



OHIO AUDITOR OF STATE  
**KEITH FABER**





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.**

# OHIO AUDITOR OF STATE KEITH FABER



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

## INDEPENDENT AUDITOR'S REPORT 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, 2019, 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 26, 2020.

### ***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***

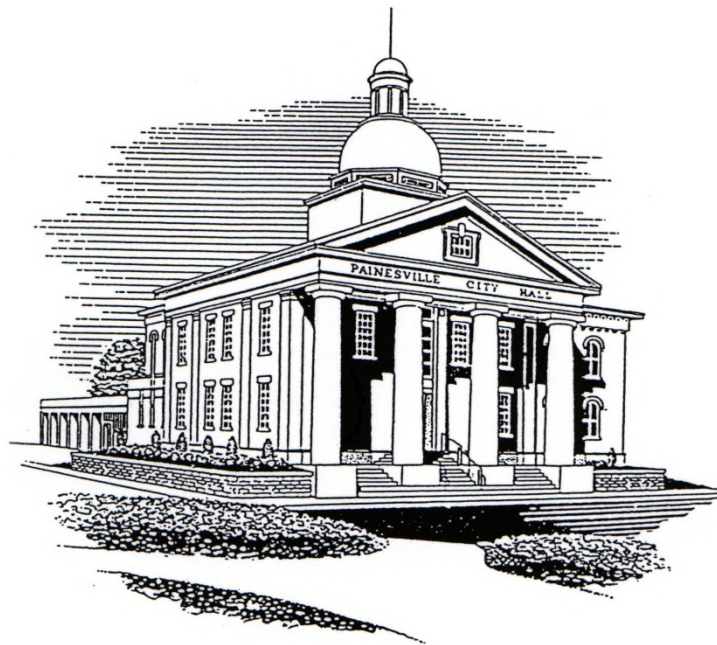
This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering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



Keith Faber  
Auditor of State  
Columbus, Ohio

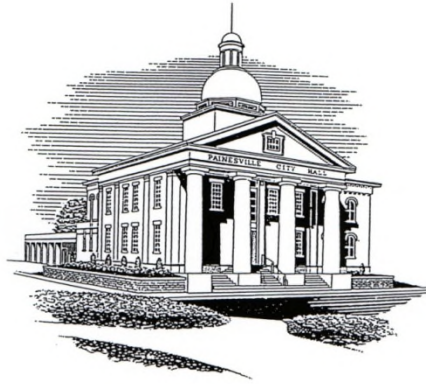
June 26, 2020

# *CITY OF PAINESVILLE, OHIO*



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2019





***Lake County, Ohio***

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2019

*Prepared by the Finance Department*

Andrew A. Unetic  
Director



TABLE OF CONTENTS

CITY OF PAINESVILLE  
LAKE COUNTY, OHIO

---

**I** INTRODUCTORY SECTION

**A** Letter of Transmittal .....v  
**B** List of Principal Officials .....xv  
**C** City Organizational Chart .....xvi  
**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 Position .....16  
        Statement of Activities .....18  
    Fund Financial Statements:  
        *Governmental Funds:*  
            Balance Sheet .....20  
            Reconciliation of Total Governmental Fund Balances to Net Position of  
            Governmental Activities.....21  
            Statement of Revenues, Expenditures and Changes in Fund Balances .....22  
            Reconciliation of the Statement of Revenues, Expenditures and Changes  
            in Fund Balances of Governmental Funds to the Statement of Activities.....23  
            Statement of Revenues, Expenditures and Changes in Fund Balance -  
            Budget and Actual (Non-GAAP Budgetary Basis)  
                General Fund .....24  
        *Proprietary Funds:*  
            Statement of Net Position .....26  
            Statement of Revenues, Expenses and Changes in Fund Net Position.....30  
            Statement of Cash Flows .....32  
        *Fiduciary Funds:*  
            Statement of Net Position .....36  
            Statement of Changes in Net Position .....37  
Notes to the Basic Financial Statements.....39

<b>D</b>	Required Supplementary Information:	
	Schedule of City’s Proportionate Share of the Net Pension Liability.....	100
	Schedule of City Pension Contributions.....	102
	Schedule of City’s Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability .....	105
	Schedule of City’s Other Postemployment Benefit (OPEB) Contributions .....	106
	Notes to the Required Supplementary Information .....	108
<b>E</b>	Combining and Individual Fund Statements and Schedules:	
	Nonmajor Governmental Financial Statements:	
	Combining Balance Sheet.....	116
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	117
	Combining Balance Sheet – Nonmajor Special Revenue Funds.....	118
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds .....	123
	Combining Balance Sheet – Nonmajor Debt Service Funds .....	128
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds .....	129
	Combining Balance Sheet – Nonmajor Capital Projects Funds .....	130
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	132
	Combining Balance Sheet – Nonmajor Permanent Funds.....	134
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Permanent Funds.....	135
	Individual Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
	Major Governmental Funds:	
	<i>General Fund</i> .....	136
	Nonmajor Governmental Funds:	
	<i>Special Revenue Funds:</i>	
	Street Construction, Maintenance and Repair Fund .....	143
	State Highway Improvement Fund.....	144
	Cemeteries Fund.....	145
	Police Pension Transfer Fund.....	146
	Fire Pension Transfer Fund .....	147
	Law Enforcement Fund .....	148
	Municipal Motor Vehicle License Tax Fund .....	149
	Indigent Drivers Alcohol Treatment Fund .....	150
	Enforcement and Education Fund .....	151

Nonmajor Governmental Funds: (Continued)

*Special Revenue Funds: (Continued)*

City Motor Vehicle License Tax Fund .....	152
Fire Levy Fund .....	153
Underground Storage Tank Fund .....	154
Probation Services Fund.....	155
Community Oriented Policing Services (COPS) Fast Grant Fund.....	156
Skate Facility Fund.....	157
Lake County Grant Fund .....	158
Fire Fund .....	159
Victim’s Advocate Grant Fund .....	160
Emergency Medical Services Fund.....	161
Municipal Court Computerization Fund .....	162
Plan Review Fund .....	163
Brownfield Grant Fund .....	164
Zoning Application Fund .....	165
Fire Improvement Levy Fund.....	166
Road Improvement Levy Fund.....	167
Columbarium Trust Fund .....	168
Law Enforcement Trust Fund.....	169

*Debt Service Funds:*

General Bond Retirement Fund.....	170
Special Assessment Bond Retirement Fund.....	171
Shamrock Business Center TIF Fund.....	172

*Capital Projects Funds:*

Municipal Court Improvement Fund.....	173
Capital Equipment Reserve Fund.....	174
Capital Improvement Fund.....	176
Lake Hospital Demolition Fund .....	178
Jackson Street Interchange Project Fund.....	179
Industrial Park Project Fund .....	180
Municipal Court Special Projects Fund.....	181
Millstone Acquisition Fund.....	182
City Hall Fire Fund.....	183
Shamrock Boulevard Road Project Fund .....	184

*Permanent Funds:*

Cemetery Trust Fund.....	185
Special Endowment Fund.....	186
Evergreen Cemetery Trust Fund .....	187
Riverside Cemetery Trust Fund.....	188
Special Endowment Trust Fund .....	189

Nonmajor Proprietary Funds:

*Nonmajor Enterprise Funds:*

Combining Statement of Net Position.....	192
Combining Statement of Revenues, Expenses and Changes in Fund	
Net Position.....	196
Combining Statement of Cash Flows.....	198

*Nonmajor Internal Service Funds:*

Combining Statement of Net Position.....	203
Combining Statement of Revenues, Expenses and Changes in Fund	
Net Position.....	204
Combining Statement of Cash Flows.....	205

Fiduciary Funds – Custodial Funds:

Combining Statement of Net Position.....	208
Combining Statement of Changes in Net Position.....	209

**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](http://www.painesville.com)

June 26, 2020

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, 2019. 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, 2019***

---

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 terms ended on December 31, 2019; the remaining members are elected At-Large and their current term expires on December 31, 2021. 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, 2019***

---

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, 2019***

---

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, 2019***

---

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 2019 was business attraction as well as business retention as well as some new opportunities for mixed-use development. At the same time, we had been re-aligning the Economic Development office to transition away from events and re-focus efforts more strongly on supporting economic development efforts. This year’s key attraction projects included Local Flavors a specialty grocery store and the new north-end grocery store expansion of La Casita along with their new restaurant. These two stores helped meet the continued requests we have had in our community for a neighborhood based grocery store.

***Letter of Transmittal  
For the Year Ended December 31, 2019***

---

**Business Support Programs**

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. A few key programs include the Key Accounts/Direct Connections program, and Efficiency Smart Program which was just established this year. Through AMP, these programs provide 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. We also have created a new CRA district to align with our other 4 existing CRA districts. This new district will allow us to have a stronger focus for new investments in the Richmond Street Corridor and the northeast neighborhoods of the City. Along with this new CRA we have established a set of Design Criteria for Richmond Street and our other entryway corridors within the City. The Office of Economic Development also meets with local business owners and managers to identify resources and sources to aid their future business growth.

We have been focusing efforts this past year on new development areas for industrial growth. This year's focus resulted in a concept for Encore Estates and discussions have begun with potential prospects now that availability remains in that area.

We also have continued efforts and discussions on the High Pointe Centre, completing several housing studies in the downtown for new residential development in existing buildings as well as the former hospital property. Those discussions continue to focus around our Downtown Master Plan and fulfilling that plan in the coming years. We also continue to focus on our Economic Development Strategic Plan from 2019 through 2024.

**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 the central business district and a business parkway. In addition to marketing those developments the City continues its focus on the Ohio Main Street Approach to economic restructuring for the downtown retail and commercial district. Continued business connections and communication remain very important to the City of Painesville.

**MAJOR INITIATIVES**

**Current Year Projects**

The Citywide goals are the primary factor used in making determinations of the appropriateness of increased expenditures in any given budget year. The mission of the City of Painesville, City Council and City employees is to enhance and improve the quality of life and growth in the community by providing the highest level of service in an efficient and cost effective manner. In 2019, the City continued to uphold that mission by expanding and improving services, upgrading and constructing infrastructure, and enhancing public grounds and facilities.

***Letter of Transmittal  
For the Year Ended December 31, 2019***

---

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 fifteenth 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 2019, the City budgeted \$2.4 million for road paving projects that were paid for with General Fund monies, road levy monies, and through grants the City received.

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

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

In 2019, 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 \$2,300,000 on repaving roads in 2020.

In 2020, the City will continue the construction of the new water intake in Lake Erie.

In 2020, the City will continue replacing the City's accounting, HR, payroll, and utility billing software at a total cost in the neighborhood of \$1,000,000.

In 2018 the Electric Department encumbered \$3.5 million on Advanced Metering Infrastructure (AMI), which will allow the electric meters to be read remotely and increase the Electric Department's efficiency and improve customer service. The AMI project will begin in 2020. Also, in 2020 the Electric department is budgeting \$3,000,000 to bury the electric wires underground for future development.

***Letter of Transmittal  
For the Year Ended December 31, 2019***

---

**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 eighteen consecutive years.



***Letter of Transmittal  
For the Year Ended December 31, 2019***

---

**Accounting System**

The City uses automated governmental accounting software developed and licensed by Civica CMI, Inc. This software controls budgetary accounting, payroll, utility billing, and capital assets. In 2003 the Finance Department purchased a new mainframe computer and updated software on all modules by September 2004. By the end of 2020, the CMI accounting system will no longer be supported and the City will begin to change out this system in 2019.

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

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

**OTHER INFORMATION**

**Independent Audit**

Under federal law, the City is required to have an audit performed every year. The State of Ohio Auditor's Office performed the 2019 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, 2018. 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, 2019***

---

A Certificate of Achievement is valid for a period of one year. Painesville has received a Certificate of Achievement for the last thirty-two consecutive years, fiscal years ended 1987 – 2018. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting the report to the GFOA to determine its eligibility for another certificate.

**Public Disclosure**

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

**Acknowledgements**

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

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

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

Sincerely,



Monica Ireland  
City Manager



Andrew A. Unetic  
Director of Finance

**CITY OF PAINESVILLE, OHIO**

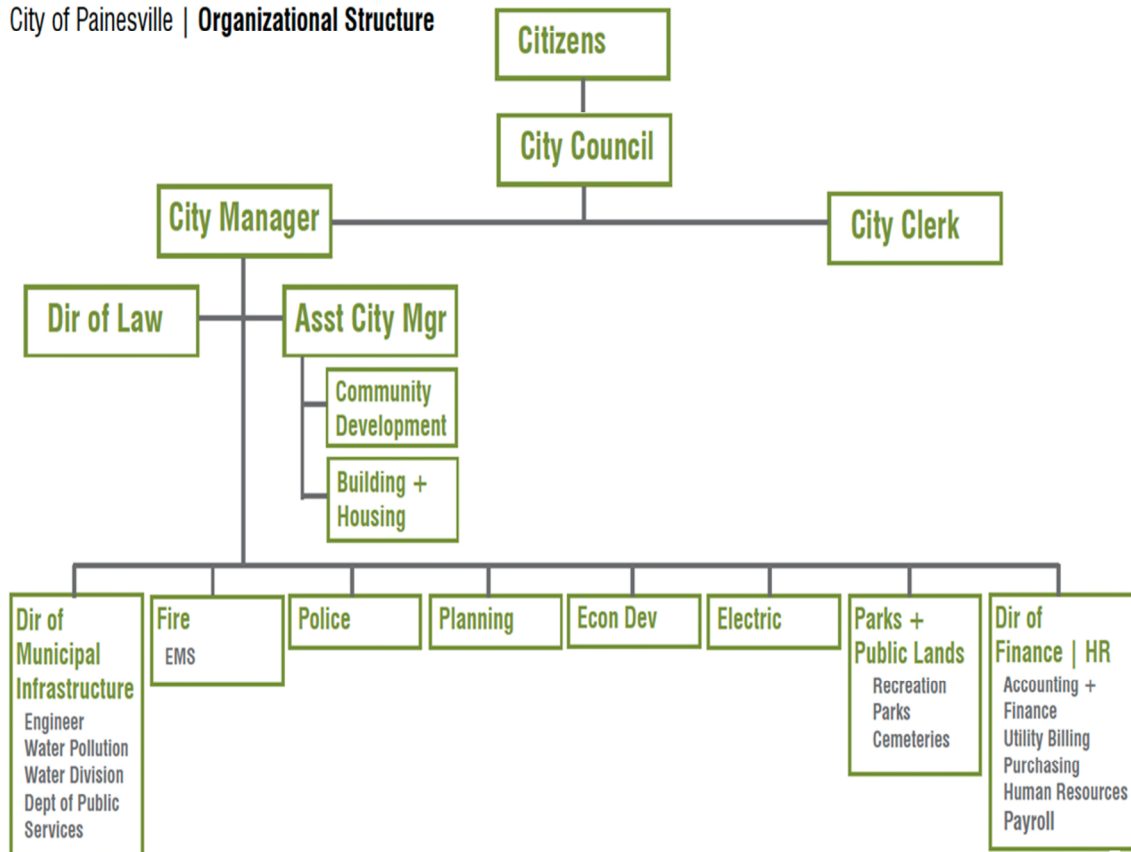
**List of Principal Officials  
For the Year Ended December 31, 2019**

Name	Title	Years of Municipal/Governmental Service			
		Position	City	Other Municipal/ Governmental Service	Total Public Service
<b>CITY COUNCIL</b>					
Paul W. Hach II	President (Ward 4)	6.0	16.0	0.0	16.0
Lori Dinallo	Vice President (at Large)	6.0	10.0	2.0	12.0
Tom Fitzgerald	Council Member (at Large)	6.0	6.0	0.0	6.0
Jim Fodor	Council Member (at Large)	10.0	10.0	0.0	10.0
Christine Shoop	Council Member (Ward 1)	4.0	4.0	0.0	4.0
Katie Jenkins	Council Member (Ward 2)	8.0	8.0	9.0	17.0
Nick Augustine	Council Member (Ward 3)	3.3	3.3	0.0	3.3
Valerie Vargo	Clerk of Council	3.1	3.1	0.0	3.1
<b>CITY ADMINISTRATION</b>					
Monica Irelan	City Manager	3.1	3.1	9.8	12.9
Doug Lewis	Assistant City Manager	11.6	11.6	13.0	24.6
Andrew A. Unetic	Director of Finance	12.1	12.1	14.1	26.2
Joseph M. Gurley	Director of Law	32.0	39.3	15.3	54.6
<b>DEPARTMENT/DIVISION HEADS</b>					
Brian Belfiore	Service Director	6.0	13.9	0.0	13.9
Leanne Exum	City Engineer	5.5	5.5	0.0	5.5
Jeffrey McHugh	Electric Power Superintendent	7.3	7.3	33.3	40.6
Randy Bruback	Water Pollution Control Superintendent	17.8	17.8	16.0	33.8
Thomas Hummel	Fire Chief	1.0	23.8	0.0	23.8
Daniel Waterman	Chief of Police	2.3	23.0	0.8	23.8
Michelle LaPuma	Director of Recreation and Public Lands	4.3	7.2	0.0	7.2
Lynn White	City Planner	5.0	27.5	0.0	27.5

**City Organizational Chart**  
**For the Year Ended December 31, 2019**

---

City of Painesville | **Organizational Structure**



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

---



Government Finance Officers Association

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

Presented to

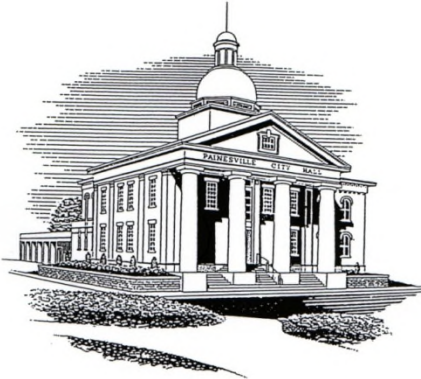
**City of Painesville  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morill*

Executive Director/CEO



## *FINANCIAL SECTION*

---

---





# OHIO AUDITOR OF STATE KEITH FABER



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

## INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Painesville, Lake County, Ohio (the City), as of and for the year ended December 31, 2019, 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, 2019, 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 and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary and Other Information*

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

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

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

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

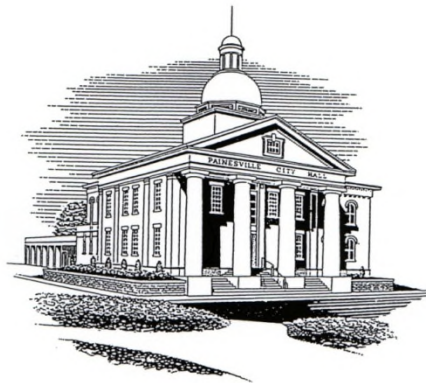
***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we will also issue our report dated June 26, 2020, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State  
Columbus, Ohio

June 26, 2020



***Management's Discussion and Analysis  
For the Year Ended December 31, 2019***

***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, 2019. 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 2019 are as follows:

- ❑ In total, net position increased \$10,481,085. Net position of governmental activities increased \$10,375,346, which represents a 32% increase from 2018. Net position of business-type activities increased \$105,739, or less than 1% from 2018.
- ❑ General revenues accounted for \$14,780,324 in revenue, or 23% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$48,687,058, or 77% of total revenues of \$63,467,382.
- ❑ The City had \$11,385,539 in expenses related to governmental activities; only \$6,145,252 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$14,780,324 were adequate to fully provide for these programs.
- ❑ Among major funds, the general fund had \$15,087,493 in revenues, including other financing sources and \$14,047,224 in expenditures, including other financing uses. The general fund's fund balance increased \$1,040,269.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

These statements are as follows:

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

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

**Government-Wide Financial Statements**

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

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

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

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

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

**Fund Financial Statements**

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

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

**CITY OF PAINESVILLE, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

**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, 2019 and 2018:

	Governmental Activities		Business-type Activities		Total	
	Restated		2019	2018	2019	2018
	2019	2018				
Current and Other Assets	\$27,338,072	\$24,858,620	\$32,317,400	\$30,934,763	\$59,655,472	\$55,793,383
Capital Assets, Net	50,776,340	49,476,848	80,180,509	72,595,085	130,956,849	122,071,933
Total Assets	<u>78,114,412</u>	<u>74,335,468</u>	<u>112,497,909</u>	<u>103,529,848</u>	<u>190,612,321</u>	<u>177,865,316</u>
Deferred Outflows of Resources	7,669,055	3,808,252	5,292,896	2,687,374	12,961,951	6,495,626
Net Pension Liability	22,262,724	15,332,194	16,075,414	9,402,666	38,338,138	24,734,860
Net OPEB Liability	4,455,236	13,413,462	7,030,847	6,677,525	11,486,083	20,090,987
Long-Term Liabilities	10,683,176	11,642,348	21,444,853	13,857,497	32,128,029	25,499,845
Other Liabilities	1,511,676	997,334	4,852,597	5,419,848	6,364,273	6,417,182
Total Liabilities	<u>38,912,812</u>	<u>41,385,338</u>	<u>49,403,711</u>	<u>35,357,536</u>	<u>88,316,523</u>	<u>76,742,874</u>
Deferred Inflows of Resources	4,207,383	4,470,456	627,086	3,205,417	4,834,469	7,675,873
Net Position						
Net Investment in Capital Assets	42,435,366	40,406,142	59,735,075	60,113,342	102,170,441	100,519,484
Restricted	9,530,977	8,987,437	0	0	9,530,977	8,987,437
Unrestricted	(9,303,071)	(17,105,653)	8,024,933	7,540,927	(1,278,138)	(9,564,726)
Total Net Position	<u>\$42,663,272</u>	<u>\$32,287,926</u>	<u>\$67,760,008</u>	<u>\$67,654,269</u>	<u>\$110,423,280</u>	<u>\$99,942,195</u>

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

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

***Management's Discussion and Analysis  
For the Year Ended December 31, 2019***

***Unaudited***

---

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

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

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

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

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

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

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.



**CITY OF PAINESVILLE, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

**Unaudited**

**Change in Net Position** – The following table shows the change in net position for 2019 and 2018:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges for Services and Sales	\$2,937,866	\$2,846,891	\$41,424,045	\$41,995,086	\$44,361,911	\$44,841,977
Operating Grants and Contributions	1,100,244	1,185,541	0	0	1,100,244	1,185,541
Capital Grants and Contributions	2,107,142	1,023,476	1,117,761	0	3,224,903	1,023,476
Total Program Revenues	6,145,252	5,055,908	42,541,806	41,995,086	48,687,058	47,050,994
General Revenues:						
Property Taxes	2,665,543	2,364,159	0	0	2,665,543	2,364,159
Municipal Income Taxes	9,123,409	8,645,785	0	0	9,123,409	8,645,785
Intergovernmental, Unrestricted	1,073,810	952,903	0	0	1,073,810	952,903
Investment Earnings	1,306,600	693,122	0	0	1,306,600	693,122
Miscellaneous	610,962	361,385	0	0	610,962	361,385
Total General Revenues	14,780,324	13,017,354	0	0	14,780,324	13,017,354
Total Revenues	20,925,576	18,073,262	42,541,806	41,995,086	63,467,382	60,068,348
Program Expenses						
General Government	5,554,317	4,243,338	0	0	5,554,317	4,243,338
Public Safety	909,829	9,101,205	0	0	909,829	9,101,205
Highways and Streets	2,943,684	2,850,216	0	0	2,943,684	2,850,216
Public Health and Welfare	682,216	606,592	0	0	682,216	606,592
Culture and Recreation	851,330	750,338	0	0	851,330	750,338
Community Environment	209,686	138,948	0	0	209,686	138,948
Interest and Fiscal Charges	234,477	257,745	0	0	234,477	257,745
Water	0	0	5,944,437	5,308,516	5,944,437	5,308,516
Sewer	0	0	4,979,247	4,202,467	4,979,247	4,202,467
Electric	0	0	30,291,595	30,563,700	30,291,595	30,563,700
Refuse	0	0	2,158	2,300	2,158	2,300
Storm Water Utility	0	0	338,253	327,501	338,253	327,501
Community Programs	0	0	45,068	49,483	45,068	49,483
Total Expenses	11,385,539	17,948,382	41,600,758	40,453,967	52,986,297	58,402,349
Excess (Deficiency) Before Transfers	9,540,037	124,880	941,048	1,541,119	10,481,085	1,665,999
Transfers	835,309	791,662	(835,309)	(791,662)	0	0
Total Change in Net Position	10,375,346	916,542	105,739	749,457	10,481,085	1,665,999
Beginning Net Position - Restated	32,287,926	31,371,384	67,654,269	66,904,812	99,942,195	98,276,196
Ending Net Position	\$42,663,272	\$32,287,926	\$67,760,008	\$67,654,269	\$110,423,280	\$99,942,195

***Management's Discussion and Analysis  
For the Year Ended December 31, 2019***

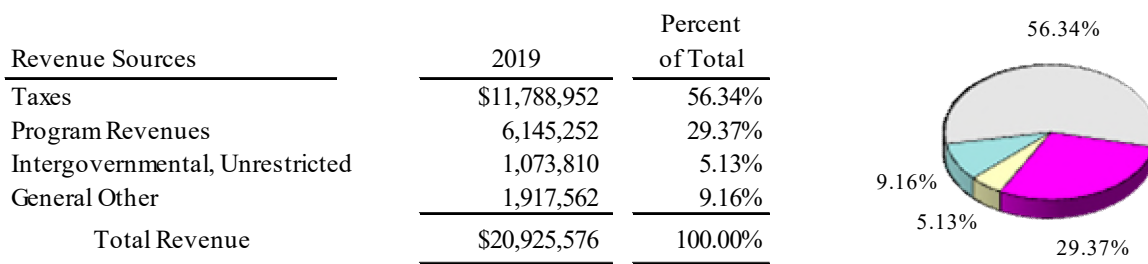
***Unaudited***

***Governmental Activities***

Governmental activities net position increased \$10,375,346, or 32% in 2019. Capital grants consisted of amounts received for improvements to Jackson Street as well as FEMA grants received for fire department equipment. An increase in general government expense was the result of increases in health insurance costs as well as pension and OPEB expense. A significant decrease in security of persons was the direct result of changes in the Ohio Police and Fire net OPEB 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 56% of revenues for governmental activities in 2019. The City's reliance upon tax revenues is demonstrated by the following graph:



***Business-Type Activities***

Net position of the business-type activities increased \$105,739. Charges for services were consistent with the prior year. Capital grants consisted of assessments received for various storm water projects as well as grants received for various water projects. Increases in expenses can be attributed to health insurance expense, pension and OPEB expense, and various contractual costs.

