enterprise funds) and the Storm Water Utility Fund (nonmajor enterprise fund). The capital leases payable are recorded in Governmental Activities and the Business-Type Activities in the amount of \$145,630, and \$2,503,526, 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, 2017:

Year Ending December 31,	Governmental Activities	Business-Type Activities
2018	\$55,432	\$390,264
2019	28,698	314,896
2020	28,698	314,906
2021	28,699	314,896
2022	23,003	314,896
2023-2027	0	1,417,028
Minimum Lease Payments	164,530	3,066,886
Less: amount representing interest at the City's incremental borrowing rate of interest	(18,900)	(563,360)
Present value of minimum lease payments	<u>\$145,630</u>	<u>\$2,503,526</u>

E. Special Assessments with Governmental Commitment

The principal amount of the City's special assessment debt outstanding at December 31, 2017, \$210,000, 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 \$106,441 in the Special Assessment Bond Retirement Fund at December 31, 2017 is restricted for the retirement of outstanding special assessment bonds.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

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, 2017, the loan had an outstanding balance of \$224,519.

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, 2017, the loan had an outstanding balance of \$2,682,941.

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, 2017 the City had received \$2,942,890. As of December 31, 2017 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, 2017, are as follows:

Years	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2018	\$502,000	\$291,729	\$20,000	\$10,500
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
2023-2027	2,673,000	872,406	90,000	9,000
2028-2032	2,722,000	435,852	0	0
2033-2035	1,135,000	37,120	0	0
Totals	<u>\$9,199,000</u>	<u>\$2,646,961</u>	<u>\$210,000</u>	<u>\$50,000</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

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
2018	\$261,969	\$88,254	\$55,294	\$0	\$23,730	\$25,192
2019	272,407	77,816	55,294	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
2023-2027	966,643	216,837	276,470	0	159,549	85,064
2028-2032	900,415	61,980	241,780	0	196,887	47,728
2033-2037	0	0	241,780	0	112,894	7,206
2038-2041	0	0	193,434	0	0	0
Totals	<u>\$2,907,460</u>	<u>\$639,863</u>	<u>\$1,229,934</u>	<u>\$0</u>	<u>\$598,622</u>	<u>\$255,319</u>

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

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 2017 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 \$640,630 reported in the fund at December 31, 2017 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
2016	\$695,033	\$53,807	(\$267,180)	\$481,660
2017	481,660	301,260	(142,290)	640,630

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

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 \$286,357 reported in the fund at December 31, 2017 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>
2016	\$368,384	\$3,006,000	(\$3,080,196)	\$294,188
2017	294,188	2,232,084	(2,239,915)	286,357

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, 2017***

NOTE 16 - JOINT VENTURE (Continued)

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Distributive Generation Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. Under the terms of the Agreement each Financing Participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV2 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2017 the City of Painesville has met their debt coverage obligation.

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants' entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with the remaining principal balance now residing on the AMP credit facility. As of December 31, 2017, the outstanding debt was paid off. 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 \$524,350 at December 31, 2017. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

This space intentionally left blank.

CITY OF PAINESVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 16 - JOINT VENTURE (Continued)

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2017 are:

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 17 – SIGNIFICANT COMMITMENTS

As of December 31, 2017, the City had the following contracts with respect to capital improvements:

Project	Remaining Construction Commitment	Expected Date of Completion
Various Street Repaving	\$355,561	2018
Storm Water Utility Improvements	6,971	2018
Storrs Street Building	170,220	2018
Waterline Replacement Project	19,557	2018
Water Intake Project	13,672,846	2018
Raw Wash Basin Improvements	15,158	2018
Newell Street Railroad Crossing	84,080	2018
Total	\$14,324,393	

At December 31, 2017 the City had encumbrance commitments in the Governmental Funds as follows:

Fund	Encumbrances
General Fund	\$616,312
Other Governmental Funds	1,113,927
Total Governmental Funds	\$1,730,239

NOTE 18 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equities - The fund deficits at December 31, 2017 of \$609 in the Community Programs Fund (enterprise fund), \$138,409 in the Employee Health Insurance Fund and \$486,851 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, 2017***

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 \$26,758 and interest on the credit balance credited to the City has been \$25,487, resulting in a net credit balance at December 31, 2017 of \$540,967. The City does have a potential PHFU Liability of \$615,630 resulting in a net total potential liability of \$74,663, 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 2018 the City issued \$1,000,000 of various purpose General Obligation Notes. These notes carry an interest rate of 3.0% and mature in February 2019.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF PAINESVILLE, OHIO

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

Ohio Public Employees Retirement System

Year	2014	2015	2016	2017
City's proportion of the net pension liability (asset)	0.078758%	0.078758%	0.080463%	0.078734%
City's proportionate share of the net pension liability (asset)	\$9,284,542	\$9,499,093	\$13,937,207	\$17,879,092
City's covered-employee payroll	\$9,660,792	\$9,655,333	\$10,005,075	\$10,183,850
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	96.11%	98.38%	139.30%	175.56%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%	77.25%

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

Ohio Police and Fire Pension Fund

Year	2014	2015	2016	2017
City's proportion of the net pension liability (asset)	0.218634%	0.218634%	0.221177%	0.219641%
City's proportionate share of the net pension liability (asset)	\$10,648,162	\$11,326,153	\$14,228,449	\$13,911,813
City's covered-employee payroll	\$4,943,828	\$4,373,483	\$4,529,777	\$4,771,700
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	215.38%	258.97%	314.11%	291.55%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%	68.36%

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.

CITY OF PAINESVILLE, OHIO

***Schedule of City Contributions
Last Five Years***

Ohio Public Employees Retirement System

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$1,255,903	\$1,158,640	\$1,200,609	\$1,222,062	\$1,259,768
Contributions in relation to the contractually required contribution	<u>1,255,903</u>	<u>1,158,640</u>	<u>1,200,609</u>	<u>1,222,062</u>	<u>1,259,768</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$9,660,792	\$9,655,333	\$10,005,075	\$10,183,850	\$9,690,523
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%	12.00%	13.00%

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>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$874,748	\$914,762	\$948,955	\$999,545	\$997,803
Contributions in relation to the contractually required contribution	<u>874,748</u>	<u>914,762</u>	<u>948,955</u>	<u>999,545</u>	<u>997,803</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$4,943,828	\$4,373,483	\$4,529,777	\$4,771,700	\$4,763,981
Contributions as a percentage of covered-employee payroll	17.69%	20.92%	20.95%	20.95%	20.94%

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.

***Notes to the Required Supplemental Information
For the Year Ended December 31, 2017***

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

There were no recent significant changes of benefit terms, investment policies, the size or composition of the population covered by the benefit terms impacting the actuarial valuation study for the year ended December 31, 2016.

In 2016, a five-year experience study was completed on the period January 1, 2011 through December 31, 2015. The Board adopted changes to both the demographic and economic assumptions as a result of the study. The most notable change in demographic assumptions is an increased life expectancy of the members and the most notable change in economic assumptions is the reduction in the actuarially assumed rate of return from 8.00% down to 7.50% for the defined benefit investments. The new assumptions are included in the 2016 actuarial valuation.

In 2016, OPERS, in conjunction with the Board's investment consultants, also completed an asset liability study. Periodically, the System engages in a more comprehensive study that examines the nature of the pension liabilities the plan will ultimately pay and the characteristics of the asset allocation projections and the associated level of risk. As a result of this study, OPERS modified the asset allocation slightly, but not substantively.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

In October 2017, the OPF Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8.0 percent. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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)

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)

Municipal Court Computerization Fund

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

Shamrock Business Center TIF Fund

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

Brownfield Grant Fund

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

Zoning Application Fund

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

Fire Improvement Levy Fund

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

Road Improvement Levy Fund

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

Columbarium Trust Fund

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

Law Enforcement Trust Fund

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

Debt Service Funds

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

General Bond Retirement Fund

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

Special Assessment Bond Retirement Fund

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

Capital Projects Funds

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

Municipal Court Improvement Fund

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

Capital Equipment Reserve Fund

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

Capital Improvement Fund

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

Lake Hospital Demolition Fund

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

Jackson Street Interchange Project Fund

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

Industrial Park Project Fund

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

Municipal Court Special Projects Fund

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

Millstone Acquisition Fund

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

City Hall Fire Fund

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

Shamrock Boulevard Road Project Fund

To account for costs associated with construction of Shamrock Boulevard.

Permanent Funds

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

Cemetery Trust Fund

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

Special Endowment Fund

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

Evergreen Cemetery Trust Fund

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

Riverside Cemetery Trust Fund

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

Special Endowment Trust Fund

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

CITY OF PAINESVILLE, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
Assets:					
Pooled Cash and Investments	\$ 5,789,469	\$ 411,376	\$ 2,921,560	\$ 154,008	\$ 9,276,413
Receivables:					
Taxes	1,894,001	59,525	0	0	1,953,526
Accounts	102,184	0	0	0	102,184
Intergovernmental	443,727	2,498	0	0	446,225
Special Assessments	0	23,495	0	0	23,495
Prepaid Items	10,023	0	86	0	10,109
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	1,160,235	1,160,235
Total Assets	\$ 8,239,404	\$ 496,894	\$ 2,921,646	\$ 1,314,243	\$ 12,972,187
Liabilities:					
Accounts Payable	\$ 22,262	\$ 0	\$ 4,432	\$ 0	\$ 26,694
Accrued Wages and Benefits Payable	54,280	0	488	0	54,768
Intergovernmental Payable	362	0	528	0	890
Interfund Loans Payable	150,000	0	0	0	150,000
Compensated Absences Payable	941	0	0	0	941
Total Liabilities	227,845	0	5,448	0	233,293
Deferred Inflows of Resources:					
Unavailable Amounts	463,938	29,183	0	0	493,121
Property Tax Levy for Next Fiscal Year	1,819,391	56,335	0	0	1,875,726
Total Deferred Inflows of Resources	2,283,329	85,518	0	0	2,368,847
Fund Balances:					
Nonspendable	10,023	0	86	1,160,235	1,170,344
Restricted	5,506,746	411,376	492,552	154,008	6,564,682
Committed	211,461	0	2,423,560	0	2,635,021
Total Fund Balances	5,728,230	411,376	2,916,198	1,314,243	10,370,047
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 8,239,404	\$ 496,894	\$ 2,921,646	\$ 1,314,243	\$ 12,972,187

CITY OF PAINESVILLE, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
Revenues:					
Property Taxes	\$ 1,872,494	\$ 51,976	\$ 0	\$ 0	\$ 1,924,470
Intergovernmental Revenues	1,582,248	9,991	65,852	0	1,658,091
Charges for Services	710,838	0	0	0	710,838
Investment Earnings	0	0	0	10,961	10,961
Special Assessments	0	96,820	0	0	96,820
Fines and Forfeitures	262,175	0	165,259	0	427,434
All Other Revenues	31,163	0	0	11,280	42,443
Total Revenues	4,458,918	158,787	231,111	22,241	4,871,057
Expenditures:					
Current:					
General Government	345,038	23,795	144,042	0	512,875
Public Safety	1,092,217	0	0	0	1,092,217
Highways and Streets	2,159,922	0	260,119	0	2,420,041
Public Health and Welfare	384,474	0	0	200	384,674
Capital Outlay	0	0	726,411	0	726,411
Debt Service:					
Principal Retirement	1,351,539	49,000	104,509	0	1,505,048
Interest and Fiscal Charges	239,883	31,683	7,404	0	278,970
Total Expenditures	5,573,073	104,478	1,242,485	200	6,920,236
Excess (Deficiency) of Revenues Over Expenditures	(1,114,155)	54,309	(1,011,374)	22,041	(2,049,179)
Other Financing Sources (Uses):					
Sale of Capital Assets	18,097	0	0	0	18,097
Long Term Note Issuance	696,153	0	0	0	696,153
Transfers In	620,000	0	1,635,000	0	2,255,000
Total Other Financing Sources (Uses)	1,334,250	0	1,635,000	0	2,969,250
Net Change in Fund Balances	220,095	54,309	623,626	22,041	920,071
Fund Balances at Beginning of Year	5,508,135	357,067	2,292,572	1,292,202	9,449,976
Fund Balances End of Year	\$ 5,728,230	\$ 411,376	\$ 2,916,198	\$ 1,314,243	\$ 10,370,047

CITY OF PAINESVILLE, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017**

	Street Construction, Maintenance and Repair Fund	State Highway Improvement Fund	Cemeteries Fund	Police Pension Transfer Fund
Assets:				
Pooled Cash and Investments	\$ 1,988,051	\$ 56,724	\$ 494,485	\$ 75,522
Receivables:				
Taxes	0	0	0	61,907
Accounts	0	0	0	0
Intergovernmental	315,135	19,677	0	3,122
Prepaid Items	0	0	2,733	0
Total Assets	<u>\$ 2,303,186</u>	<u>\$ 76,401</u>	<u>\$ 497,218</u>	<u>\$ 140,551</u>
Liabilities:				
Accounts Payable	\$ 14,193	\$ 0	\$ 1,174	\$ 0
Accrued Wages and Benefits Payable	11,434	0	10,974	0
Intergovernmental Payable	0	0	17	0
Interfund Loans Payable	0	0	0	0
Compensated Absences Payable	941	0	0	0
Total Liabilities	<u>26,568</u>	<u>0</u>	<u>12,165</u>	<u>0</u>
Deferred Inflows of Resources:				
Unavailable Amounts	215,068	13,118	0	7,110
Property Tax Levy for Next Fiscal Year	0	0	0	57,919
Total Deferred Inflows of Resources	<u>215,068</u>	<u>13,118</u>	<u>0</u>	<u>65,029</u>
Fund Balances:				
Nonspendable	0	0	2,733	0
Restricted	2,061,550	63,283	482,320	75,522
Committed	0	0	0	0
Total Fund Balances	<u>2,061,550</u>	<u>63,283</u>	<u>485,053</u>	<u>75,522</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,303,186</u>	<u>\$ 76,401</u>	<u>\$ 497,218</u>	<u>\$ 140,551</u>

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
\$ 75,567	\$ 23,523	\$ 86,401	\$ 147,985	\$ 254,525	\$ 79,857
61,907	0	0	0	99,974	0
0	0	0	0	0	0
3,122	0	0	0	4,002	0
0	0	0	0	0	0
<u>\$ 140,596</u>	<u>\$ 23,523</u>	<u>\$ 86,401</u>	<u>\$ 147,985</u>	<u>\$ 358,501</u>	<u>\$ 79,857</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 91
0	0	0	0	0	3,137
0	0	0	0	0	95
0	0	0	0	150,000	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>150,000</u>	<u>3,323</u>
7,110	0	0	0	12,572	0
57,919	0	0	0	91,404	0
<u>65,029</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>103,976</u>	<u>0</u>
0	0	0	0	0	0
75,567	23,523	86,401	147,985	104,525	76,534
0	0	0	0	0	0
<u>75,567</u>	<u>23,523</u>	<u>86,401</u>	<u>147,985</u>	<u>104,525</u>	<u>76,534</u>
<u>\$ 140,596</u>	<u>\$ 23,523</u>	<u>\$ 86,401</u>	<u>\$ 147,985</u>	<u>\$ 358,501</u>	<u>\$ 79,857</u>

(Continued)

CITY OF PAINESVILLE, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017**

	COPS Fast Grant Fund	Fire Fund	Victim's Advocate Grant Fund	Emergency Medical Services Fund
Assets:				
Pooled Cash and Investments	\$ 1,513	\$ 4,486	\$ 9,355	\$ 203,294
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	102,184
Intergovernmental	0	11,229	3,430	0
Prepaid Items	0	0	0	7,290
Total Assets	<u>\$ 1,513</u>	<u>\$ 15,715</u>	<u>\$ 12,785</u>	<u>\$ 312,768</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 6,804
Accrued Wages and Benefits Payable	0	0	1,211	23,757
Intergovernmental Payable	0	0	0	0
Interfund Loans Payable	0	0	0	0
Compensated Absences Payable	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>1,211</u>	<u>30,561</u>
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	3,430	63,456
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>3,430</u>	<u>63,456</u>
Fund Balances:				
Nonspendable	0	0	0	7,290
Restricted	1,513	15,715	8,144	0
Committed	0	0	0	211,461
Total Fund Balances	<u>1,513</u>	<u>15,715</u>	<u>8,144</u>	<u>218,751</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,513</u>	<u>\$ 15,715</u>	<u>\$ 12,785</u>	<u>\$ 312,768</u>