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

The City's governmental funds reported a combined fund balance of \$19,973,270, which is an increase from last year's balance of \$18,674,298. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2019 and 2018:

	Fund Balance December 31, 2019	Restated Fund Balance December 31, 2018	Increase (Decrease)
General	\$8,560,207	\$7,519,938	\$1,040,269
Other Governmental	11,413,063	11,154,360	258,703
<b>Total</b>	<b>\$19,973,270</b>	<b>\$18,674,298</b>	<b>\$1,298,972</b>

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:

**CITY OF PAINESVILLE, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

**Unaudited**

	2019 Revenues	2018 Revenues	Increase (Decrease)
Property Taxes	\$460,061	\$413,989	\$46,072
Municipal Income Taxes	9,474,433	8,311,750	1,162,683
Intergovernmental Revenues	902,012	829,663	72,349
Charges for Services	75,679	79,637	(3,958)
Licenses, Permits and Inspection Fees	439,661	474,497	(34,836)
Investment Earnings	1,290,747	672,471	618,276
Fines and Forfeitures	1,101,863	1,084,468	17,395
All Other Revenue	503,991	323,593	180,398
Total	<u>\$14,248,447</u>	<u>\$12,190,068</u>	<u>\$2,058,379</u>

General Fund revenues increased approximately 17% when compared to 2018 revenues. This increase can mostly be attributed to increases in income taxes and investment earnings. Income taxes increased due to improving economic conditions, while changes in the fair value of investments resulted in the increase in investment earnings.

	2019 Expenditures	2018 Expenditures	Increase (Decrease)
Current:			
General Government	\$3,969,009	\$3,470,389	\$498,620
Public Safety	6,991,189	6,892,527	98,662
Highways and Streets	683,824	684,579	(755)
Public Health and Welfare	149,989	156,409	(6,420)
Culture and Recreation	654,457	643,694	10,763
Community Environment	183,756	127,541	56,215
Total	<u>\$12,632,224</u>	<u>\$11,975,139</u>	<u>\$657,085</u>

General Fund expenditures increased \$657,085, or approximately 5% from the prior year. This increase was mostly the result of an increase in general government, which can be attributed to health insurance costs.

*Water Fund* – The City's Water Fund reported an increase in net position of 2%. Revenues were consistent with the previous year. An increase in expenses can be attributed to various contractual and materials costs.

*Sewer Fund* – The City's Sewer Fund reported a decrease in net position of 15%. Revenues were consistent with the previous year. An increase in expenses can be attributed to various contractual costs, health insurance expense, and expenses associated with the net pension and net OPEB liabilities.

*Electric Fund* – The City's Electric Fund net position remained stable, decreasing approximately 1%. Revenues were consistent with the previous year. An increase in personal services expenses can be attributed to health insurance expenses, as well as expenses associated with the net pension and net OPEB liabilities.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2019***

***Unaudited***

---

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 2019 the City amended its General Fund budget several times.

For the General Fund, final budgeted revenues were 14% higher than original revenue estimates due to increases in income tax receipts and intergovernmental revenues. Actual budget basis revenues were not materially different from final revenue estimates. Original budgeted, final budgeted, and actual budget basis expenditures were not materially different. The General Fund had an adequate fund balance to cover expenditures.

This space intentionally left blank.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2019***

***Unaudited***

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of 2019 the City had \$130,956,849 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, \$50,776,340 was related to governmental activities and \$80,180,509 to the business-type activities. The following tables show 2019 and 2018 balances:

	Governmental Activities		Increase (Decrease)
	2019	2018	
Land	\$13,136,789	\$13,038,975	\$97,814
Construction in Progress	584,733	1,375,538	(790,805)
Buildings and Improvements	5,778,528	5,715,113	63,415
Improvements other than Buildings	1,207,230	1,183,730	23,500
Machinery and Equipment	7,852,093	7,802,410	49,683
Infrastructure	52,882,897	49,443,521	3,439,376
Less: Accumulated Depreciation	(30,665,930)	(29,082,439)	(1,583,491)
Totals	<u>\$50,776,340</u>	<u>\$49,476,848</u>	<u>\$1,299,492</u>

	Business-Type Activities		Increase (Decrease)
	2019	2018	
Land	\$2,010,667	\$2,010,667	\$0
Construction in Progress	27,975,177	20,924,938	7,050,239
Buildings and Improvements	30,627,134	30,396,359	230,775
Infrastructure	58,598,358	56,123,251	2,475,107
Machinery and Equipment	36,997,009	36,252,918	744,091
Less: Accumulated Depreciation	(76,027,836)	(73,113,048)	(2,914,788)
Totals	<u>\$80,180,509</u>	<u>\$72,595,085</u>	<u>\$7,585,424</u>

Increases in infrastructure in the Governmental Activities capital assets can mostly be attributed to Walnut Avenue reconstruction, North Park Place streetscape improvements, Cedarbook Drive resurfacing, parking lot paving, and various sidewalk improvements. Additions to machinery and equipment included vehicle purchases in the police and fire departments. A \$97,814 increase in land was the result of the purchase of the property at 164 Liberty Street, with the intent being to raze the existing building.

In Business-Type capital assets, increases in construction in progress and infrastructure can be attributed to a new water intake project, various waterline replacements, and electric infrastructure improvements. Various vehicle and utility equipment purchases contributed to an increase in machinery and equipment. Additional information on the City's capital assets can be found in Note 10.

As of December 31, 2019, the City had contractual commitments of \$10,447,404 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, 2019***

***Unaudited***

---

***Long-Term Debt and Other Long-Term Obligations***

The following table summarizes the City's long-term debt and other long-term obligations outstanding as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Governmental Activities:		
General Obligation Bonds	\$6,644,768	\$7,091,596
Special Assessment Bonds	165,000	190,000
Ohio Public Works Commission Loans	1,102,951	1,156,197
Long Term Notes Payable	0	535,917
Compensated Absences	1,461,106	1,418,780
Workers' Compensation Liability	686,265	577,970
Capital Leases	72,944	96,996
Police and Firemen's Accrued Pension	550,142	574,892
Total Governmental Activities	<u>10,683,176</u>	<u>11,642,348</u>
Business-Type Activities:		
General Obligation Bonds	1,640,000	1,715,000
Ohio Water Development Authority Loans	16,221,502	7,936,226
Ohio Public Works Commission Loans	16,389	18,443
Long Term Notes Payable	0	464,083
Capital Leases	1,996,863	2,217,666
Compensated Absences	1,570,099	1,506,079
Total Business-Type Activities	<u>21,444,853</u>	<u>13,857,497</u>
Totals	<u>\$32,128,029</u>	<u>\$25,499,845</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, 2019, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

**ECONOMIC FACTORS**

For the 2019 budget, the emphasis is being placed on balancing all funds, when possible, without using carryover. For 2019 the General Fund will see slightly increased revenues from the 2018 budgeted revenues. The 2019 projected revenues in the General Fund will slightly increase from 2018. The City anticipates the municipal income tax revenues for 2019 to be \$8,200,000, which is the same they were budgeted for in 2018.

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

The 2019 economic outlook for the three major proprietary funds of Water, Sewer and Electric is that 2019 budgeted revenues in all of these funds will be slightly up.

**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, 2019**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Pooled Cash and Investments	\$ 17,424,425	\$ 25,519,896	\$ 42,944,321
Cash and Cash Equivalents in Segregated Accounts	104,448	0	104,448
Receivables:			
Taxes	6,015,642	0	6,015,642
Accounts	163,651	4,282,765	4,446,416
Intergovernmental	1,155,324	74,000	1,229,324
Interest	152,683	0	152,683
Internal Balances	231,145	(231,145)	0
Inventory of Supplies at Cost	0	589,514	589,514
Land Held for Resale	785,000	0	785,000
Prepaid Items	110,199	381,163	491,362
Investment in Joint Venture	0	167,122	167,122
Restricted Assets:			
Cash and Cash Equivalents	1,195,555	1,534,085	2,729,640
Capital Assets:			
Capital Assets Not Being Depreciated	13,721,522	29,985,844	43,707,366
Capital Assets Being Depreciated, Net	37,054,818	50,194,665	87,249,483
<b>Total Assets</b>	<b>78,114,412</b>	<b>112,497,909</b>	<b>190,612,321</b>
<b>Deferred Outflows of Resources:</b>			
Pension	6,155,808	4,666,839	10,822,647
OPEB	1,513,247	626,057	2,139,304
<b>Total Deferred Outflows of Resources</b>	<b>7,669,055</b>	<b>5,292,896</b>	<b>12,961,951</b>
<b>Liabilities:</b>			
Accounts Payable	268,681	2,171,087	2,439,768
Accrued Wages and Benefits	501,337	526,468	1,027,805
Intergovernmental Payable	25,185	477	25,662
Claims Payable	284,724	0	284,724
Retainage Payable	0	275,991	275,991
Refundable Deposits	0	1,534,085	1,534,085
Accrued Interest Payable	76,438	49,800	126,238
General Obligation Notes Payable	355,311	294,689	650,000
Noncurrent Liabilities:			
Due Within One Year	940,255	984,522	1,924,777
Due in More Than One Year:			
Net Pension Liability	22,262,724	16,075,414	38,338,138
Net OPEB Liability	4,455,236	7,030,847	11,486,083
Other Amounts Due in More Than One Year	9,742,921	20,460,331	30,203,252
<b>Total Liabilities</b>	<b>38,912,812</b>	<b>49,403,711</b>	<b>88,316,523</b>



**CITY OF PAINESVILLE, OHIO**

---

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Fiscal Year	3,135,826	0	3,135,826
Pension	312,328	412,336	724,664
OPEB	759,229	214,750	973,979
<b>Total Deferred Inflows of Resources</b>	<b>4,207,383</b>	<b>627,086</b>	<b>4,834,469</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	42,435,366	59,735,075	102,170,441
Restricted For:			
Capital Projects	560,715	0	560,715
Debt Service	1,737,840	0	1,737,840
Highways	3,033,373	0	3,033,373
Public Safety	1,918,736	0	1,918,736
Community Development	281,542	0	281,542
Cemetery Operations:			
Nonexpendable	1,195,555	0	1,195,555
Expendable	803,216	0	803,216
Unrestricted (Deficit)	(9,303,071)	8,024,933	(1,278,138)
<b>Total Net Position</b>	<b>\$ 42,663,272</b>	<b>\$ 67,760,008</b>	<b>\$ 110,423,280</b>

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2019**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 5,554,317	\$ 1,644,353	\$ 63,133	\$ 0
Public Safety	909,829	636,004	1,589	628,141
Highways and Streets	2,943,684	10,819	1,035,522	1,410,651
Public Health and Welfare	682,216	142,265	0	0
Culture and Recreation	851,330	23,350	0	0
Community Environment	209,686	481,075	0	68,350
Interest and Fiscal Charges	234,477	0	0	0
<b>Total Governmental Activities</b>	<b>11,385,539</b>	<b>2,937,866</b>	<b>1,100,244</b>	<b>2,107,142</b>
<b>Business-Type Activities:</b>				
Water	5,944,437	6,159,416	0	223,310
Sewer	4,979,247	4,362,653	0	0
Electric	30,291,595	30,411,943	0	0
Refuse	2,158	1,664	0	0
Storm Water Utility	338,253	433,400	0	894,451
Community Programs	45,068	54,969	0	0
<b>Total Business-Type Activities</b>	<b>41,600,758</b>	<b>41,424,045</b>	<b>0</b>	<b>1,117,761</b>
<b>Totals</b>	<b>\$ 52,986,297</b>	<b>\$ 44,361,911</b>	<b>\$ 1,100,244</b>	<b>\$ 3,224,903</b>

**General Revenues and Transfers**

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

Change in Net Position

Net Position Beginning of Year - Restated

Net Position End of Year

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

---

Net (Expense) Revenue  
and Changes in Net Position

---

Governmental Activities	Business-Type Activities	Total
\$ (3,846,831)	\$ 0	\$ (3,846,831)
355,905	0	355,905
(486,692)	0	(486,692)
(539,951)	0	(539,951)
(827,980)	0	(827,980)
339,739	0	339,739
(234,477)	0	(234,477)
<u>(5,240,287)</u>	<u>0</u>	<u>(5,240,287)</u>
0	438,289	438,289
0	(616,594)	(616,594)
0	120,348	120,348
0	(494)	(494)
0	989,598	989,598
0	9,901	9,901
<u>0</u>	<u>941,048</u>	<u>941,048</u>
<u>\$ (5,240,287)</u>	<u>\$ 941,048</u>	<u>\$ (4,299,239)</u>
2,665,543	0	2,665,543
9,123,409	0	9,123,409
1,073,810	0	1,073,810
1,306,600	0	1,306,600
610,962	0	610,962
835,309	(835,309)	0
<u>15,615,633</u>	<u>(835,309)</u>	<u>14,780,324</u>
10,375,346	105,739	10,481,085
<u>32,287,926</u>	<u>67,654,269</u>	<u>99,942,195</u>
<u>\$ 42,663,272</u>	<u>\$ 67,760,008</u>	<u>\$ 110,423,280</u>

**CITY OF PAINESVILLE, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2019**

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Pooled Cash and Investments	\$ 6,317,852	\$ 10,633,964	\$ 16,951,816
Cash and Cash Equivalents in Segregated Accounts	76,171	28,277	104,448
Receivables:			
Taxes	3,237,454	2,778,188	6,015,642
Accounts	50,948	112,703	163,651
Intergovernmental	515,297	640,027	1,155,324
Interest	152,683	0	152,683
Land Held for Resale	785,000	0	785,000
Prepaid Items	99,051	11,148	110,199
Restricted Assets:			
Cash and Cash Equivalents	0	1,195,555	1,195,555
<b>Total Assets</b>	<b>\$ 11,234,456</b>	<b>\$ 15,399,862</b>	<b>\$ 26,634,318</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 57,120	\$ 211,561	\$ 268,681
Accrued Wages and Benefits Payable	439,798	61,539	501,337
Intergovernmental Payable	935	24,250	25,185
Accrued Interest Payable	0	10,800	10,800
General Obligation Notes Payable	0	355,311	355,311
<b>Total Liabilities</b>	<b>497,853</b>	<b>663,461</b>	<b>1,161,314</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable Amounts	1,691,513	672,395	2,363,908
Property Tax Levy for Next Fiscal Year	484,883	2,650,943	3,135,826
<b>Total Deferred Inflows of Resources</b>	<b>2,176,396</b>	<b>3,323,338</b>	<b>5,499,734</b>
<b>Fund Balances:</b>			
Nonspendable	884,051	1,206,703	2,090,754
Restricted	7,206	7,910,091	7,917,297
Committed	10,931	2,296,269	2,307,200
Assigned	1,734,457	0	1,734,457
Unassigned	5,923,562	0	5,923,562
<b>Total Fund Balances</b>	<b>8,560,207</b>	<b>11,413,063</b>	<b>19,973,270</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 11,234,456</b>	<b>\$ 15,399,862</b>	<b>\$ 26,634,318</b>

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

---

***Reconciliation Of Total Governmental Fund Balances  
To Net Position Of Governmental Activities  
December 31, 2019***

---

<b>Total Governmental Fund Balances</b>	\$ 19,973,270
 <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.	50,776,340
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	2,363,908
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.	(16,419,244)
The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.	(3,701,218)
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.	(267,235)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(10,062,549)</u>
<b><i>Net Position of Governmental Activities</i></b>	<b><u>\$ 42,663,272</u></b>

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2019**

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Property Taxes	\$ 460,061	\$ 2,120,412	\$ 2,580,473
Municipal Income Taxes	9,474,433	0	9,474,433
Intergovernmental Revenues	902,012	3,155,865	4,057,877
Charges for Services	75,679	793,920	869,599
Licenses, Permits and Inspection Fees	439,661	0	439,661
Investment Earnings	1,290,747	26,319	1,317,066
Special Assessments	0	98,853	98,853
Fines and Forfeitures	1,101,863	438,288	1,540,151
All Other Revenues	503,991	109,286	613,277
<b>Total Revenues</b>	<b>14,248,447</b>	<b>6,742,943</b>	<b>20,991,390</b>
<b>Expenditures:</b>			
Current:			
General Government	3,969,009	510,267	4,479,276
Public Safety	6,991,189	1,690,044	8,681,233
Highways and Streets	683,824	2,671,849	3,355,673
Public Health and Welfare	149,989	397,869	547,858
Culture and Recreation	654,457	0	654,457
Community Environment	183,756	1,606	185,362
Capital Outlay	0	1,288,948	1,288,948
Debt Service:			
Principal Retirement	0	1,077,215	1,077,215
Interest and Fiscal Charges	0	261,442	261,442
<b>Total Expenditures</b>	<b>12,632,224</b>	<b>7,899,240</b>	<b>20,531,464</b>
Excess (Deficiency) of Revenues Over Expenditures	1,616,223	(1,156,297)	459,926
<b>Other Financing Sources (Uses):</b>			
Sale of Capital Assets	776	0	776
Transfers In	835,309	1,415,000	2,250,309
Transfers Out	(1,415,000)	0	(1,415,000)
Insurance Proceeds	2,961	0	2,961
<b>Total Other Financing Sources (Uses)</b>	<b>(575,954)</b>	<b>1,415,000</b>	<b>839,046</b>
Net Change in Fund Balances	1,040,269	258,703	1,298,972
<b>Fund Balance at Beginning of Year - Restated</b>	<b>7,519,938</b>	<b>11,154,360</b>	<b>18,674,298</b>
<b>Fund Balance End of Year</b>	<b>\$ 8,560,207</b>	<b>\$ 11,413,063</b>	<b>\$ 19,973,270</b>

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

---

***Reconciliation Of The Statement Of Revenues, Expenditures  
And Changes In Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For the Year Ended December 31, 2019***

---

Net Change in Fund Balances - Total Governmental Funds \$ 1,298,972

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. 1,325,383

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. (25,891)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (68,775)

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

Pension	1,400,229	
OPEB	23,996	1,424,225

Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension/OPEB expense in the statement of activities:

Pension	(3,485,211)	
OPEB	8,952,023	5,466,812

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. 1,109,793

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 19,137

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. (102,248)

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. (72,062)

***Change in Net Position of Governmental Activities*** \$ 10,375,346

See accompanying notes to the basic financial statements

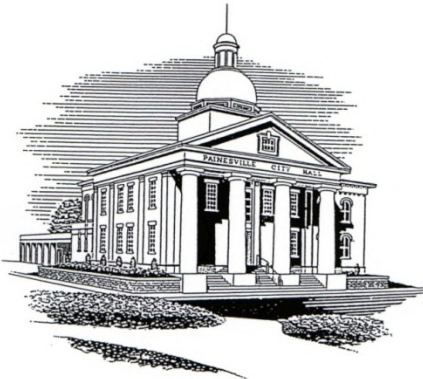
**CITY OF PAINESVILLE, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 414,980	\$ 384,000	\$ 460,061	\$ 76,061
Municipal Income Taxes	8,447,000	9,097,000	9,164,601	67,601
Intergovernmental Revenue	103,500	788,500	888,227	99,727
Charges for Services	52,220	52,220	75,979	23,759
Licenses, Permits and Inspection Fees	386,600	386,600	440,471	53,871
Investment Earnings	675,000	675,000	842,059	167,059
Fines and Forfeitures	1,004,400	1,004,400	1,025,692	21,292
All Other Revenues	304,520	554,520	575,465	20,945
Total Revenues	11,388,220	12,942,240	13,472,555	530,315
<b>Expenditures:</b>				
Current:				
General Government	4,748,350	4,903,488	4,684,617	218,871
Public Safety	7,216,640	7,673,185	7,492,379	180,806
Highways and Streets	781,704	793,065	767,144	25,921
Public Health and Welfare	161,773	150,088	149,989	99
Culture and Recreation	708,333	719,382	706,584	12,798
Community Environment	225,510	226,445	222,379	4,066
Total Expenditures	13,842,310	14,465,653	14,023,092	442,561
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,454,090)	(1,523,413)	(550,537)	972,876
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	776	776
Insurance Proceeds	0	100,000	22,253	(77,747)
Transfers In	740,000	915,000	910,309	(4,691)
Transfers Out	(290,000)	(1,490,000)	(1,490,000)	0
Total Other Financing Sources (Uses):	450,000	(475,000)	(556,662)	(81,662)
Net Changes in Fund Balance	(2,004,090)	(1,998,413)	(1,107,199)	891,214
Fund Balance at Beginning of Year	5,003,242	5,003,242	5,003,242	0
Prior Year Encumbrances	1,006,912	1,006,912	1,006,912	0
Fund Balance at End of Year	\$ 4,006,064	\$ 4,011,741	\$ 4,902,955	\$ 891,214

See accompanying notes to the basic financial statements





**CITY OF PAINESVILLE, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2019**

	Business-Type Activities			
	Enterprise Funds			
	Water	Sewer	Electric	Other Enterprise Funds
<b>Assets:</b>				
Current Assets:				
Pooled Cash and Investments	\$ 5,248,781	\$ 2,225,096	\$ 16,835,551	\$ 1,210,468
Receivables:				
Accounts	602,050	369,510	3,259,572	51,633
Intergovernmental	74,000	0	0	0
Inventory of Supplies at Cost	0	0	589,514	0
Prepaid Items	72,967	77,558	230,638	0
Total Current Assets	5,997,798	2,672,164	20,915,275	1,262,101
Noncurrent Assets:				
Restricted Assets:				
Cash and Cash Equivalents	589,055	0	945,030	0
Total Restricted Assets	589,055	0	945,030	0
Investment in Joint Venture	0	0	167,122	0
Capital Assets:				
Capital Assets Not Being Depreciated	17,423,082	726,709	10,934,603	901,450
Capital Assets Being Depreciated, Net	17,802,345	6,867,737	21,314,002	4,210,581
Total Noncurrent Assets	35,814,482	7,594,446	33,360,757	5,112,031
<b>Total Assets</b>	41,812,280	10,266,610	54,276,032	6,374,132
<b>Deferred Outflows of Resources:</b>				
Pension	1,037,086	942,559	2,635,453	51,741
OPEB	132,414	126,583	360,602	6,458
<b>Total Deferred Outflows of Resources</b>	1,169,500	1,069,142	2,996,055	58,199
<b>Liabilities:</b>				
Current Liabilities:				
Accounts Payable	347,495	60,987	1,688,167	74,438
Accrued Wages and Benefits	156,649	102,601	262,355	4,863
Intergovernmental Payable	100	67	310	0
Claims Payable - Current	0	0	0	0
Retainage Payable	227,079	0	48,912	0
Refundable Deposits	589,055	0	945,030	0
Accrued Interest Payable	8,447	35,653	38	5,662
General Obligation Notes Payable	249,689	0	0	45,000
Capital Leases Payable - Current	207,470	13,831	9,221	0
General Obligation Bonds Payable - Current	0	0	0	80,000
OWDA Loans Payable - Current	0	162,990	0	0
OPWC Loans Payable - Current	0	2,048	0	0
Compensated Absences Payable - Current	173,762	68,787	256,633	9,780
Total Current Liabilities	1,959,746	446,964	3,210,666	219,743

**CITY OF PAINESVILLE, OHIO**

---

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 25,519,896	\$ 472,609
4,282,765	0
74,000	0
589,514	0
381,163	0
<u>30,847,338</u>	<u>472,609</u>
<u>1,534,085</u>	<u>0</u>
<u>1,534,085</u>	<u>0</u>
167,122	0
29,985,844	0
<u>50,194,665</u>	<u>0</u>
<u>81,881,716</u>	<u>0</u>
<u>112,729,054</u>	<u>472,609</u>
4,666,839	0
<u>626,057</u>	<u>0</u>
<u>5,292,896</u>	<u>0</u>
2,171,087	0
526,468	0
477	0
0	582,121
275,991	0
1,534,085	0
49,800	0
294,689	0
230,522	0
80,000	0
162,990	0
2,048	0
<u>508,962</u>	<u>0</u>
<u>5,837,119</u>	<u>582,121</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2019**

	Business-Type Activities			
	Enterprise Funds			
	Water	Sewer	Electric	Other Enterprise Funds
<b>Noncurrent Liabilities:</b>				
Capital Leases Payable	1,589,706	105,981	70,654	0
General Obligation Bonds Payable	0	0	0	1,560,000
Claims Payable	0	0	0	0
OWDA Loans Payable	13,848,418	2,210,094	0	0
OPWC Loans Payable	0	14,341	0	0
Compensated Absences Payable	227,673	220,449	603,805	9,210
Net Pension Liability	3,541,439	3,246,992	9,110,968	176,015
Net OPEB Liability	1,623,325	1,418,774	3,906,405	82,343
<b>Total Noncurrent Liabilities</b>	<b>20,830,561</b>	<b>7,216,631</b>	<b>13,691,832</b>	<b>1,827,568</b>
<b>Total Liabilities</b>	<b>22,790,307</b>	<b>7,663,595</b>	<b>16,902,498</b>	<b>2,047,311</b>
<b>Deferred Inflows of Resources:</b>				
Pension	95,723	82,096	229,778	4,739
OPEB	41,633	42,794	128,467	1,856
<b>Total Deferred Inflows of Resources</b>	<b>137,356</b>	<b>124,890</b>	<b>358,245</b>	<b>6,595</b>
<b>Net Position</b>				
Net Investment in Capital Assets	19,103,065	5,085,161	32,119,818	3,427,031
Unrestricted	951,052	(1,537,894)	7,891,526	951,394
<b>Total Net Position</b>	<b>\$ 20,054,117</b>	<b>\$ 3,547,267</b>	<b>\$ 40,011,344</b>	<b>\$ 4,378,425</b>

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

Net Position of Business-type Activities

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

---

---

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
1,766,341	0
1,560,000	0
0	388,868
16,058,512	0
14,341	0
1,061,137	0
16,075,414	0
7,030,847	0
<u>43,566,592</u>	<u>388,868</u>
<u>49,403,711</u>	<u>970,989</u>
412,336	0
214,750	0
<u>627,086</u>	<u>0</u>
59,735,075	0
8,256,078	(498,380)
<u>\$ 67,991,153</u>	<u>\$ (498,380)</u>
<u>(231,145)</u>	
<u>\$ 67,760,008</u>	

**CITY OF PAINESVILLE, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2019**

	Business-Type Activities			
	Enterprise Funds			
	Water	Sewer	Electric	Other Enterprise Funds
<b>Operating Revenues:</b>				
Charges for Services	\$ 4,340,858	\$ 4,071,480	\$ 29,726,871	\$ 479,240
Other Charges for Services	334,434	131,827	290,514	6,345
Other Operating Revenues	1,352,111	6,817	77,778	4,448
<b>Total Operating Revenues</b>	<b>6,027,403</b>	<b>4,210,124</b>	<b>30,095,163</b>	<b>490,033</b>
<b>Operating Expenses:</b>				
Personal Services	3,092,043	3,054,544	7,650,522	156,678
Contractual Services	740,698	693,914	1,535,337	24,579
Materials and Supplies	424,808	213,673	879,700	9,084
Utilities	449,334	284,815	18,548,710	0
Depreciation	1,115,560	644,766	1,244,379	135,966
<b>Total Operating Expenses</b>	<b>5,822,443</b>	<b>4,891,712</b>	<b>29,858,648</b>	<b>326,307</b>
<b>Operating Income (Loss)</b>	<b>204,960</b>	<b>(681,588)</b>	<b>236,515</b>	<b>163,726</b>
<b>Non-Operating Revenue (Expenses):</b>				
Interest and Fiscal Charges	(93,008)	(78,018)	(3,760)	(56,907)
Gain (Loss) on Disposal of Assets	(300)	(50)	22,450	0
Loss on Investment in Joint Venture	0	0	(179,229)	0
Other Nonoperating Revenue	132,313	152,579	294,330	0
Other Nonoperating Expense	(28,986)	(9,517)	(161,276)	(2,265)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>10,019</b>	<b>64,994</b>	<b>(27,485)</b>	<b>(59,172)</b>
<b>Income (Loss) Before Transfers and Contributions</b>	<b>214,979</b>	<b>(616,594)</b>	<b>209,030</b>	<b>104,554</b>
<b>Transfers and Contributions:</b>				
Transfers Out	(25,000)	(25,000)	(785,309)	0
Capital Contributions	223,310	0	0	894,451
<b>Total Transfers and Contributions</b>	<b>198,310</b>	<b>(25,000)</b>	<b>(785,309)</b>	<b>894,451</b>
<b>Change in Net Position</b>	<b>413,289</b>	<b>(641,594)</b>	<b>(576,279)</b>	<b>999,005</b>
Net Position Beginning of Year	19,640,828	4,188,861	40,587,623	3,379,420
<b>Net Position End of Year</b>	<b>\$ 20,054,117</b>	<b>\$ 3,547,267</b>	<b>\$ 40,011,344</b>	<b>\$ 4,378,425</b>

Change in Net Position - Total Enterprise Funds

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

Change in Net Position - Business-type Activities

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

---

<u>Total</u>	Governmental Activities - Internal Service Funds
\$ 38,618,449	\$ 3,977,128
763,120	0
<u>1,441,154</u>	<u>0</u>
<u>40,822,723</u>	<u>3,977,128</u>
13,953,787	3,129,187
2,994,528	978,480
1,527,265	30,205
19,282,859	0
<u>3,140,671</u>	<u>0</u>
<u>40,899,110</u>	<u>4,137,872</u>
(76,387)	(160,744)
(231,693)	0
22,100	0
(179,229)	0
579,222	0
<u>(202,044)</u>	<u>0</u>
<u>(11,644)</u>	<u>0</u>
(88,031)	(160,744)
(835,309)	0
<u>1,117,761</u>	<u>0</u>
<u>282,452</u>	<u>0</u>
194,421	(160,744)
<u>67,796,732</u>	<u>(337,636)</u>
<u>\$ 67,991,153</u>	<u>\$ (498,380)</u>
\$ 194,421	
<u>(88,682)</u>	
<u>\$ 105,739</u>	

**CITY OF PAINESVILLE, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2019**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Electric
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$6,105,358	\$4,350,772	\$30,518,141
Cash Receipts from Interfund Services Provided	0	0	0
Cash Payments for Goods and Services	(1,648,350)	(1,221,168)	(21,193,902)
Cash Payments to Employees	(2,586,119)	(2,554,433)	(6,755,559)
Cash Payments for Employee Medical Claims	0	0	0
Net Cash Provided by Operating Activities	1,870,889	575,171	2,568,680
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers Out to Other Funds	(25,000)	(25,000)	(785,309)
Net Cash Used by Noncapital Financing Activities	(25,000)	(25,000)	(785,309)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds of General Obligation Notes	249,689	0	0
Premiums on Debt Issuances	198	0	0
Principal Paid on General Obligation Notes	(344,759)	0	0
Capital Contributions	149,310	0	0
Sale of Capital Assets	0	0	22,500
Acquisition and Construction of Assets	(8,836,278)	(281,892)	(1,647,242)
Issuance of Ohio Water Development Authority Loans	8,557,683	0	0
Principal Paid on Capital Leases	(198,723)	(13,248)	(8,832)
Principal Paid on General Obligation Bonds	0	0	0
Principal Paid on Ohio Public Works Commission Loans	0	(2,054)	0
Principal Paid on Ohio Water Development Authority Loans	(114,852)	(157,555)	0
Interest Paid on All Debt	(98,129)	(80,388)	(3,764)
Net Cash Used for Capital and Related Financing Activities	(635,861)	(535,137)	(1,637,338)
Net Increase in Cash and Cash Equivalents	1,210,028	15,034	146,033
Cash and Cash Equivalents at Beginning of Year	4,627,808	2,210,062	17,634,548
Cash and Cash Equivalents at End of Year	\$5,837,836	\$2,225,096	\$17,780,581
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet</u>			
Cash and Cash Equivalents	\$5,248,781	\$2,225,096	\$16,835,551
Restricted Cash and Cash Equivalents	589,055	0	945,030
Cash and Cash Equivalents at End of Year	\$5,837,836	\$2,225,096	\$17,780,581



**CITY OF PAINESVILLE, OHIO**

---

Other Enterprise Funds	Total	Governmental Activities
		Internal Service Funds
\$489,725	\$41,463,996	\$0
0	0	3,977,128
(35,095)	(24,098,515)	(1,019,481)
(125,014)	(12,021,125)	(141,361)
0	0	(2,815,682)
<u>329,616</u>	<u>5,344,356</u>	<u>604</u>
<u>0</u>	<u>(835,309)</u>	<u>0</u>
<u>0</u>	<u>(835,309)</u>	<u>0</u>
45,000	294,689	0
0	198	0
(119,324)	(464,083)	0
894,451	1,043,761	0
0	22,500	0
(840,857)	(11,606,269)	0
0	8,557,683	0
0	(220,803)	0
(75,000)	(75,000)	0
0	(2,054)	0
0	(272,407)	0
<u>(59,328)</u>	<u>(241,609)</u>	<u>0</u>
<u>(155,058)</u>	<u>(2,963,394)</u>	<u>0</u>
174,558	1,545,653	604
<u>1,035,910</u>	<u>25,508,328</u>	<u>472,005</u>
<u>\$1,210,468</u>	<u>\$27,053,981</u>	<u>\$472,609</u>
\$1,210,468	\$25,519,896	\$472,609
<u>0</u>	<u>1,534,085</u>	<u>0</u>
<u>\$1,210,468</u>	<u>\$27,053,981</u>	<u>\$472,609</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2019**

	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)	\$204,960	(\$681,588)	\$236,515
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	1,115,560	644,766	1,244,379
Miscellaneous Nonoperating Revenues	164,109	152,579	324,366
Miscellaneous Nonoperating Expenses	(28,986)	(9,517)	(163,782)
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
(Increase) Decrease in Accounts Receivable	(86,154)	(11,931)	98,612
Decrease in Inventory	0	0	235
(Increase) Decrease in Prepaid Items	2,296	2,093	(35,738)
Increase in Deferred Outflows of Resources	(562,201)	(543,472)	(1,470,740)
Increase (Decrease) in Accounts Payable	26,202	8,720	(12,924)
Increase (Decrease) in Accrued Wages and Benefits	44,393	4,946	(23,843)
Decrease in Intergovernmental Payable	(32,906)	(29,962)	(17,642)
Increase in Compensated Absences Payable	20,627	23,573	19,675
Increase in Claims Liability	0	0	0
Increase in Net Pension Liability	1,449,791	1,406,361	3,740,099
Increase in Net OPEB Liability	174,781	109,705	54,641
Decrease in Deferred Inflows of Resources	(621,583)	(501,102)	(1,425,173)
Total Adjustments	<u>1,665,929</u>	<u>1,256,759</u>	<u>2,332,165</u>
Net Cash Provided by Operating Activities	<u>\$1,870,889</u>	<u>\$575,171</u>	<u>\$2,568,680</u>

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2019 the Water, Sewer, Electric, and Storm Water Funds had outstanding liabilities of \$275,053, \$35,079, \$52,482, and \$73,364 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
\$163,726	(\$76,387)	(\$160,744)
135,966	3,140,671	0
0	641,054	0
(2,265)	(204,550)	0
(308)	219	0
0	235	0
0	(31,349)	0
(29,109)	(2,605,522)	0
829	22,827	(10,796)
413	25,909	0
0	(80,510)	0
145	64,020	0
0	0	172,144
76,497	6,672,748	0
14,195	353,322	0
(30,473)	(2,578,331)	0
<u>165,890</u>	<u>5,420,743</u>	<u>161,348</u>
<u>\$329,616</u>	<u>\$5,344,356</u>	<u>\$604</u>

**CITY OF PAINESVILLE, OHIO**

---

**Statement of Net Position  
Fiduciary Funds  
December 31, 2019**

---

	Private Purpose	
	Trust	
	Deposit Trust	Custodial
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 989,798	\$ 68,366
Cash and Cash Equivalents in Segregated Accounts	0	2,430
Receivables:		
Taxes	0	70,197
<b>Total Assets</b>	<u>989,798</u>	<u>140,993</u>
<b>Liabilities:</b>		
Accounts Payable	630	0
Intergovernmental Payable	0	70,197
Due to Others	0	70,796
<b>Total Liabilities</b>	<u>630</u>	<u>140,993</u>
<b>Net Position:</b>		
Restricted For:		
Other Purposes	989,168	0
<b>Total Net Position</b>	<u>\$ 989,168</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

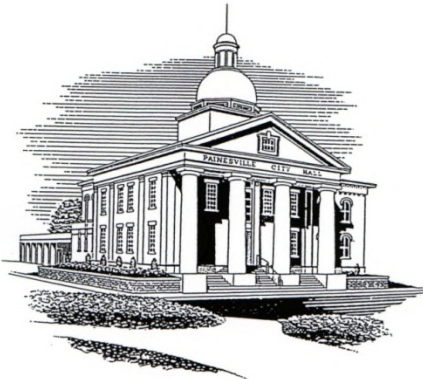
---

**Statement of Changes in Net Position  
Fiduciary Funds  
For the Year Ended December 31, 2019**

---

	Private Purpose Trust	
	<u>Deposit Trust</u>	<u>Custodial</u>
<b>Additions:</b>		
Fines and Forfeiture Collections for other Governments	\$ 0	\$ 2,026,873
Deposits Held for Others	43,795	0
Income Tax Collections for Other Governments	0	892,704
Total Additions	<u>43,795</u>	<u>2,919,577</u>
<b>Deductions:</b>		
Distribution of Fines and Forfeitures to other Governments	0	2,026,873
Distribution of Deposits to Others	43,422	0
Distribution of Income Taxes to other Governments	0	892,704
Total Deductions	<u>43,422</u>	<u>2,919,577</u>
Change in Net Position	373	0
Net Position at Beginning of Year	<u>988,795</u>	<u>0</u>
Net Position End of Year	<u>\$ 989,168</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**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 custodial funds. The following fund types are used by the City:

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**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, 2019***

---

**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 custodial 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 custodial funds. The City's private-purpose trust fund accounts for various deposits held by the City. The City's custodial funds account for monies that flow through the Municipal Court, 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, 2019***

---

**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, 2019***

---

**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, 2019, but which are not intended to finance 2019 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 funds, and fiduciary 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, 2019***

---

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

**E. Budgetary Process (Continued)**

All funds, other than custodial 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 2019.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**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, 2019**

---

**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)	\$1,040,269
Increase (Decrease):	
Accrued Revenues at December 31, 2019 received during 2020	(1,856,157)
Accrued Revenues at December 31, 2018 received during 2019	1,553,226
Accrued Expenditures at December 31, 2019 paid during 2020	497,853
Accrued Expenditures at December 31, 2018 paid during 2019	(575,714)
2018 Prepays for 2019	101,154
2019 Prepays for 2020	(99,051)
2018 Adjustment to Fair Value	(385,829)
2019 Adjustment to Fair Value	(67,590)
Outstanding Encumbrances	(1,315,873)
Perspective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	<u>513</u>
Budget Basis	<u>(\$1,107,199)</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, 2019***

---

**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 2019 amounted to \$1,290,747, which includes \$1,166,041 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 2019, 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 \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 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, 2019***

---

**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:

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



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**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, 2019***

---

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

**M. Long-Term Debt (Continued)**

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

<u>Obligation</u>	<u>Fund</u>
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	Fire Levy Fund Water Fund Sewer Fund Electric Fund
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund Cemeteries Fund Water Fund Sewer Fund Electric 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, 2019***

---

**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, 2019, 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, 2019***

---

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

**P. Restricted Assets**

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

**Q. Intergovernmental Revenues**

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

**R. Pension/OPEB**

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

**S. Net Position**

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

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

**T. Estimates**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**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 2019.

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. For the City, deferred outflows of resources are reported for pension/OPEB amounts on the government-wide and proprietary funds statement of net position. See Notes 11 and 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/OPEB are reported on the government-wide and proprietary funds statement of net position. See Notes 11 and 12.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE**

For 2019, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 83, “Certain Asset Retirement Obligations,” Statement No. 84, “Fiduciary Activities,” Statement No. 88, “Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements,” and Statement No. 90, “Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61.”

GASB Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations.

GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments.

GASB Statement No. 88 revises the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements.

GASB Statement No. 90 establishes criteria for reporting a government’s majority equity interest in a legally separate organization.

The implementation of GASB 84 had the following effect on fund balance/net position as reported December 31, 2018:

	Governmental Activities	General Fund	Other Governmental Funds	Total Governmental Funds
Fund Balance/Net Position at December 31, 2018	\$32,099,537	\$7,512,732	\$10,973,177	\$18,485,909
Adjustments:				
GASB Statement 84 Fund Reclassification	188,389	7,206	181,183	188,389
Restated Fund Balance/Net Position at December 31, 2018	<u>\$32,287,926</u>	<u>\$7,519,938</u>	<u>\$11,154,360</u>	<u>\$18,674,298</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

---

**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	\$1,407,840
Shared Revenues	738,313
Interest Revenues	76,401
Charges for Services	63,808
Grant Revenue	77,546
	<u>\$2,363,908</u>

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

Deferred Outflows - Pension	\$6,155,808
Deferred Inflows - Pension	(312,328)
Net Pension Liability	<u>(22,262,724)</u>
	<u>(\$16,419,244)</u>

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

Deferred Outflows - OPEB	\$1,513,247
Deferred Inflows - OPEB	(759,229)
Net OPEB Liability	<u>(4,455,236)</u>
	<u>(\$3,701,218)</u>

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

General Obligation Bonds Payable	(\$6,644,768)
Special Assessment Bonds Payable	(165,000)
OPWC Loans Payable	(1,102,951)
Accrued Interest on Long-Term Debt	(65,638)
Capital Leases Payable	(72,944)
Police/Firemen's Pension Accrued Liability	(550,142)
Compensated Absences Payable	<u>(1,461,106)</u>
	<u>(\$10,062,549)</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**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	\$3,229,316
Depreciation Expense	(1,903,933)
	<u>\$1,325,383</u>

*Governmental revenues not reported in the funds:*

Decrease in Tax Revenue	(\$265,954)
Increase in Intergovernmental Revenue	183,775
Decrease in Interest Revenue	(10,466)
Decrease in Charges for Services	(10,398)
Increase in Grant Revenue	34,268
	<u>(\$68,775)</u>

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

Long-Term Note Principal Payment	\$535,917
Premium Amortization	7,828
General Obligation Bond Principal Payment	439,000
Special Assessment Bond Principal Payment	25,000
OPWC Loan Principal Payment	53,246
Police/Firemen's Pension Liability Payment	24,750
Capital Lease Payments	24,052
	<u>\$1,109,793</u>

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

Increase in Compensated Absences Payable	<u>(\$102,248)</u>
	<u>(\$102,248)</u>



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

**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	99,051	11,148	110,199
Permanent Fund Corpus	0	1,195,555	1,195,555
Total Nonspendable	<u>884,051</u>	<u>1,206,703</u>	<u>2,090,754</u>
Restricted:			
Street Maintenance and Repair	0	2,700,092	2,700,092
Cemetery Maintenance	0	838,613	838,613
Law Enforcement	7,206	408,782	415,988
Fire Department Operations	0	922,340	922,340
Drug and Alcohol Treatment	0	107,873	107,873
Adult Probation Program	0	134,955	134,955
Court Computer Improvements	0	177,463	177,463
Brownfield Clean up	0	40,652	40,652
Community Improvements	0	13,441	13,441
Inspections and Plan Reviews	0	268,101	268,101
Debt Retirement	0	1,731,201	1,731,201
Capital Improvements	0	566,578	566,578
Total Restricted	<u>7,206</u>	<u>7,910,091</u>	<u>7,917,297</u>
Committed:			
Emergency Medical Services	0	289,806	289,806
Capital Improvements	0	2,006,463	2,006,463
Underground Storage Tank Cleanup	10,931	0	10,931
Total Committed	<u>10,931</u>	<u>2,296,269</u>	<u>2,307,200</u>
Assigned:			
Budget Resource	476,555	0	476,555
Contractual Services and Supplies	1,257,902	0	1,257,902
Total Assigned	<u>1,734,457</u>	<u>0</u>	<u>1,734,457</u>
Unassigned (Deficits):			
	<u>5,923,562</u>	<u>0</u>	<u>5,923,562</u>
Total Fund Balances	<u>\$8,560,207</u>	<u>\$11,413,063</u>	<u>\$19,973,270</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**NOTE 5 - CASH AND CASH EQUIVALENTS**

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

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

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and;
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**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, 2019, the carrying amount of the City’s deposits was \$5,923,044 and the bank balance was \$5,991,620. Of the bank balance, \$750,000 was covered by federal depository insurance and \$5,241,620 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, 2019 were as follows:

	Fair Value	Credit Rating	Fair Value Hierarchy	Concentration of Credit Risk	Investment Maturities (in Years)		
					less than 1	1-3	3-5
STAR Ohio <sup>4</sup>	\$5,400,845	AAAm <sup>1</sup>	NA	13.20%	\$5,400,845	\$0	\$0
Negotiable CD's	5,500,826	AAA <sup>3</sup>	Level 2	13.44%	990,990	1,500,170	3,009,666
Commercial Paper	5,608,893	A1 <sup>1</sup> / P1 <sup>2</sup>	Level 2	13.71%	5,608,893	0	0
US Treasury Notes	905,887	AA+ <sup>1</sup> / Aaa <sup>2</sup>	Level 2	2.21%	0	0	905,887
FHLB	3,740,215	AA+ <sup>1</sup> / Aaa <sup>2</sup>	Level 2	9.14%	1,745,115	1,498,965	496,135
FHLMC	7,221,466	AA+ <sup>1</sup> / Aaa <sup>2</sup>	Level 2	17.65%	5,427,984	0	1,793,482
FFCB	8,952,240	AA+ <sup>1</sup> / Aaa <sup>2</sup>	Level 2	21.89%	1,000,010	0	7,952,230
FNMA	3,585,587	AAA <sup>1</sup> / Aaa <sup>2</sup>	Level 2	8.76%	1,496,315	250,025	1,839,247
<b>Total Investments</b>	<b>\$40,915,959</b>			<b>100.00%</b>	<b>\$21,670,152</b>	<b>\$3,249,160</b>	<b>\$15,996,647</b>

<sup>1</sup> Standard & Poor’s

<sup>2</sup> Moody’s Investor Service

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

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

**B. Investments** (Continued)

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

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

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

**C. Cemetery Endowments**

The Cemetery Trust and Endowment Trust funds report endowments received and held by the City. The endowments are to be held permanently by the City and are invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). Earnings from the endowments are to be used for upkeep of the City’s two cemeteries. Restricted fund balance of \$200,417 in these funds at December 31, 2019 represents the net earnings on the endowments available for expenditure. The City disburses earnings from the endowments periodically for cemetery upkeep as stipulated in the trust agreement.

**NOTE 6 - PROPERTY TAX**

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2019 were levied after October 1, 2018 on assessed values as of January 1, 2018, the lien date. Assessed values are established by the county auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments are made in the third year following reappraisal. The last reappraisal was completed in 2018. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

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

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

The full tax rate for all City operations for the year ended December 31, 2019 was \$8.17 per \$1,000 of assessed value. The assessed value upon which the 2019 collections were based was \$243,528,100. This amount constitutes \$240,551,770 in real property assessed value and \$2,976,330 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 2019 were based on a tax rate equal to .817% (8.17 mills) of assessed value.

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

***Real Estate Tax Abatement***

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

The City has offered the CRA abatements to encourage economic stability, maintain property values, and generate new employment opportunities and population growth. Below is the information relevant to the disclosure of this program for the year ending December 31, 2019.

	Total Amount of Taxes Abated For the year 2019
<i>Community Reinvestment Area (CRA)</i>	
Industrial	\$4,759,433
	\$4,759,433

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2019 consisted of taxes, interest, accounts receivable, and intergovernmental receivables arising from shared revenues.

**CITY OF PAINESVILLE, OHIO**

---

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

---

**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, 2019 the City's Land Held for Resale balance was \$785,000.

**NOTE 9 - TRANSFERS**

Following is a summary of transfers in and out for all funds for 2019:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds		
General Fund	\$835,309	\$1,415,000
Other Governmental Funds	1,415,000	0
Total Governmental Funds	<u>2,250,309</u>	<u>1,415,000</u>
Enterprise Funds		
Water Fund	0	25,000
Sewer Fund	0	25,000
Electric Fund	0	785,309
Total Enterprise Funds	<u>0</u>	<u>835,309</u>
Totals	<u>\$2,250,309</u>	<u>\$2,250,309</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 to the City. In 2019 the portion due to the City was \$735,309, 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, 2019**

**NOTE 10 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2019:

**Historical Cost:**

Class	December 31, 2018	Additions	Deletions	December 31, 2019
<b>Capital assets not being depreciated:</b>				
Land	\$13,038,975	\$97,814	\$0	\$13,136,789
Construction in Progress	1,375,538	1,148,052	(1,938,857)	584,733
Subtotal	14,414,513	1,245,866	(1,938,857)	13,721,522
<b>Capital assets being depreciated:</b>				
Buildings and Improvements	5,715,113	63,415	0	5,778,528
Improvements other than Buildings	1,183,730	23,500	0	1,207,230
Machinery and Equipment	7,802,410	396,016	(346,333)	7,852,093
Infrastructure	49,443,521	3,439,376	0	52,882,897
Subtotal	64,144,774	3,922,307	(346,333)	67,720,748
Total Cost	\$78,559,287	\$5,168,173	(\$2,285,190)	\$81,442,270

**Accumulated Depreciation:**

Class	December 31, 2018	Additions	Deletions	December 31, 2019
Buildings and Improvements	(\$2,742,450)	(\$78,883)	\$0	(\$2,821,333)
Improvements other than Buildings	(766,543)	(29,563)	0	(796,106)
Machinery and Equipment	(5,771,246)	(536,617)	320,442	(5,987,421)
Infrastructure	(19,802,200)	(1,258,870)	0	(21,061,070)
Total Depreciation	(\$29,082,439)	(\$1,903,933) *	\$320,442	(\$30,665,930)
<b>Net Value:</b>	\$49,476,848			\$50,776,340

\*Depreciation was charged to governmental functions as follows:

General Government	\$130,832
Public Safety	204,449
Highways and Streets	1,453,250
Public Health and Welfare	49,747
Culture and Recreation	65,655
Total Depreciation Expense	<u>\$1,903,933</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 10 - CAPITAL ASSETS (Continued)**

**B. Business-Type Activities Capital Assets**

Summary by category of changes in business-type activities capital assets at December 31, 2019:

**Historical Cost:**

Class	December 31, 2018	Additions	Deletions	December 31, 2019
<b>Capital assets not being depreciated:</b>				
Land	\$2,010,667	\$0	\$0	\$2,010,667
Construction In Progress	20,924,938	9,231,907	(2,181,668)	27,975,177
Subtotal	22,935,605	9,231,907	(2,181,668)	29,985,844
<b>Capital assets being depreciated:</b>				
Buildings and Improvements	30,396,359	230,775	0	30,627,134
Infrastructure	56,123,251	2,475,107	0	58,598,358
Machinery and Equipment	36,252,918	970,374	(226,283)	36,997,009
Subtotal	122,772,528	3,676,256	(226,283)	126,222,501
Total Cost	\$145,708,133	\$12,908,163	(\$2,407,951)	\$156,208,345

**Accumulated Depreciation:**

Class	December 31, 2018	Additions	Deletions	December 31, 2019
Buildings and Improvements	(\$21,415,455)	(\$428,503)	\$0	(\$21,843,958)
Infrastructure	(27,971,636)	(1,378,761)	0	(29,350,397)
Machinery and Equipment	(23,725,957)	(1,333,407)	225,883	(24,833,481)
Total Depreciation	(\$73,113,048)	(\$3,140,671)	\$225,883	(\$76,027,836)
<b>Net Value:</b>	\$72,595,085			\$80,180,509



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**NOTE 11 – 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, 2019**

**NOTE 11 – 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, including requirements for reduced and unreduced benefits):

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

---

**NOTE 11 – 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 3.00% 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 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member’s FAS for the first 30 years of service.