CITY OF PAINESVILLE, OHIO

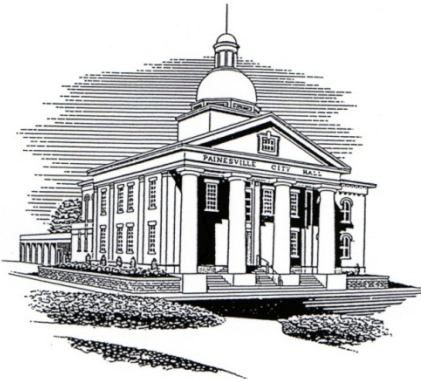
Municipal Court Computerization Fund	Shamrock Business Center TIF Fund	Brownfield Grant Fund	Fire Improvement Levy Fund	Road Improvement Levy Fund	Columbarium Trust Fund
\$ 135,344	\$ 1,352,854	\$ 770	\$ 361,194	\$ 416,213	\$ 89
0	685,000	0	323,112	662,101	0
0	0	0	0	0	0
0	0	69,850	4,657	9,503	0
0	0	0	0	0	0
<u>\$ 135,344</u>	<u>\$ 2,037,854</u>	<u>\$ 70,620</u>	<u>\$ 688,963</u>	<u>\$ 1,087,817</u>	<u>\$ 89</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
3,767	0	0	0	0	0
250	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>4,017</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	69,850	22,868	49,356	0
0	685,000	0	304,901	622,248	0
0	685,000	69,850	327,769	671,604	0
0	0	0	0	0	0
131,327	1,352,854	770	361,194	416,213	89
0	0	0	0	0	0
<u>131,327</u>	<u>1,352,854</u>	<u>770</u>	<u>361,194</u>	<u>416,213</u>	<u>89</u>
<u>\$ 135,344</u>	<u>\$ 2,037,854</u>	<u>\$ 70,620</u>	<u>\$ 688,963</u>	<u>\$ 1,087,817</u>	<u>\$ 89</u>

(Continued)

CITY OF PAINESVILLE, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017**

	Law Enforcement Trust Fund	Total Nonmajor Special Revenue Funds
Assets:		
Pooled Cash and Investments	\$ 21,717	\$ 5,789,469
Receivables:		
Taxes	0	1,894,001
Accounts	0	102,184
Intergovernmental	0	443,727
Prepaid Items	0	10,023
Total Assets	<u>\$ 21,717</u>	<u>\$ 8,239,404</u>
Liabilities:		
Accounts Payable	\$ 0	\$ 22,262
Accrued Wages and Benefits Payable	0	54,280
Intergovernmental Payable	0	362
Interfund Loans Payable	0	150,000
Compensated Absences Payable	0	941
Total Liabilities	<u>0</u>	<u>227,845</u>
Deferred Inflows of Resources:		
Unavailable Amounts	0	463,938
Property Tax Levy for Next Fiscal Year	0	1,819,391
Total Deferred Inflows of Resources	<u>0</u>	<u>2,283,329</u>
Fund Balances:		
Nonspendable	0	10,023
Restricted	21,717	5,506,746
Committed	0	211,461
Total Fund Balances	<u>21,717</u>	<u>5,728,230</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 21,717</u>	<u>\$ 8,239,404</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, 2017***

	Street Construction, Maintenance and Repair Fund	State Highway Improvement Fund	Cemeteries Fund	Police Pension Transfer Fund
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 54,513
Intergovernmental Revenues	1,278,777	48,094	0	12,488
Charges for Services	0	0	157,765	0
Fines and Forfeitures	0	0	0	0
All Other Revenues	156	0	273	0
Total Revenues	1,278,933	48,094	158,038	67,001
Expenditures:				
Current:				
General Government	0	0	0	887
Public Safety	0	0	0	70,000
Highways and Streets	1,337,510	58,480	0	0
Public Health and Welfare	0	0	384,474	0
Debt Service:				
Principal Retirement	572,279	0	0	0
Interest and Fiscal Charges	35,989	0	0	0
Total Expenditures	1,945,778	58,480	384,474	70,887
Excess (Deficiency) of Revenues Over Expenditures	(666,845)	(10,386)	(226,436)	(3,886)
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Long Term Note Issuance	356,153	0	0	0
Transfers In	270,000	0	350,000	0
Total Other Financing Sources (Uses)	626,153	0	350,000	0
Net Change in Fund Balances	(40,692)	(10,386)	123,564	(3,886)
Fund Balances at Beginning of Year	2,102,242	73,669	361,489	79,408
Fund Balances End of Year	\$ 2,061,550	\$ 63,283	\$ 485,053	\$ 75,522

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>
\$ 54,513	\$ 0	\$ 0	\$ 0	\$ 88,243	\$ 0
12,488	0	0	0	16,006	0
0	0	0	0	0	0
0	0	26,573	14,743	0	107,314
0	1,597	0	0	10,000	2,000
<u>67,001</u>	<u>1,597</u>	<u>26,573</u>	<u>14,743</u>	<u>114,249</u>	<u>109,314</u>
887	0	10,050	6,096	1,439	89,747
70,000	3,348	0	0	2,425	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	21,904	0
0	0	0	0	6,795	0
<u>70,887</u>	<u>3,348</u>	<u>10,050</u>	<u>6,096</u>	<u>32,563</u>	<u>89,747</u>
(3,886)	(1,751)	16,523	8,647	81,686	19,567
0	1,473	0	0	16,624	0
0	0	0	0	0	0
0	0	0	0	0	0
0	1,473	0	0	16,624	0
(3,886)	(278)	16,523	8,647	98,310	19,567
79,453	23,801	69,878	139,338	6,215	56,967
<u>\$ 75,567</u>	<u>\$ 23,523</u>	<u>\$ 86,401</u>	<u>\$ 147,985</u>	<u>\$ 104,525</u>	<u>\$ 76,534</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, 2017**

	COPS Fast Grant Fund	Fire Fund	Victim's Advocate Grant Fund	Emergency Medical Services Fund
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	11,229	23,933	0
Charges for Services	0	0	0	553,073
Fines and Forfeitures	0	0	0	0
All Other Revenues	1,400	2,406	0	7,171
Total Revenues	1,400	13,635	23,933	560,244
Expenditures:				
Current:				
General Government	0	0	23,556	0
Public Safety	2,533	181	0	602,683
Highways and Streets	0	0	0	0
Public Health and Welfare	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	2,533	181	23,556	602,683
Excess (Deficiency) of Revenues Over Expenditures	(1,133)	13,454	377	(42,439)
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Long Term Note Issuance	0	0	0	0
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	(1,133)	13,454	377	(42,439)
Fund Balances at Beginning of Year	2,646	2,261	7,767	261,190
Fund Balances End of Year	\$ 1,513	\$ 15,715	\$ 8,144	\$ 218,751

CITY OF PAINESVILLE, OHIO

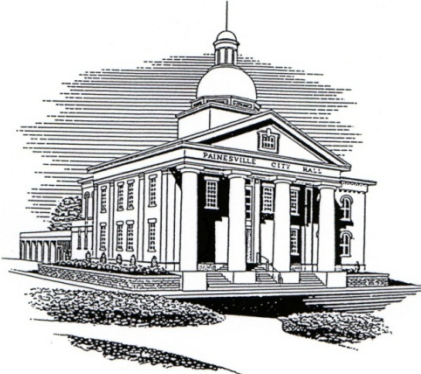
Municipal Court Computerization Fund	Shamrock Business Center TIF Fund	Brownfield Grant Fund	Fire Improvement Levy Fund	Road Improvement Levy Fund	Columbarium Trust Fund
\$ 0	\$ 734,089	\$ 0	\$ 309,500	\$ 631,636	\$ 0
0	0	122,596	18,626	38,011	0
0	0	0	0	0	0
113,545	0	0	0	0	0
60	0	0	0	0	0
<u>113,605</u>	<u>734,089</u>	<u>122,596</u>	<u>328,126</u>	<u>669,647</u>	<u>0</u>
89,780	0	122,596	0	0	0
0	0	0	335,468	0	0
0	152,323	0	0	611,609	0
0	0	0	0	0	0
0	757,356	0	0	0	0
0	197,099	0	0	0	0
<u>89,780</u>	<u>1,106,778</u>	<u>122,596</u>	<u>335,468</u>	<u>611,609</u>	<u>0</u>
23,825	(372,689)	0	(7,342)	58,038	0
0	0	0	0	0	0
0	340,000	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>340,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
23,825	(32,689)	0	(7,342)	58,038	0
107,502	1,385,543	770	368,536	358,175	89
<u>\$ 131,327</u>	<u>\$ 1,352,854</u>	<u>\$ 770</u>	<u>\$ 361,194</u>	<u>\$ 416,213</u>	<u>\$ 89</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, 2017***

	Law Enforcement Trust Fund	Total Nonmajor Special Revenue Funds
Revenues:		
Property Taxes	\$ 0	\$ 1,872,494
Intergovernmental Revenues	0	1,582,248
Charges for Services	0	710,838
Fines and Forfeitures	0	262,175
All Other Revenues	6,100	31,163
Total Revenues	<u>6,100</u>	<u>4,458,918</u>
Expenditures:		
Current:		
General Government	0	345,038
Public Safety	5,579	1,092,217
Highways and Streets	0	2,159,922
Public Health and Welfare	0	384,474
Debt Service:		
Principal Retirement	0	1,351,539
Interest and Fiscal Charges	0	239,883
Total Expenditures	<u>5,579</u>	<u>5,573,073</u>
Excess (Deficiency) of Revenues Over Expenditures	521	(1,114,155)
Other Financing Sources (Uses):		
Sale of Capital Assets	0	18,097
Long Term Note Issuance	0	696,153
Transfers In	0	620,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>1,334,250</u>
Net Change in Fund Balances	521	220,095
Fund Balances at Beginning of Year	<u>21,196</u>	<u>5,508,135</u>
Fund Balances End of Year	<u>\$ 21,717</u>	<u>\$ 5,728,230</u>



CITY OF PAINESVILLE, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2017**

	General Bond Retirement Fund	Special Assessment Bond Retirement Fund	Total Nonmajor Debt Service Funds
Assets:			
Pooled Cash and Investments	\$ 304,935	\$ 106,441	\$ 411,376
Receivables:			
Taxes	59,525	0	59,525
Intergovernmental	2,498	0	2,498
Special Assessments	0	23,495	23,495
Total Assets	\$ 366,958	\$ 129,936	\$ 496,894
Liabilities:			
Total Liabilities	\$ 0	\$ 0	\$ 0
Deferred Inflows of Resources:			
Unavailable Amounts	5,688	23,495	29,183
Property Tax Levy for Next Fiscal Year	56,335	0	56,335
Total Deferred Inflows of Resources	62,023	23,495	85,518
Fund Balances:			
Restricted	304,935	106,441	411,376
Total Fund Balances	304,935	106,441	411,376
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 366,958	\$ 129,936	\$ 496,894

CITY OF PAINESVILLE, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2017***

	General Bond Retirement Fund	Special Assessment Bond Retirement Fund	Total Nonmajor Debt Service Funds
Revenues:			
Property Taxes	\$ 51,976	\$ 0	\$ 51,976
Intergovernmental Revenues	9,991	0	9,991
Special Assessments	0	96,820	96,820
Total Revenues	<u>61,967</u>	<u>96,820</u>	<u>158,787</u>
Expenditures:			
Current:			
General Government	699	23,096	23,795
Debt Service:			
Principal Retirement	0	49,000	49,000
Interest and Fiscal Charges	0	31,683	31,683
Total Expenditures	<u>699</u>	<u>103,779</u>	<u>104,478</u>
Net Change in Fund Balances	61,268	(6,959)	54,309
Fund Balances at Beginning of Year	<u>243,667</u>	<u>113,400</u>	<u>357,067</u>
Fund Balances End of Year	<u>\$ 304,935</u>	<u>\$ 106,441</u>	<u>\$ 411,376</u>

CITY OF PAINESVILLE, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017**

	Municipal Court Improvement Fund	Capital Equipment Reserve Fund	Capital Improvement Fund	Lake Hospital Demolition Fund
Assets:				
Pooled Cash and Investments	\$ 107,577	\$ 820,225	\$ 1,529,329	\$ 10,775
Prepaid Items	0	0	0	0
Total Assets	<u>\$ 107,577</u>	<u>\$ 820,225</u>	<u>\$ 1,529,329</u>	<u>\$ 10,775</u>
Liabilities:				
Accounts Payable	\$ 369	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Total Liabilities	<u>369</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	107,208	0	0	10,775
Committed	0	820,225	1,529,329	0
Total Fund Balances	<u>107,208</u>	<u>820,225</u>	<u>1,529,329</u>	<u>10,775</u>
Total Liabilities and Fund Balances	<u>\$ 107,577</u>	<u>\$ 820,225</u>	<u>\$ 1,529,329</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	\$ 74,006	\$ 173,251	\$ 31,578	\$ 189	\$ 57,915	\$ 2,921,560
0	0	86	0	0	0	86
<u>\$ 116,715</u>	<u>\$ 74,006</u>	<u>\$ 173,337</u>	<u>\$ 31,578</u>	<u>\$ 189</u>	<u>\$ 57,915</u>	<u>\$ 2,921,646</u>
\$ 0	\$ 0	\$ 4,063	\$ 0	\$ 0	\$ 0	\$ 4,432
0	0	488	0	0	0	488
0	0	528	0	0	0	528
<u>0</u>	<u>0</u>	<u>5,079</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,448</u>
0	0	86	0	0	0	86
116,715	0	168,172	31,578	189	57,915	492,552
0	74,006	0	0	0	0	2,423,560
<u>116,715</u>	<u>74,006</u>	<u>168,258</u>	<u>31,578</u>	<u>189</u>	<u>57,915</u>	<u>2,916,198</u>
<u>\$ 116,715</u>	<u>\$ 74,006</u>	<u>\$ 173,337</u>	<u>\$ 31,578</u>	<u>\$ 189</u>	<u>\$ 57,915</u>	<u>\$ 2,921,646</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, 2017**

	Municipal Court Improvement Fund	Capital Equipment Reserve Fund	Capital Improvement Fund	Lake Hospital Demolition Fund
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 50,000	\$ 0
Fines and Forfeitures	61,516	0	0	0
Total Revenues	61,516	0	50,000	0
Expenditures:				
Current:				
General Government	34,665	0	0	0
Highways and Streets	0	259,847	272	0
Capital Outlay	7,090	413,215	306,106	0
Debt Service:				
Principal Retirement	0	92,509	0	0
Interest and Fiscal Charges	0	3,494	0	0
Total Expenditures	41,755	769,065	306,378	0
Excess (Deficiency) of Revenues Over Expenditures	19,761	(769,065)	(256,378)	0
Other Financing Sources (Uses):				
Transfers In	0	700,000	885,000	0
Total Other Financing Sources (Uses)	0	700,000	885,000	0
Net Change in Fund Balances	19,761	(69,065)	628,622	0
Fund Balances at Beginning of Year	87,447	889,290	900,707	10,775
Fund Balances End of Year	\$ 107,208	\$ 820,225	\$ 1,529,329	\$ 10,775

CITY OF PAINESVILLE, OHIO

Jackson Street Interchange Project Fund	Industrial Park Project Fund	Municipal Court Special Projects Fund	Millstone Acquisition Fund	City Hall Fire Fund	Shamrock Boulevard Road Project Fund	Total Nonmajor Capital Project Funds
\$ 0	\$ 0	\$ 15,852	\$ 0	\$ 0	\$ 0	\$ 65,852
0	0	103,743	0	0	0	165,259
0	0	119,595	0	0	0	231,111
0	0	109,377	0	0	0	144,042
0	0	0	0	0	0	260,119
0	0	0	0	0	0	726,411
0	12,000	0	0	0	0	104,509
0	3,910	0	0	0	0	7,404
0	15,910	109,377	0	0	0	1,242,485
0	(15,910)	10,218	0	0	0	(1,011,374)
0	50,000	0	0	0	0	1,635,000
0	50,000	0	0	0	0	1,635,000
0	34,090	10,218	0	0	0	623,626
116,715	39,916	158,040	31,578	189	57,915	2,292,572
\$ 116,715	\$ 74,006	\$ 168,258	\$ 31,578	\$ 189	\$ 57,915	\$ 2,916,198

CITY OF PAINESVILLE, OHIO

***Combining Balance Sheet
Nonmajor Permanent Funds
December 31, 2017***

	Cemetery Trust Fund	Special Endowment Trust Fund	Total Nonmajor Permanent Funds
Assets:			
Pooled Cash and Investments	\$ 89,826	\$ 64,182	\$ 154,008
Restricted Assets:			
Cash and Cash Equivalents	806,104	354,131	1,160,235
Total Assets	<u>\$ 895,930</u>	<u>\$ 418,313</u>	<u>\$ 1,314,243</u>
Liabilities:			
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances:			
Nonspendable	806,104	354,131	1,160,235
Restricted	89,826	64,182	154,008
Total Fund Balances	<u>895,930</u>	<u>418,313</u>	<u>1,314,243</u>
Total Liabilities and Fund Balances	<u>\$ 895,930</u>	<u>\$ 418,313</u>	<u>\$ 1,314,243</u>

CITY OF PAINESVILLE, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Permanent Funds
For the Year Ended December 31, 2017***