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

	<u>State and Local</u>	<u>Law Enforcement</u>
<b>2019 Statutory Maximum Contribution Rates</b>		
Employer	14.0 %	18.1 %
Employee	10.0 %	*
<b>2019 Actual Contribution Rates</b>		
Employer:		
Pension	14.0 %	18.1 %
Post-employment Health Care Benefits	<u>0.0</u>	<u>0.0</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 \$1,439,622 for 2019. Of this amount, \$114,707 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. See OP&F CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits.

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 participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

	<u>Police</u>	<u>Firefighters</u>
<b>2019 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2019 through December 31, 2019	12.25 %	12.25 %
<b>2019 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2019 through December 31, 2019	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$1,089,427 for 2019. Of this amount, \$91,733 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, 2018, 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, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$20,235,603	\$18,102,535	\$38,338,138
Proportion of the Net Pension Liability-2019	0.073885%	0.221773%	
Proportion of the Net Pension Liability-2018	<u>0.073358%</u>	<u>0.215503%</u>	
Percentage Change	<u>0.000527%</u>	<u>0.006270%</u>	
Pension Expense	\$4,212,076	\$2,503,718	\$6,715,794

**CITY OF PAINESVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Changes in assumptions	\$1,761,558	\$479,923	\$2,241,481
Differences between expected and actual experience	933	743,759	744,692
Net difference between projected and actual earnings on pension plan investments	2,746,535	2,230,221	4,976,756
Change in proportionate share	0	330,669	330,669
City contributions subsequent to the measurement date	1,439,622	1,089,427	2,529,049
Total Deferred Outflows of Resources	<u>\$5,948,648</u>	<u>\$4,873,999</u>	<u>\$10,822,647</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$265,702	\$16,901	\$282,603
Change in proportionate share	280,949	161,112	442,061
Total Deferred Inflows of Resources	<u>\$546,651</u>	<u>\$178,013</u>	<u>\$724,664</u>

\$2,529,049 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2020	\$1,544,332	\$1,134,816	\$2,679,148
2021	885,903	647,136	1,533,039
2022	254,796	720,135	974,931
2023	1,277,344	1,044,222	2,321,566
2024	0	60,250	60,250
Total	<u>\$3,962,375</u>	<u>\$3,606,559</u>	<u>\$7,568,934</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, 2019***

---

**NOTE 11 – 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, 2018 and December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>December 31, 2018</u>
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	7.2 percent
Actuarial Cost Method	Individual Entry Age
	<u>December 31, 2017</u>
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

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

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

The long-term 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 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94% for 2018.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

**NOTE 11 – 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 2018 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 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

**Discount Rate** The discount rate used to measure the total pension liability was 7.2 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 7.2 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 (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$29,893,871	\$20,235,603	\$12,209,496



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

***Actuarial Assumptions – OPF***

OPF’s total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, 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. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2018, compared with January 1, 2017, are presented below.

	January 1, 2018	January 1, 2017
Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

For the January 1, 2018 valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

For the January 1, 2018 valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2018 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income *	23.00	2.60
High Yield Fixed Income	7.00	4.80
Private Credit	5.00	7.50
U.S. Inflation Linked Bonds*	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
Total	<u>120.00 %</u>	

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

**Discount Rate** For 2018, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2017 was 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$23,794,537	\$18,102,535	\$13,346,049

This Space Intentionally Left Blank

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**NOTE 12 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability***

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)**

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

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

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

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)**

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2019.

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

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)**

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City's contractually required contribution to OP&F was \$26,047 for 2019. Of this amount, \$2,170 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportionate Share of the Net OPEB Liability	\$9,466,501	\$2,019,582	\$11,486,083
Proportion of the Net OPEB Liability-2019	0.072609%	0.221773%	
Proportion of the Net OPEB Liability-2018	0.072573%	0.215503%	
Percentage Change	<u>0.000036%</u>	<u>0.006270%</u>	
OPEB Expense	\$688,854	(\$9,898,372)	(\$9,209,518)

**CITY OF PAINESVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)**

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Changes in assumptions	\$305,210	\$1,046,855	\$1,352,065
Differences between expected and actual experience	3,205	0	3,205
Net difference between projected and actual earnings on OPEB plan investments	433,985	68,363	502,348
Change in proportionate share	0	255,639	255,639
City contributions subsequent to the measurement date	0	26,047	26,047
Total Deferred Outflows of Resources	<u>\$742,400</u>	<u>\$1,396,904</u>	<u>\$2,139,304</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$25,687	\$54,110	\$79,797
Changes in assumptions	0	559,117	559,117
Change in proportionate share	188,771	146,294	335,065
Total Deferred Inflows of Resources	<u>\$214,458</u>	<u>\$759,521</u>	<u>\$973,979</u>

\$26,047 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2020	\$166,374	\$106,785	\$273,159
2021	71,459	106,785	178,244
2022	71,483	106,782	178,265
2023	218,626	127,460	346,086
2024	0	94,862	94,862
2025	0	71,670	71,670
2026	0	(3,008)	(3,008)
Total	<u>\$527,942</u>	<u>\$611,336</u>	<u>\$1,139,278</u>



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)**

***Actuarial Assumptions - OPERS***

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior Measurement date	6.50 percent
Municipal Bond Rate:	
Current measurement date	3.71 percent
Prior Measurement date	3.31 percent
Health Care Cost Trend Rate:	
Current measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Prior Measurement date	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

**NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)**

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.60 percent for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	100.00 %	5.16 %

**Discount Rate** A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)**

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*** The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
City's proportionate share of the net OPEB liability	\$12,111,181	\$9,466,501	\$7,363,279

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$9,099,360	\$9,466,501	\$9,889,346

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)**

***Actuarial Assumptions – OP&F***

OP&F’s total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	4.66 percent	3.24 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)**

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

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

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, are summarized below:

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

**NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)**

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income *	23.00	2.60
High Yield Fixed Income	7.00	4.80
Private Credit	5.00	7.50
U.S. Inflation Linked Bonds*	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
Total	120.00 %	

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on 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 OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 4.66 percent.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$2,460,404	\$2,019,582	\$1,649,553

**CITY OF PAINESVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 13 – DEBT AND OTHER LONG-TERM OBLIGATIONS**

Long-term debt of the City at December 31, 2019 is as follows:

		Balance December 31, 2018	Issued	(Retired)	Balance December 31, 2019	Amount Due Within One Year
<b>Governmental Activities Debt:</b>						
General Obligation Bonds:						
4.250 - 5.000% Various Purpose	2007	\$855,000	\$0	(\$120,000)	\$735,000	\$130,000
2.850% Shamrock Blvd Improvement	2013	1,507,000	0	(89,000)	1,418,000	92,000
2.0 - 3.000% Shamrock Blvd Improvement TIF	2012	4,620,000	0	(230,000)	4,390,000	235,000
Premium on Debt Issuance		109,596	(7,828)	0	101,768	0
Total General Obligation Bonds		<u>7,091,596</u>	<u>(7,828)</u>	<u>(439,000)</u>	<u>6,644,768</u>	<u>457,000</u>
Special Assessment Debt (with governmental commitment)						
4.75% Renaissance Parkway	2005	190,000	0	(25,000)	165,000	25,000
Ohio Public Works Commission Loans (OPWC):						
0.000% Chester Street Improvements	2008	44,011	0	(4,890)	39,121	4,890
0.000% Brookstone Blvd Improvements	2013	1,112,186	0	(48,356)	1,063,830	48,356
Total OPWC Loans		<u>1,156,197</u>	<u>0</u>	<u>(53,246)</u>	<u>1,102,951</u>	<u>53,246</u>
Long-Term Notes Payable:						
3.00% Various Purpose	2011	535,917	0	(535,917)	0	0
<b>Governmental Activities Other Long-Term Obligations:</b>						
Compensated Absences		1,418,780	324,310	(281,984)	1,461,106	56,595
Workers' Compensation Liability		577,970	686,265	(577,970)	686,265	297,397
Capital Lease Payable		96,996	0	(24,052)	72,944	25,204
Police/Firemen's Pension Accrued Liability		574,892	0	(24,750)	550,142	25,813
Total Governmental Activities		<u>\$11,642,348</u>	<u>\$1,002,747</u>	<u>(\$1,961,919)</u>	<u>\$10,683,176</u>	<u>\$940,255</u>

This space intentionally left blank

**CITY OF PAINESVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 13 - DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

Long-term debt of the City at December 31, 2019 is as follows:

		Balance December 31, 2018	Issued	(Retired)	Balance December 31, 2019	Amount Due Within One Year
<b>Business-Type Activities Debt:</b>						
General Obligation Bonds:						
3.25% Storm Water Improvements	2016	\$1,715,000	\$0	(\$75,000)	\$1,640,000	\$80,000
Ohio Water Development Authority Loans (OWDA):						
4.618% Safe Drinking Water	1998	114,852	0	(114,852)	0	0
3.420% WPCLF WWTP Upgrades	2009	2,530,639	0	(157,555)	2,373,084	162,990
0.000% Water Intake Improvements	2014	5,290,735	8,557,683	0	13,848,418	0
Total OWDA Loans		<u>7,936,226</u>	<u>8,557,683</u>	<u>(272,407)</u>	<u>16,221,502</u>	<u>162,990</u>
Ohio Public Works Commission Loans (OPWC):						
0.000% Mentor Ave / Jackson Street Sewer	2008	18,443	0	(2,054)	16,389	2,048
Long-Term Notes Payable:						
3.00% Various Purpose	2011	464,083	0	(464,083)	0	0
<b>Business-Type Activities Other Long-Term Obligations:</b>						
Capital Leases Payable		2,217,666	0	(220,803)	1,996,863	230,522
Compensated Absences		1,506,079	760,550	(696,530)	1,570,099	508,962
Total Business-Type Activities		<u>\$13,857,497</u>	<u>\$9,318,233</u>	<u>(\$1,730,877)</u>	<u>\$21,444,853</u>	<u>\$984,522</u>

This space intentionally left blank



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**NOTE 13 - DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

**A. Long Term Notes**

Long term notes payable retired in 2019 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 issuing new notes for the remaining balance. The new notes issued in 2019 will be paid off in 2020 using existing resources; therefore, the 2019 notes payable are classified as short-term obligations at December 31, 2019.

**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 \$1,946,101 for the City as of December 31, 2019.

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, 2019 amounted to \$1,085,104.

**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, 2019 was \$756,096 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.

**D. Special Assessments with Governmental Commitment**

The principal amount of the City's special assessment debt outstanding at December 31, 2019, \$165,000, 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 \$92,337 in the Special Assessment Bond Retirement Fund at December 31, 2019 is restricted for the retirement of outstanding special assessment bonds.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**NOTE 13 - DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

**E. Capital Leases**

The City has entered into agreements to lease equipment. The original cost of the equipment was \$7,364,181. Such agreements are, in substance, lease purchases (capital leases) and are classified as long-term obligations in the financial statements. The costs of these assets are included in the capital asset balances of the Governmental Activities and Water Fund, Sewer Fund, and Electric Fund (major enterprise funds). The capital leases payable are recorded in Governmental Activities and Business-Type Activities in the amount of \$72,944, and \$1,996,863, 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, 2019:

Year Ending December 31,	Governmental Activities	Business-Type Activities
2020	\$28,698	\$314,906
2021	28,699	314,896
2022	23,003	314,896
2023	0	314,896
2024	0	314,896
2025-2027	0	787,236
Minimum Lease Payments	80,400	2,361,726
Less: amount representing interest at the City's incremental borrowing rate of interest	(7,456)	(364,863)
Present value of minimum lease payments	<u>\$72,944</u>	<u>\$1,996,863</u>

**F. Ohio Water Development Authority Loans**

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, 2019, the City had received \$13,848,418. As of December 31, 2019, the loan has not been finalized and there is no amortization schedule for the loan.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 13 - DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

**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, 2019, are as follows:

Years	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2020	\$537,000	\$260,988	\$25,000	\$8,250
2021	549,000	244,566	25,000	7,000
2022	567,000	227,737	25,000	5,750
2023	510,000	207,860	30,000	4,500
2024	523,000	191,185	30,000	3,000
2025-2029	2,673,000	699,795	30,000	1,500
2030-2034	2,694,000	264,545	0	0
2035	130,000	4,225	0	0
Totals	\$8,183,000	\$2,100,901	\$165,000	\$30,000

Years	OWDA Loans		OPWC Loans		Police/Firemen's Pension Accrued Liability	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$162,990	\$69,980	\$55,294	\$0	\$25,813	\$23,110
2021	168,612	65,049	55,294	0	26,921	22,001
2022	174,427	59,947	55,294	0	28,078	20,845
2023	180,444	54,670	55,294	0	29,284	19,639
2024	186,668	49,210	55,294	0	30,542	18,381
2025-2029	1,030,758	157,334	262,596	0	173,549	71,064
2030-2034	469,185	17,603	241,780	0	214,163	30,451
2035-2039	0	0	241,780	0	21,792	463
2040-2041	0	0	96,714	0	0	0
Totals	\$2,373,084	\$473,793	\$1,119,340	\$0	\$550,142	\$205,954

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, 2019***

---

**NOTE 14 - NOTES PAYABLE**

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of twenty years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to and payable no later than those principal maturities required if the bonds had been issued at the expiration of the initial five year period. Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources.

	Balance January 1, 2019	Issued	(Retired)	Balance December 31, 2019
Special Revenue Fund Notes Payable:				
3.500% Various Street Improvements	\$0	\$355,311	\$0	\$355,311
Total Special Revenue Fund Notes Payable	<u>0</u>	<u>355,311</u>	<u>0</u>	<u>355,311</u>
Enterprise Fund Notes Payable:				
3.500% Water System Improvements	0	249,689	0	249,689
3.500% Storm Water Improvements	0	45,000	0	45,000
Total Enterprise Fund Notes Payable	<u>0</u>	<u>294,689</u>	<u>0</u>	<u>294,689</u>
Total Notes Payable	<u>\$0</u>	<u>\$650,000</u>	<u>\$0</u>	<u>\$650,000</u>

This space intentionally left blank

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

**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 2019 the City contracted with several different insurance providers for various insurance coverages, as follows:

Insurance Provider	Coverage	Deductible
Jackson Dieken & Associates	Public Employee Dishonesty/ Forgery	\$5,000
Jackson Dieken & Associates	Law Enforcement Professional Liability	\$25,000
Jackson Dieken & Associates	Public Officials Liability	\$25,000
Jackson Dieken & Associates	Comprehensive General Liability	\$5,000
Jackson Dieken & Associates	Ohio Employers Intentional Tort Liability	\$5,000
Jackson Dieken & Associates	Commercial Umbrella Liability	\$0
Jackson Dieken & Associates	Boiler and Machinery	\$10,000
Jackson Dieken & Associates	Automobile	\$0
Jackson Dieken & Associates	Commercial General Liability (Fire)	\$0
Jackson Dieken & Associates	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 \$686,265 reported in the fund at December 31, 2019 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
2018	\$640,630	\$30,910	(\$93,570)	\$577,970
2019	577,970	249,656	(141,361)	686,265

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**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 \$284,724 reported in the fund at December 31, 2019 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>
2018	\$286,357	\$2,519,061	(\$2,584,543)	\$220,875
2019	220,875	2,879,531	(2,815,682)	284,724

**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, 2019***

---

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

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

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants' entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with the remaining principal balance now residing on the AMP credit facility. The outstanding debt was paid off in 2017. The City's net investment and its share of operating results of OMEGA JV2 are reported in the City's electric fund (an enterprise fund). The City's net investment in OMEGA JV2 was \$167,122 at December 31, 2019. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at [www.auditor.state.oh.us](http://www.auditor.state.oh.us).

This space intentionally left blank.

**CITY OF PAINESVILLE, OHIO**

---

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**NOTE 17 – SIGNIFICANT COMMITMENTS**

As of December 31, 2019, the City had the following contracts with respect to capital improvements:

Project	Remaining Construction Commitment	Expected Date of Completion
4160v Switchgear Replacement	\$217,166	2020
Water Intake	3,000,000	2020
System Upgrade	173,352	2020
Fiber Optic Upgrades	178,485	2020
2016 Road Improvement Project - Phase 2	13,413	2020
Filter Repairs	12,990	2020
New Storrs Street Building #2	112,791	2020
2017 Road Improvement Project - Annual Paving Program	33,000	2020
Parking Lot Paving	440,302	2020
Aeration Tank Upgrade	60,000	2020
Maplewood Basin	253,013	2020
2018 Paving Program	34,233	2020
North Park Place Streetscape Enhancement	62,848	2020
Software to Replace Zonepro System	20,000	2020
Streetscape Project	90,000	2020
Filter Repairs	20,317	2020
Carbon Feeder Storage	25,000	2020
Automatic Mechanical Step Screen/Duperon Flexrake	20,198	2020
Ancillary Equipment/Plant Upgrade	63,328	2020
Automated Metering Infrastructure	3,500,000	2020
Ami Utility Software	1,000,000	2020
2019 Sidewalk Program	25,613	2020
2019 Skinner Avenue Design	15,703	2020
Paper on Demand	10,000	2020
Electronic Archiving Files	13,254	2020
Improvements/Enhancements	13,221	2020
Connectivity Plan	112,241	2020
New Accounting and Payroll System	180,420	2020
2.5 Ton Plow Truck	125,000	2020
Building Improvements	61,790	2020
Pinehill Road Waterline Replacement	195,691	2020
Crile Pump # 3	11,755	2020
2019 Jackson Street Sewer Lining Project	27,466	2020
General Engineering Agreement	19,818	2020
Plant Upgrade	19,996	2020
Purchase New Truck 3	285,000	2020
Total	\$10,447,404	



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**NOTE 17 – SIGNIFICANT COMMITMENTS (Continued)**

At December 31, 2019 the City had encumbrance commitments in the Governmental Funds as follows:

<u>Fund</u>	<u>Encumbrances</u>
General Fund	\$1,315,958
Other Governmental Funds	1,403,584
Total Governmental Funds	<u>\$2,719,542</u>

**NOTE 18 - COMPLIANCE AND ACCOUNTABILITY**

*Deficit Fund Equities* - The fund deficits at December 31, 2019 of \$1,837 in the Community Programs Fund (enterprise fund), \$131,019 in the Employee Health Insurance Fund and \$532,486 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.

This space intentionally left blank.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

---

**NOTE 20 – PURCHASE COMMITMENT**

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

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

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

Since March 31, 2014, the City's allocation of additional costs incurred by the project is \$27,293 and interest on the credit balance credited to the City has been \$57,693, resulting in a net credit balance at December 31, 2019 of \$572,638. The City does have a potential PHFU Liability of \$652,861 resulting in a net total potential liability of \$80,223, 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 2020 the City issued \$1,000,000 of various purpose General Obligation Notes. These notes carry an interest rate of 3.5% and mature in February 2021.

*REQUIRED SUPPLEMENTARY INFORMATION*

---

**CITY OF PAINESVILLE, OHIO**

---

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

---

**Ohio Public Employees Retirement System**

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

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

**Ohio Police and Fire Pension Fund**

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

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

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2014 is not available.

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

See notes to the required supplementary information

**CITY OF PAINESVILLE, OHIO**

---

---

<u>2017</u>	<u>2018</u>	<u>2019</u>
0.078734%	0.073358%	0.073885%
\$17,879,092	\$11,508,461	\$20,235,603
\$10,183,850	\$9,690,523	\$9,979,221
175.56%	118.76%	202.78%
77.25%	84.66%	74.70%

<u>2017</u>	<u>2018</u>	<u>2019</u>
0.219641%	0.215503%	0.221773%
\$13,911,813	\$13,226,399	\$18,102,535
\$4,771,700	\$4,763,981	\$5,068,494
291.55%	277.63%	357.16%
68.36%	70.91%	63.07%

**CITY OF PAINESVILLE, OHIO**

---

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

---

**Ohio Public Employees Retirement System**

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

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

**Ohio Police and Fire Pension Fund**

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

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

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

See notes to the required supplementary information

**CITY OF PAINESVILLE, OHIO**

---

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$1,222,062	\$1,259,768	\$1,397,091	\$1,439,622
<u>1,222,062</u>	<u>1,259,768</u>	<u>1,397,091</u>	<u>1,439,622</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$10,183,850	\$9,690,523	\$9,979,221	\$10,283,014
12.00%	13.00%	14.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$999,545	\$997,803	\$1,061,198	\$1,089,427
<u>999,545</u>	<u>997,803</u>	<u>1,061,198</u>	<u>1,089,427</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,771,700	\$4,763,981	\$5,068,494	\$5,209,283
20.95%	20.94%	20.94%	20.91%





**CITY OF PAINESVILLE, OHIO**

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

**Ohio Public Employees Retirement System**

Year	<u>2017</u>	<u>2018</u>	<u>2019</u>
City's proportion of the net OPEB liability (asset)	0.077866%	0.072573%	0.072609%
City's proportionate share of the net OPEB liability (asset)	\$7,864,742	\$7,880,880	\$9,466,501
City's covered payroll	\$10,183,850	\$9,690,523	\$9,979,221
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	77.23%	81.33%	94.86%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%	46.33%

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

**Ohio Police and Fire Pension Fund**

Year	<u>2017</u>	<u>2018</u>	<u>2019</u>
City's proportion of the net OPEB liability (asset)	0.219641%	0.215503%	0.221773%
City's proportionate share of the net OPEB liability (asset)	\$10,425,845	\$12,210,107	\$2,019,582
City's covered payroll	\$4,771,700	\$4,763,981	\$5,068,494
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	218.49%	256.30%	39.85%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%

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

Notes: The City implemented GASB Statement 75 in 2018.

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

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

See notes to the required supplementary information

**CITY OF PAINESVILLE, OHIO**

---

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

---

**Ohio Public Employees Retirement System**

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

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

**Ohio Police and Fire Pension Fund**

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

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

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2013 is not available.

See notes to the required supplementary information

**CITY OF PAINESVILLE, OHIO**

---

---

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$203,677	\$96,905	\$0	\$0
<u>203,677</u>	<u>96,905</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$10,183,850	\$9,690,523	\$9,979,221	\$10,283,014
2.00%	1.00%	0.00%	0.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$23,859	\$23,820	\$25,342	\$26,047
<u>23,859</u>	<u>23,820</u>	<u>25,342</u>	<u>26,047</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,771,700	\$4,763,981	\$5,068,494	\$5,209,283
0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information  
For the Year Ended December 31, 2019***

---

**NET PENSION LIABILITY**

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

*Changes in benefit terms:* There were no changes in benefit terms for the period 2014-2019.

*Changes in assumptions:*

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

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

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%
- Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality Table.

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

2019: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

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

*Changes in benefit terms:* There were no changes in benefit terms for the period 2014-2019.

*Changes in assumptions:*

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

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

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%
- For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006
- For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006

2019: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

***Notes to the Required Supplementary Information  
For the Year Ended December 31, 2019***

---

**NET OPEB LIABILITY**

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

*Changes in benefit terms:* There were no changes in benefit terms for the periods 2018-2019.

*Changes in assumptions:*

For 2018, the single discount rate changed from 4.23% to 3.85%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%

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

*Changes in benefit terms:*

2018: There were no changes in benefit terms.

2019: The retiree health care model and the current self-insured health care plan were replaced with a stipend-based health care model.

*Changes in assumptions:*

2018: There were no changes in assumptions.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.24% to 4.66%.

*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.)

**Lake County Grant Fund**

To account for grants from the County which are used for various economic development projects.

**Fire Fund**

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

(Continued)



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

---

**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.

**Municipal Court Computerization Fund**

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

**Plan Review Fund**

To account for monies received from developers for review of construction plans and inspections.

**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.

**Police Levy Fund**

To account for a voted property tax levy to be used for police operations. (The Statement of Revenues, Expenditures and Changes in Fund Balances is not presented because there are no current year revenues or expenditures.) (This fund was not part of the City's current year budget, therefore no budgetary schedule is presented.)

**Columbarium Trust Fund**

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

**Land Bank Fund**

To account for monies received from the County to be used for razing blighted properties. (This fund is not part of the City's appropriated budget, therefore no budgetary schedule is presented.)

**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.

**Shamrock Business Center TIF Fund**

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

***Capital Projects Funds***

---

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.