	Cemetery Trust Fund	Special Endowment Trust Fund	Total Nonmajor Permanent Funds
Revenues:			
Investment Earnings	\$ 7,733	\$ 3,228	\$ 10,961
All Other Revenues	4,740	6,540	11,280
Total Revenues	<u>12,473</u>	<u>9,768</u>	<u>22,241</u>
Expenditures:			
Current:			
Public Health and Welfare	200	0	200
Total Expenditures	<u>200</u>	<u>0</u>	<u>200</u>
Net Change in Fund Balances	12,273	9,768	22,041
Fund Balances at Beginning of Year	<u>883,657</u>	<u>408,545</u>	<u>1,292,202</u>
Fund Balances End of Year	<u>\$ 895,930</u>	<u>\$ 418,313</u>	<u>\$ 1,314,243</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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Property Taxes:				
Real Estate and Public Utility	\$ 390,934	\$ 372,000	\$ 394,449	\$ 22,449
Municipal Income Tax	8,411,000	8,611,000	8,703,871	92,871
Total Taxes	8,801,934	8,983,000	9,098,320	115,320
Intergovernmental Revenues:				
Local Government Fund - County	665,000	665,000	695,453	30,453
Local Government Fund - State	25,000	25,000	7,838	(17,162)
Property Tax Allocation	108,000	108,000	89,916	(18,084)
Miscellaneous Tax	13,400	13,400	22,305	8,905
Total Intergovernmental Revenues	811,400	811,400	815,512	4,112
Charges for Services:				
General Government	830	830	753	(77)
Public Safety	15,450	15,450	24,205	8,755
Highways and Streets	13,000	13,000	18,892	5,892
Culture and Recreation	16,000	16,000	22,560	6,560
Community Environment	1,000	1,000	2,738	1,738
Total Charges for Services	46,280	46,280	69,148	22,868
Licenses, Permits and Inspection Fees:				
License Fees	30,200	30,200	47,450	17,250
Permit Fees	59,000	59,000	136,404	77,404
Inspection Fees	3,500	3,500	21,861	18,361
Zoning Appeal Fees	16,000	16,000	29,219	13,219
Other Fees	280,400	280,400	319,123	38,723
Total Licenses, Permits and Inspection Fees	389,100	389,100	554,057	164,957
Investment Earnings	370,000	370,000	546,306	176,306
Fines and Forfeitures	966,000	984,934	998,233	13,299
All Other Revenues	308,770	508,770	600,146	91,376
Total Revenues	11,693,484	12,093,484	12,681,722	588,238

(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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
General Government:				
Legislative:				
Council:				
Personal Services	1,941,596	1,358,096	1,334,786	23,310
All Other Expenditures	8,849	6,892	6,686	206
Clerk of Council:				
Personal Services	10,782	9,052	4,380	4,672
All Other Expenditures	3,039	3,419	3,369	50
Judicial - Municipal Court:				
Judicial Activities:				
Personal Services	231,404	239,804	235,568	4,236
Clerk of Court:				
Personal Services	587,490	596,290	583,281	13,009
All Other Expenditures	20,038	26,228	26,015	213
Probation:				
Personal Services	193,224	193,224	190,136	3,088
Executive:				
City Manager:				
Personal Services	54,783	54,783	50,386	4,397
All Other Expenditures	6,810	6,810	5,978	832
Comm., Promotions and Public Relations Activities:				
All Other Expenditures	3,356	8,356	7,572	784
Information Technology:				
All Other Expenditures	40,532	30,932	28,038	2,894
Human Resources:				
Personal Services	33,634	33,634	32,979	655
All Other Expenditures	16,838	18,380	18,327	53
Economic Development:				
Personal Services	25,153	25,753	24,608	1,145
All Other Expenditures	27,329	34,244	32,081	2,163

(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, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Finance:				
Administration:				
Personal Services	37,337	37,537	36,407	1,130
All Other Expenditures	5,303	5,303	5,047	256
Accounting:				
Personal Services	35,175	35,375	34,295	1,080
All Other Expenditures	24,347	24,762	24,731	31
Purchasing/Warehousing:				
Personal Services	23,820	23,920	23,466	454
All Other Expenditures	1,558	1,558	1,337	221
Income Tax Collection:				
All Other Expenditures	257,241	260,416	260,415	1
Law:				
Administration:				
Personal Services	31,755	31,875	31,344	531
All Other Expenditures	925	805	0	805
Engineering:				
Administration:				
Personal Services	67,643	64,263	58,793	5,470
All Other Expenditures	3,589	11,178	11,107	71
Public Lands and Buildings:				
Building Operations, Maintenance and Repair:				
Personal Services	10,766	10,791	10,523	268
All Other Expenditures	53,406	53,331	50,480	2,851
Boards and Commissions:				
Civil Service Commission:				
All Other Expenditures	0	75	74	1
Miscellaneous:				
Insurance:				
All Other Expenditures	54,190	54,190	54,190	0
Tax Settlement Deductions:				
All Other Expenditures	18,050	8,140	8,135	5

(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, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other Miscellaneous:				
Personal Services	300,000	170,000	169,239	761
All Other Expenditures	538,479	556,979	552,716	4,263
Total General Government	<u>4,668,441</u>	<u>3,996,395</u>	<u>3,916,489</u>	<u>79,906</u>
Public Safety:				
Police:				
Law Enforcement - Sworn Officers:				
Personal Services	3,145,049	3,131,319	3,049,577	81,742
Law Enforcement - Other:				
Personal Services	326,606	319,491	309,715	9,776
All Other Expenditures	195,341	214,361	213,577	784
Fire:				
Fire Fighting, Prevention and Inspection:				
Personal Services	2,116,637	2,142,137	2,091,147	50,990
All Other Expenditures	101,974	106,294	104,402	1,892
Fire Service - Other:				
Personal Services	167,593	86,273	77,056	9,217
Police and Fire Communications:				
Control Center:				
All Other Expenditures	531,605	531,905	531,005	900
Total Public Safety	<u>6,584,805</u>	<u>6,531,780</u>	<u>6,376,479</u>	<u>155,301</u>
Highways and Streets:				
Public Works:				
Administration:				
Personal Services	72,044	85,994	83,794	2,200
All Other Expenditures	29,850	31,170	30,977	193
Street Maintenance and Repair:				
All Other Expenditures	70,046	70,046	55,046	15,000
Sidewalks:				
All Other Expenditures	30,000	17,205	12,310	4,895

(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, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Building Maintenance:				
All Other Expenditures	40,454	35,879	30,233	5,646
Equipment Maintenance:				
Personal Services	29,401	29,401	23,448	5,953
All Other Expenditures	129,178	131,353	119,272	12,081
Employee Benefits:				
Personal Services	278,230	258,230	232,153	26,077
Sidewalks - Snow Removal:				
All Other Expenditures	200	200	200	0
Parking:				
Parking Meters:				
All Other Expenditures	1,668	1,668	1,547	121
Parking Lots:				
All Other Expenditures	13,400	13,400	13,395	5
Traffic Signs, Markings:				
Traffic Signs, Markings, Signals:				
Personal Services	33,718	34,118	32,339	1,779
All Other Expenditures	21,583	22,183	21,806	377
Total Highways and Streets	<u>749,772</u>	<u>730,847</u>	<u>656,520</u>	<u>74,327</u>
Public Health and Welfare:				
Payments to County Health Board:				
County Health District Assessments:				
All Other Expenditures	154,394	154,394	154,394	0
Assistance to Needy/Aged:				
Poor Relief:				
All Other Expenditures	500	500	101	399
Total Public Health and Welfare	<u>154,894</u>	<u>154,894</u>	<u>154,495</u>	<u>399</u>
Culture and Recreation:				
Parks:				
Administration:				
Personal Services	114,062	115,462	112,207	3,255
All Other Expenditures	10,675	18,720	18,468	252
Parks Systems:				
Personal Services	211,540	204,565	179,736	24,829
All Other Expenditures	78,856	87,533	87,158	375

(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, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Building Maintenance:				
All Other Expenditures	15,555	18,430	18,184	246
Morse Avenue Community Center:				
All Other Expenditures	8,544	8,544	8,007	537
Recreation Activities:				
Personal Services	146,321	142,881	132,501	10,380
All Other Expenditures	19,560	19,560	18,008	1,552
Other Leisure Time Activities:				
Senior Citizens Center:				
All Other Expenditures	31,000	39,400	39,400	0
Community Functions:				
All Other Expenditures	28,000	28,000	28,000	0
Total Culture and Recreation	<u>664,113</u>	<u>683,095</u>	<u>641,669</u>	<u>41,426</u>
Community Environment:				
Community Planning and Zoning:				
Planning Commission:				
All Other Expenditures	914	914	563	351
Demolition:				
All Other Expenditures	5,110	5,110	5,000	110
Planning and Development:				
Personal Services	32,475	35,635	34,422	1,213
All Other Expenditures	9,175	9,455	9,353	102
Housing and Building Code Enforcement:				
Code Enforcement:				
Personal Services	61,424	53,209	45,334	7,875
All Other Expenditures	26,657	34,872	34,700	172
Tree Care and Weed Control:				
Weed Control:				
All Other Expenditures	11,363	11,363	10,609	754
Total Community Environment	<u>147,118</u>	<u>150,558</u>	<u>139,981</u>	<u>10,577</u>

(Continued)

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund – General Fund
For the Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Debt Service:				
Principal Retirement	27	0	0	0
Total Expenditures	<u>12,969,170</u>	<u>12,247,569</u>	<u>11,885,633</u>	<u>361,936</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,275,686)	(154,085)	796,089	950,174
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	1,134	1,134
Transfers In	700,000	1,025,000	1,062,012	37,012
Transfers Out	(377,000)	(2,575,000)	(2,575,000)	0
Advances In	20,000	20,000	20,000	0
Total Other Financing Sources (Uses)	<u>343,000</u>	<u>(1,530,000)</u>	<u>(1,491,854)</u>	<u>38,146</u>
Net Change in Fund Balance	(932,686)	(1,684,085)	(695,765)	988,320
Fund Balance at Beginning of Year	4,953,521	4,953,521	4,953,521	0
Prior Year Encumbrances	671,636	671,636	671,636	0
Fund Balance at End of Year	<u>\$ 4,692,471</u>	<u>\$ 3,941,072</u>	<u>\$ 4,929,392</u>	<u>\$ 988,320</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, 2017***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,305,000	\$ 1,105,000	\$ 1,165,601	\$ 60,601
All Other Revenues	0	0	156	156
Total Revenues	<u>1,305,000</u>	<u>1,105,000</u>	<u>1,165,757</u>	<u>60,757</u>
Expenditures:				
Highways and Streets:				
Public Works:				
Administration:				
Personal Services	150,819	150,819	111,601	39,218
Street Construction and Reconstruction:				
Personal Service	175,605	175,360	143,176	32,184
Capital Outlay	1,599,115	1,599,115	1,367,204	231,911
Street Maintenance and Repair:				
All Other Expenditures	6,952	7,067	7,064	3
Snow and Ice Removal:				
All Other Expenditures	139,975	139,975	134,235	5,740
Debt Service:				
Principal Retirement	572,280	572,280	572,279	1
Interest Charges	37,342	37,472	37,468	4
Total Expenditures	<u>2,682,088</u>	<u>2,682,088</u>	<u>2,373,027</u>	<u>309,061</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,377,088)	(1,577,088)	(1,207,270)	369,818
Other Financing Sources (Uses):				
General Obligation Notes Issued	411,153	411,153	356,153	(55,000)
Premiums on Debt Issuances	0	0	1,479	1,479
Transfers In	127,000	372,000	372,000	0
Total Other Financing Sources (Uses)	<u>538,153</u>	<u>783,153</u>	<u>729,632</u>	<u>(53,521)</u>
Net Changes in Fund Balance	(838,935)	(793,935)	(477,638)	316,297
Fund Balance at Beginning of Year	1,791,269	1,791,269	1,791,269	0
Prior Year Encumbrances	303,132	303,132	303,132	0
Fund Balance at End of Year	<u>\$ 1,255,466</u>	<u>\$ 1,300,466</u>	<u>\$ 1,616,763</u>	<u>\$ 316,297</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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 43,000	\$ 43,000	\$ 48,101	\$ 5,101
Total Revenues	<u>43,000</u>	<u>43,000</u>	<u>48,101</u>	<u>5,101</u>
Expenditures:				
Highways and Streets:				
Public Works:				
State Highway Maintenance:				
All Other Expenditures	<u>71,476</u>	<u>71,476</u>	<u>64,216</u>	<u>7,260</u>
Total Expenditures	<u>71,476</u>	<u>71,476</u>	<u>64,216</u>	<u>7,260</u>
Net Change in Fund Balance	(28,476)	(28,476)	(16,115)	12,361
Fund Balance at Beginning of Year	62,887	62,887	62,887	0
Prior Year Encumbrances	<u>4,216</u>	<u>4,216</u>	<u>4,216</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 38,627</u>	<u>\$ 38,627</u>	<u>\$ 50,988</u>	<u>\$ 12,361</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, 2017**

CEMETERIES FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for Services	\$ 116,800	\$ 116,800	\$ 157,765	\$ 40,965
All Other Revenues	0	0	273	273
Total Revenues	<u>116,800</u>	<u>116,800</u>	<u>158,038</u>	<u>41,238</u>
Expenditures:				
Public Health and Welfare:				
Cemeteries:				
Administration:				
Personal Services	247,335	248,350	208,280	40,070
All Other Expenditures	6,765	6,835	6,819	16
Evergreen/Riverside Cemeteries:				
Personal Services	133,561	126,946	118,626	8,320
All Other Expenditures	25,808	31,338	31,246	92
Building Maintenance:				
All Other Expenditures	11,200	11,200	10,673	527
Total Expenditures	<u>424,669</u>	<u>424,669</u>	<u>375,644</u>	<u>49,025</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(307,869)	(307,869)	(217,606)	90,263
Other Financing Sources (Uses):				
Transfers In	350,000	350,000	350,000	0
Total Other Financing Sources (Uses)	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>0</u>
Net Change in Fund Balance	42,131	42,131	132,394	90,263
Fund Balance at Beginning of Year	354,064	354,064	354,064	0
Prior Year Encumbrances	2,007	2,007	2,007	0
Fund Balance at End of Year	<u>\$ 398,202</u>	<u>\$ 398,202</u>	<u>\$ 488,465</u>	<u>\$ 90,263</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, 2017**

POLICE PENSION TRANSFER FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 48,720	\$ 50,500	\$ 54,782	\$ 4,282
Intergovernmental Revenues	15,000	13,220	12,488	(732)
Total Revenues	<u>63,720</u>	<u>63,720</u>	<u>67,270</u>	<u>3,550</u>
Expenditures:				
Public Safety:				
Police:				
Law-Enforcement-Sworn Officers:				
Personal Services	70,000	70,000	70,000	0
All Other Expenditures	1,100	1,100	887	213
Total Expenditures	<u>71,100</u>	<u>71,100</u>	<u>70,887</u>	<u>213</u>
Net Changes in Fund Balance	(7,380)	(7,380)	(3,617)	3,763
Fund Balance at Beginning of Year	79,139	79,139	79,139	0
Fund Balance at End of Year	<u>\$ 71,759</u>	<u>\$ 71,759</u>	<u>\$ 75,522</u>	<u>\$ 3,763</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, 2017**

FIRE PENSION TRANSFER FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 48,720	\$ 50,500	\$ 54,782	\$ 4,282
Intergovernmental Revenues	15,000	13,220	12,488	(732)
Total Revenues	<u>63,720</u>	<u>63,720</u>	<u>67,270</u>	<u>3,550</u>
Expenditures:				
Public Safety:				
Fire:				
Fire Fighting, Prevention, Inspection:				
Personal Services	70,000	70,000	70,000	0
All Other Expenditures	1,100	1,100	887	213
Total Expenditures	<u>71,100</u>	<u>71,100</u>	<u>70,887</u>	<u>213</u>
Net Change in Fund Balance	(7,380)	(7,380)	(3,617)	3,763
Fund Balance at Beginning of Year	79,184	79,184	79,184	0
Fund Balance at End of Year	<u>\$ 71,804</u>	<u>\$ 71,804</u>	<u>\$ 75,567</u>	<u>\$ 3,763</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, 2017***

LAW ENFORCEMENT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 2,000	\$ 2,000	\$ 1,597	\$ (403)
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>1,597</u>	<u>(403)</u>
Expenditures:				
Public Safety:				
Police:				
Law-Enforcement-Other:				
All Other Expenditures	5,810	5,810	5,810	0
Total Expenditures	<u>5,810</u>	<u>5,810</u>	<u>5,810</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,810)	(3,810)	(4,213)	(403)
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	1,473	1,473
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>1,473</u>	<u>1,473</u>
Net Change in Fund Balance	(3,810)	(3,810)	(2,740)	1,070
Fund Balance at Beginning of Year	19,991	19,991	19,991	0
Prior Year Encumbrances	3,810	3,810	3,810	0
Fund Balance at End of Year	<u>\$ 19,991</u>	<u>\$ 19,991</u>	<u>\$ 21,061</u>	<u>\$ 1,070</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, 2017***

MUNICIPAL MOTOR VEHICLE LICENSE TAX FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 30,000	\$ 30,000	\$ 37,122	\$ 7,122
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>37,122</u>	<u>7,122</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,000	30,000	37,122	7,122
Other Financing Sources (Uses):				
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	(5,000)	(5,000)	2,122	7,122
Fund Balance at Beginning of Year	16,600	16,600	16,600	0
Fund Balance at End of Year	<u>\$ 11,600</u>	<u>\$ 11,600</u>	<u>\$ 18,722</u>	<u>\$ 7,122</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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 18,000	\$ 18,000	\$ 27,057	\$ 9,057
Total Revenues	<u>18,000</u>	<u>18,000</u>	<u>27,057</u>	<u>9,057</u>
Expenditures:				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
All Other Expenditures	<u>42,900</u>	<u>42,900</u>	<u>42,900</u>	<u>0</u>
Total Expenditures	<u>42,900</u>	<u>42,900</u>	<u>42,900</u>	<u>0</u>
Net Change in Fund Balance	(24,900)	(24,900)	(15,843)	9,057
Fund Balance at Beginning of Year	56,494	56,494	56,494	0
Prior Year Encumbrances	<u>12,900</u>	<u>12,900</u>	<u>12,900</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 44,494</u>	<u>\$ 44,494</u>	<u>\$ 53,551</u>	<u>\$ 9,057</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, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ 14,743</u>	<u>\$ 2,743</u>
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>14,743</u>	<u>2,743</u>
Expenditures:				
General Government:				
All Other Expenditures	<u>0</u>	<u>6,100</u>	<u>6,096</u>	<u>4</u>
Total Expenditures	<u>0</u>	<u>6,100</u>	<u>6,096</u>	<u>4</u>
Net Change in Fund Balance	12,000	5,900	8,647	2,747
Fund Balance at Beginning of Year	<u>139,338</u>	<u>139,338</u>	<u>139,338</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 151,338</u>	<u>\$ 145,238</u>	<u>\$ 147,985</u>	<u>\$ 2,747</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, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	<u>\$ 67,000</u>	<u>\$ 67,000</u>	<u>\$ 74,245</u>	<u>\$ 7,245</u>
Total Revenues	<u>67,000</u>	<u>67,000</u>	<u>74,245</u>	<u>7,245</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	67,000	67,000	74,245	7,245
Other Financing Sources (Uses):				
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	0	0	7,245	7,245
Fund Balance at Beginning of Year	<u>38,138</u>	<u>38,138</u>	<u>38,138</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 38,138</u>	<u>\$ 38,138</u>	<u>\$ 45,383</u>	<u>\$ 7,245</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, 2017**

FIRE LEVY FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 86,780	\$ 86,780	\$ 88,698	\$ 1,918
Intergovernmental Revenues	12,000	16,000	16,006	6
All Other Revenues	0	10,000	10,000	0
Total Revenues	<u>98,780</u>	<u>112,780</u>	<u>114,704</u>	<u>1,924</u>
Expenditures:				
Public Safety:				
Fire Fighting, Prevention, Inspection:				
All Other Expenditures	2,000	2,000	1,439	561
Fire Service - Other:				
All Other Expenditures	2,804	2,804	2,804	0
Debt Service:				
Principal Retirement	21,904	21,904	21,904	0
Interest and Fiscal Charges	6,795	6,795	6,795	0
Total Expenditures	<u>33,503</u>	<u>33,503</u>	<u>32,942</u>	<u>561</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	65,277	79,277	81,762	2,485
Other Financing Sources (Uses):				
Sale of Capital Assets	0	16,000	16,624	624
Advances Out	(20,000)	(20,000)	(20,000)	0
Total Other Financing Sources (Uses)	<u>(20,000)</u>	<u>(4,000)</u>	<u>(3,376)</u>	<u>624</u>
Net Change in Fund Balance	45,277	75,277	78,386	3,109
Fund Balance at Beginning of Year	172,956	172,956	172,956	0
Prior Year Encumbrances	2,804	2,804	2,804	0
Fund Balance at End of Year	<u>\$ 221,037</u>	<u>\$ 251,037</u>	<u>\$ 254,146</u>	<u>\$ 3,109</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, 2017**

UNDERGROUND STORAGE TANK FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Highways and Streets:				
Public Works:				
All Other Expenditures	1,000	1,000	1,000	0
Total Expenditures	1,000	1,000	1,000	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,000)	(1,000)	(1,000)	0
Other Financing Sources (Uses):				
Transfers In	2,000	0	0	0
Total Other Financing Sources (Uses)	2,000	0	0	0
Net Change in Fund Balance	1,000	(1,000)	(1,000)	0
Fund Balance at Beginning of Year	11,931	11,931	11,931	0
Fund Balance at End of Year	<u>\$ 12,931</u>	<u>\$ 10,931</u>	<u>\$ 10,931</u>	<u>\$ 0</u>

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

PROBATION SERVICES FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Fines and Forfeitures	\$ 105,000	\$ 105,000	\$ 107,314	\$ 2,314
All Other Revenues	0	0	2,000	2,000
Total Revenues	<u>105,000</u>	<u>105,000</u>	<u>109,314</u>	<u>4,314</u>
Expenditures:				
General Government:				
Judicial - Municipal Court:				
Probation:				
Personal Services	88,821	87,716	67,841	19,875
All Other Expenditures	37,232	38,337	36,107	2,230
Total Expenditures	<u>126,053</u>	<u>126,053</u>	<u>103,948</u>	<u>22,105</u>
Net Change in Fund Balance	(21,053)	(21,053)	5,366	26,419
Fund Balance at Beginning of Year	47,137	47,137	47,137	0
Prior Year Encumbrances	13,219	13,219	13,219	0
Fund Balance at End of Year	<u>\$ 39,303</u>	<u>\$ 39,303</u>	<u>\$ 65,722</u>	<u>\$ 26,419</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, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	<u>\$ 0</u>	<u>\$ 1,400</u>	<u>\$ 1,400</u>	<u>\$ 0</u>
Total Revenues	<u>0</u>	<u>1,400</u>	<u>1,400</u>	<u>0</u>
Expenditures:				
Public Safety:				
Law Enforcement-Sworn Officers:				
All Other Expenditures	<u>0</u>	<u>2,535</u>	<u>2,533</u>	<u>2</u>
Total Expenditures	<u>0</u>	<u>2,535</u>	<u>2,533</u>	<u>2</u>
Net Change in Fund Balance	0	(1,135)	(1,133)	2
Fund Balance at Beginning of Year	<u>2,646</u>	<u>2,646</u>	<u>2,646</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,646</u>	<u>\$ 1,511</u>	<u>\$ 1,513</u>	<u>\$ 2</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, 2017***

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

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017**

	FIRE FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
All Other Revenues	<u>\$ 0</u>	<u>\$ 1,300</u>	<u>\$ 2,406</u>	<u>\$ 1,106</u>
Total Revenues	<u>0</u>	<u>1,300</u>	<u>2,406</u>	<u>1,106</u>
Expenditures:				
Public Safety:				
Fire:				
Fire Service - Other:				
All Other Expenditures	<u>1,615</u>	<u>1,615</u>	<u>1,546</u>	<u>69</u>
Total Expenditures	<u>1,615</u>	<u>1,615</u>	<u>1,546</u>	<u>69</u>
Net Change in Fund Balance	<u>(1,615)</u>	<u>(315)</u>	<u>860</u>	<u>1,175</u>
Fund Balance at Beginning of Year	<u>896</u>	<u>896</u>	<u>896</u>	<u>0</u>
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>\$ 646</u>	<u>\$ 1,946</u>	<u>\$ 3,121</u>	<u>\$ 1,175</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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 38,000	\$ 23,000	\$ 23,933	\$ 933
Total Revenues	<u>38,000</u>	<u>23,000</u>	<u>23,933</u>	<u>933</u>
Expenditures:				
General Government:				
Judicial - Municipal Court:				
Clerk of Court:				
Personal Services	<u>26,588</u>	<u>24,088</u>	<u>23,412</u>	<u>676</u>
Total Expenditures	<u>26,588</u>	<u>24,088</u>	<u>23,412</u>	<u>676</u>
Net Changes in Fund Balance	11,412	(1,088)	521	1,609
Fund Balance at Beginning of Year	8,825	8,825	8,825	0
Prior Year Encumbrances	<u>9</u>	<u>9</u>	<u>9</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 20,246</u>	<u>\$ 7,746</u>	<u>\$ 9,355</u>	<u>\$ 1,609</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, 2017***

EMERGENCY MEDICAL SERVICES FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 510,000	\$ 565,000	\$ 567,237	\$ 2,237
All Other Revenues	0	6,000	7,171	1,171
Total Revenues	<u>510,000</u>	<u>571,000</u>	<u>574,408</u>	<u>3,408</u>
Expenditures:				
Public Safety:				
Fire:				
Fire Fighting, Prevention and Inspection:				
Personal Services	460,214	469,514	450,025	19,489
All Other Expenditures	57,563	65,263	65,184	79
Capital Outlay	0	240	235	5
Fire Service - Other:				
Personal Services	126,656	109,416	102,878	6,538
Total Expenditures	<u>644,433</u>	<u>644,433</u>	<u>618,322</u>	<u>26,111</u>
Net Change in Fund Balance	(134,433)	(73,433)	(43,914)	29,519
Fund Balance at Beginning of Year	222,412	222,412	222,412	0
Prior Year Encumbrances	9,780	9,780	9,780	0
Fund Balance at End of Year	<u>\$ 97,759</u>	<u>\$ 158,759</u>	<u>\$ 188,278</u>	<u>\$ 29,519</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, 2017***

MUNICIPAL COURT COMPUTERIZATION FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 105,500	\$ 105,500	\$ 113,545	\$ 8,045
All Other Revenues	0	0	60	60
Total Revenues	<u>105,500</u>	<u>105,500</u>	<u>113,605</u>	<u>8,105</u>
Expenditures:				
General Government:				
Judicial - Municipal Court:				
Clerk of Court:				
Personal Services	86,640	86,640	67,113	19,527
All Other Expenditures	12,500	12,500	12,500	0
Probation:				
Personal Services	11,743	11,748	11,450	298
Capital Outlay	6,000	5,995	5,735	260
Total Expenditures	<u>116,883</u>	<u>116,883</u>	<u>96,798</u>	<u>20,085</u>
Net Change in Fund Balance	(11,383)	(11,383)	16,807	28,190
Fund Balance at Beginning of Year	110,326	110,326	110,326	0
Prior Year Encumbrances	23	23	23	0
Fund Balance at End of Year	<u>\$ 98,966</u>	<u>\$ 98,966</u>	<u>\$ 127,156</u>	<u>\$ 28,190</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, 2017**

SHAMROCK BUSINESS CENTER TIF FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 685,000	\$ 735,000	\$ 734,089	\$ (911)
Total Revenues	<u>685,000</u>	<u>735,000</u>	<u>734,089</u>	<u>(911)</u>
Expenditures:				
Highways and Streets:				
All Other Expenditures	155,700	155,700	152,323	3,377
Debt Service:				
Principal Retirement	757,356	757,356	757,356	0
Interest and Fiscal Charges	198,648	198,648	198,511	137
Total Expenditures	<u>1,111,704</u>	<u>1,111,704</u>	<u>1,108,190</u>	<u>3,514</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(426,704)	(376,704)	(374,101)	2,603
Other Financing Sources (Uses):				
General Obligation Notes Issued	360,000	340,000	340,000	0
Premiums on Debt Issuances	0	0	1,412	1,412
Total Other Financing Sources (Uses)	<u>360,000</u>	<u>340,000</u>	<u>341,412</u>	<u>1,412</u>
Net Change in Fund Balance	(66,704)	(36,704)	(32,689)	4,015
Fund Balance at Beginning of Year	<u>1,385,543</u>	<u>1,385,543</u>	<u>1,385,543</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,318,839</u>	<u>\$ 1,348,839</u>	<u>\$ 1,352,854</u>	<u>\$ 4,015</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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	<u>\$ 200,000</u>	<u>\$ 130,000</u>	<u>\$ 130,364</u>	<u>\$ 364</u>
Total Revenues	<u>200,000</u>	<u>130,000</u>	<u>130,364</u>	<u>364</u>
Expenditures:				
General Government:				
All Other Expenditures	<u>200,000</u>	<u>130,500</u>	<u>130,364</u>	<u>136</u>
Total Expenditures	<u>200,000</u>	<u>130,500</u>	<u>130,364</u>	<u>136</u>
Net Change in Fund Balance	0	(500)	0	500
Fund Balance at Beginning of Year	<u>770</u>	<u>770</u>	<u>770</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 770</u>	<u>\$ 270</u>	<u>\$ 770</u>	<u>\$ 500</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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	<u>\$ 225</u>	<u>\$ 1,025</u>	<u>\$ 1,050</u>	<u>\$ 25</u>
Total Revenues	<u>225</u>	<u>1,025</u>	<u>1,050</u>	<u>25</u>
Expenditures:				
Community Environment:				
Zoning Application:				
All Other Expenditures	<u>403</u>	<u>403</u>	<u>268</u>	<u>135</u>
Total Expenditures	<u>403</u>	<u>403</u>	<u>268</u>	<u>135</u>
Net Change in Fund Balance	(178)	622	782	160
Fund Balance at Beginning of Year	11,949	11,949	11,949	0
Prior Year Encumbrances	<u>178</u>	<u>178</u>	<u>178</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,949</u>	<u>\$ 12,749</u>	<u>\$ 12,909</u>	<u>\$ 160</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, 2017***

FIRE IMPROVEMENT LEVY FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 288,047	\$ 308,047	\$ 310,820	\$ 2,773
Intergovernmental Revenues	24,000	24,000	18,626	(5,374)
Total Revenues	<u>312,047</u>	<u>332,047</u>	<u>329,446</u>	<u>(2,601)</u>
Expenditures:				
Public Safety:				
Fire:				
Fire Service - Other:				
All Other Expenditures	366,772	366,772	360,946	5,826
Capital Outlay	101,147	101,147	41,114	60,033
Total Expenditures	<u>467,919</u>	<u>467,919</u>	<u>402,060</u>	<u>65,859</u>
Net Change in Fund Balance	(155,872)	(135,872)	(72,614)	63,258
Fund Balance at Beginning of Year	217,739	217,739	217,739	0
Prior Year Encumbrances	150,419	150,419	150,419	0
Fund Balance at End of Year	<u>\$ 212,286</u>	<u>\$ 232,286</u>	<u>\$ 295,544</u>	<u>\$ 63,258</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, 2017**

ROAD IMPROVEMENT LEVY FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 598,830	\$ 633,830	\$ 634,330	\$ 500
Intergovernmental Revenues	38,000	38,000	38,011	11
Total Revenues	<u>636,830</u>	<u>671,830</u>	<u>672,341</u>	<u>511</u>
Expenditures:				
Highways and Streets:				
Public Works:				
All Other Expenditures	5,000	8,720	8,715	5
Capital Outlay	857,919	854,199	815,321	38,878
Total Expenditures	<u>862,919</u>	<u>862,919</u>	<u>824,036</u>	<u>38,883</u>
Net Change in Fund Balance	(226,089)	(191,089)	(151,695)	39,394
Fund Balance at Beginning of Year	257,073	257,073	257,073	0
Prior Year Encumbrances	222,919	222,919	222,919	0
Fund Balance at End of Year	<u>\$ 253,903</u>	<u>\$ 288,903</u>	<u>\$ 328,297</u>	<u>\$ 39,394</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, 2017***

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

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 0	\$ 6,000	\$ 6,100	\$ 100
Total Revenues	<u>0</u>	<u>6,000</u>	<u>6,100</u>	<u>100</u>
Expenditures:				
Public Safety:				
Police:				
Law Enforcement - Other:				
All Other Expenditures	<u>5,579</u>	<u>5,579</u>	<u>5,579</u>	<u>0</u>
Total Expenditures	<u>5,579</u>	<u>5,579</u>	<u>5,579</u>	<u>0</u>
Net Change in Fund Balance	(5,579)	421	521	100
Fund Balance at Beginning of Year	19,617	19,617	19,617	0
Prior Year Encumbrances	<u>1,579</u>	<u>1,579</u>	<u>1,579</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 15,617</u>	<u>\$ 21,617</u>	<u>\$ 21,717</u>	<u>\$ 100</u>

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 38,976	\$ 38,976	\$ 52,192	\$ 13,216
Intergovernmental Revenues	<u>12,000</u>	<u>12,000</u>	<u>9,991</u>	<u>(2,009)</u>
Total Revenues	<u>50,976</u>	<u>50,976</u>	<u>62,183</u>	<u>11,207</u>
Expenditures:				
General Government:				
All Other Expenditures	<u>900</u>	<u>900</u>	<u>715</u>	<u>185</u>
Total Expenditures	<u>900</u>	<u>900</u>	<u>715</u>	<u>185</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	50,076	50,076	61,468	11,392
Other Financing Sources (Uses):				
Premiums on Debt Issuance	<u>0</u>	<u>0</u>	<u>16</u>	<u>16</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>16</u>	<u>16</u>
Net Change in Fund Balance	50,076	50,076	61,484	11,408
Fund Balance at Beginning of Year	<u>243,451</u>	<u>243,451</u>	<u>243,451</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 293,527</u>	<u>\$ 293,527</u>	<u>\$ 304,935</u>	<u>\$ 11,408</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, 2017***

SPECIAL ASSESSMENT BOND RETIREMENT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 70,000	\$ 94,000	\$ 96,820	\$ 2,820
Total Revenues	<u>70,000</u>	<u>94,000</u>	<u>96,820</u>	<u>2,820</u>
Expenditures:				
General Government:				
All Other Expenditures	19,600	23,295	23,291	4
Debt Service Function:				
Debt Service - Unvoted:				
Debt Service:				
Principal Retirement	49,000	49,000	49,000	0
Interest and Fiscal Charges	31,683	31,683	31,683	0
Total Expenditures	<u>100,283</u>	<u>103,978</u>	<u>103,974</u>	<u>4</u>
Net Change in Fund Balance	(30,283)	(9,978)	(7,154)	2,824
Fund Balance at Beginning of Year	<u>113,400</u>	<u>113,400</u>	<u>113,400</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 83,117</u>	<u>\$ 103,422</u>	<u>\$ 106,246</u>	<u>\$ 2,824</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, 2017**