(Continued)

***Capital Projects Funds (Continued)***

---

**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, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Pooled Cash and Investments	\$ 5,746,138	\$ 1,947,584	\$ 2,739,825	\$ 200,417	\$ 10,633,964
Cash and Cash Equivalents in Segregated Accounts	17,160	0	11,117	0	28,277
Receivables:					
Taxes	1,881,651	896,537	0	0	2,778,188
Accounts	112,703	0	0	0	112,703
Intergovernmental	558,503	3,978	77,546	0	640,027
Prepaid Items	11,148	0	0	0	11,148
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	1,195,555	1,195,555
<b>Total Assets</b>	<b>\$ 8,327,303</b>	<b>\$ 2,848,099</b>	<b>\$ 2,828,488</b>	<b>\$ 1,395,972</b>	<b>\$ 15,399,862</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 34,342	\$ 0	\$ 177,219	\$ 0	\$ 211,561
Accrued Wages and Benefits Payable	61,007	0	532	0	61,539
Intergovernmental Payable	24,100	0	150	0	24,250
Accrued Interest Payable	4,417	6,383	0	0	10,800
General Obligation Notes Payable	145,311	210,000	0	0	355,311
<b>Total Liabilities</b>	<b>269,177</b>	<b>216,383</b>	<b>177,901</b>	<b>0</b>	<b>663,461</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Amounts	588,210	6,639	77,546	0	672,395
Property Tax Levy for Next Fiscal Year	1,757,067	893,876	0	0	2,650,943
<b>Total Deferred Inflows of Resources</b>	<b>2,345,277</b>	<b>900,515</b>	<b>77,546</b>	<b>0</b>	<b>3,323,338</b>
<b>Fund Balances:</b>					
Nonspendable	11,148	0	0	1,195,555	1,206,703
Restricted	5,411,895	1,731,201	566,578	200,417	7,910,091
Committed	289,806	0	2,006,463	0	2,296,269
<b>Total Fund Balances</b>	<b>5,712,849</b>	<b>1,731,201</b>	<b>2,573,041</b>	<b>1,395,972</b>	<b>11,413,063</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 8,327,303</b>	<b>\$ 2,848,099</b>	<b>\$ 2,828,488</b>	<b>\$ 1,395,972</b>	<b>\$ 15,399,862</b>

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Property Taxes	\$ 1,196,938	\$ 923,474	\$ 0	\$ 0	\$ 2,120,412
Intergovernmental Revenues	1,760,648	7,955	1,387,262	0	3,155,865
Charges for Services	793,920	0	0	0	793,920
Investment Earnings	0	0	0	26,319	26,319
Special Assessments	0	98,853	0	0	98,853
Fines and Forfeitures	268,026	0	170,262	0	438,288
All Other Revenues	87,336	6,500	0	15,450	109,286
<b>Total Revenues</b>	<b>4,106,868</b>	<b>1,036,782</b>	<b>1,557,524</b>	<b>41,769</b>	<b>6,742,943</b>
<b>Expenditures:</b>					
Current:					
General Government	363,468	17,307	129,492	0	510,267
Public Safety	1,690,044	0	0	0	1,690,044
Highways and Streets	1,236,089	181,092	1,254,668	0	2,671,849
Public Health and Welfare	395,669	0	0	2,200	397,869
Community Environment	1,606	0	0	0	1,606
Capital Outlay	0	0	1,288,948	0	1,288,948
Debt Service:					
Principal Retirement	359,859	704,356	13,000	0	1,077,215
Interest and Fiscal Charges	39,138	219,504	2,800	0	261,442
<b>Total Expenditures</b>	<b>4,085,873</b>	<b>1,122,259</b>	<b>2,688,908</b>	<b>2,200</b>	<b>7,899,240</b>
Excess (Deficiency) of Revenues Over Expenditures	20,995	(85,477)	(1,131,384)	39,569	(1,156,297)
<b>Other Financing Sources (Uses):</b>					
Transfers In	490,000	0	925,000	0	1,415,000
<b>Total Other Financing Sources (Uses)</b>	<b>490,000</b>	<b>0</b>	<b>925,000</b>	<b>0</b>	<b>1,415,000</b>
Net Change in Fund Balances	510,995	(85,477)	(206,384)	39,569	258,703
<b>Fund Balances at Beginning of Year - Restated</b>	<b>5,201,854</b>	<b>1,816,678</b>	<b>2,779,425</b>	<b>1,356,403</b>	<b>11,154,360</b>
<b>Fund Balances End of Year</b>	<b>\$ 5,712,849</b>	<b>\$ 1,731,201</b>	<b>\$ 2,573,041</b>	<b>\$ 1,395,972</b>	<b>\$ 11,413,063</b>

**CITY OF PAINESVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2019**

	Street Construction, Maintenance and Repair Fund	State Highway Improvement Fund	Cemeteries Fund	Police Pension Transfer Fund
<b>Assets:</b>				
Pooled Cash and Investments	\$ 2,113,827	\$ 45,323	\$ 653,315	\$ 214,798
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes	0	0	0	71,921
Accounts	0	0	0	0
Intergovernmental	444,376	31,677	0	4,972
Prepaid Items	0	0	3,041	0
<b>Total Assets</b>	<b>\$ 2,558,203</b>	<b>\$ 77,000</b>	<b>\$ 656,356</b>	<b>\$ 291,691</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 4,651	\$ 0	\$ 1,298	\$ 0
Accrued Wages and Benefits Payable	11,454	0	13,908	0
Intergovernmental Payable	10,015	13,276	2	0
Accrued Interest Payable	4,417	0	0	0
General Obligation Notes Payable	145,311	0	0	0
<b>Total Liabilities</b>	<b>175,848</b>	<b>13,276</b>	<b>15,208</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	296,250	21,118	0	9,548
Property Tax Levy for Next Fiscal Year	0	0	0	67,345
<b>Total Deferred Inflows of Resources</b>	<b>296,250</b>	<b>21,118</b>	<b>0</b>	<b>76,893</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	3,041	0
Restricted	2,086,105	42,606	638,107	214,798
Committed	0	0	0	0
<b>Total Fund Balances</b>	<b>2,086,105</b>	<b>42,606</b>	<b>641,148</b>	<b>214,798</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,558,203</b>	<b>\$ 77,000</b>	<b>\$ 656,356</b>	<b>\$ 291,691</b>

**CITY OF PAINESVILLE, OHIO**

Fire Pension Transfer Fund	Law Enforcement Fund	Indigent Drivers Alcohol Treatment Fund	Enforcement and Education Fund	Fire Levy Fund	Probation Services Fund	COPS Fast Grant Fund
\$ 214,843 0	\$ 24,685 0	\$ 107,630 243	\$ 153,699 1,021	\$ 302,920 0	\$ 130,448 8,003	\$ 1,513 0
71,921	0	0	0	105,726	0	0
0	0	0	0	0	0	0
4,972	0	0	0	5,139	0	0
0	0	0	0	0	0	0
<u>\$ 291,736</u>	<u>\$ 24,685</u>	<u>\$ 107,873</u>	<u>\$ 154,720</u>	<u>\$ 413,785</u>	<u>\$ 138,451</u>	<u>\$ 1,513</u>
\$ 0	\$ 0	\$ 0	\$ 823	\$ 0	\$ 537	\$ 0
0	0	0	0	0	2,913	0
0	0	0	0	0	46	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>823</u>	<u>0</u>	<u>3,496</u>	<u>0</u>
9,548	0	0	0	12,157	0	0
67,345	0	0	0	98,708	0	0
<u>76,893</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>110,865</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0	0
214,843	24,685	107,873	153,897	302,920	134,955	1,513
0	0	0	0	0	0	0
<u>214,843</u>	<u>24,685</u>	<u>107,873</u>	<u>153,897</u>	<u>302,920</u>	<u>134,955</u>	<u>1,513</u>
<u>\$ 291,736</u>	<u>\$ 24,685</u>	<u>\$ 107,873</u>	<u>\$ 154,720</u>	<u>\$ 413,785</u>	<u>\$ 138,451</u>	<u>\$ 1,513</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2019**

	Lake County Grant Fund	Fire Fund	Victim's Advocate Grant Fund	Emergency Medical Services Fund
<b>Assets:</b>				
Pooled Cash and Investments	\$ 5,188	\$ 6,851	\$ 6,328	\$ 272,978
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	112,703
Intergovernmental	0	0	0	0
Prepaid Items	0	0	0	8,107
<b>Total Assets</b>	<b>\$ 5,188</b>	<b>\$ 6,851</b>	<b>\$ 6,328</b>	<b>\$ 393,788</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 4,550
Accrued Wages and Benefits Payable	0	0	1,300	27,517
Intergovernmental Payable	0	0	0	0
Accrued Interest Payable	0	0	0	0
General Obligation Notes Payable	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>1,300</b>	<b>32,067</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	0	0	0	63,808
Property Tax Levy for Next Fiscal Year	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>63,808</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	8,107
Restricted	5,188	6,851	5,028	0
Committed	0	0	0	289,806
<b>Total Fund Balances</b>	<b>5,188</b>	<b>6,851</b>	<b>5,028</b>	<b>297,913</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 5,188</b>	<b>\$ 6,851</b>	<b>\$ 6,328</b>	<b>\$ 393,788</b>



**CITY OF PAINESVILLE, OHIO**

Municipal Court Computerization Fund	Plan Review Fund	Brownfield Grant Fund	Fire Improvement Levy Fund	Road Improvement Levy Fund	Police Levy Fund
\$ 174,261	\$ 278,619	\$ 40,652	\$ 405,160	\$ 575,483	\$ 0
7,893	0	0	0	0	0
0	0	0	339,589	684,817	607,677
0	0	0	0	0	0
0	0	0	8,933	16,608	41,826
0	0	0	0	0	0
<u>\$ 182,154</u>	<u>\$ 278,619</u>	<u>\$ 40,652</u>	<u>\$ 753,682</u>	<u>\$ 1,276,908</u>	<u>\$ 649,503</u>
\$ 15	\$ 10,518	\$ 0	\$ 7,434	\$ 4,102	\$ 0
3,915	0	0	0	0	0
761	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>4,691</u>	<u>10,518</u>	<u>0</u>	<u>7,434</u>	<u>4,102</u>	<u>0</u>
0	0	0	31,155	62,117	82,509
0	0	0	317,367	639,308	566,994
0	0	0	348,522	701,425	649,503
0	0	0	0	0	0
177,463	268,101	40,652	397,726	571,381	0
0	0	0	0	0	0
<u>177,463</u>	<u>268,101</u>	<u>40,652</u>	<u>397,726</u>	<u>571,381</u>	<u>0</u>
<u>\$ 182,154</u>	<u>\$ 278,619</u>	<u>\$ 40,652</u>	<u>\$ 753,682</u>	<u>\$ 1,276,908</u>	<u>\$ 649,503</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2019**

	Columbarium Trust Fund	Land Bank Fund	Law Enforcement Trust Fund	Total Nonmajor Special Revenue Funds
<b>Assets:</b>				
Pooled Cash and Investments	\$ 89	\$ 8,253	\$ 9,275	\$ 5,746,138
Cash and Cash Equivalents in Segregated Accounts	0	0	0	17,160
Receivables:				
Taxes	0	0	0	1,881,651
Accounts	0	0	0	112,703
Intergovernmental	0	0	0	558,503
Prepaid Items	0	0	0	11,148
<b>Total Assets</b>	<b>\$ 89</b>	<b>\$ 8,253</b>	<b>\$ 9,275</b>	<b>\$ 8,327,303</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 0	\$ 414	\$ 34,342
Accrued Wages and Benefits Payable	0	0	0	61,007
Intergovernmental Payable	0	0	0	24,100
Accrued Interest Payable	0	0	0	4,417
General Obligation Notes Payable	0	0	0	145,311
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>414</b>	<b>269,177</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	0	0	0	588,210
Property Tax Levy for Next Fiscal Year	0	0	0	1,757,067
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,345,277</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	11,148
Restricted	89	8,253	8,861	5,411,895
Committed	0	0	0	289,806
<b>Total Fund Balances</b>	<b>89</b>	<b>8,253</b>	<b>8,861</b>	<b>5,712,849</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 89</b>	<b>\$ 8,253</b>	<b>\$ 9,275</b>	<b>\$ 8,327,303</b>

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2019**

	Street Construction, Maintenance and Repair Fund	State Highway Improvement Fund	Cemeteries Fund	Police Pension Transfer Fund
<b>Revenues:</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 63,894
Intergovernmental Revenues	869,489	61,364	0	9,944
Charges for Services	0	0	142,265	0
Fines and Forfeitures	0	0	0	0
All Other Revenues	7,219	0	250	0
<b>Total Revenues</b>	<u>876,708</u>	<u>61,364</u>	<u>142,515</u>	<u>73,838</u>
<b>Expenditures:</b>				
Current:				
General Government	0	0	0	731
Public Safety	0	0	0	0
Highways and Streets	586,114	51,832	0	0
Public Health and Welfare	0	0	395,669	0
Community Environment	0	0	0	0
Debt Service:				
Principal Retirement	335,807	0	0	0
Interest and Fiscal Charges	34,492	0	0	0
<b>Total Expenditures</b>	<u>956,413</u>	<u>51,832</u>	<u>395,669</u>	<u>731</u>
Excess (Deficiency) of Revenues Over Expenditures	(79,705)	9,532	(253,154)	73,107
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	290,000	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>290,000</u>	<u>0</u>
Net Change in Fund Balances	(79,705)	9,532	36,846	73,107
<b>Fund Balances at Beginning of Year - Restated</b>	<u>2,165,810</u>	<u>33,074</u>	<u>604,302</u>	<u>141,691</u>
<b>Fund Balances End of Year</b>	<u>\$ 2,086,105</u>	<u>\$ 42,606</u>	<u>\$ 641,148</u>	<u>\$ 214,798</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, 2019**

	Fire Pension Transfer Fund	Law Enforcement Fund	Indigent Drivers Alcohol Treatment Fund	Enforcement and Education Fund
<b>Revenues:</b>				
Property Taxes	\$ 63,894	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	9,944	0	0	0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	21,786	13,354
All Other Revenues	0	3,039	0	0
<b>Total Revenues</b>	<b>73,838</b>	<b>3,039</b>	<b>21,786</b>	<b>13,354</b>
<b>Expenditures:</b>				
Current:				
General Government	731	0	7,750	10,188
Public Safety	0	1,752	0	0
Highways and Streets	0	0	0	0
Public Health and Welfare	0	0	0	0
Community Environment	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<b>731</b>	<b>1,752</b>	<b>7,750</b>	<b>10,188</b>
Excess (Deficiency) of Revenues Over Expenditures	73,107	1,287	14,036	3,166
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balances	73,107	1,287	14,036	3,166
<b>Fund Balances at Beginning of Year - Restated</b>	<b>141,736</b>	<b>23,398</b>	<b>93,837</b>	<b>150,731</b>
<b>Fund Balances End of Year</b>	<b>\$ 214,843</b>	<b>\$ 24,685</b>	<b>\$ 107,873</b>	<b>\$ 153,897</b>

**CITY OF PAINESVILLE, OHIO**

<u>Fire Levy Fund</u>	<u>Probation Services Fund</u>	<u>COPS Fast Grant Fund</u>	<u>Lake County Grant Fund</u>	<u>Fire Fund</u>	<u>Victim's Advocate Grant Fund</u>	<u>Emergency Medical Services Fund</u>
\$ 95,611	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
13,042	0	0	1,606	628,141	14,193	0
0	0	0	0	0	0	497,022
0	116,109	0	0	0	0	8
75,000	0	0	0	824	0	149
<u>183,653</u>	<u>116,109</u>	<u>0</u>	<u>1,606</u>	<u>628,965</u>	<u>14,193</u>	<u>497,179</u>
1,073	93,698	0	0	0	15,101	0
22,576	0	0	0	629,488	0	572,769
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	1,606	0	0	0
24,052	0	0	0	0	0	0
4,646	0	0	0	0	0	0
<u>52,347</u>	<u>93,698</u>	<u>0</u>	<u>1,606</u>	<u>629,488</u>	<u>15,101</u>	<u>572,769</u>
131,306	22,411	0	0	(523)	(908)	(75,590)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>200,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>200,000</u>
131,306	22,411	0	0	(523)	(908)	124,410
171,614	112,544	1,513	5,188	7,374	5,936	173,503
<u>\$ 302,920</u>	<u>\$ 134,955</u>	<u>\$ 1,513</u>	<u>\$ 5,188</u>	<u>\$ 6,851</u>	<u>\$ 5,028</u>	<u>\$ 297,913</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, 2019**

	Municipal Court Computerization Fund	Plan Review Fund	Brownfield Grant Fund	Fire Improvement Levy Fund
<b>Revenues:</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 320,157
Intergovernmental Revenues	0	0	101,844	17,865
Charges for Services	0	154,633	0	0
Fines and Forfeitures	116,769	0	0	0
All Other Revenues	0	0	0	0
<b>Total Revenues</b>	<b>116,769</b>	<b>154,633</b>	<b>101,844</b>	<b>338,022</b>
<b>Expenditures:</b>				
Current:				
General Government	118,210	54,274	61,712	0
Public Safety	0	0	0	453,722
Highways and Streets	0	0	0	0
Public Health and Welfare	0	0	0	0
Community Environment	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<b>118,210</b>	<b>54,274</b>	<b>61,712</b>	<b>453,722</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,441)	100,359	40,132	(115,700)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balances	(1,441)	100,359	40,132	(115,700)
<b>Fund Balances at Beginning of Year - Restated</b>	<b>178,904</b>	<b>167,742</b>	<b>520</b>	<b>513,426</b>
<b>Fund Balances End of Year</b>	<b>\$ 177,463</b>	<b>\$ 268,101</b>	<b>\$ 40,652</b>	<b>\$ 397,726</b>

**CITY OF PAINESVILLE, OHIO**

---

Road Improvement Levy Fund	Columbarium Trust Fund	Land Bank Fund	Law Enforcement Trust Fund	Total Nonmajor Special Revenue Funds
\$ 653,382	\$ 0	\$ 0	\$ 0	\$ 1,196,938
33,216	0	0	0	1,760,648
0	0	0	0	793,920
0	0	0	0	268,026
0	0	0	855	87,336
<u>686,598</u>	<u>0</u>	<u>0</u>	<u>855</u>	<u>4,106,868</u>
0	0	0	0	363,468
0	0	0	9,737	1,690,044
598,143	0	0	0	1,236,089
0	0	0	0	395,669
0	0	0	0	1,606
0	0	0	0	359,859
0	0	0	0	39,138
<u>598,143</u>	<u>0</u>	<u>0</u>	<u>9,737</u>	<u>4,085,873</u>
88,455	0	0	(8,882)	20,995
0	0	0	0	490,000
0	0	0	0	490,000
88,455	0	0	(8,882)	510,995
482,926	89	8,253	17,743	5,201,854
<u>\$ 571,381</u>	<u>\$ 89</u>	<u>\$ 8,253</u>	<u>\$ 8,861</u>	<u>\$ 5,712,849</u>

**CITY OF PAINESVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2019**

	General Bond Retirement Fund	Special Assessment Bond Retirement Fund	Shamrock Business Center TIF Fund	Total Nonmajor Debt Service Funds
<b>Assets:</b>				
Pooled Cash and Investments	\$ 416,514	\$ 92,337	\$ 1,438,733	\$ 1,947,584
Receivables:				
Taxes	56,537	0	840,000	896,537
Intergovernmental	3,978	0	0	3,978
<b>Total Assets</b>	<b>\$ 477,029</b>	<b>\$ 92,337</b>	<b>\$ 2,278,733</b>	<b>\$ 2,848,099</b>
<b>Liabilities:</b>				
Accrued Interest Payable	\$ 0	\$ 0	\$ 6,383	\$ 6,383
General Obligation Notes Payable	0	0	210,000	210,000
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>216,383</b>	<b>216,383</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	6,639	0	0	6,639
Property Tax Levy for Next Fiscal Year	53,876	0	840,000	893,876
<b>Total Deferred Inflows of Resources</b>	<b>60,515</b>	<b>0</b>	<b>840,000</b>	<b>900,515</b>
<b>Fund Balances:</b>				
Restricted	416,514	92,337	1,222,350	1,731,201
<b>Total Fund Balances</b>	<b>416,514</b>	<b>92,337</b>	<b>1,222,350</b>	<b>1,731,201</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 477,029</b>	<b>\$ 92,337</b>	<b>\$ 2,278,733</b>	<b>\$ 2,848,099</b>



**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2019**

	General Bond Retirement Fund	Special Assessment Bond Retirement Fund	Shamrock Business Center TIF Fund	Total Nonmajor Debt Service Funds
<b>Revenues:</b>				
Property Taxes	\$ 51,116	\$ 0	\$ 872,358	\$ 923,474
Intergovernmental Revenues	7,955	0	0	7,955
Special Assessments	0	98,853	0	98,853
All Other Revenues	0	0	6,500	6,500
<b>Total Revenues</b>	<b>59,071</b>	<b>98,853</b>	<b>878,858</b>	<b>1,036,782</b>
<b>Expenditures:</b>				
Current:				
General Government	480	16,827	0	17,307
Highways and Streets	0	0	181,092	181,092
Debt Service:				
Principal Retirement	0	57,000	647,356	704,356
Interest and Fiscal Charges	0	26,950	192,554	219,504
<b>Total Expenditures</b>	<b>480</b>	<b>100,777</b>	<b>1,021,002</b>	<b>1,122,259</b>
Net Change in Fund Balances	58,591	(1,924)	(142,144)	(85,477)
<b>Fund Balances at Beginning of Year</b>	<b>357,923</b>	<b>94,261</b>	<b>1,364,494</b>	<b>1,816,678</b>
<b>Fund Balances End of Year</b>	<b>\$ 416,514</b>	<b>\$ 92,337</b>	<b>\$ 1,222,350</b>	<b>\$ 1,731,201</b>

**CITY OF PAINESVILLE, OHIO**

---

**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2019**

---

	Municipal Court Improvement Fund	Capital Equipment Reserve Fund	Capital Improvement Fund	Lake Hospital Demolition Fund
<b>Assets:</b>				
Pooled Cash and Investments	\$ 162,518	\$ 1,111,792	\$ 1,019,190	\$ 10,775
Cash and Cash Equivalents in Segregated Accounts	3,947	0	0	0
Receivables:				
Intergovernmental	0	0	77,546	0
<b>Total Assets</b>	<u>\$ 166,465</u>	<u>\$ 1,111,792</u>	<u>\$ 1,096,736</u>	<u>\$ 10,775</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 795	\$ 18,516	\$ 148,809	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
<b>Total Liabilities</b>	<u>795</u>	<u>18,516</u>	<u>148,809</u>	<u>0</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	0	0	77,546	0
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>77,546</u>	<u>0</u>
<b>Fund Balances:</b>				
Restricted	165,670	0	0	10,775
Committed	0	1,093,276	870,381	0
<b>Total Fund Balances</b>	<u>165,670</u>	<u>1,093,276</u>	<u>870,381</u>	<u>10,775</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 166,465</u>	<u>\$ 1,111,792</u>	<u>\$ 1,096,736</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	\$ 42,806	\$ 186,347	\$ 31,578	\$ 189	\$ 57,915	\$ 2,739,825
0	0	7,170	0	0	0	11,117
0	0	0	0	0	0	77,546
<u>\$ 116,715</u>	<u>\$ 42,806</u>	<u>\$ 193,517</u>	<u>\$ 31,578</u>	<u>\$ 189</u>	<u>\$ 57,915</u>	<u>\$ 2,828,488</u>
\$ 0	\$ 0	\$ 9,099	\$ 0	\$ 0	\$ 0	\$ 177,219
0	0	532	0	0	0	532
0	0	150	0	0	0	150
0	0	9,781	0	0	0	177,901
0	0	0	0	0	0	77,546
0	0	0	0	0	0	77,546
116,715	0	183,736	31,578	189	57,915	566,578
0	42,806	0	0	0	0	2,006,463
<u>116,715</u>	<u>42,806</u>	<u>183,736</u>	<u>31,578</u>	<u>189</u>	<u>57,915</u>	<u>2,573,041</u>
<u>\$ 116,715</u>	<u>\$ 42,806</u>	<u>\$ 193,517</u>	<u>\$ 31,578</u>	<u>\$ 189</u>	<u>\$ 57,915</u>	<u>\$ 2,828,488</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, 2019**

	Municipal Court Improvement Fund	Capital Equipment Reserve Fund	Capital Improvement Fund	Lake Hospital Demolition Fund
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 1,378,070	\$ 0
Fines and Forfeitures	62,755	0	0	0
<b>Total Revenues</b>	<b>62,755</b>	<b>0</b>	<b>1,378,070</b>	<b>0</b>
<b>Expenditures:</b>				
Current:				
General Government	20,661	0	0	0
Highways and Streets	0	0	1,254,668	0
Capital Outlay	4,941	402,804	872,011	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<b>25,602</b>	<b>402,804</b>	<b>2,126,679</b>	<b>0</b>
Excess (Deficiency) of Revenues Over Expenditures				
	37,153	(402,804)	(748,609)	0
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	575,000	350,000	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>575,000</b>	<b>350,000</b>	<b>0</b>
Net Change in Fund Balances	37,153	172,196	(398,609)	0
<b>Fund Balances at Beginning of Year</b>	<b>128,517</b>	<b>921,080</b>	<b>1,268,990</b>	<b>10,775</b>
<b>Fund Balances End of Year</b>	<b>\$ 165,670</b>	<b>\$ 1,093,276</b>	<b>\$ 870,381</b>	<b>\$ 10,775</b>