MUNICIPAL COURT IMPROVEMENT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 51,000	\$ 55,000	\$ 61,516	\$ 6,516
Total Revenues	<u>51,000</u>	<u>55,000</u>	<u>61,516</u>	<u>6,516</u>
Expenditures:				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
Capital Outlay	25,830	25,830	25,830	0
Clerk of Court:				
Capital Outlay	<u>75,895</u>	<u>75,895</u>	<u>75,894</u>	<u>1</u>
Total Expenditures	<u>101,725</u>	<u>101,725</u>	<u>101,724</u>	<u>1</u>
Net Change in Fund Balance	(50,725)	(46,725)	(40,208)	6,517
Fund Balance at Beginning of Year	30,914	30,914	30,914	0
Prior Year Encumbrances	<u>56,725</u>	<u>56,725</u>	<u>56,725</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 36,914</u>	<u>\$ 40,914</u>	<u>\$ 47,431</u>	<u>\$ 6,517</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, 2017**

CAPITAL EQUIPMENT RESERVE FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
General Government:				
Executive:				
City Manager:				
Capital Outlay	12,000	12,000	12,000	0
Finance:				
Accounting:				
Capital Outlay	2,000	1,960	1,598	362
Miscellaneous:				
Other Miscellaneous:				
Capital Outlay	76,697	76,697	76,560	137
Total General Government	<u>90,697</u>	<u>90,657</u>	<u>90,158</u>	<u>499</u>
Public Safety:				
Police:				
Law Enforcement - Other:				
Capital Outlay	134,413	134,453	134,453	0
Total Public Safety	<u>134,413</u>	<u>134,453</u>	<u>134,453</u>	<u>0</u>
Highways and Streets:				
Public Works:				
Administration:				
Capital Outlay	260,967	291,982	291,981	1
Street Construction and Reconstruction:				
Capital Outlay	0	10,000	10,000	0
Street Maintenance and Repair:				
Capital Outlay	49,173	49,173	49,173	0
Equipment Maintenance:				
Capital Outlay	188,385	189,185	189,185	0
Total Highways and Streets	<u>498,525</u>	<u>540,340</u>	<u>540,339</u>	<u>1</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, 2017***

CAPITAL EQUIPMENT RESERVE FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Culture and Recreation:				
Parks:				
Parks Systems:				
Capital Outlay	520	520	148	372
Total Culture and Recreation	<u>520</u>	<u>520</u>	<u>148</u>	<u>372</u>
Community Environment:				
Housing and Building Code Enforcement:				
Code Enforcement:				
Capital Outlay	5,000	5,000	5,000	0
Total Community Environment	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Debt Service:				
Principal Retirement	73,949	73,949	73,948	1
Interest and Fiscal Charges	3,563	3,563	3,494	69
Total Expenditures	<u>806,667</u>	<u>848,482</u>	<u>847,540</u>	<u>942</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(806,667)	(848,482)	(847,540)	942
Other Financing Sources (Uses):				
Transfers In	0	700,000	700,000	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>700,000</u>	<u>700,000</u>	<u>0</u>
Net Change in Fund Balance	(806,667)	(148,482)	(147,540)	942
Fund Balance at Beginning of Year	439,787	439,787	439,787	0
Prior Year Encumbrances	485,920	485,920	485,920	0
Fund Balance at End of Year	<u>\$ 119,040</u>	<u>\$ 777,225</u>	<u>\$ 778,167</u>	<u>\$ 942</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, 2017**

CAPITAL IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 115,000	\$ 50,000	\$ 50,000	\$ 0
Total Revenues	<u>115,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Expenditures:				
General Government:				
Public Lands and Buildings:				
Building Operations, Maintenance and Repair:				
Capital Outlay	495,094	495,239	495,234	5
Total General Government	<u>495,094</u>	<u>495,239</u>	<u>495,234</u>	<u>5</u>
Public Safety:				
Fire:				
Fire Fighting, Prevention and Inspection:				
Capital Outlay	35,730	35,585	28,360	7,225
Total Public Safety	<u>35,730</u>	<u>35,585</u>	<u>28,360</u>	<u>7,225</u>
Highways and Streets:				
Public Works:				
Street Maintenance and Repair:				
Capital Outlay	89,961	89,961	89,961	0
Total Highways and Streets	<u>89,961</u>	<u>89,961</u>	<u>89,961</u>	<u>0</u>
Culture and Recreation:				
Parks:				
Recreation Activities:				
Capital Outlay	142,577	142,577	142,572	5
Total Culture and Recreation	<u>142,577</u>	<u>142,577</u>	<u>142,572</u>	<u>5</u>
Community Environment:				
Community Planning and Zoning:				
Planning and Development:				
Capital Outlay	0	65,000	62,497	2,503
Total Community Environment	<u>0</u>	<u>65,000</u>	<u>62,497</u>	<u>2,503</u>
Total Expenditures	<u>763,362</u>	<u>828,362</u>	<u>818,624</u>	<u>9,738</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(648,362)	(778,362)	(768,624)	9,738

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, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Transfers In	<u>0</u>	<u>885,000</u>	<u>885,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>885,000</u>	<u>885,000</u>	<u>0</u>
Net Change in Fund Balance	(648,362)	106,638	116,376	9,738
Fund Balance at Beginning of Year	878,523	878,523	878,523	0
Prior Year Encumbrances	<u>110,862</u>	<u>110,862</u>	<u>110,862</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 341,023</u>	<u>\$ 1,096,023</u>	<u>\$ 1,105,761</u>	<u>\$ 9,738</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, 2017***

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

**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, 2017**

JACKSON STREET INTERCHANGE PROJECT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 50,000	\$ 0	\$ 0	\$ 0
Total Revenues	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:				
Highways and Streets:				
Miscellaneous:				
Capital Outlay	10,000	10,000	0	10,000
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Net Change in Fund Balance	40,000	(10,000)	0	10,000
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>\$ 156,715</u>	<u>\$ 106,715</u>	<u>\$ 116,715</u>	<u>\$ 10,000</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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Debt Service:				
Principal Retirement	12,000	12,000	12,000	0
Interest and Fiscal Charges	<u>3,910</u>	<u>3,910</u>	<u>3,910</u>	<u>0</u>
Total Expenditures	<u>15,910</u>	<u>15,910</u>	<u>15,910</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,910)	(15,910)	(15,910)	0
Other Financing Sources (Uses):				
Transfers In	<u>0</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Net Change in Fund Balance	(15,910)	34,090	34,090	0
Fund Balance at Beginning of Year	<u>39,916</u>	<u>39,916</u>	<u>39,916</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 24,006</u>	<u>\$ 74,006</u>	<u>\$ 74,006</u>	<u>\$ 0</u>

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2017***

MUNICIPAL COURT SPECIAL PROJECTS FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 15,000	\$ 15,852	\$ 852
Fines and Forfeitures	85,000	95,000	103,743	8,743
Total Revenues	<u>85,000</u>	<u>110,000</u>	<u>119,595</u>	<u>9,595</u>
Expenditures:				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
Personal Services	6,584	3,584	1,831	1,753
All Other Expenditures	46,829	41,379	36,432	4,947
Clerk of Court:				
Personal Services	26,876	19,466	10,285	9,181
All Other Expenditures	73,892	73,892	70,752	3,140
Immobilization Remote Devices:				
All Other Expenditures	19,956	19,956	12,120	7,836
Technology Grants:				
All Other Expenditures	0	15,860	15,852	8
Total Expenditures	<u>174,137</u>	<u>174,137</u>	<u>147,272</u>	<u>26,865</u>
Net Change in Fund Balance	(89,137)	(64,137)	(27,677)	36,460
Fund Balance at Beginning of Year	117,790	117,790	117,790	0
Prior Year Encumbrances	42,082	42,082	42,082	0
Fund Balance at End of Year	<u>\$ 70,735</u>	<u>\$ 95,735</u>	<u>\$ 132,195</u>	<u>\$ 36,460</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, 2017***

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

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2017***

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

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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, 2017**

CEMETERY TRUST FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 200	\$ 6,900	\$ 7,733	\$ 833
Total Revenues	<u>200</u>	<u>6,900</u>	<u>7,733</u>	<u>833</u>
Expenditures:				
Public Health and Welfare:				
Cemeteries:				
Evergreen/Riverside Cemeteries:				
All Other Expenditures	<u>200</u>	<u>200</u>	<u>200</u>	<u>0</u>
Total Expenditures	<u>200</u>	<u>200</u>	<u>200</u>	<u>0</u>
Net Change in Fund Balance	0	6,700	7,533	833
Fund Balance at Beginning of Year	<u>82,293</u>	<u>82,293</u>	<u>82,293</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 82,293</u>	<u>\$ 88,993</u>	<u>\$ 89,826</u>	<u>\$ 833</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, 2017**

SPECIAL ENDOWMENT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 100	\$ 2,900	\$ 3,228	\$ 328
Total Revenues	<u>100</u>	<u>2,900</u>	<u>3,228</u>	<u>328</u>
Expenditures:				
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	2,800	3,228	428
Fund Balance at Beginning of Year	<u>60,954</u>	<u>60,954</u>	<u>60,954</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 60,954</u>	<u>\$ 63,754</u>	<u>\$ 64,182</u>	<u>\$ 428</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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	<u>\$ 200</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Revenues	<u>200</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	200	0	0	0
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>\$ 406,307</u>	<u>\$ 406,307</u>	<u>\$ 0</u>

CITY OF PAINESVILLE, OHIO

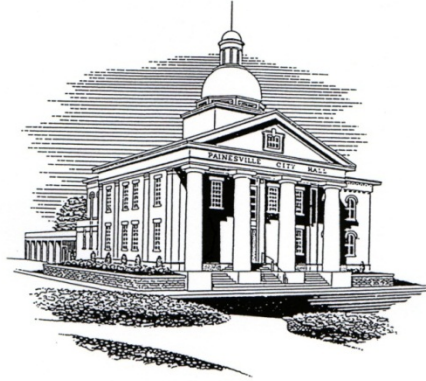
**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Funds
For the Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 4,740</u>	<u>\$ 740</u>
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>4,740</u>	<u>740</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	4,000	4,000	4,740	740
Fund Balance at Beginning of Year	<u>395,057</u>	<u>395,057</u>	<u>395,057</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 399,057</u>	<u>\$ 399,057</u>	<u>\$ 399,797</u>	<u>\$ 740</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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	<u>\$ 3,300</u>	<u>\$ 6,200</u>	<u>\$ 6,540</u>	<u>\$ 340</u>
Total Revenues	<u>3,300</u>	<u>6,200</u>	<u>6,540</u>	<u>340</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	3,300	6,200	6,540	340
Fund Balance at Beginning of Year	<u>347,591</u>	<u>347,591</u>	<u>347,591</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 350,891</u>	<u>\$ 353,791</u>	<u>\$ 354,131</u>	<u>\$ 340</u>



Nonmajor Enterprise Funds

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

Refuse Fund

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

Off Street Parking Fund

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

Storm Water Utility Fund

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

Community Programs Fund

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

CITY OF PAINESVILLE, OHIO

**Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2017**

	Refuse Fund	Off Street Parking Fund	Storm Water Utility Fund
Assets:			
Current Assets:			
Pooled Cash and Investments	\$ 12,984	\$ 25,780	\$ 849,949
Receivables:			
Accounts	0	0	47,205
Total Current Assets	12,984	25,780	897,154
Noncurrent Assets:			
Capital Assets:			
Capital Assets Not Being Depreciated	0	730,695	462,953
Capital Assets Being Depreciated, Net	0	0	3,189,498
Total Noncurrent Assets	0	730,695	3,652,451
Total Assets	12,984	756,475	4,549,605
Deferred Outflows of Resources:			
Pension:			
OPERS	0	0	50,154
Total Deferred Outflows of Resources	0	0	50,154
Liabilities:			
Current Liabilities:			
Accounts Payable	0	0	1,079
Accrued Wages and Benefits	0	0	4,921
Intergovernmental Payable	0	0	90
Accrued Interest Payable	0	0	7,976
Capital Leases Payable - Current	0	0	11,154
General Obligation Bonds Payable - Current	0	0	75,000
Long Term Notes Payable - Current	0	0	72,694
Compensated Absences Payable - Current	0	0	9,551
Total Current Liabilities	0	0	182,465
Noncurrent Liabilities:			
General Obligation Bonds Payable	0	0	1,715,000
Compensated Absences Payable	0	0	9,987
Long Term Notes Payable	0	0	119,324
Net Pension Liability	0	0	132,212
Total Noncurrent Liabilities	0	0	1,976,523
Total Liabilities	0	0	2,158,988

CITY OF PAINESVILLE, OHIO

<u>Community Programs Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 15,058	\$ 903,771
0	47,205
15,058	950,976
0	1,193,648
0	3,189,498
0	4,383,146
15,058	5,334,122
9,362	59,516
9,362	59,516
0	1,079
0	4,921
0	90
0	7,976
0	11,154
0	75,000
0	72,694
0	9,551
0	182,465
0	1,715,000
0	9,987
0	119,324
24,680	156,892
24,680	2,001,203
24,680	2,183,668

(Continued)

CITY OF PAINESVILLE, OHIO

***Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2017***

	<u>Refuse Fund</u>	<u>Off Street Parking Fund</u>	<u>Storm Water Utility Fund</u>
Deferred Inflows of Resources:			
Pension:			
OPERS	0	0	1,872
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>1,872</u>
Net Position			
Net Investment in Capital Assets	0	730,695	1,659,279
Unrestricted	12,984	25,780	779,620
Total Net Position	<u>\$ 12,984</u>	<u>\$ 756,475</u>	<u>\$ 2,438,899</u>

CITY OF PAINESVILLE, OHIO

<u>Community Programs Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
349	2,221
<u>349</u>	<u>2,221</u>
0	2,389,974
<u>(609)</u>	<u>817,775</u>
<u>\$ (609)</u>	<u>\$ 3,207,749</u>

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017**

	Refuse Fund	Off Street Parking Fund	Storm Water Utility Fund
Operating Revenues:			
Charges for Services	\$ 40	\$ 0	\$ 562,390
Other Charges for Services	0	0	6,448
Other Operating Revenues	2,709	0	0
Total Operating Revenues	2,749	0	568,838
Operating Expenses:			
Personal Services	0	286	111,637
Contractual Services	3,411	6,296	0
Materials and Supplies	0	0	0
Depreciation	0	0	75,838
Total Operating Expenses	3,411	6,582	187,475
Operating Income (Loss)	(662)	(6,582)	381,363
Non-Operating Revenue (Expenses):			
Interest and Fiscal Charges	0	0	(62,726)
Loss on Disposal of Assets	0	(17,324)	0
Other Nonoperating Revenue	0	3,559	63
Total Non-Operating Revenues (Expenses)	0	(13,765)	(62,663)
Change in Net Position	(662)	(20,347)	318,700
Net Position Beginning of Year	13,646	776,822	2,120,199
Net Position End of Year	\$ 12,984	\$ 756,475	\$ 2,438,899

CITY OF PAINESVILLE, OHIO

<u>Community Programs Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 36,161	\$ 598,591
0	6,448
6,795	9,504
<u>42,956</u>	<u>614,543</u>
19,286	131,209
13,804	23,511
8,275	8,275
0	75,838
<u>41,365</u>	<u>238,833</u>
1,591	375,710
0	(62,726)
0	(17,324)
0	3,622
<u>0</u>	<u>(76,428)</u>
1,591	299,282
(2,200)	2,908,467
<u>\$ (609)</u>	<u>\$ 3,207,749</u>

CITY OF PAINESVILLE, OHIO

***Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017***

	Refuse Fund	Off-Street Parking Fund	Storm Water Utility Fund
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$2,749	\$0	\$570,269
Cash Payments for Goods and Services	(3,411)	(8,608)	0
Cash Payments to Employees	0	(288)	(91,651)
Net Cash Provided (Used) by Operating Activities	(662)	(8,896)	478,618
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from General Obligation Notes	0	0	192,018
Premium on Debt Issuances	0	0	874
Principal Paid on General Obligation Notes	0	0	(264,712)
Acquisition and Construction of Assets	0	0	(169,495)
Principal Paid on Capital Leases	0	0	(10,954)
Principal Paid on General Obligation Bonds	0	0	(75,000)
Interest Paid on All Debt	0	0	(64,244)
Net Cash Used by Capital and Related Financing Activities	0	0	(391,513)
Net Increase (Decrease) in Cash and Cash Equivalents	(662)	(8,896)	87,105
Cash and Cash Equivalents at Beginning of Year	13,646	34,676	762,844
Cash and Cash Equivalents at End of Year	\$12,984	\$25,780	\$849,949

CITY OF PAINESVILLE, OHIO

<u>Community Programs Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
\$42,956	\$615,974
(22,079)	(34,098)
<u>(16,553)</u>	<u>(108,492)</u>
4,324	473,384
0	192,018
0	874
0	(264,712)
0	(169,495)
0	(10,954)
0	(75,000)
<u>0</u>	<u>(64,244)</u>
0	(391,513)
4,324	81,871
<u>10,734</u>	<u>821,900</u>
<u>\$15,058</u>	<u>\$903,771</u>