**CITY OF PAINESVILLE, OHIO**

Jackson Street Interchange Project Fund	Industrial Park Project Fund	Municipal Court Special Projects Fund	Millstone Acquisition Fund	City Hall Fire Fund	Shamrock Boulevard Road Project Fund	Total Nonmajor Capital Project Funds
\$ 9,192	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,387,262
0	0	107,507	0	0	0	170,262
<u>9,192</u>	<u>0</u>	<u>107,507</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,557,524</u>
0	0	108,831	0	0	0	129,492
0	0	0	0	0	0	1,254,668
9,192	0	0	0	0	0	1,288,948
0	13,000	0	0	0	0	13,000
0	2,800	0	0	0	0	2,800
<u>9,192</u>	<u>15,800</u>	<u>108,831</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,688,908</u>
0	(15,800)	(1,324)	0	0	0	(1,131,384)
0	0	0	0	0	0	925,000
0	0	0	0	0	0	925,000
0	(15,800)	(1,324)	0	0	0	(206,384)
116,715	58,606	185,060	31,578	189	57,915	2,779,425
<u>\$ 116,715</u>	<u>\$ 42,806</u>	<u>\$ 183,736</u>	<u>\$ 31,578</u>	<u>\$ 189</u>	<u>\$ 57,915</u>	<u>\$ 2,573,041</u>

**CITY OF PAINESVILLE, OHIO**

---

***Combining Balance Sheet  
Nonmajor Permanent Funds  
December 31, 2019***

---

	Cemetery Trust Fund	Special Endowment Trust Fund	Total Nonmajor Permanent Funds
<b>Assets:</b>			
Pooled Cash and Investments	\$ 122,508	\$ 77,909	\$ 200,417
Restricted Assets:			
Cash and Cash Equivalents	820,894	374,661	1,195,555
<b>Total Assets</b>	<u>\$ 943,402</u>	<u>\$ 452,570</u>	<u>\$ 1,395,972</u>
<b>Liabilities:</b>			
<b>Total Liabilities</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Fund Balances:</b>			
Nonspendable	820,894	374,661	1,195,555
Restricted	122,508	77,909	200,417
<b>Total Fund Balances</b>	<u>943,402</u>	<u>452,570</u>	<u>1,395,972</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 943,402</u>	<u>\$ 452,570</u>	<u>\$ 1,395,972</u>

**CITY OF PAINESVILLE, OHIO**

---

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2019***

---

	Cemetery Trust Fund	Special Endowment Trust Fund	Total Nonmajor Permanent Funds
<b>Revenues:</b>			
Investment Earnings	\$ 18,568	\$ 7,751	\$ 26,319
All Other Revenues	5,250	10,200	15,450
<b>Total Revenues</b>	<u>23,818</u>	<u>17,951</u>	<u>41,769</u>
<b>Expenditures:</b>			
Current:			
Public Health and Welfare	200	2,000	2,200
<b>Total Expenditures</b>	<u>200</u>	<u>2,000</u>	<u>2,200</u>
Net Change in Fund Balances	23,618	15,951	39,569
<b>Fund Balances at Beginning of Year</b>	<u>919,784</u>	<u>436,619</u>	<u>1,356,403</u>
<b>Fund Balances End of Year</b>	<u>\$ 943,402</u>	<u>\$ 452,570</u>	<u>\$ 1,395,972</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, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes:				
Property Taxes:				
Real Estate and Public Utility	\$ 414,980	\$ 384,000	\$ 460,061	\$ 76,061
Total Property Taxes	414,980	384,000	460,061	76,061
Municipal Income Tax	8,447,000	9,097,000	9,164,601	67,601
Total Taxes	8,861,980	9,481,000	9,624,662	143,662
Intergovernmental Revenues:				
Local Government Fund - County	0	685,000	763,650	78,650
Local Government Fund - State	0	0	35,724	35,724
Property Tax Allocation	90,000	90,000	71,593	(18,407)
Miscellaneous Tax	13,500	13,500	17,260	3,760
Total Intergovernmental Revenues	103,500	788,500	888,227	99,727
Charges for Services:				
General Government	620	620	4,672	4,052
Public Safety	23,800	23,800	32,214	8,414
Highways and Streets	15,000	15,000	11,259	(3,741)
Culture and Recreation	12,300	12,300	23,350	11,050
Community Environment	500	500	4,484	3,984
Total Charges for Services	52,220	52,220	75,979	23,759
Licenses, Permits and Inspection Fees:				
License Fees	35,200	35,200	46,350	11,150
Permit Fees	67,000	67,000	66,958	(42)
Inspection Fees	7,000	7,000	34,602	27,602
Zoning Appeal Fees	20,000	20,000	21,960	1,960
Other Fees	257,400	257,400	270,601	13,201
Total Licenses, Permits and Inspection Fees	386,600	386,600	440,471	53,871
Investment Earnings	675,000	675,000	842,059	167,059
Fines and Forfeitures	1,004,400	1,004,400	1,025,692	21,292
All Other Revenues	304,520	554,520	575,465	20,945
Total Revenues	11,388,220	12,942,240	13,472,555	530,315

(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, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Expenditures:</b>				
General Government:				
Legislative:				
Council:				
Personal Services	1,995,593	1,797,038	1,680,425	116,613
All Other Expenditures	9,331	5,781	5,266	515
Clerk of Council:				
Personal Services	7,274	6,774	4,740	2,034
All Other Expenditures	3,530	3,530	2,783	747
Judicial - Municipal Court:				
Judicial Activities:				
Personal Services	233,295	237,345	234,584	2,761
Clerk of Court:				
Personal Services	629,426	665,076	663,326	1,750
All Other Expenditures	30,245	31,680	29,232	2,448
Probation:				
Personal Services	193,703	199,894	199,866	28
Executive:				
City Manager:				
Personal Services	40,956	41,586	41,022	564
All Other Expenditures	12,109	12,109	9,555	2,554
Comm., Promotions and Public Relations Activities:				
Personal Services	11,953	11,970	11,714	256
All Other Expenditures	18,003	16,826	16,398	428
Information Technology:				
All Other Expenditures	44,811	29,706	27,231	2,475
Human Resources:				
Personal Services	38,883	40,748	40,004	744
All Other Expenditures	29,908	23,478	22,818	660
Economic Development:				
Personal Services	26,995	28,417	28,051	366
All Other Expenditures	24,823	24,963	24,178	785

(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, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Finance:				
Administration:				
Personal Services	46,646	49,171	48,233	938
All Other Expenditures	5,852	6,792	6,612	180
Accounting:				
Personal Services	24,232	24,232	22,270	1,962
All Other Expenditures	24,605	24,605	24,044	561
Purchasing/Warehousing:				
Personal Services	25,087	26,247	25,323	924
All Other Expenditures	1,482	1,481	1,297	184
Income Tax Collection:				
All Other Expenditures	261,877	275,217	275,150	67
Law:				
Administration:				
Personal Services	33,424	34,574	34,297	277
All Other Expenditures	600	600	0	600
Engineering:				
Administration:				
Personal Services	71,146	71,146	67,183	3,963
All Other Expenditures	14,171	14,171	12,578	1,593
Public Lands and Buildings:				
Building Operations, Maintenance and Repair:				
Personal Services	11,271	11,336	11,032	304
All Other Expenditures	53,483	57,544	56,658	886
Boards and Commissions:				
Civil Service Commission:				
All Other Expenditures	56	56	39	17
Miscellaneous:				
Insurance:				
All Other Expenditures	53,198	53,813	48,008	5,805
Tax Settlement Deductions:				
All Other Expenditures	22,050	1,725	1,652	73

(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, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Miscellaneous:				
Personal Services	150,000	240,000	175,198	64,802
All Other Expenditures	598,332	833,857	833,850	7
Total General Government	<u>4,748,350</u>	<u>4,903,488</u>	<u>4,684,617</u>	<u>218,871</u>
Public Safety:				
Police:				
Law Enforcement - Sworn Officers:				
Personal Services	3,419,736	3,837,391	3,721,276	116,115
Law Enforcement - Other:				
Personal Services	341,886	369,781	367,547	2,234
All Other Expenditures	247,427	260,722	255,547	5,175
Fire:				
Fire Fighting, Prevention and Inspection:				
Personal Services	2,377,458	2,477,218	2,424,393	52,825
All Other Expenditures	108,630	108,630	104,980	3,650
Fire Service - Other:				
Personal Services	160,609	58,549	57,742	807
Police and Fire Communications:				
Control Center:				
All Other Expenditures	560,894	560,894	560,894	0
Total Public Safety	<u>7,216,640</u>	<u>7,673,185</u>	<u>7,492,379</u>	<u>180,806</u>
Highways and Streets:				
Public Works:				
Administration:				
Personal Services	114,205	117,125	114,835	2,290
All Other Expenditures	30,815	30,815	28,127	2,688
Street Maintenance and Repair:				
All Other Expenditures	47,287	67,287	67,287	0
Sidewalks:				
All Other Expenditures	25,473	25,473	24,637	836

(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, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Building Maintenance:				
All Other Expenditures	60,690	47,655	45,905	1,750
Equipment Maintenance:				
Personal Services	28,607	29,457	27,895	1,562
All Other Expenditures	131,686	139,686	139,218	468
Employee Benefits:				
Personal Services	266,113	257,473	241,857	15,616
Sidewalks - Snow Removal:				
All Other Expenditures	666	667	667	0
Parking:				
Parking Meters:				
All Other Expenditures	823	1,008	1,003	5
Parking Lots:				
All Other Expenditures	13,402	13,402	13,395	7
Traffic Signs, Markings:				
Traffic Signs, Markings, Signals:				
Personal Services	35,227	36,187	35,603	584
All Other Expenditures	26,710	26,830	26,715	115
Total Highways and Streets	<u>781,704</u>	<u>793,065</u>	<u>767,144</u>	<u>25,921</u>
Public Health and Welfare:				
Payments to County Health Board:				
County Health District Assessments:				
All Other Expenditures	161,473	149,788	149,788	0
Assistance to Needy/Aged:				
Poor Relief:				
All Other Expenditures	300	300	201	99
Total Public Health and Welfare	<u>161,773</u>	<u>150,088</u>	<u>149,989</u>	<u>99</u>
Culture and Recreation:				
Parks:				
Administration:				
Personal Services	120,836	127,926	126,044	1,882
All Other Expenditures	13,343	13,343	13,339	4
Parks Systems:				
Personal Services	223,719	223,719	217,849	5,870
All Other Expenditures	81,709	83,258	82,956	302

(Continued)

**CITY OF PAINESVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Fund – General Fund  
For the Year Ended December 31, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Building Maintenance:				
All Other Expenditures	19,219	19,764	17,383	2,381
Morse Avenue Community Center:				
All Other Expenditures	9,822	9,277	8,228	1,049
Recreation Activities:				
Personal Services	144,072	146,372	145,201	1,171
All Other Expenditures	17,613	17,723	17,584	139
Other Leisure Time Activities:				
Senior Citizens Center:				
All Other Expenditures	50,000	50,000	50,000	0
Community Functions:				
All Other Expenditures	28,000	28,000	28,000	0
Total Culture and Recreation	<u>708,333</u>	<u>719,382</u>	<u>706,584</u>	<u>12,798</u>
Community Environment:				
Community Planning and Zoning:				
Planning Commission:				
All Other Expenditures	748	938	866	72
Demolition:				
All Other Expenditures	69,531	66,931	66,532	399
Planning and Development:				
Personal Services	44,696	49,691	49,187	504
All Other Expenditures	15,316	15,166	14,754	412
Housing and Building Code Enforcement:				
Code Enforcement:				
Personal Services	50,908	50,008	48,458	1,550
All Other Expenditures	32,491	32,491	31,907	584
Tree Care and Weed Control:				
Weed Control:				
All Other Expenditures	11,820	11,220	10,675	545
Total Community Environment	<u>225,510</u>	<u>226,445</u>	<u>222,379</u>	<u>4,066</u>
Total Expenditures	<u>13,842,310</u>	<u>14,465,653</u>	<u>14,023,092</u>	<u>442,561</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,454,090)	(1,523,413)	(550,537)	972,876

(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, 2019**

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	776	776
Insurance Proceeds	0	100,000	22,253	(77,747)
Transfers In	740,000	915,000	910,309	(4,691)
Transfers Out	(290,000)	(1,490,000)	(1,490,000)	0
Total Other Financing Sources (Uses)	<u>450,000</u>	<u>(475,000)</u>	<u>(556,662)</u>	<u>(81,662)</u>
Net Change in Fund Balance	(2,004,090)	(1,998,413)	(1,107,199)	891,214
Fund Balance at Beginning of Year	5,003,242	5,003,242	5,003,242	0
Prior Year Encumbrances	1,006,912	1,006,912	1,006,912	0
Fund Balance at End of Year	<u>\$ 4,006,064</u>	<u>\$ 4,011,741</u>	<u>\$ 4,902,955</u>	<u>\$ 891,214</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, 2019***

<b>STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 1,649,800	\$ 585,000	\$ 734,507	\$ 149,507
All Other Revenues	0	0	7,219	7,219
Total Revenues	<u>1,649,800</u>	<u>585,000</u>	<u>741,726</u>	<u>156,726</u>
<b>Expenditures:</b>				
Highways and Streets:				
Public Works:				
Administration:				
Personal Services	156,045	148,820	125,610	23,210
Street Construction and Reconstruction:				
Personal Service	168,285	175,385	156,360	19,025
Street Maintenance and Repair:				
All Other Expenditures	6,751	6,876	6,874	2
Highway/Street Improvement:				
Capital Outlay	1,564,525	564,525	287,759	276,766
Snow and Ice Removal:				
All Other Expenditures	213,904	213,904	213,904	0
Debt Service:				
Principal Retirement	335,808	335,808	335,807	1
Interest Charges	30,190	30,190	30,190	0
Total Expenditures	<u>2,475,508</u>	<u>1,475,508</u>	<u>1,156,504</u>	<u>319,004</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(825,708)	(890,508)	(414,778)	475,730
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	145,311	145,311	145,311	0
Premiums on Debt Issuances	0	0	115	115
Transfers In	102,000	102,000	102,000	0
Total Other Financing Sources (Uses)	<u>247,311</u>	<u>247,311</u>	<u>247,426</u>	<u>115</u>
Net Changes in Fund Balance	(578,397)	(643,197)	(167,352)	475,845
Fund Balance at Beginning of Year	1,749,091	1,749,091	1,749,091	0
Prior Year Encumbrances	251,551	251,551	251,551	0
Fund Balance at End of Year	<u>\$ 1,422,245</u>	<u>\$ 1,357,445</u>	<u>\$ 1,833,290</u>	<u>\$ 475,845</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, 2019***

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 46,000	\$ 46,000	\$ 57,496	\$ 11,496
Total Revenues	<u>46,000</u>	<u>46,000</u>	<u>57,496</u>	<u>11,496</u>
<b>Expenditures:</b>				
Highways and Streets:				
Public Works:				
State Highway Maintenance:				
All Other Expenditures	<u>67,710</u>	<u>67,710</u>	<u>67,710</u>	<u>0</u>
Total Expenditures	<u>67,710</u>	<u>67,710</u>	<u>67,710</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,710)	(21,710)	(10,214)	11,496
Fund Balance at Beginning of Year	26,383	26,383	26,383	0
Prior Year Encumbrances	<u>8,731</u>	<u>8,731</u>	<u>8,731</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 13,404</u>	<u>\$ 13,404</u>	<u>\$ 24,900</u>	<u>\$ 11,496</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, 2019***

	<b>CEMETERIES FUND</b>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Charges for Services	\$ 169,500	\$ 169,500	\$ 142,265	\$ (27,235)
All Other Revenues	0	0	250	250
Total Revenues	<u>169,500</u>	<u>169,500</u>	<u>142,515</u>	<u>(26,985)</u>
<b>Expenditures:</b>				
Public Health and Welfare:				
Cemeteries:				
Administration:				
Personal Services	258,298	255,993	212,461	43,532
All Other Expenditures	6,962	7,043	6,430	613
Evergreen/Riverside Cemeteries:				
Personal Services	154,033	154,033	149,088	4,945
All Other Expenditures	29,886	31,011	30,700	311
Building Maintenance:				
All Other Expenditures	12,223	13,323	12,558	765
Total Expenditures	<u>461,402</u>	<u>461,403</u>	<u>411,237</u>	<u>50,166</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(291,902)	(291,903)	(268,722)	23,181
<b>Other Financing Sources (Uses):</b>				
Transfers In	290,000	290,000	290,000	0
Total Other Financing Sources (Uses)	<u>290,000</u>	<u>290,000</u>	<u>290,000</u>	<u>0</u>
Net Change in Fund Balance	(1,902)	(1,903)	21,278	23,181
Fund Balance at Beginning of Year	609,361	609,361	609,361	0
Prior Year Encumbrances	8,065	8,065	8,065	0
Fund Balance at End of Year	<u>\$ 615,524</u>	<u>\$ 615,523</u>	<u>\$ 638,704</u>	<u>\$ 23,181</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, 2019***

<b>POLICE PENSION TRANSFER FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 60,136	\$ 60,136	\$ 63,894	\$ 3,758
Intergovernmental Revenues	10,000	10,000	9,944	(56)
Total Revenues	<u>70,136</u>	<u>70,136</u>	<u>73,838</u>	<u>3,702</u>
<b>Expenditures:</b>				
Public Safety:				
Police:				
Law-Enforcement-Sworn Officers:				
Personal Services	70,000	0	0	0
All Other Expenditures	<u>1,000</u>	<u>1,000</u>	<u>731</u>	<u>269</u>
Total Expenditures	<u>71,000</u>	<u>1,000</u>	<u>731</u>	<u>269</u>
Net Changes in Fund Balance	(864)	69,136	73,107	3,971
Fund Balance at Beginning of Year	<u>141,691</u>	<u>141,691</u>	<u>141,691</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 140,827</u>	<u>\$ 210,827</u>	<u>\$ 214,798</u>	<u>\$ 3,971</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, 2019***

<b>FIRE PENSION TRANSFER FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 60,136	\$ 60,136	\$ 63,894	\$ 3,758
Intergovernmental Revenues	10,000	10,000	9,944	(56)
Total Revenues	<u>70,136</u>	<u>70,136</u>	<u>73,838</u>	<u>3,702</u>
<b>Expenditures:</b>				
Public Safety:				
Fire:				
Fire Fighting, Prevention, and Inspection:				
Personal Services	70,000	0	0	0
All Other Expenditures	1,000	1,000	731	269
Total Expenditures	<u>71,000</u>	<u>1,000</u>	<u>731</u>	<u>269</u>
Net Change in Fund Balance	(864)	69,136	73,107	3,971
Fund Balance at Beginning of Year	141,736	141,736	141,736	0
Fund Balance at End of Year	<u>\$ 140,872</u>	<u>\$ 210,872</u>	<u>\$ 214,843</u>	<u>\$ 3,971</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, 2019***

---

	LAW ENFORCEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
All Other Revenues	\$ 2,100	\$ 2,100	\$ 3,039	\$ 939
Total Revenues	<u>2,100</u>	<u>2,100</u>	<u>3,039</u>	<u>939</u>
<b>Expenditures:</b>				
Public Safety:				
Police:				
Law-Enforcement-Other:				
All Other Expenditures	<u>4,802</u>	<u>4,802</u>	<u>3,302</u>	<u>1,500</u>
Total Expenditures	<u>4,802</u>	<u>4,802</u>	<u>3,302</u>	<u>1,500</u>
Net Change in Fund Balance	(2,702)	(2,702)	(263)	2,439
Fund Balance at Beginning of Year	20,096	20,096	20,096	0
Prior Year Encumbrances	<u>3,302</u>	<u>3,302</u>	<u>3,302</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 20,696</u>	<u>\$ 20,696</u>	<u>\$ 23,135</u>	<u>\$ 2,439</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, 2019***

<b>MUNICIPAL MOTOR VEHICLE LICENSE TAX FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 35,000	\$ 35,000	\$ 37,299	\$ 2,299
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>37,299</u>	<u>2,299</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	35,000	35,000	37,299	2,299
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(35,000)</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(35,000)</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>0</u>
Net Change in Fund Balance	0	0	2,299	2,299
Fund Balance at Beginning of Year	<u>20,602</u>	<u>20,602</u>	<u>20,602</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 20,602</u>	<u>\$ 20,602</u>	<u>\$ 22,901</u>	<u>\$ 2,299</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, 2019***

<b>INDIGENT DRIVERS ALCOHOL TREATMENT FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 20,000	\$ 20,000	\$ 21,543	\$ 1,543
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>21,543</u>	<u>1,543</u>
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
All Other Expenditures	38,800	38,800	21,900	16,900
Total Expenditures	<u>38,800</u>	<u>38,800</u>	<u>21,900</u>	<u>16,900</u>
Net Change in Fund Balance	(18,800)	(18,800)	(357)	18,443
Fund Balance at Beginning of Year	76,937	76,937	76,937	0
Prior Year Encumbrances	23,800	23,800	23,800	0
Fund Balance at End of Year	<u>\$ 81,937</u>	<u>\$ 81,937</u>	<u>\$ 100,380</u>	<u>\$ 18,443</u>

**CITY OF PAINESVILLE, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2019***

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 12,000	\$ 12,000	\$ 12,333	\$ 333
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>12,333</u>	<u>333</u>
<b>Expenditures:</b>				
General Government:				
Capital Outlay	<u>25,000</u>	<u>25,000</u>	<u>13,004</u>	<u>11,996</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>13,004</u>	<u>11,996</u>
Net Change in Fund Balance	(13,000)	(13,000)	(671)	12,329
Fund Balance at Beginning of Year	<u>150,731</u>	<u>150,731</u>	<u>150,731</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 137,731</u>	<u>\$ 137,731</u>	<u>\$ 150,060</u>	<u>\$ 12,329</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, 2019***

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 70,000	\$ 70,000	\$ 74,598	\$ 4,598
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>74,598</u>	<u>4,598</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	70,000	70,000	74,598	4,598
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(67,000)</u>	<u>(67,000)</u>	<u>(67,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(67,000)</u>	<u>(67,000)</u>	<u>(67,000)</u>	<u>0</u>
Net Change in Fund Balance	3,000	3,000	7,598	4,598
Fund Balance at Beginning of Year	<u>52,143</u>	<u>52,143</u>	<u>52,143</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 55,143</u>	<u>\$ 55,143</u>	<u>\$ 59,741</u>	<u>\$ 4,598</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, 2019***

	<b>FIRE LEVY FUND</b>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 101,676	\$ 101,676	\$ 95,611	\$ (6,065)
Intergovernmental Revenues	0	0	13,042	13,042
Total Revenues	<u>101,676</u>	<u>101,676</u>	<u>108,653</u>	<u>6,977</u>
<b>Expenditures:</b>				
Public Safety:				
Fire Fighting, Prevention, and Inspection:				
All Other Expenditures	2,000	1,075	1,073	2
Fire Service - Other:				
All Other Expenditures	13,650	15,620	15,594	26
Capital Outlay	32,000	32,000	31,982	18
Debt Service:				
Principal Retirement	24,053	24,053	24,052	1
Interest and Fiscal Charges	4,647	4,647	4,646	1
Total Expenditures	<u>76,350</u>	<u>77,395</u>	<u>77,347</u>	<u>48</u>
Net Change in Fund Balance	25,326	24,281	31,306	7,025
Fund Balance at Beginning of Year	<u>271,614</u>	<u>271,614</u>	<u>271,614</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 296,940</u>	<u>\$ 295,895</u>	<u>\$ 302,920</u>	<u>\$ 7,025</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, 2019***

---

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

**CITY OF PAINESVILLE, OHIO**

---

***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, 2019***

---

	PROBATION SERVICES FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 105,000	\$ 105,000	\$ 108,106	\$ 3,106
Total Revenues	<u>105,000</u>	<u>105,000</u>	<u>108,106</u>	<u>3,106</u>
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Probation:				
Personal Services	72,193	82,193	63,727	18,466
All Other Expenditures	<u>40,744</u>	<u>45,244</u>	<u>37,446</u>	<u>7,798</u>
Total Expenditures	<u>112,937</u>	<u>127,437</u>	<u>101,173</u>	<u>26,264</u>
Net Change in Fund Balance	(7,937)	(22,437)	6,933	29,370
Fund Balance at Beginning of Year	107,387	107,387	107,387	0
Prior Year Encumbrances	<u>7,912</u>	<u>7,912</u>	<u>7,912</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 107,362</u>	<u>\$ 92,862</u>	<u>\$ 122,232</u>	<u>\$ 29,370</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, 2019***

---

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

**CITY OF PAINESVILLE, OHIO**

***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, 2019***

<b>SKATE FACILITY FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Culture and Recreation:				
All Other Expenditures	0	627	627	0
Total Expenditures	0	627	627	0
Net Change in Fund Balance	0	(627)	(627)	0
Fund Balance at Beginning of Year	627	627	627	0
Fund Balance at End of Year	\$ 627	\$ 0	\$ 0	\$ 0

**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, 2019***

---

	LAKE COUNTY GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 1,600	\$ 1,606	\$ 6
Total Revenues	<u>0</u>	<u>1,600</u>	<u>1,606</u>	<u>6</u>
<b>Expenditures:</b>				
Community Environment:				
All Other Expenditures	<u>4,990</u>	<u>4,990</u>	<u>1,606</u>	<u>3,384</u>
Total Expenditures	<u>4,990</u>	<u>4,990</u>	<u>1,606</u>	<u>3,384</u>
Net Change in Fund Balance	(4,990)	(3,390)	0	3,390
Fund Balance at Beginning of Year	198	198	198	0
Prior Year Encumbrances	<u>4,990</u>	<u>4,990</u>	<u>4,990</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 198</u>	<u>\$ 1,798</u>	<u>\$ 5,188</u>	<u>\$ 3,390</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, 2019***

	FIRE FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 605,500	\$ 626,500	\$ 628,141	\$ 1,641
All Other Revenues	1,430	1,430	824	(606)
Total Revenues	<u>606,930</u>	<u>627,930</u>	<u>628,965</u>	<u>1,035</u>
<b>Expenditures:</b>				
Public Safety:				
Fire:				
Fire Grant:				
All Other Expenditures	601,000	628,145	628,141	4
Fire Service - Other:				
All Other Expenditures	2,880	2,880	1,347	1,533
Total Expenditures	<u>603,880</u>	<u>631,025</u>	<u>629,488</u>	<u>1,537</u>
Net Change in Fund Balance	3,050	(3,095)	(523)	2,572
Fund Balance at Beginning of Year	7,244	7,244	7,244	0
Prior Year Encumbrances	130	130	130	0
Fund Balance at End of Year	<u>\$ 10,424</u>	<u>\$ 4,279</u>	<u>\$ 6,851</u>	<u>\$ 2,572</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, 2019***

VICTIM'S ADVOCATE GRANT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 30,000	\$ 10,000	\$ 14,193	\$ 4,193
Total Revenues	<u>30,000</u>	<u>10,000</u>	<u>14,193</u>	<u>4,193</u>
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Clerk of Court:				
Personal Services	27,633	16,208	16,124	84
Total Expenditures	<u>27,633</u>	<u>16,208</u>	<u>16,124</u>	<u>84</u>
Net Changes in Fund Balance	2,367	(6,208)	(1,931)	4,277
Fund Balance at Beginning of Year	<u>7,345</u>	<u>7,345</u>	<u>7,345</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,712</u>	<u>\$ 1,137</u>	<u>\$ 5,414</u>	<u>\$ 4,277</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, 2019***

<b>EMERGENCY MEDICAL SERVICES FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 550,000	\$ 550,000	\$ 483,818	\$ (66,182)
Fines and Forfeitures	0	0	8	8
All Other Revenues	0	0	149	149
Total Revenues	<u>550,000</u>	<u>550,000</u>	<u>483,975</u>	<u>(66,025)</u>
<b>Expenditures:</b>				
Public Safety:				
Fire:				
Fire Fighting, Prevention, and Inspection:				
Personal Services	511,614	511,614	495,018	16,596
All Other Expenditures	49,725	50,740	49,189	1,551
Fire Service - Other:				
Personal Services	<u>83,518</u>	<u>99,208</u>	<u>93,795</u>	<u>5,413</u>
Total Expenditures	<u>644,857</u>	<u>661,562</u>	<u>638,002</u>	<u>23,560</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(94,857)	(111,562)	(154,027)	(42,465)
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>0</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Net Change in Fund Balance	(94,857)	88,438	45,973	(42,465)
Fund Balance at Beginning of Year	172,909	172,909	172,909	0
Prior Year Encumbrances	<u>16,815</u>	<u>16,815</u>	<u>16,815</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 94,867</u>	<u>\$ 278,162</u>	<u>\$ 235,697</u>	<u>\$ (42,465)</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, 2019***

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 107,000	\$ 107,000	\$ 108,876	\$ 1,876
Total Revenues	<u>107,000</u>	<u>107,000</u>	<u>108,876</u>	<u>1,876</u>
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Clerk of Court:				
Personal Services	89,935	89,935	68,675	21,260
All Other Expenditures	26,395	26,395	16,940	9,455
Capital Outlay	24,782	24,782	24,763	19
Probation:				
Personal Services	<u>12,485</u>	<u>12,485</u>	<u>12,435</u>	<u>50</u>
Total Expenditures	<u>153,597</u>	<u>153,597</u>	<u>122,813</u>	<u>30,784</u>
Net Change in Fund Balance	(46,597)	(46,597)	(13,937)	32,660
Fund Balance at Beginning of Year	152,114	152,114	152,114	0
Prior Year Encumbrances	<u>28,707</u>	<u>28,707</u>	<u>28,707</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 134,224</u>	<u>\$ 134,224</u>	<u>\$ 166,884</u>	<u>\$ 32,660</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, 2019***

---

	PLAN REVIEW FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Charges for Services	\$ 0	\$ 128,000	\$ 154,633	\$ 26,633
Total Revenues	0	128,000	154,633	26,633
<b>Expenditures:</b>				
General Government:				
All Other Expenditures	24,490	78,770	70,284	8,486
Total Expenditures	24,490	78,770	70,284	8,486
Net Change in Fund Balance	(24,490)	49,230	84,349	35,119
Fund Balance at Beginning of Year	143,252	143,252	143,252	0
Prior Year Encumbrances	24,490	24,490	24,490	0
Fund Balance at End of Year	\$ 143,252	\$ 216,972	\$ 252,091	\$ 35,119

**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, 2019***

---

	<b>BROWNFIELD GRANT FUND</b>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental Revenues	<u>\$ 175,000</u>	<u>\$ 100,000</u>	<u>\$ 101,844</u>	<u>\$ 1,844</u>
Total Revenues	<u>175,000</u>	<u>100,000</u>	<u>101,844</u>	<u>1,844</u>
<b>Expenditures:</b>				
General Government:				
All Other Expenditures	<u>175,514</u>	<u>62,289</u>	<u>61,712</u>	<u>577</u>
Total Expenditures	<u>175,514</u>	<u>62,289</u>	<u>61,712</u>	<u>577</u>
Net Change in Fund Balance	(514)	37,711	40,132	2,421
Fund Balance at Beginning of Year	6	6	6	0
Prior Year Encumbrances	<u>514</u>	<u>514</u>	<u>514</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 6</u>	<u>\$ 38,231</u>	<u>\$ 40,652</u>	<u>\$ 2,421</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, 2019***

---

	ZONING APPLICATION FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
All Other Revenues	\$ 225	\$ 225	\$ 250	\$ 25
Total Revenues	225	225	250	25
<b>Expenditures:</b>				
Community Environment:				
Zoning Application:				
All Other Expenditures	235	235	226	9
Total Expenditures	235	235	226	9
Net Change in Fund Balance	(10)	(10)	24	34
Fund Balance at Beginning of Year	13,148	13,148	13,148	0
Prior Year Encumbrances	35	35	35	0
Fund Balance at End of Year	\$ 13,173	\$ 13,173	\$ 13,207	\$ 34

**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, 2019***

<b>FIRE IMPROVEMENT LEVY FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 303,454	\$ 303,454	\$ 320,157	\$ 16,703
Intergovernmental Revenues	17,000	17,000	17,865	865
Total Revenues	<u>320,454</u>	<u>320,454</u>	<u>338,022</u>	<u>17,568</u>
<b>Expenditures:</b>				
Public Safety:				
Fire:				
Fire Grant:				
All Other Expenditures	60,000	60,000	50,920	9,080
Fire Service - Other:				
All Other Expenditures	426,039	426,039	395,474	30,565
Capital Outlay	35,000	35,000	35,000	0
Total Expenditures	<u>521,039</u>	<u>521,039</u>	<u>481,394</u>	<u>39,645</u>
Net Change in Fund Balance	(200,585)	(200,585)	(143,372)	57,213
Fund Balance at Beginning of Year	454,831	454,831	454,831	0
Prior Year Encumbrances	62,949	62,949	62,949	0
Fund Balance at End of Year	<u>\$ 317,195</u>	<u>\$ 317,195</u>	<u>\$ 374,408</u>	<u>\$ 57,213</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, 2019***

<b>ROAD IMPROVEMENT LEVY FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 615,989	\$ 615,989	\$ 653,382	\$ 37,393
Intergovernmental Revenues	38,000	38,000	33,216	(4,784)
Total Revenues	<u>653,989</u>	<u>653,989</u>	<u>686,598</u>	<u>32,609</u>
<b>Expenditures:</b>				
Highways and Streets:				
Public Works:				
All Other Expenditures	9,000	9,000	7,058	1,942
Capital Outlay	<u>936,139</u>	<u>653,099</u>	<u>633,068</u>	<u>20,031</u>
Total Expenditures	<u>945,139</u>	<u>662,099</u>	<u>640,126</u>	<u>21,973</u>
Net Change in Fund Balance	(291,150)	(8,110)	46,472	54,582
Fund Balance at Beginning of Year	429,097	429,097	429,097	0
Prior Year Encumbrances	<u>67,017</u>	<u>67,017</u>	<u>67,017</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 204,964</u>	<u>\$ 488,004</u>	<u>\$ 542,586</u>	<u>\$ 54,582</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, 2019***

---

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



**CITY OF PAINESVILLE, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2019***

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 0	\$ 600	\$ 855	\$ 255
Total Revenues	0	600	855	255
<b>Expenditures:</b>				
Public Safety:				
Police:				
Law Enforcement - Other:				
All Other Expenditures	10,000	10,000	10,000	0
Total Expenditures	10,000	10,000	10,000	0
Net Change in Fund Balance	(10,000)	(9,400)	(9,145)	255
Fund Balance at Beginning of Year	17,743	17,743	17,743	0
Fund Balance at End of Year	\$ 7,743	\$ 8,343	\$ 8,598	\$ 255

**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, 2019***

<b>GENERAL BOND RETIREMENT FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 44,109	\$ 48,500	\$ 51,116	\$ 2,616
Intergovernmental Revenues	12,000	7,609	7,955	346
Total Revenues	<u>56,109</u>	<u>56,109</u>	<u>59,071</u>	<u>2,962</u>
<b>Expenditures:</b>				
General Government:				
All Other Expenditures	900	900	584	316
Total Expenditures	<u>900</u>	<u>900</u>	<u>584</u>	<u>316</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	55,209	55,209	58,487	3,278
<b>Other Financing Sources (Uses):</b>				
Premiums on Debt Issuance	0	0	104	104
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>104</u>	<u>104</u>
Net Change in Fund Balance	55,209	55,209	58,591	3,382
Fund Balance at Beginning of Year	<u>357,923</u>	<u>357,923</u>	<u>357,923</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 413,132</u>	<u>\$ 413,132</u>	<u>\$ 416,514</u>	<u>\$ 3,382</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, 2019***

<b>SPECIAL ASSESSMENT BOND RETIREMENT FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Special Assessments	\$ 70,000	\$ 70,000	\$ 98,853	\$ 28,853
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>98,853</u>	<u>28,853</u>
<b>Expenditures:</b>				
General Government:				
All Other Expenditures	19,190	19,190	16,827	2,363
Debt Service Function:				
Debt Service - Unvoted:				
Debt Service:				
Principal Retirement	57,000	57,000	57,000	0
Interest and Fiscal Charges	<u>26,950</u>	<u>26,950</u>	<u>26,950</u>	<u>0</u>
Total Expenditures	<u>103,140</u>	<u>103,140</u>	<u>100,777</u>	<u>2,363</u>
Net Change in Fund Balance	(33,140)	(33,140)	(1,924)	31,216
Fund Balance at Beginning of Year	93,871	93,871	93,871	0
Prior Year Encumbrances	<u>390</u>	<u>390</u>	<u>390</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 61,121</u>	<u>\$ 61,121</u>	<u>\$ 92,337</u>	<u>\$ 31,216</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, 2019***

<b>SHAMROCK BUSINESS CENTER TIF FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 700,000	\$ 700,000	\$ 872,358	\$ 172,358
All Other Revenues	0	0	6,500	6,500
Total Revenues	<u>700,000</u>	<u>700,000</u>	<u>878,858</u>	<u>178,858</u>
<b>Expenditures:</b>				
Highways and Streets:				
All Other Expenditures	160,900	181,095	181,092	3
Debt Service:				
Principal Retirement	647,356	647,373	647,356	17
Interest and Fiscal Charges	186,475	186,458	186,337	121
Total Expenditures	<u>994,731</u>	<u>1,014,926</u>	<u>1,014,785</u>	<u>141</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(294,731)	(314,926)	(135,927)	178,999
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	210,000	210,000	210,000	0
Premiums on Debt Issuances	0	0	166	166
Total Other Financing Sources (Uses)	<u>210,000</u>	<u>210,000</u>	<u>210,166</u>	<u>166</u>
Net Change in Fund Balance	(84,731)	(104,926)	74,239	179,165
Fund Balance at Beginning of Year	<u>1,364,494</u>	<u>1,364,494</u>	<u>1,364,494</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,279,763</u>	<u>\$ 1,259,568</u>	<u>\$ 1,438,733</u>	<u>\$ 179,165</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, 2019***

<b>MUNICIPAL COURT IMPROVEMENT FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 58,000	\$ 58,000	\$ 58,808	\$ 808
Total Revenues	<u>58,000</u>	<u>58,000</u>	<u>58,808</u>	<u>808</u>
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
Capital Outlay	20,000	20,000	18,163	1,837
Clerk of Court:				
Capital Outlay	<u>54,383</u>	<u>54,383</u>	<u>54,382</u>	<u>1</u>
Total Expenditures	<u>74,383</u>	<u>74,383</u>	<u>72,545</u>	<u>1,838</u>
Net Change in Fund Balance	(16,383)	(16,383)	(13,737)	2,646
Fund Balance at Beginning of Year	105,306	105,306	105,306	0
Prior Year Encumbrances	<u>29,383</u>	<u>29,383</u>	<u>29,383</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 118,306</u>	<u>\$ 118,306</u>	<u>\$ 120,952</u>	<u>\$ 2,646</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, 2019***

<b>CAPITAL EQUIPMENT RESERVE FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
General Government:				
Executive:				
City Manager:				
Capital Outlay	18,500	18,500	17,869	631
Finance:				
Accounting:				
Capital Outlay	252,500	252,500	252,500	0
Engineering:				
Administration:				
Capital Outlay	25,000	25,000	24,992	8
Total General Government	296,000	296,000	295,361	639
Public Safety:				
Police:				
Law Enforcement - Other:				
Capital Outlay	122,038	122,038	122,038	0
Total Public Safety	122,038	122,038	122,038	0
Highways and Streets:				
Public Works:				
Administration:				
Capital Outlay	26,870	26,870	26,870	0
Street Maintenance and Repair:				
Capital Outlay	198,464	198,464	197,822	642
Total Highways and Streets	225,334	225,334	224,692	642

(Continued)

**CITY OF PAINESVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2019***

<b>CAPITAL EQUIPMENT RESERVE FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Community Environment:				
Community Planning and Zoning:				
Planning and Development:				
Capital Outlay	686	686	686	0
Housing and Building Code Enforcement:				
Code Enforcement:				
Capital Outlay	22,500	22,500	20,000	2,500
Total Community Environment	23,186	23,186	20,686	2,500
Total Expenditures	666,558	666,558	662,777	3,781
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(666,558)	(666,558)	(662,777)	3,781
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	575,000	575,000	0
Total Other Financing Sources (Uses)	0	575,000	575,000	0
Net Change in Fund Balance	(666,558)	(91,558)	(87,777)	3,781
Fund Balance at Beginning of Year	863,510	863,510	863,510	0
Prior Year Encumbrances	61,570	61,570	61,570	0
Fund Balance at End of Year	\$ 258,522	\$ 833,522	\$ 837,303	\$ 3,781

**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, 2019***

<b>CAPITAL IMPROVEMENT FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 538,699	\$ 538,699	\$ 408,070	\$ (130,629)
Total Revenues	<u>538,699</u>	<u>538,699</u>	<u>408,070</u>	<u>(130,629)</u>
<b>Expenditures:</b>				
General Government:				
Public Lands and Buildings:				
Building Operations, Maintenance and Repair:				
Capital Outlay	734,893	787,118	769,181	17,937
Total General Government	<u>734,893</u>	<u>787,118</u>	<u>769,181</u>	<u>17,937</u>
Highways and Streets:				
Public Works:				
Street Construction and Reconstruction:				
Capital Outlay	393,699	384,899	374,668	10,231
Total Highways and Streets	<u>393,699</u>	<u>384,899</u>	<u>374,668</u>	<u>10,231</u>
Culture and Recreation:				
Parks:				
Recreation Activities:				
Capital Outlay	92,875	92,875	92,867	8
Total Culture and Recreation	<u>92,875</u>	<u>92,875</u>	<u>92,867</u>	<u>8</u>
Community Environment:				
Community Planning and Zoning:				
Planning and Development:				
Capital Outlay	302,401	438,401	433,184	5,217
Total Community Environment	<u>302,401</u>	<u>438,401</u>	<u>433,184</u>	<u>5,217</u>
Total Expenditures	<u>1,523,868</u>	<u>1,703,293</u>	<u>1,669,900</u>	<u>33,393</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(985,169)	(1,164,594)	(1,261,830)	(97,236)

(Continued)



**CITY OF PAINESVILLE, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2019***

---

	CAPITAL IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	350,000	350,000	0
Total Other Financing Sources (Uses)	0	350,000	350,000	0
Net Change in Fund Balance	(985,169)	(814,594)	(911,830)	(97,236)
Fund Balance at Beginning of Year	692,241	692,241	692,241	0
Prior Year Encumbrances	581,294	581,294	581,294	0
Fund Balance at End of Year	<u>\$ 288,366</u>	<u>\$ 458,941</u>	<u>\$ 361,705</u>	<u>\$ (97,236)</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, 2019***

---

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

**CITY OF PAINESVILLE, OHIO**

---

***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, 2019***

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 4,000	\$ 9,192	\$ 5,192
Total Revenues	0	4,000	9,192	5,192
<b>Expenditures:</b>				
Highways and Streets:				
Miscellaneous:				
Capital Outlay	10,000	10,000	9,192	808
Total Expenditures	10,000	10,000	9,192	808
Net Change in Fund Balance	(10,000)	(6,000)	0	6,000
Fund Balance at Beginning of Year	116,715	116,715	116,715	0
Fund Balance at End of Year	\$ 106,715	\$ 110,715	\$ 116,715	\$ 6,000

**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, 2019***

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	13,000	13,000	13,000	0
Interest and Fiscal Charges	2,800	2,800	2,800	0
Total Expenditures	15,800	15,800	15,800	0
Net Change in Fund Balance	(15,800)	(15,800)	(15,800)	0
Fund Balance at Beginning of Year	58,606	58,606	58,606	0
Fund Balance at End of Year	\$ 42,806	\$ 42,806	\$ 42,806	\$ 0

**CITY OF PAINESVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2019***

<b>MUNICIPAL COURT SPECIAL PROJECTS FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 94,000	\$ 94,000	\$ 100,337	\$ 6,337
Total Revenues	94,000	94,000	100,337	6,337
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
Personal Services	6,766	6,766	2,126	4,640
All Other Expenditures	48,278	48,278	33,751	14,527
Clerk of Court:				
Personal Services	26,055	25,074	20,189	4,885
All Other Expenditures	85,308	88,638	76,655	11,983
Immobilization Remote Devices:				
All Other Expenditures	11,986	11,986	8,683	3,303
Total Expenditures	178,393	180,742	141,404	39,338
Net Change in Fund Balance	(84,393)	(86,742)	(41,067)	45,675
Fund Balance at Beginning of Year	134,261	134,261	134,261	0
Prior Year Encumbrances	53,122	53,122	53,122	0
Fund Balance at End of Year	\$ 102,990	\$ 100,641	\$ 146,316	\$ 45,675

**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, 2019***

---

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

**CITY OF PAINESVILLE, OHIO**

---

***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, 2019***

---

	CITY HALL FIRE FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	<u>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, 2019***

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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, 2019***

---

	CEMETERY TRUST FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Investment Earnings	\$ 200	\$ 17,200	\$ 18,568	\$ 1,368
Total Revenues	200	17,200	18,568	1,368
<b>Expenditures:</b>				
Public Health and Welfare:				
Cemeteries:				
Evergreen/Riverside Cemeteries:				
All Other Expenditures	200	200	200	0
Total Expenditures	200	200	200	0
Net Change in Fund Balance	0	17,000	18,368	1,368
Fund Balance at Beginning of Year	104,140	104,140	104,140	0
Fund Balance at End of Year	<u>\$ 104,140</u>	<u>\$ 121,140</u>	<u>\$ 122,508</u>	<u>\$ 1,368</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, 2019***

---

	SPECIAL ENDOWMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Investment Earnings	\$ 100	\$ 100	\$ 7,751	\$ 7,651
Total Revenues	100	100	7,751	7,651
<b>Expenditures:</b>				
Public Health and Welfare:				
Cemeteries:				
Evergreen/Riverside Cemeteries:				
All Other Expenditures	100	100	0	100
Total Expenditures	100	100	0	100
Net Change in Fund Balance	0	0	7,751	7,751
Fund Balance at Beginning of Year	70,158	70,158	70,158	0
Fund Balance at End of Year	\$ 70,158	\$ 70,158	\$ 77,909	\$ 7,751

**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, 2019***

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 200	\$ 200	\$ 150	\$ (50)
Total Revenues	<u>200</u>	<u>200</u>	<u>150</u>	<u>(50)</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	200	200	150	(50)
Fund Balance at Beginning of Year	<u>406,457</u>	<u>406,457</u>	<u>406,457</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 406,657</u>	<u>\$ 406,657</u>	<u>\$ 406,607</u>	<u>\$ (50)</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, 2019***

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 4,300	\$ 4,300	\$ 5,100	\$ 800
Total Revenues	<u>4,300</u>	<u>4,300</u>	<u>5,100</u>	<u>800</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	4,300	4,300	5,100	800
Fund Balance at Beginning of Year	<u>409,187</u>	<u>409,187</u>	<u>409,187</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 413,487</u>	<u>\$ 413,487</u>	<u>\$ 414,287</u>	<u>\$ 800</u>

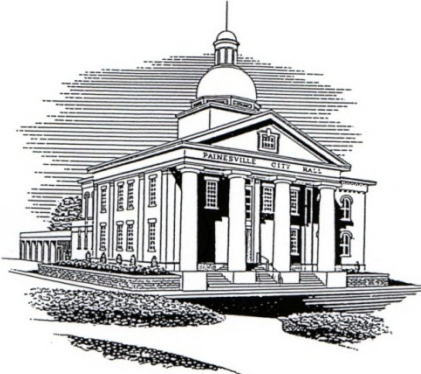
**CITY OF PAINESVILLE, OHIO**

---

***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, 2019***

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 3,300	\$ 7,800	\$ 10,200	\$ 2,400
Total Revenues	<u>3,300</u>	<u>7,800</u>	<u>10,200</u>	<u>2,400</u>
<b>Expenditures:</b>				
Public Health and Welfare:				
All Other Expenditures	0	2,000	2,000	0
Total Expenditures	<u>0</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Net Change in Fund Balance	3,300	5,800	8,200	2,400
Fund Balance at Beginning of Year	<u>366,461</u>	<u>366,461</u>	<u>366,461</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 369,761</u>	<u>\$ 372,261</u>	<u>\$ 374,661</u>	<u>\$ 2,400</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, 2019**

	Refuse Fund	Off Street Parking Fund	Storm Water Utility Fund
<b>Assets:</b>			
Current Assets:			
Pooled Cash and Investments	\$ 13,260	\$ 24,620	\$ 1,144,705
Receivables:			
Accounts	0	0	51,633
Total Current Assets	13,260	24,620	1,196,338
Noncurrent Assets:			
Capital Assets:			
Capital Assets Not Being Depreciated	0	731,855	169,595
Capital Assets Being Depreciated, Net	0	0	4,210,581
Total Noncurrent Assets	0	731,855	4,380,176
<b>Total Assets</b>	<b>13,260</b>	<b>756,475</b>	<b>5,576,514</b>
<b>Deferred Outflows of Resources:</b>			
Pension	0	0	44,317
OPEB	0	0	5,531
<b>Total Deferred Outflows of Resources</b>	<b>0</b>	<b>0</b>	<b>49,848</b>
<b>Liabilities:</b>			
Current Liabilities:			
Accounts Payable	712	0	73,726
Accrued Wages and Benefits	0	0	4,863
Accrued Interest Payable	0	0	5,662
General Obligation Notes Payable	0	0	45,000
General Obligation Bonds Payable - Current	0	0	80,000
Compensated Absences Payable - Current	0	0	9,780
Total Current Liabilities	712	0	219,031
Noncurrent Liabilities:			
General Obligation Bonds Payable	0	0	1,560,000
Compensated Absences Payable	0	0	9,210
Net Pension Liability	0	0	150,759
Net OPEB Liability	0	0	70,526
Total Noncurrent Liabilities	0	0	1,790,495
<b>Total Liabilities</b>	<b>712</b>	<b>0</b>	<b>2,009,526</b>



**CITY OF PAINESVILLE, OHIO**

---

<u>Community Programs Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 27,883	\$ 1,210,468
0	51,633
27,883	1,262,101
0	901,450
0	4,210,581
0	5,112,031
27,883	6,374,132
7,424	51,741
927	6,458
8,351	58,199
0	74,438
0	4,863
0	5,662
0	45,000
0	80,000
0	9,780
0	219,743
0	1,560,000
0	9,210
25,256	176,015
11,817	82,343
37,073	1,827,568
37,073	2,047,311

(Continued)

**CITY OF PAINESVILLE, OHIO**

---

***Combining Statement of Net Position  
Nonmajor Enterprise Funds  
December 31, 2019***

---

	<u>Refuse Fund</u>	<u>Off Street Parking Fund</u>	<u>Storm Water Utility Fund</u>
<b>Deferred Inflows of Resources:</b>			
Pension	0	0	4,028
OPEB	0	0	1,569
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>5,597</u>
<b>Net Position</b>			
Net Investment in Capital Assets	0	731,855	2,695,176
Unrestricted	12,548	24,620	916,063
<b>Total Net Position</b>	<u>\$ 12,548</u>	<u>\$ 756,475</u>	<u>\$ 3,611,239</u>

**CITY OF PAINESVILLE, OHIO**

---

---

<u>Community Programs Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
711	4,739
<u>287</u>	<u>1,856</u>
<u>998</u>	<u>6,595</u>
0	3,427,031
<u>(1,837)</u>	<u>951,394</u>
<u>\$ (1,837)</u>	<u>\$ 4,378,425</u>