(Continued)

CITY OF PAINESVILLE, OHIO

***Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017***

	Refuse Fund	Off-Street Parking Fund	Storm Water Utility Fund
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$662)	(\$6,582)	\$381,363
<u>Adjustments to Reconcile Operating Income (Loss) to</u>			
<u>Net Cash Provided (Used) by Operating Activities:</u>			
Depreciation Expense	0	0	75,838
Miscellaneous Nonoperating Revenues	0	0	63
<u>Changes in Assets, Liabilities, and Deferred Outflows/Inflows:</u>			
Decrease in Accounts Receivable	0	0	1,368
Decrease in Prepaid Items	0	4,024	0
Increase in Deferred Outflows of Resources	0	0	(7,950)
Increase (Decrease) in Accounts Payable	0	(1,468)	306
Decrease in Accrued Wages and Benefits	0	0	(251)
Increase in Intergovernmental Payable	0	0	90
Increase (Decrease) in Compensated Absences Payable	0	(4,870)	6,436
Increase in Net Pension Liability	0	0	21,620
Decrease in Deferred Inflows of Resources	0	0	(265)
Total Adjustments	0	(2,314)	97,255
Net Cash Provided (Used) by Operating Activities	(\$662)	(\$8,896)	\$478,618

CITY OF PAINESVILLE, OHIO

<u>Community Programs Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
\$1,591	\$375,710
0	75,838
0	63
0	1,368
0	4,024
(1,621)	(9,571)
0	(1,162)
0	(251)
0	90
0	1,566
4,397	26,017
<u>(43)</u>	<u>(308)</u>
<u>2,733</u>	<u>97,674</u>
<u>\$4,324</u>	<u>\$473,384</u>

Nonmajor Internal Service Funds

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

Fuel and Oil Rotary Fund

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

Supplies Rotary Fund

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

Employee Health Insurance Fund

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

Workers' Compensation Retrospective Fund

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

CITY OF PAINESVILLE, OHIO

**Combining Statement of Net Position
Nonmajor Internal Service Funds
December 31, 2017**

	Fuel and Oil Rotary Fund	Supplies Rotary Fund	Employee Health Insurance Fund	Workers' Compensation Retrospective Fund	Total
Assets:					
Current Assets:					
Pooled Cash and Investments	\$ 125,678	\$ 33,871	\$ 153,705	\$ 153,779	\$ 467,033
Total Assets	<u>125,678</u>	<u>33,871</u>	<u>153,705</u>	<u>153,779</u>	<u>467,033</u>
Liabilities:					
Current Liabilities:					
Accounts Payable	0	0	5,757	0	5,757
Claims Payable - Current	0	0	286,357	115,803	402,160
Total Current Liabilities	<u>0</u>	<u>0</u>	<u>292,114</u>	<u>115,803</u>	<u>407,917</u>
Noncurrent Liabilities:					
Claims Payable	0	0	0	524,827	524,827
Total Liabilities	<u>0</u>	<u>0</u>	<u>292,114</u>	<u>640,630</u>	<u>932,744</u>
Net Position:					
Unrestricted	125,678	33,871	(138,409)	(486,851)	(465,711)
Total Net Position	<u>\$ 125,678</u>	<u>\$ 33,871</u>	<u>\$ (138,409)</u>	<u>\$ (486,851)</u>	<u>\$ (465,711)</u>

CITY OF PAINESVILLE, OHIO

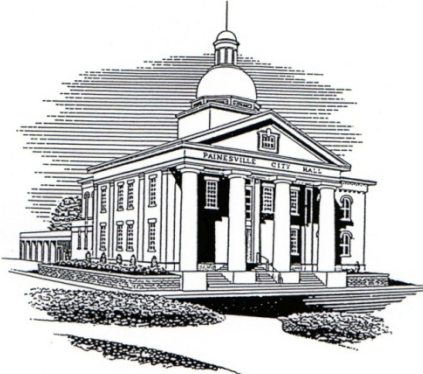
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Internal Service Funds
For the Year Ended December 31, 2017**

	Fuel and Oil Rotary Fund	Supplies Rotary Fund	Employee Health Insurance Fund	Workers' Compensation Retrospective Fund	Total
Operating Revenues:					
Charges for Services	\$ 71,645	\$ 34,657	\$ 2,950,751	\$ 340,572	\$ 3,397,625
Total Operating Revenues	<u>71,645</u>	<u>34,657</u>	<u>2,950,751</u>	<u>340,572</u>	<u>3,397,625</u>
Operating Expenses:					
Personal Services	0	0	2,208,875	301,260	2,510,135
Contractual Services	0	0	716,263	198,282	914,545
Materials and Supplies	57,240	31,634	0	0	88,874
Total Operating Expenses	<u>57,240</u>	<u>31,634</u>	<u>2,925,138</u>	<u>499,542</u>	<u>3,513,554</u>
Income (Loss) Before Transfers	14,405	3,023	25,613	(158,970)	(115,929)
Transfers:					
Transfers In	0	0	15,000	0	15,000
Total Transfers	<u>0</u>	<u>0</u>	<u>15,000</u>	<u>0</u>	<u>15,000</u>
Change in Net Position	14,405	3,023	40,613	(158,970)	(100,929)
Net Position Beginning of Year	<u>111,273</u>	<u>30,848</u>	<u>(179,022)</u>	<u>(327,881)</u>	<u>(364,782)</u>
Net Position End of Year	<u>\$ 125,678</u>	<u>\$ 33,871</u>	<u>\$ (138,409)</u>	<u>\$ (486,851)</u>	<u>\$ (465,711)</u>

CITY OF PAINESVILLE, OHIO

**Combining Statement of Cash Flows
Nonmajor Internal Service Funds
For the Year Ended December 31, 2017**

	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	\$71,645	\$34,657	\$2,950,751	\$340,572	\$3,397,625
Cash Payments for Goods and Services	(57,240)	(32,634)	(710,837)	(198,282)	(998,993)
Cash Payments to Employees	0	0	0	(142,290)	(142,290)
Cash Payments for Employee Medical Claims	0	0	(2,239,915)	0	(2,239,915)
Net Cash Provided (Used) by Operating Activities	14,405	2,023	(1)	0	16,427
<u>Cash Flows from Noncapital Financing Activities:</u>					
Transfers In From Other Funds	0	0	15,000	0	15,000
Net Cash Provided by Noncapital Financing Activities	0	0	15,000	0	15,000
Net Increase in Cash and Cash Equivalents	14,405	2,023	14,999	0	31,427
Cash and Cash Equivalents at Beginning of Year	111,273	31,848	138,706	153,779	435,606
Cash and Cash Equivalents at End of Year	\$125,678	\$33,871	\$153,705	\$153,779	\$467,033
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>					
Operating Income (Loss)	\$14,405	\$3,023	\$25,613	(\$158,970)	(\$115,929)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Changes in Assets and Liabilities:					
Decrease in Accounts Payable	0	(1,000)	(17,783)	0	(18,783)
Increase (Decrease) in Claims Liability	0	0	(7,831)	158,970	151,139
Total Adjustments	0	(1,000)	(25,614)	158,970	132,356
Net Cash Provided (Used) by Operating Activities	\$14,405	\$2,023	(\$1)	\$0	\$16,427



Fiduciary Funds

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

Agency Funds

Municipal Court Fund

To account for funds that flow through the municipal court.

State Patrol Transfer Fund

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

Electric License Fund

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

Land Bank Fund

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

Plan Review Fund

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

C.D.B.G. Fund

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

JEDD Fund

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

CITY OF PAINESVILLE, OHIO

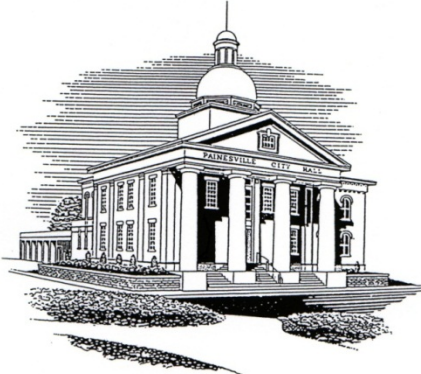
**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2017**

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
Municipal Court Fund				
Assets:				
Cash and Cash Equivalents	\$43,746	\$3,243,561	(\$3,243,265)	\$44,042
Total Assets	<u>\$43,746</u>	<u>\$3,243,561</u>	<u>(\$3,243,265)</u>	<u>\$44,042</u>
Liabilities:				
Due to Others	\$43,746	\$3,243,561	(\$3,243,265)	\$44,042
Total Liabilities	<u>\$43,746</u>	<u>\$3,243,561</u>	<u>(\$3,243,265)</u>	<u>\$44,042</u>
State Patrol Transfer Fund				
Assets:				
Cash and Cash Equivalents	\$18,284	\$95,820	(\$95,820)	\$18,284
Total Assets	<u>\$18,284</u>	<u>\$95,820</u>	<u>(\$95,820)</u>	<u>\$18,284</u>
Liabilities:				
Due to Others	\$18,284	\$95,820	(\$95,820)	\$18,284
Total Liabilities	<u>\$18,284</u>	<u>\$95,820</u>	<u>(\$95,820)</u>	<u>\$18,284</u>
Electric License Fund				
Assets:				
Cash and Cash Equivalents	\$7,206	\$0	\$0	\$7,206
Total Assets	<u>\$7,206</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,206</u>
Liabilities:				
Due to Others	\$7,206	\$0	\$0	\$7,206
Total Liabilities	<u>\$7,206</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,206</u>
Land Bank Fund				
Assets:				
Cash and Cash Equivalents	\$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, 2017	Additions	Deductions	Balance December 31, 2017
Plan Review Fund				
Assets:				
Cash and Cash Equivalents	\$102,972	\$95,938	(\$38,217)	\$160,693
Total Assets	<u>\$102,972</u>	<u>\$95,938</u>	<u>(\$38,217)</u>	<u>\$160,693</u>
Liabilities:				
Due to Others	\$102,972	\$95,938	(\$38,217)	\$160,693
Total Liabilities	<u>\$102,972</u>	<u>\$95,938</u>	<u>(\$38,217)</u>	<u>\$160,693</u>
C.D.B.G Fund				
Assets:				
Cash and Cash Equivalents	\$10,188	\$49,905	(\$59,905)	\$188
Total Assets	<u>\$10,188</u>	<u>\$49,905</u>	<u>(\$59,905)</u>	<u>\$188</u>
Liabilities:				
Due to Others	\$10,188	\$49,905	(\$59,905)	\$188
Total Liabilities	<u>\$10,188</u>	<u>\$49,905</u>	<u>(\$59,905)</u>	<u>\$188</u>
JEDD Fund				
Assets:				
Cash and Cash Equivalents	\$0	\$1,043,642	(\$1,043,642)	\$0
Receivables:				
Taxes	55,223	57,243	(55,223)	57,243
Total Assets	<u>\$55,223</u>	<u>\$1,100,885</u>	<u>(\$1,098,865)</u>	<u>\$57,243</u>
Liabilities:				
Intergovernmental Payable	\$41,417	\$42,932	(\$41,417)	\$42,932
Due to Others	13,806	1,057,953	(1,057,448)	14,311
Total Liabilities	<u>\$55,223</u>	<u>\$1,100,885</u>	<u>(\$1,098,865)</u>	<u>\$57,243</u>
Totals - All Agency Funds				
Assets:				
Cash and Cash Equivalents	\$190,649	\$4,528,866	(\$4,480,849)	\$238,666
Receivables:				
Taxes	55,223	57,243	(55,223)	57,243
Total Assets	<u>\$245,872</u>	<u>\$4,586,109</u>	<u>(\$4,536,072)</u>	<u>\$295,909</u>
Liabilities:				
Intergovernmental Payable	\$41,417	\$42,932	(\$41,417)	\$42,932
Due to Others	204,455	4,543,177	(4,494,655)	252,977
Total Liabilities	<u>\$245,872</u>	<u>\$4,586,109</u>	<u>(\$4,536,072)</u>	<u>\$295,909</u>



STATISTICAL SECTION



STATISTICAL TABLES

This part of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Contents

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

City of Painesville, Ohio

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental Activities:				
Net Investment in Capital Assets	\$23,885,884	\$28,000,333	\$29,982,485	\$30,387,358
Restricted	4,893,216	2,173,310	3,246,469	4,044,306
Unrestricted	11,427,126	10,186,938	7,286,446	6,921,791
Total Governmental Activities Net Position	<u>\$40,206,226</u>	<u>\$40,360,581</u>	<u>\$40,515,400</u>	<u>\$41,353,455</u>
Business-type Activities:				
Net Investment in Capital Assets	\$38,454,848	\$41,103,064	\$41,322,460	\$44,350,926
Restricted	0	0	0	0
Unrestricted	28,085,141	27,590,062	28,707,112	28,876,607
Total Business-type Activities Net Position	<u>\$66,539,989</u>	<u>\$68,693,126</u>	<u>\$70,029,572</u>	<u>\$73,227,533</u>
Primary Government:				
Net Investment in Capital Assets	\$62,340,732	\$69,103,397	\$71,304,945	\$74,738,284
Restricted	4,893,216	2,173,310	3,246,469	4,044,306
Unrestricted	39,512,267	37,777,000	35,993,558	35,798,398
Total Primary Government Net Position	<u>\$106,746,215</u>	<u>\$109,053,707</u>	<u>\$110,544,972</u>	<u>\$114,580,988</u>

Source: Finance Director's Office

* Restated

City of Painesville, Ohio

2012	2013	*	2014	2015	2016	2017
\$33,102,011	\$31,513,541		\$33,584,837	\$35,636,534	\$36,810,050	\$38,776,754
3,724,814	5,438,792		6,309,396	7,102,200	7,672,865	8,054,202
6,862,608	7,096,616		(4,187,406)	(3,309,250)	(3,617,085)	(3,937,183)
<u>\$43,689,433</u>	<u>\$44,048,949</u>		<u>\$35,706,827</u>	<u>\$39,429,484</u>	<u>\$40,865,830</u>	<u>\$42,893,773</u>
\$48,090,083	\$53,612,184		\$54,456,010	\$54,770,683	\$55,073,798	\$57,658,019
0	0		0	0	0	0
32,820,932	28,133,474		20,419,355	19,843,074	18,657,959	15,705,877
<u>\$80,911,015</u>	<u>\$81,745,658</u>		<u>\$74,875,365</u>	<u>\$74,613,757</u>	<u>\$73,731,757</u>	<u>\$73,363,896</u>
\$81,192,094	\$85,125,725		\$88,040,847	\$90,407,217	\$91,883,848	\$96,434,773
3,724,814	5,438,792		6,309,396	7,102,200	7,672,865	8,054,202
39,683,540	35,230,090		16,231,949	16,533,824	15,040,874	11,768,694
<u>\$124,600,448</u>	<u>\$125,794,607</u>		<u>\$110,582,192</u>	<u>\$114,043,241</u>	<u>\$114,597,587</u>	<u>\$116,257,669</u>

City of Painesville, Ohio

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

	2008	2009	2010	2011
Expenses				
Governmental Activities:				
General Government	\$3,213,592	\$4,444,947	\$4,594,616	\$5,319,087
Public Safety	7,800,817	7,687,567	7,029,666	7,418,708
Highways and Streets	3,380,986	3,823,054	2,158,737	1,821,320
Public Health and Welfare	630,964	688,623	637,876	635,108
Culture and Recreation	949,788	843,945	778,109	792,999
Community Environment	443,315	476,715	525,976	377,113
Interest and Fiscal Charges	282,227	266,284	202,221	167,510
<i>Total Governmental Activities Expenses</i>	<u>16,701,689</u>	<u>18,231,135</u>	<u>15,927,201</u>	<u>16,531,845</u>
Business-type Activities:				
Water	4,764,766	4,683,197	4,934,978	4,651,337
Sewer	3,658,566	3,462,406	4,132,446	3,700,750
Electric	20,682,416	20,517,909	24,023,809	24,798,140
Other Enterprise	429,441	507,534	381,553	563,107
<i>Total Business-type Activities Expenses</i>	<u>29,535,189</u>	<u>29,171,046</u>	<u>33,472,786</u>	<u>33,713,334</u>
<i>Total Primary Government Expenses</i>	<u>\$46,236,878</u>	<u>\$47,402,181</u>	<u>\$49,399,987</u>	<u>\$50,245,179</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$1,567,302	\$1,575,108	\$1,942,968	\$1,533,460
Public Safety	716,239	671,145	658,667	756,827
Highways and Streets	61,505	36,694	35,895	32,842
Public Health and Welfare	151,953	119,891	109,421	119,652
Culture and Recreation	21,280	18,112	12,372	20,456
Community Environment	195,427	135,666	115,077	98,930
Operating Grants and Contributions	975,160	951,327	863,877	883,020
Capital Grants and Contributions	3,186,194	2,494,194	432,405	1,693,078
<i>Total Governmental Activities Program Revenues</i>	<u>6,875,060</u>	<u>6,002,137</u>	<u>4,170,682</u>	<u>5,138,265</u>

City of Painesville, Ohio

2012	2013	2014	2015	2016	2017
\$4,802,387	\$3,739,730	\$3,921,566	\$3,848,049	\$4,277,546	\$4,297,312
6,830,774	6,887,389	6,752,510	7,172,546	7,886,075	7,960,151
3,067,864	2,566,021	2,637,941	3,189,101	2,625,969	2,806,601
559,347	516,688	488,651	491,545	522,594	647,437
682,194	590,591	618,468	666,284	723,245	763,163
180,433	314,010	105,322	114,791	119,266	140,834
304,756	313,959	318,637	303,218	290,744	266,554
<u>16,427,755</u>	<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>
5,155,459	5,302,197	6,117,078	5,542,369	5,746,233	5,229,158
3,930,761	4,295,486	4,387,215	4,257,321	4,137,233	4,315,748
20,741,060	22,217,456	24,835,860	24,875,586	27,199,162	27,882,194
436,918	418,213	409,740	363,673	1,323,662	318,883
<u>30,264,198</u>	<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>\$46,691,953</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>
\$1,861,207	\$1,720,626	\$1,749,663	\$1,446,087	\$1,490,185	\$1,530,658
670,873	587,466	616,933	811,277	681,672	620,251
26,650	19,050	60,591	67,287	22,686	18,892
124,596	108,261	110,225	133,515	145,531	157,765
14,448	12,580	9,232	7,580	15,150	22,560
665,096	152,640	306,134	482,434	331,328	374,365
1,363,819	802,599	876,783	921,812	1,046,834	1,057,201
2,958,673	1,042,448	1,659,154	1,542,778	62,266	677,076
<u>7,685,362</u>	<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>

(continued)

City of Painesville, Ohio

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

	2008	2009	2010	2011
Business-type Activities:				
Charges for Services				
Water	4,570,987	4,422,481	4,883,093	5,489,308
Sewer	3,451,161	3,320,167	3,104,324	3,473,151
Electric	23,331,839	22,753,669	26,400,302	26,354,842
Other Enterprise	547,994	524,991	541,495	572,402
Operating Grants and Contributions	47,611	1,478,559	618,902	0
Capital Grants and Contributions	0	0	0	2,364,576
<i>Total Business-type Activities Program Revenues</i>	<u>31,949,592</u>	<u>32,499,867</u>	<u>35,548,116</u>	<u>38,254,279</u>
<i>Total Primary Government Program Revenues</i>	<u>38,824,652</u>	<u>38,502,004</u>	<u>39,718,798</u>	<u>43,392,544</u>
Net (Expense)/Revenue				
Governmental Activities	(9,826,629)	(12,228,998)	(11,756,519)	(11,393,580)
Business-type Activities	2,414,403	3,328,821	2,075,330	4,540,945
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$7,412,226)</u>	<u>(\$8,900,177)</u>	<u>(\$9,681,189)</u>	<u>(\$6,852,635)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes	\$819,812	\$1,214,434	\$1,168,067	\$1,175,475
Municipal Income Taxes	8,644,123	7,748,215	7,157,251	7,167,242
Other Local Taxes	8,013	11,164	13,305	6,400
Intergovernmental, Unrestricted	2,181,223	1,266,406	1,605,729	1,871,767
Investment Earnings	1,380,595	831,745	451,850	539,269
Miscellaneous	52,065	226,494	762,245	324,107
Transfers	10,787	1,084,895	752,891	1,253,475
<i>Total Governmental Activities</i>	<u>13,096,618</u>	<u>12,383,353</u>	<u>11,911,338</u>	<u>12,337,735</u>
Business-type Activities:				
Investment Earnings	194,171	(90,789)	14,007	(89,509)
Transfers	(10,787)	(1,084,895)	(752,891)	(1,253,475)
<i>Total Business-type Activities</i>	<u>183,384</u>	<u>(1,175,684)</u>	<u>(738,884)</u>	<u>(1,342,984)</u>
<i>Total Primary Government</i>	<u>\$13,280,002</u>	<u>\$11,207,669</u>	<u>\$11,172,454</u>	<u>\$10,994,751</u>
Change in Net Position				
Governmental Activities	\$3,269,989	\$154,355	\$154,819	\$944,155
Business-type Activities	2,597,787	2,153,137	1,336,446	3,197,961
<i>Total Primary Government Change in Net Position</i>	<u>\$5,867,776</u>	<u>\$2,307,492</u>	<u>\$1,491,265</u>	<u>\$4,142,116</u>

Source: Finance Director's Office

City of Painesville, Ohio

2012	2013	2014	2015	2016	2017
6,576,748	6,307,635	6,209,116	5,956,836	6,224,784	6,215,373
3,746,854	3,985,434	3,706,993	3,822,411	3,842,638	4,000,567
26,692,992	23,082,430	26,107,694	25,264,720	27,174,232	27,301,029
570,045	479,933	522,492	510,942	555,030	618,165
0	7,154	128,071	3,136	0	0
1,324,655	584	146	58,539	294,500	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>
46,596,656	38,308,840	42,063,227	41,029,354	41,886,836	42,593,902
(8,742,393)	(10,482,718)	(9,454,380)	(10,372,764)	(12,649,787)	(12,423,284)
8,647,096	1,629,818	924,619	577,635	(315,106)	389,151
<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>
\$1,185,735	\$1,144,755	\$1,966,322	\$2,215,786	\$2,214,980	\$2,318,191
7,519,822	7,721,126	7,900,150	9,190,538	9,448,284	9,426,872
0	0	0	0	0	0
1,086,944	875,970	847,630	881,985	840,902	822,685
173,022	47,643	177,819	318,260	347,822	488,373
144,224	256,805	284,727	649,609	667,251	638,094
968,624	795,935	1,118,310	839,243	566,894	757,012
<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>
5,010	760	0	0	0	0
(968,624)	(795,935)	(1,118,310)	(839,243)	(566,894)	(757,012)
<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>\$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>
\$2,335,978	\$359,516	\$2,840,578	\$3,722,657	\$1,436,346	\$2,027,943
7,683,482	834,643	(193,691)	(261,608)	(882,000)	(367,861)
<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>

City of Painesville, Ohio

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

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

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
\$1,012,204	\$876,065	\$877,739	\$868,584	\$875,763
0	0	0	0	0
0	0	0	11,931	10,931
756,351	923,785	1,091,861	926,069	756,999
5,950,964	5,764,760	6,216,145	5,801,917	5,903,284
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>
1,126,574	1,279,005	1,146,021	1,175,425	1,170,344
4,827,946	4,663,014	5,598,192	6,192,754	6,564,682
1,140,484	1,436,758	1,702,514	2,081,797	2,635,021
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
<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>\$14,684,546</u>	<u>\$14,882,671</u>	<u>\$16,616,732</u>	<u>\$17,058,477</u>	<u>\$17,917,024</u>

City of Painesville, Ohio

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

	2008	2009	2010	2011
Revenues:				
Taxes	\$9,480,913	\$8,954,176	\$8,330,535	\$8,335,086
Intergovernmental Revenues	5,466,933	3,122,006	2,860,371	5,328,950
Charges for Services	740,977	660,330	801,465	834,222
Licenses, Permits and Inspection Fees	352,004	308,161	303,800	296,994
Investment Earnings	1,330,957	846,527	442,524	562,484
Special Assessments	168,049	104,844	89,140	92,547
Fines and Forfeitures	1,402,202	1,341,501	1,227,158	1,257,805
All Other Revenue	235,801	396,349	1,337,779	439,886
Total Revenue	19,177,836	15,733,894	15,392,772	17,147,974
Expenditures:				
Current:				
General Government	3,066,705	4,117,937	4,515,245	4,657,111
Public Safety	7,772,649	7,424,843	7,178,506	7,135,751
Highways and Streets	2,344,519	2,682,268	1,880,062	2,345,029
Public Health and Welfare	628,215	656,218	618,599	619,796
Culture and Recreation	886,575	771,982	712,688	725,325
Community Environment	445,066	465,922	509,372	363,544
Capital Outlay	2,266,246	3,547,668	1,702,801	1,101,883
Debt Service:				
Principal Retirement	831,311	488,042	399,072	346,102
Interest and Fiscal Charges	286,578	270,945	205,692	161,423
Total Expenditures	18,527,864	20,425,825	17,722,037	17,455,964
Excess (Deficiency) of Revenues Over Expenditures	649,972	(4,691,931)	(2,329,265)	(307,990)

City of Painesville, Ohio

2012	2013	2014	2015	2016	2017
\$8,705,017	\$8,778,000	\$9,912,425	\$11,411,537	\$10,950,272	\$11,203,877
4,200,293	2,694,920	3,369,400	3,363,173	1,956,828	2,467,808
777,772	672,887	678,643	823,641	731,184	779,986
450,655	337,067	476,660	551,881	502,156	549,998
166,025	49,611	147,622	373,424	308,897	448,358
115,843	76,294	91,321	205,700	112,284	96,820
1,377,753	1,416,206	1,428,419	1,314,000	1,374,157	1,425,667
519,586	462,724	519,613	649,609	669,658	638,744
<u>16,312,944</u>	<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>
5,777,433	3,558,335	3,785,221	3,788,515	4,211,050	4,012,316
6,694,103	6,660,415	6,591,728	7,115,031	6,971,484	7,367,209
3,550,420	5,882,834	4,394,199	4,180,040	2,703,940	3,045,926
528,871	494,241	480,801	489,786	493,012	539,169
619,372	538,577	574,406	634,046	644,296	613,505
201,364	309,105	113,556	112,913	120,000	121,553
616,881	820,402	1,493,091	612,219	621,855	726,411
1,796,045	1,336,673	1,292,115	1,753,434	1,737,466	1,505,048
311,643	268,510	327,143	311,109	299,911	278,970
<u>20,096,132</u>	<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>
(3,783,188)	(5,381,383)	(2,428,157)	(304,128)	(1,197,578)	(598,849)

(Continued)

City of Painesville, Ohio

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

	2008	2009	2010	2011
Other Financing Sources (Uses):				
Sale of Capital Assets	5,894	9,745	9,169	0
Other Financing Sources - Capital Leases	303,733	0	0	0
Ohio Public Works Commission Loan	97,801	0	0	0
General Obligation Bonds Issued	0	0	0	0
Premium on Debt Issuance	0	1,192	0	0
Long Term Note Issuance	0	0	0	1,440,751
Insurance Proceeds	0	0	0	5,513
Transfers In	2,366,380	2,132,398	1,682,167	1,698,475
Transfers Out	(2,355,593)	(1,097,503)	(969,276)	(595,000)
Total Other Financing Sources (Uses)	<u>418,215</u>	<u>1,045,832</u>	<u>722,060</u>	<u>2,549,739</u>
Net Change in Fund Balance	<u>\$1,068,187</u>	<u>(\$3,646,099)</u>	<u>(\$1,607,205)</u>	<u>\$2,241,749</u>
 Debt Service as a Percentage of Noncapital Expenditures	 7.27%	 4.49%	 4.05%	 3.25%

Source: Finance Director's Office

City of Painesville, Ohio

2012	2013	2014	2015	2016	2017
758	30,322	10	19,401	46,487	19,231
0	0	147,000	111,000	125,000	0
0	840,030	358,135	8,180	2,553	0
5,485,000	1,917,000	0	0	0	0
156,564	0	0	0	0	0
1,190,481	1,031,876	1,205,271	1,060,365	898,389	696,153
607,425	3,482	0	0	0	0
1,734,524	1,628,935	3,218,310	3,015,243	3,141,894	3,042,012
(845,900)	(883,000)	(2,150,000)	(2,176,000)	(2,575,000)	(2,300,000)
8,328,852	4,568,645	2,778,726	2,038,189	1,639,323	1,457,396
<u>\$4,545,664</u>	<u>(\$812,738)</u>	<u>\$350,569</u>	<u>\$1,734,061</u>	<u>\$441,745</u>	<u>\$858,547</u>
13.32%	11.00%	11.13%	12.98%	12.90%	11.74%

City of Painesville, Ohio

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

Tax year	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Income Tax Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Estimated Personal Income	\$689,811	\$662,226	\$694,976	\$780,798	\$788,822
Total Tax Collected	\$8,382,560	\$7,867,889	\$6,968,103	\$6,959,790	\$7,230,012
Income Tax Receipts					
Withholding	6,870,498	6,412,330	5,685,972	5,679,189	5,899,690
Percentage	82.0%	81.5%	81.6%	81.6%	81.6%
Corporate	788,789	629,431	634,097	633,341	657,931
Percentage	9.4%	8.0%	9.1%	9.1%	9.1%
Individuals	723,273	826,128	648,034	647,260	672,391
Percentage	8.6%	10.5%	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

2013	2014	2015	2016	2017
2.00%	2.00%	2.00%	2.00%	2.00%
\$850,247	\$866,328	\$873,158	\$905,602	\$840,818
\$6,870,545	\$7,955,171	\$8,737,608	\$8,982,680	\$8,460,238
5,606,364	6,491,419	7,129,887	6,476,511	6,226,735
81.6%	81.6%	66.1%	72.1%	73.6%
625,220	723,921	795,122	1,338,421	1,285,956
9.1%	9.1%	21.9%	14.9%	15.2%
638,961	739,831	812,599	1,167,748	947,547
9.3%	9.3%	12.0%	13.0%	11.2%



City of Painesville

Income Tax Collections Current Year and Nine Years Ago

Calendar Year 2017				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,521	30.18%	\$13,522,153	6.11%
20,000 - 49,999	1,842	36.54%	61,157,210	27.62%
50,000 - 74,999	784	15.56%	46,893,121	21.17%
75,000 - 99,999	446	8.85%	38,201,763	17.25%
Over 100,000	447	8.87%	61,684,795	27.85%
Total	5,040	100.00%	\$221,459,042	100.00%
Local Taxes Paid by Residents			Tax Dollars	
Taxes Paid to Painesville			\$1,171,735	
Taxes Credited to Other Municipalities			620,735	
			\$1,792,470	

Calendar Year 2008				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	2,039	43.11%	\$12,713,265	8.27%
20,000 - 49,999	1,536	32.47%	50,637,393	32.93%
50,000 - 74,999	666	14.08%	40,549,863	26.37%
75,000 - 99,999	299	6.32%	25,552,499	16.62%
Over 100,000	190	4.02%	24,301,583	15.81%
Total	4,730	100.00%	\$153,754,603	100.00%
Local Taxes Paid by Residents			Tax Dollars	
Taxes Paid to Painesville			\$760,038	
Taxes Credited to Other Municipalities			1,171,016	
			\$1,931,054	

Source: Finance Director's Office

City of Painesville, Ohio

Ratios of Outstanding Debt By Type Last Ten Years

	2008	2009	2010	2011
Governmental Activities ⁽¹⁾				
General Obligation Bonds	\$1,975,000	\$1,840,000	\$1,700,000	\$1,565,000
Special Assessment Bonds	370,000	355,000	340,000	325,000
Ohio Public Works Commission Loan Payable	107,911	93,021	83,131	78,241
Long-Term Notes Payable	0	0	0	1,440,751
Construction Loan Payable	489,012	436,750	381,978	324,854
Capital Leases	865,116	594,226	414,816	280,728
Business-type Activities ⁽¹⁾				
Mortgage Revenue Bonds Payable	\$2,376,055	\$2,227,843	\$2,072,304	\$1,908,438
General Obligation Bonds Payable	3,545,000	3,045,000	2,540,000	2,025,000
Ohio Water Development Authority Loan Payable	1,014,923	3,325,443	4,281,356	4,282,382
Ohio Public Works Commission Loan Payable	568,328	464,922	361,516	258,111
Long-Term Notes Payable	0	0	0	1,754,179
Capital Leases	4,222,884	3,946,531	3,738,838	3,540,782
Total Primary Government	<u>\$15,534,229</u>	<u>\$16,328,736</u>	<u>\$15,913,939</u>	<u>\$17,783,466</u>
Population ⁽²⁾				
City of Painesville	17,503	17,503	19,563	19,563
Outstanding Debt Per Capita	\$888	\$933	\$813	\$909
Income ⁽³⁾				
Personal (in thousands)	\$689,811	\$662,226	\$694,976	\$780,798
Percentage of Personal Income	2.25%	2.47%	2.29%	2.28%

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

2012	2013	2014	2015	2016	2017
\$7,116,564	\$8,930,736	\$8,750,908	\$8,373,080	\$7,953,252	\$7,526,424
310,000	290,000	270,000	250,000	230,000	210,000
73,351	908,491	1,261,736	1,265,026	1,262,689	1,209,443
1,065,481	960,876	1,205,271	1,060,365	898,389	696,153
265,276	203,139	135,547	69,193	0	0
219,902	201,737	281,980	306,061	260,043	145,630
\$1,334,040	\$1,050,236	\$795,089	\$536,294	\$275,899	\$0
1,500,000	1,250,000	0	0	1,865,000	1,790,000
4,072,160	3,853,679	3,708,874	3,882,369	3,929,625	5,815,830
154,706	111,301	67,896	24,587	22,539	20,491
1,535,519	1,339,124	2,254,729	1,799,635	1,351,611	903,847
3,360,319	3,548,506	3,301,087	3,044,934	2,779,149	2,503,526
<u>\$21,007,318</u>	<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>
19,549	19,563	19,933	19,840	19,776	19,563
\$1,075	\$1,158	\$1,105	\$1,039	\$1,053	\$1,064
\$788,822	\$850,247	\$866,328	\$873,158	\$905,602	\$840,818
2.66%	2.66%	2.54%	2.36%	2.30%	2.48%

City of Painesville, Ohio

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2008	2009	2010	2011
Population ⁽¹⁾	17,503	17,503	19,563	19,563
Personal Income ⁽²⁾	\$689,810,733	\$662,226,005	\$694,975,575	\$780,798,456
General Bonded Debt				
General Obligation Bonds	\$5,520,000	\$4,885,000	\$4,240,000	\$3,590,000
Resources Available to Pay Principal	\$27,516	\$47,318	\$95,541	\$160,845
Net General Bonded Debt	\$5,492,484	\$4,837,682	\$4,144,459	\$3,429,155
Ratio of Net Bonded Debt to Personal Income	0.80%	0.73%	0.60%	0.44%
Net Bonded Debt per Capita	\$313.80	\$276.39	\$211.85	\$175.29

Sources:

- (1) U.S. Bureau of Census of Population
- (2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2016, for the presentation of 2017 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

2012	2013	2014	2015	2016	2017
19,549	19,563	19,933	19,840	19,776	19,563
\$788,821,699	\$850,247,106	\$866,328,046	\$873,158,400	\$905,602,368	\$840,817,740
\$8,616,564	\$10,180,736	\$8,750,908	\$8,373,080	\$9,818,252	\$9,316,424
\$102,737	\$161,951	\$121,648	\$182,798	\$243,667	\$304,935
\$8,513,827	\$10,018,785	\$8,629,260	\$8,190,282	\$9,574,585	\$9,011,489
1.08%	1.18%	1.00%	0.94%	1.06%	1.07%
\$435.51	\$512.13	\$432.91	\$412.82	\$484.15	\$460.64



City of Painesville, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2017*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to the City of Painesville	Amount Applicable to the City of Painesville
Direct:			
City of Painesville	\$9,787,650	100.00%	\$9,787,650
Overlapping:			
Painesville City School District	24,933,673	100.00%	24,933,673
Morley Library	2,458,050	19.15%	470,717
Auburn Career Center	3,895,000	9.56%	372,362
Lakeland Career Center	87,135,753	2.76%	2,404,947
Riverside Schools	38,596,047	4.59%	1,771,559
Lake County	9,400,000	3.76%	353,440
		Subtotal	<u>30,306,698</u>
		Total	<u>\$40,094,348</u>

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

Source: Lake County

City of Painesville, Ohio

Debt Limitations Last Ten Years

Collection Year	2008	2009	2010	2011
<u>Total Debt</u>				
Net Assessed Valuation	\$278,912,006	\$275,691,690	\$256,194,750	\$251,049,200
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	29,285,761	28,947,627	26,900,449	26,360,166
City Debt Outstanding (2)	5,799,500	5,736,573	4,939,766	4,887,591
Less: Applicable Debt Service Fund Amounts	<u>(27,516)</u>	<u>(47,318)</u>	<u>(95,541)</u>	<u>(160,845)</u>
Net Indebtedness Subject to Limitation	<u>5,771,984</u>	<u>5,689,255</u>	<u>4,844,225</u>	<u>4,726,746</u>
Overall Legal Debt Margin	<u>\$23,513,777</u>	<u>\$23,258,372</u>	<u>\$22,056,224</u>	<u>\$21,633,420</u>
Debt Margin as a Percentage of Debt Limit	80.29%	80.35%	81.99%	82.07%
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$278,912,006	\$275,691,690	\$256,194,750	\$251,049,200
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	15,340,160	15,163,043	14,090,711	13,807,706
City Debt Outstanding (2)	70,000	20,000	0	0
Less: Applicable Debt Service Fund Amounts	<u>(27,516)</u>	<u>(47,318)</u>	<u>(95,541)</u>	<u>(160,845)</u>
Net Indebtedness Subject to Limitation	<u>42,484</u>	<u>(27,318)</u>	<u>(95,541)</u>	<u>(160,845)</u>
Overall Legal Debt Margin	<u>\$15,297,676</u>	<u>\$15,190,361</u>	<u>\$14,186,252</u>	<u>\$13,968,551</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

2012	2013	2014	2015	2016	2017
\$252,866,440	\$218,554,660	\$219,194,440	\$218,983,000	\$220,674,620	\$221,250,540
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
26,550,976	22,948,239	23,015,416	22,993,215	23,170,835	23,231,307
4,955,121	4,939,613	4,612,251	4,311,426	3,916,432	3,405,783
(102,737)	(161,951)	(121,648)	(182,798)	(243,667)	(304,935)
4,852,384	4,777,662	4,490,603	4,128,628	3,672,765	3,100,848
<u>\$21,698,592</u>	<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>
81.72%	79.18%	80.49%	82.04%	84.15%	86.65%
\$252,866,440	\$218,554,660	\$219,194,440	\$218,983,000	\$220,674,620	\$221,250,540
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
13,907,654	12,020,506	12,055,694	12,044,065	12,137,104	12,168,780
0	0	0	0	0	0
(102,737)	(161,951)	(121,648)	(182,798)	(243,667)	(304,935)
(102,737)	(161,951)	(121,648)	(182,798)	(243,667)	(304,935)
<u>\$14,010,391</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>

City of Painesville, Ohio

*Pledged Revenue Coverage
Last Ten Years*

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Special Assessment Bonds (1)				
Special Assessment Collections	\$168,049	\$104,845	\$89,140	\$57,402
Debt Service				
Principal	15,000	15,000	15,000	15,000
Interest	19,062	18,350	17,638	16,926
Coverage	4.93	3.14	2.73	1.80

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

Source: Finance Director's Office

City of Painesville, Ohio

2012	2013	2014	2015	2016	2017
\$77,616	\$56,832	\$78,213	\$56,770	\$56,719	\$57,090
15,000	20,000	20,000	20,000	20,000	20,000
16,212	15,500	14,500	13,500	12,500	11,500
2.49	1.60	2.27	1.69	1.75	1.81

City of Painesville, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2008	2009	2010	2011
Population (1)				
City of Painesville	17,503	17,503	19,563	19,563
Lake County	232,466	232,466	236,775	230,041
Income (2) (a)				
Total Personal (in thousands)	\$689,811	\$662,226	\$694,976	\$780,798
Per Capita	\$39,411	\$37,835	\$35,525	\$39,912
Unemployment Rate (3)				
Federal	5.8%	9.3%	9.0%	8.5%
State	6.6%	10.2%	9.0%	8.6%
Lake County	6.1%	8.8%	8.1%	8.4%
Civilian Work Force Estimates (3)				
State	5,986,400	5,905,107	5,908,000	5,897,600
Lake County	131,100	124,400	133,900	133,600

Sources:

(1) US Bureau of Census of Population

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2016, for the presentation of 2017 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

2012	2013	2014	2015	2016	2017
19,549	19,563	19,933	19,840	19,776	19,563
229,582	230,041	229,245	229,245	228,614	230,041
\$788,822	\$850,247	\$866,328	\$873,158	\$905,602	\$840,818
\$40,351	\$43,462	\$43,462	\$44,010	\$45,793	\$42,980
7.8%	6.7%	5.6%	4.8%	4.9%	4.1%
6.7%	6.5%	4.8%	4.6%	4.9%	4.1%
6.4%	7.9%	6.2%	3.7%	4.8%	4.4%
5,740,900	5,765,000	5,738,000	5,693,000	5,687,000	5,780,000
126,800	126,500	126,800	121,600	122,200	123,935



City of Painesville, Ohio

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2017		
		Number of Employees	Rank	Percentage of Total Employment
County of Lake	Government	961	1	16.57%
Fasson Division/Avery International Corp.	Manufacturing	556	2	9.59%
Painesville City Schools	Education	420	3	7.24%
The City of Painesville	Government	276	4	4.76%
Lake Erie College	Education	234	5	4.04%
Aero Fluid Products, Inc.	Manufacturing	168	6	2.90%
Cintas	Service	136	7	2.35%
STP Products/Armoured Auto Group	Manufacturing	115	8	1.98%
Eckart America	Manufacturing	103	9	1.78%
Yokohama Industries Americas Ohio	Manufacturing	55	10	0.95%
Total		<u>3,024</u>		
Total Employment within the City		<u>5,798</u>		

Employer	Nature of Business	2008		
		Number of Employees	Rank	Percentage of Total Employment
County of Lake	Government	1,295	1	23.86%
Lake Hospital System	Medical-Patient Care	1,149	2	21.17%
Fasson Div. Avery Intl. Corporation	Manufacturing	611	3	11.26%
Painesville City Schools	Education	471	4	8.68%
City of Painesville	Government	289	5	5.32%
Lake Erie College	Education	251	6	4.62%
Core Systems	Manufacturing	193	7	3.56%
AeroControlex Group, Inc.	Manufacturing	164	8	3.02%
Coe Manufacturing	Manufacturing	109	9	2.01%
SAS Rubber Co.	Manufacturing	98	10	1.81%
Total		<u>4,630</u>		
Total Employment within the City		<u>5,428</u>		

Source:

Compiled by City of Painesville Finance Department

City of Painesville, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	2008	2009	2010	2011	2012
Governmental Activities					
General Government					
Finance	7.00	7.00	7.00	7.00	7.00
Judicial	23.00	23.00	20.00	19.00	19.00
Administration	50.00	48.00	47.00	47.00	44.00
Maintenance	1.00	1.00	1.00	1.00	1.00
Public Safety					
Police	44.00	45.00	43.00	42.00	41.00
Fire	28.00	28.00	28.00	27.00	27.00
Public Works					
Public Works	19.00	17.00	17.00	16.00	15.00
Public Health and Welfare					
Cemeteries	5.00	5.00	5.00	5.00	4.00
Culture and Recreation					
Parks - Recreation	8.00	7.00	7.00	7.00	6.00
Business-Type Activities					
Utilities					
Water	20.00	20.00	21.00	20.00	19.00
Sewer	17.00	17.00	17.00	17.00	17.00
Electric	64.00	64.00	64.00	62.00	62.00
Off Street Parking	3.00	2.00	1.00	1.00	1.00
<i>Total Employees</i>	<u>289.00</u>	<u>284.00</u>	<u>278.00</u>	<u>271.00</u>	<u>263.00</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

2013	2014	2015	2016	2017
6.00	6.00	6.00	6.00	5.50
19.00	17.00	20.00	20.00	20.00
43.00	43.00	42.00	42.00	42.00
1.00	1.00	1.00	1.00	1.00
41.00	42.00	42.00	42.00	42.00
27.00	26.00	26.00	26.00	26.00
15.00	16.00	15.00	16.00	16.00
4.00	4.00	4.00	4.00	4.00
6.00	6.00	6.00	6.00	6.00
20.00	21.00	20.00	21.00	21.00
17.00	17.00	17.00	16.00	16.00
56.00	56.00	56.00	56.00	56.00
1.00	1.00	1.00	0.00	0.00
256.00	256.00	256.00	256.00	255.50

City of Painesville, Ohio

*Operating Indicators by Function
Last Ten Years*

	2008	2009	2010
Governmental Activities			
General Government			
Court			
Number of Probation Cases	2,084	2,023	1,968
Number of Traffic Cases	10,892	9,855	9,086
Licenses and Permits			
Number of Building Permits - Residential	327	340	531
Number of Building Permits - Commercial & Industrial	96	69	132
Number of Building Inspections - Residential	2,179	1,893	1,866
Number of Building Inspections - Commercial	2,920	2,150	954
Public Safety			
Police			
Number of Citations Issued	2,472	1,877	2,430
Number of Arrests	1,048	1,321	1,411
Number of Accidents	637	561	564
Fire			
Number of Fire Calls	103	116	119
Number of EMS Runs	2,276	2,431	2,659
Number of Inspections	639	718	624
Highways and Streets			
Public Works			
Number of Streets Resurfaced	5	3	7
Public Health and Welfare			
Cemeteries			
Number of Burials	214	215	183
Number of Cemeteries	2	2	2
Culture and Recreation			
Parks - Recreation			
Program Attendance (1)	6,850	7,150	40,429
Number of Park Visitations	100,000	109,000	139,050

City of Painesville, Ohio

2011	2012	2013	2014	2015	2016	2017
1,683	1,658	1,524	1,349	1,213	1,279	1,164
8,550	9,573	9,694	9,763	8,787	9,197	10,166
508	329	372	352	262	275	399
106	148	115	74	48	29	83
2,200	1,660	834	819	1,062	1,547	2,682
543	1,588	1,949	1,233	237	247	756
1,878	1,513	1,613	2,025	1,139	2,002	1,466
1,232	1,378	1,252	650	1,119	2,853	998
579	562	442	415	487	482	419
104	104	76	92	96	92	69
2,686	2,661	2,594	2,630	2,736	2,899	2,865
625	493	606	477	979	1,002	610
2	0	1	3	4	10	9
197	192	188	169	189	181	212
2	2	2	2	2	2	2
39,929	42,350	41,525	40,500	48,190	48,500	49,300
135,000	142,000	155,000	147,500	152,000	155,000	160,000

(Continued)

City of Painesville, Ohio

*Operating Indicators by Function
Last Ten Years*

Business-Type Activities	<u>2008</u>	<u>2009</u>	<u>2010</u>
Water			
Number of Service Connections	10,147	10,184	10,254
Water Main Breaks	45	42	55
Daily Average Consumption (thousands of gallons)	3,241	3,485	3,590
Peak Daily Consumption (thousands of gallons)	6,192	5,573	4,667
Storage Capacity (thousands of gallons)	4,053	4,053	4,053
Sewer			
Daily Average Sewage Treatment (thousands of gallons)	3.73	3.03	2.75
Electric			
Number of Service Connections	11,896	12,056	12,041
Average Daily Generation in Kilowatt Hours	660,507	315,577	252,084
Peak Load in Kilowatts	50,700	55,200	54,000
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	6,023	6,046	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

2011	2012	2013	2014	2015	2016	2017
10,316	10,380	10,454	10,536	10,602	10,661	10,767
34	50	44	43	42	35	39
3,440	3,410	3,059	3,100	3,319	3,064	3,093
5,208	6,098	4,450	4,051	6,246	5,140	4,821
4,053	4,053	4,053	4,053	4,053	4,053	4,053
4.11	3.33	3.29	3.30	3.12	3.16	3.27
12,038	12,032	12,231	12,240	12,273	12,305	12,360
247,814	79,714	41,115	16,983	18,939	21,257	10,235
55,500	57,400	54,500	50,600	51,300	54,100	49,000
502	502	502	502	475	0	0
60	60	60	60	60	60	60
101	101	101	101	101	101	101
6,095	7,103	7,605	7,631	7,655	7,727	7,762

City of Painesville, Ohio

Capital Asset Statistics by Function Last Ten Years

	2008	2009	2010	2011
Governmental Activities				
General Government				
Public Land and Buildings				
Land (acres)	0.95	0.95	0.95	0.95
Buildings	7	7	7	7
Public Safety				
Police				
Stations	1	1	1	1
Vehicles	16	16	18	18
Fire				
Stations	1	1	1	1
Vehicles	11	12	13	13
Public Works				
Street				
Streets (lane miles)	58	58	58	59
Street Lights	1,571	1,571	1,571	1,571
Traffic Signals	116	116	116	116
Vehicles	27	28	28	28
Culture and Recreation				
Recreation/Seniors				
Land (acres)	118.02	125.32	125.32	125.32
Buildings	1	1	1	1
Parks	10	14	14	14
Playgrounds	7	7	8	8
Tennis Courts	2	2	2	2
Baseball/Softball Diamonds	9	9	9	9
Soccer Fields	1	1	1	1

City of Painesville, Ohio

2012	2013	2014	2015	2016	2017
0.95 7	0.95 7	0.95 7	0.95 7	0.95 7	0.95 7
1 20	1 21	1 25	1 24	1 21	1 21
1 13	1 14	1 13	1 13	1 14	1 14
59 1,571 116 27	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
140.51 1 15 11 2 9 0	140.51 1 15 11 2 9 0	140.51 1 15 11 2 9 0	150.51 1 15 11 2 9 0	150.51 1 15 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*

Business-Type Activities	2008	2009	2010	2011
Utilities				
Water				
Waterlines (Miles)	131.4	132.3	132.6	132.7
Pump Stations	7	7	7	7
Number of Hydrants	1,776	1,797	1,803	1,805
Sewer				
Sewer lines (Miles)	50	50	50	50
Lift Stations	7	7	7	7
Electric				
Lines (Miles)	218	220	220	220
Off Street Parking				
Buildings and Improvements	1	1	1	1
Storm Water Drainage				
Storm Drains (Miles)	37	37	37	38
Number of Catch Basins	2,900	2,900	2,900	2,902
Treatment Capacity (thousands of gallons)	28,000	28,000	28,000	28,000

Source: Finance Director's Office

City of Painesville, Ohio

2012	2013	2014	2015	2016	2017
132.9	133.1	138.6	139.4	140.0	141.1
7	7	7	7	7	7
1,813	1,839	1,866	1,875	1,880	1,900
50	50	50	50	50	50
8	8	8	8	8	8
220	222	222	222	222	222
1	1	1	1	0	0
38	38	38	38	38	38
2,902	2,902	2,902	2,904	2,904	2,904
28,000	28,000	28,000	28,000	28,000	28,000





Dave Yost • Auditor of State

CITY OF PAINESVILLE

LAKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 3, 2018