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2019**

	Refuse Fund	Off Street Parking Fund	Storm Water Utility Fund
<b>Operating Revenues:</b>			
Charges for Services	\$ 6	\$ 0	\$ 427,055
Other Charges for Services	0	0	6,345
Other Operating Revenues	1,658	0	0
<b>Total Operating Revenues</b>	<u>1,664</u>	<u>0</u>	<u>433,400</u>
<b>Operating Expenses:</b>			
Personal Services	0	0	138,703
Contractual Services	2,158	0	1,835
Materials and Supplies	0	0	2,577
Depreciation	0	0	135,966
<b>Total Operating Expenses</b>	<u>2,158</u>	<u>0</u>	<u>279,081</u>
<b>Operating Income (Loss)</b>	(494)	0	154,319
<b>Non-Operating Revenue (Expenses):</b>			
Interest and Fiscal Charges	0	0	(56,907)
Other Nonoperating Expense	0	0	(2,265)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>0</u>	<u>0</u>	<u>(59,172)</u>
<b>Income (Loss) Before Contributions</b>	(494)	0	95,147
<b>Contributions:</b>			
Capital Contributions	0	0	894,451
<b>Total Contributions</b>	<u>0</u>	<u>0</u>	<u>894,451</u>
<b>Change in Net Position</b>	(494)	0	989,598
<b>Net Position Beginning of Year</b>	13,042	756,475	2,621,641
<b>Net Position End of Year</b>	<u>\$ 12,548</u>	<u>\$ 756,475</u>	<u>\$ 3,611,239</u>

**CITY OF PAINESVILLE, OHIO**

---

---

<u>Community Programs Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 52,179	\$ 479,240
0	6,345
2,790	4,448
<u>54,969</u>	<u>490,033</u>
17,975	156,678
20,586	24,579
6,507	9,084
0	135,966
<u>45,068</u>	<u>326,307</u>
9,901	163,726
0	(56,907)
0	(2,265)
<u>0</u>	<u>(59,172)</u>
9,901	104,554
<u>0</u>	<u>894,451</u>
0	894,451
9,901	999,005
(11,738)	3,379,420
<u>\$ (1,837)</u>	<u>\$ 4,378,425</u>

**CITY OF PAINESVILLE, OHIO**

---

***Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2019***

---

	Refuse Fund	Off-Street Parking Fund	Storm Water Utility Fund
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$1,664	\$0	\$433,092
Cash Payments for Goods and Services	(1,446)	0	(6,556)
Cash Payments to Employees	0	0	(109,344)
Net Cash Provided by Operating Activities	218	0	317,192
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from General Obligation Notes	0	0	45,000
Principal Paid on General Obligation Notes	0	0	(119,324)
Capital Contributions	0	0	894,451
Acquisition and Construction of Assets	0	0	(840,857)
Principal Paid on General Obligation Bonds	0	0	(75,000)
Interest Paid on All Debt	0	0	(59,328)
Net Cash Used by Capital and Related Financing Activities	0	0	(155,058)
Net Increase in Cash and Cash Equivalents	218	0	162,134
Cash and Cash Equivalents at Beginning of Year	13,042	24,620	982,571
Cash and Cash Equivalents at End of Year	\$13,260	\$24,620	\$1,144,705

**CITY OF PAINESVILLE, OHIO**

---

---

<u>Community Programs Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
\$54,969	\$489,725
(27,093)	(35,095)
<u>(15,670)</u>	<u>(125,014)</u>
12,206	329,616
0	45,000
0	(119,324)
0	894,451
0	(840,857)
0	(75,000)
<u>0</u>	<u>(59,328)</u>
0	(155,058)
12,206	174,558
<u>15,677</u>	<u>1,035,910</u>
<u>\$27,883</u>	<u>\$1,210,468</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

***Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2019***

	Refuse Fund	Off-Street Parking Fund	Storm Water Utility Fund
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income (Loss)	(\$494)	\$0	\$154,319
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	0	0	135,966
Miscellaneous Nonoperating Expenses	0	0	(2,265)
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
Increase in Accounts Receivable	0	0	(308)
Increase in Deferred Outflows of Resources	0	0	(25,299)
Increase in Accounts Payable	712	0	117
Increase in Accrued Wages and Benefits	0	0	413
Increase in Compensated Absences Payable	0	0	145
Increase in Net Pension Liability	0	0	66,773
Increase in Net OPEB Liability	0	0	13,015
Decrease in Deferred Inflows of Resources	0	0	(25,684)
Total Adjustments	712	0	162,873
Net Cash Provided by Operating Activities	\$218	\$0	\$317,192



**CITY OF PAINESVILLE, OHIO**

---

---

<u>Community Programs Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
\$9,901	\$163,726
0	135,966
0	(2,265)
0	(308)
(3,810)	(29,109)
0	829
0	413
0	145
9,724	76,497
1,180	14,195
<u>(4,789)</u>	<u>(30,473)</u>
<u>2,305</u>	<u>165,890</u>
<u>\$12,206</u>	<u>\$329,616</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, 2019***

---

	<u>Fuel and Oil Rotary Fund</u>	<u>Supplies Rotary Fund</u>	<u>Employee Health Insurance Fund</u>	<u>Workers' Compensation Retrospective Fund</u>	<u>Total</u>
<b>Assets:</b>					
Current Assets:					
Pooled Cash and Investments	\$ 132,602	\$ 32,523	\$ 153,705	\$ 153,779	\$ 472,609
<b>Total Assets</b>	<u>132,602</u>	<u>32,523</u>	<u>153,705</u>	<u>153,779</u>	<u>472,609</u>
<b>Liabilities:</b>					
Current Liabilities:					
Claims Payable - Current	<u>0</u>	<u>0</u>	<u>284,724</u>	<u>297,397</u>	<u>582,121</u>
Total Current Liabilities	<u>0</u>	<u>0</u>	<u>284,724</u>	<u>297,397</u>	<u>582,121</u>
Noncurrent Liabilities:					
Claims Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>388,868</u>	<u>388,868</u>
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>284,724</u>	<u>686,265</u>	<u>970,989</u>
<b>Net Position:</b>					
Unrestricted	<u>132,602</u>	<u>32,523</u>	<u>(131,019)</u>	<u>(532,486)</u>	<u>(498,380)</u>
<b>Total Net Position</b>	<u>\$ 132,602</u>	<u>\$ 32,523</u>	<u>\$ (131,019)</u>	<u>\$ (532,486)</u>	<u>\$ (498,380)</u>

**CITY OF PAINESVILLE, OHIO**

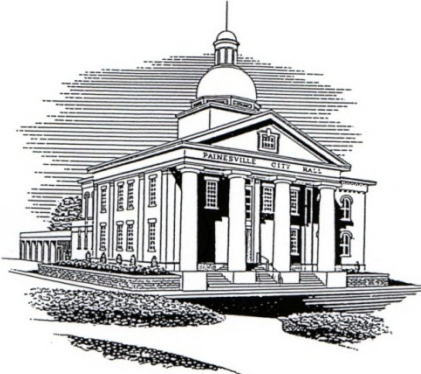
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
Nonmajor Internal Service Funds  
For the Year Ended December 31, 2019**

	Fuel and Oil Rotary Fund	Supplies Rotary Fund	Employee Health Insurance Fund	Workers' Compensation Retrospective Fund	Total
<b>Operating Revenues:</b>					
Charges for Services	\$ 0	\$ 30,809	\$ 3,610,105	\$ 336,214	\$ 3,977,128
<b>Total Operating Revenues</b>	<u>0</u>	<u>30,809</u>	<u>3,610,105</u>	<u>336,214</u>	<u>3,977,128</u>
<b>Operating Expenses:</b>					
Personal Services	0	0	2,879,531	249,656	3,129,187
Contractual Services	0	0	783,627	194,853	978,480
Materials and Supplies	0	30,205	0	0	30,205
<b>Total Operating Expenses</b>	<u>0</u>	<u>30,205</u>	<u>3,663,158</u>	<u>444,509</u>	<u>4,137,872</u>
Change in Net Position	0	604	(53,053)	(108,295)	(160,744)
<b>Net Position Beginning of Year</b>	<u>132,602</u>	<u>31,919</u>	<u>(77,966)</u>	<u>(424,191)</u>	<u>(337,636)</u>
<b>Net Position End of Year</b>	<u>\$ 132,602</u>	<u>\$ 32,523</u>	<u>\$ (131,019)</u>	<u>\$ (532,486)</u>	<u>\$ (498,380)</u>

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Cash Flows  
Nonmajor Internal Service Funds  
For the Year Ended December 31, 2019**

	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	\$0	\$30,809	\$3,610,105	\$336,214	\$3,977,128
Cash Payments for Goods and Services	0	(30,205)	(794,423)	(194,853)	(1,019,481)
Cash Payments to Employees	0	0	0	(141,361)	(141,361)
Cash Payments for Employee Medical Claims	0	0	(2,815,682)	0	(2,815,682)
Net Cash Provided by Operating Activities	0	604	0	0	604
Net Increase in Cash and Cash Equivalents	0	604	0	0	604
Cash and Cash Equivalents at Beginning of Year	132,602	31,919	153,705	153,779	472,005
Cash and Cash Equivalents at End of Year	<u>\$132,602</u>	<u>\$32,523</u>	<u>\$153,705</u>	<u>\$153,779</u>	<u>\$472,609</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u>					
Operating Income (Loss)	\$0	\$604	(\$53,053)	(\$108,295)	(\$160,744)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Changes in Assets and Liabilities:					
Decrease in Accounts Payable	0	0	(10,796)	0	(10,796)
Increase in Claims Liability	0	0	63,849	108,295	172,144
Total Adjustments	0	0	53,053	108,295	161,348
Net Cash Provided by Operating Activities	<u>\$0</u>	<u>\$604</u>	<u>\$0</u>	<u>\$0</u>	<u>\$604</u>



***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.

***Custodial Funds***

---

**Municipal Court Fund**

To account for funds that flow through the municipal court.

**Law Library Fund**

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

**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 Net Position  
Fiduciary Funds  
December 31, 2019**

---

	<u>Municipal Court</u>	<u>Law Library</u>	<u>JEDD</u>	<u>Total Custodial Funds</u>
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 50,080	\$ 18,286	\$ 0	\$ 68,366
Cash and Cash Equivalents in Segregated Accounts	0	2,430	0	2,430
Receivables:				
Taxes	0	0	70,197	70,197
<b>Total Assets</b>	<u>50,080</u>	<u>20,716</u>	<u>70,197</u>	<u>140,993</u>
<b>Liabilities:</b>				
Intergovernmental Payable	0	0	70,197	70,197
Due to Others	50,080	20,716	0	70,796
<b>Total Liabilities</b>	<u>50,080</u>	<u>20,716</u>	<u>70,197</u>	<u>140,993</u>
Unrestricted	0	0	0	0
<b>Total Net Position</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements



**CITY OF PAINESVILLE, OHIO**

---

**Combining Statement of Changes in Net Position  
Fiduciary Funds  
For the Year Ended December 31, 2019**

---

	<u>Municipal Court</u>	<u>Law Library</u>	<u>JEDD</u>	<u>Total Fiduciary Funds</u>
<b>Additions:</b>				
Fines and Forfeiture Collections for other Governments	\$ 1,993,268	\$ 33,605	\$ 0	\$ 2,026,873
Income Tax Collections for other Governments	0	0	892,704	892,704
<b>Total Additions</b>	<u>1,993,268</u>	<u>33,605</u>	<u>892,704</u>	<u>2,919,577</u>
<b>Deductions:</b>				
Distribution of Fines and Forfeitures to other Governments	1,993,268	33,605	0	2,026,873
Distribution of Income Taxes to other Governments	0	0	892,704	892,704
<b>Total Deductions</b>	<u>1,993,268</u>	<u>33,605</u>	<u>892,704</u>	<u>2,919,577</u>
Change in Net Position	0	0	0	0
<b>Net Position at Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Position End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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***

---

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

**City of Painesville, Ohio**

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

	2010	2011	2012	2013
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$29,982,485	\$30,387,358	\$33,102,011	\$31,513,541
Restricted	3,246,469	4,044,306	3,724,814	5,438,792
Unrestricted	7,286,446	6,921,791	6,862,608	7,096,616
Total Governmental Activities Net Position	<u>\$40,515,400</u>	<u>\$41,353,455</u>	<u>\$43,689,433</u>	<u>\$44,048,949</u>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$41,322,460	\$44,350,926	\$48,090,083	\$53,612,184
Restricted	0	0	0	0
Unrestricted	28,707,112	28,876,607	32,820,932	28,133,474
Total Business-type Activities Net Position	<u>\$70,029,572</u>	<u>\$73,227,533</u>	<u>\$80,911,015</u>	<u>\$81,745,658</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$71,304,945	\$74,738,284	\$81,192,094	\$85,125,725
Restricted	3,246,469	4,044,306	3,724,814	5,438,792
Unrestricted	35,993,558	35,798,398	39,683,540	35,230,090
Total Primary Government Net Position	<u>\$110,544,972</u>	<u>\$114,580,988</u>	<u>\$124,600,448</u>	<u>\$125,794,607</u>

Source: Finance Director's Office

\* Restated

*City of Painesville, Ohio*

*	*	*	*	*	*
2014	2015	2016	2017	2018	2019
\$33,584,837	\$35,636,534	\$36,810,050	\$38,776,754	\$40,406,142	\$42,435,366
6,309,396	7,102,200	7,672,865	8,054,202	8,987,437	9,530,977
(4,187,406)	(3,309,250)	(3,617,085)	(15,647,961)	(17,105,653)	(9,303,071)
<u>\$35,706,827</u>	<u>\$39,429,484</u>	<u>\$40,865,830</u>	<u>\$31,182,995</u>	<u>\$32,287,926</u>	<u>\$42,663,272</u>
\$54,456,010	\$54,770,683	\$55,073,798	\$57,658,019	\$60,113,342	\$59,735,075
0	0	0	0	0	0
20,419,355	19,843,074	18,657,959	9,246,793	7,540,927	8,024,933
<u>\$74,875,365</u>	<u>\$74,613,757</u>	<u>\$73,731,757</u>	<u>\$66,904,812</u>	<u>\$67,654,269</u>	<u>\$67,760,008</u>
\$88,040,847	\$90,407,217	\$91,883,848	\$96,434,773	\$100,519,484	\$102,170,441
6,309,396	7,102,200	7,672,865	8,054,202	8,987,437	9,530,977
16,231,949	16,533,824	15,040,874	(6,401,168)	(9,564,726)	(1,278,138)
<u>\$110,582,192</u>	<u>\$114,043,241</u>	<u>\$114,597,587</u>	<u>\$98,087,807</u>	<u>\$99,942,195</u>	<u>\$110,423,280</u>

**City of Painesville, Ohio**

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

	2010	2011	2012	2013
<b>Expenses</b>				
Governmental Activities:				
General Government	\$4,594,616	\$5,319,087	\$4,802,387	\$3,739,730
Public Safety	7,029,666	7,418,708	6,830,774	6,887,389
Highways and Streets	2,158,737	1,821,320	3,067,864	2,566,021
Public Health and Welfare	637,876	635,108	559,347	516,688
Culture and Recreation	778,109	792,999	682,194	590,591
Community Environment	525,976	377,113	180,433	314,010
Interest and Fiscal Charges	202,221	167,510	304,756	313,959
<i>Total Governmental Activities Expenses</i>	<u>15,927,201</u>	<u>16,531,845</u>	<u>16,427,755</u>	<u>14,928,388</u>
Business-type Activities:				
Water	4,934,978	4,651,337	5,155,459	5,302,197
Sewer	4,132,446	3,700,750	3,930,761	4,295,486
Electric	24,023,809	24,798,140	20,741,060	22,217,456
Other Enterprise	381,553	563,107	436,918	418,213
<i>Total Business-type Activities Expenses</i>	<u>33,472,786</u>	<u>33,713,334</u>	<u>30,264,198</u>	<u>32,233,352</u>
<i>Total Primary Government Expenses</i>	<u>\$49,399,987</u>	<u>\$50,245,179</u>	<u>\$46,691,953</u>	<u>\$47,161,740</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services				
General Government	\$1,942,968	\$1,533,460	\$1,861,207	\$1,720,626
Public Safety	658,667	756,827	670,873	587,466
Highways and Streets	35,895	32,842	26,650	19,050
Public Health and Welfare	109,421	119,652	124,596	108,261
Culture and Recreation	12,372	20,456	14,448	12,580
Community Environment	115,077	98,930	665,096	152,640
Operating Grants and Contributions	863,877	883,020	1,363,819	802,599
Capital Grants and Contributions	432,405	1,693,078	2,958,673	1,042,448
<i>Total Governmental Activities Program Revenues</i>	<u>4,170,682</u>	<u>5,138,265</u>	<u>7,685,362</u>	<u>4,445,670</u>



*City of Painesville, Ohio*

2014	2015	2016	2017	2018	2019
\$3,921,566	\$3,848,049	\$4,277,546	\$4,297,312	\$4,243,338	\$5,554,317
6,752,510	7,172,546	7,886,075	7,960,151	9,101,205	909,829
2,637,941	3,189,101	2,625,969	2,806,601	2,850,216	2,943,684
488,651	491,545	522,594	647,437	606,592	682,216
618,468	666,284	723,245	763,163	750,338	851,330
105,322	114,791	119,266	140,834	138,948	209,686
318,637	303,218	290,744	266,554	257,745	234,477
<u>14,843,095</u>	<u>15,785,534</u>	<u>16,445,439</u>	<u>16,882,052</u>	<u>17,948,382</u>	<u>11,385,539</u>
6,117,078	5,542,369	5,746,233	5,229,158	5,308,516	5,944,437
4,387,215	4,257,321	4,137,233	4,315,748	4,202,467	4,979,247
24,835,860	24,875,586	27,199,162	27,882,194	30,563,700	30,291,595
409,740	363,673	1,323,662	318,883	379,284	385,479
<u>35,749,893</u>	<u>35,038,949</u>	<u>38,406,290</u>	<u>37,745,983</u>	<u>40,453,967</u>	<u>41,600,758</u>
<u>\$50,592,988</u>	<u>\$50,824,483</u>	<u>\$54,851,729</u>	<u>\$54,628,035</u>	<u>\$58,402,349</u>	<u>\$52,986,297</u>
\$1,749,663	\$1,446,087	\$1,490,185	\$1,530,658	\$1,645,439	\$1,644,353
616,933	811,277	681,672	620,251	666,103	636,004
60,591	67,287	22,686	18,892	15,335	10,819
110,225	133,515	145,531	157,765	180,385	142,265
9,232	7,580	15,150	22,560	23,277	23,350
306,134	482,434	331,328	374,365	316,352	481,075
876,783	921,812	1,046,834	1,057,201	1,185,541	1,100,244
1,659,154	1,542,778	62,266	677,076	1,023,476	2,107,142
<u>5,388,715</u>	<u>5,412,770</u>	<u>3,795,652</u>	<u>4,458,768</u>	<u>5,055,908</u>	<u>6,145,252</u>

(continued)

**City of Painesville, Ohio**

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

	2010	2011	2012
<b>Business-type Activities:</b>			
Charges for Services			
Water	4,883,093	5,489,308	6,576,748
Sewer	3,104,324	3,473,151	3,746,854
Electric	26,400,302	26,354,842	26,692,992
Other Enterprise	541,495	572,402	570,045
Operating Grants and Contributions	618,902	0	0
Capital Grants and Contributions	0	2,364,576	1,324,655
<i>Total Business-type Activities Program Revenues</i>	<u>35,548,116</u>	<u>38,254,279</u>	<u>38,911,294</u>
<i>Total Primary Government Program Revenues</i>	<u>39,718,798</u>	<u>43,392,544</u>	<u>46,596,656</u>
<b>Net (Expense)/Revenue</b>			
Governmental Activities	(11,756,519)	(11,393,580)	(8,742,393)
Business-type Activities	<u>2,075,330</u>	<u>4,540,945</u>	<u>8,647,096</u>
<i>Total Primary Government Net (Expense)/Revenue</i>	<u><u>(\$9,681,189)</u></u>	<u><u>(\$6,852,635)</u></u>	<u><u>(\$95,297)</u></u>
<b>General Revenues and Other Changes in Net Position</b>			
Governmental Activities:			
Property Taxes	\$1,168,067	\$1,175,475	\$1,185,735
Municipal Income Taxes	7,157,251	7,167,242	7,519,822
Other Local Taxes	13,305	6,400	0
Intergovernmental, Unrestricted	1,605,729	1,871,767	1,086,944
Investment Earnings	451,850	539,269	173,022
Miscellaneous	762,245	324,107	144,224
Transfers	752,891	1,253,475	968,624
<i>Total Governmental Activities</i>	<u>11,911,338</u>	<u>12,337,735</u>	<u>11,078,371</u>
Business-type Activities:			
Investment Earnings	14,007	(89,509)	5,010
Transfers	(752,891)	(1,253,475)	(968,624)
<i>Total Business-type Activities</i>	<u>(738,884)</u>	<u>(1,342,984)</u>	<u>(963,614)</u>
<i>Total Primary Government</i>	<u><u>\$11,172,454</u></u>	<u><u>\$10,994,751</u></u>	<u><u>\$10,114,757</u></u>
<b>Change in Net Position</b>			
Governmental Activities	\$154,819	\$944,155	\$2,335,978
Business-type Activities	<u>1,336,446</u>	<u>3,197,961</u>	<u>7,683,482</u>
<i>Total Primary Government Change in Net Position</i>	<u><u>\$1,491,265</u></u>	<u><u>\$4,142,116</u></u>	<u><u>\$10,019,460</u></u>

Source: Finance Director's Office

*City of Painesville, Ohio*

2013	2014	2015	2016	2017	2018	2019
6,307,635	6,209,116	5,956,836	6,224,784	6,215,373	6,170,021	6,159,416
3,985,434	3,706,993	3,822,411	3,842,638	4,000,567	4,135,229	4,362,653
23,082,430	26,107,694	25,264,720	27,174,232	27,301,029	31,071,723	30,411,943
479,933	522,492	510,942	555,030	618,165	618,113	490,033
7,154	128,071	3,136	0	0	0	0
584	146	58,539	294,500	0	0	1,117,761
<u>33,863,170</u>	<u>36,674,512</u>	<u>35,616,584</u>	<u>38,091,184</u>	<u>38,135,134</u>	<u>41,995,086</u>	<u>42,541,806</u>
38,308,840	42,063,227	41,029,354	41,886,836	42,593,902	47,050,994	48,687,058
(10,482,718)	(9,454,380)	(10,372,764)	(12,649,787)	(12,423,284)	(12,892,474)	(5,240,287)
<u>1,629,818</u>	<u>924,619</u>	<u>577,635</u>	<u>(315,106)</u>	<u>389,151</u>	<u>1,541,119</u>	<u>941,048</u>
<u>(\$8,852,900)</u>	<u>(\$8,529,761)</u>	<u>(\$9,795,129)</u>	<u>(\$12,964,893)</u>	<u>(\$12,034,133)</u>	<u>(\$11,351,355)</u>	<u>(\$4,299,239)</u>
\$1,144,755	\$1,966,322	\$2,215,786	\$2,214,980	\$2,318,191	\$2,364,159	\$2,665,543
7,721,126	7,900,150	9,190,538	9,448,284	9,426,872	8,645,785	9,123,409
0	0	0	0	0	0	0
875,970	847,630	881,985	840,902	822,685	952,903	1,073,810
47,643	177,819	318,260	347,822	488,373	693,122	1,306,600
256,805	284,727	649,609	667,251	638,094	361,385	610,962
<u>795,935</u>	<u>1,118,310</u>	<u>839,243</u>	<u>566,894</u>	<u>757,012</u>	<u>791,662</u>	<u>835,309</u>
<u>10,842,234</u>	<u>12,294,958</u>	<u>14,095,421</u>	<u>14,086,133</u>	<u>14,451,227</u>	<u>13,809,016</u>	<u>15,615,633</u>
760	0	0	0	0	0	0
<u>(795,935)</u>	<u>(1,118,310)</u>	<u>(839,243)</u>	<u>(566,894)</u>	<u>(757,012)</u>	<u>(791,662)</u>	<u>(835,309)</u>
<u>(795,175)</u>	<u>(1,118,310)</u>	<u>(839,243)</u>	<u>(566,894)</u>	<u>(757,012)</u>	<u>(791,662)</u>	<u>(835,309)</u>
<u>\$10,047,059</u>	<u>\$11,176,648</u>	<u>\$13,256,178</u>	<u>\$13,519,239</u>	<u>\$13,694,215</u>	<u>\$13,017,354</u>	<u>\$14,780,324</u>
\$359,516	\$2,840,578	\$3,722,657	\$1,436,346	\$2,027,943	\$916,542	\$10,375,346
834,643	(193,691)	(261,608)	(882,000)	(367,861)	749,457	105,739
<u>\$1,194,159</u>	<u>\$2,646,887</u>	<u>\$3,461,049</u>	<u>\$554,346</u>	<u>\$1,660,082</u>	<u>\$1,665,999</u>	<u>\$10,481,085</u>

**City of Painesville, Ohio**

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

	2010	2011	2012	2013
<b>General Fund</b>				
Nonspendable	\$0	\$996,297	\$1,005,381	\$1,012,204
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	416,777	742,007	756,351
Unassigned	0	5,733,751	5,698,670	5,950,964
Reserved	520,398	0	0	0
Unreserved	6,065,354	0	0	0
<i>Total General Fund</i>	<u>6,585,752</u>	<u>7,146,825</u>	<u>7,446,058</u>	<u>7,719,519</u>
<b>All Other Governmental Funds</b>				
Nonspendable	0	1,108,205	1,115,415	1,126,574
Restricted	0	3,161,485	7,717,818	4,827,946
Committed	0	1,359,464	1,090,045	1,140,484
Assigned	0	0	0	0
Unassigned	0	(1,826,088)	(1,870,841)	(129,977)
Reserved	1,974,139	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,204,465	0	0	0
Capital Projects Funds	(1,173,006)	0	0	0
Permanent Fund	236,087	0	0	0
<i>Total All Other Governmental Funds</i>	<u>2,241,685</u>	<u>3,803,066</u>	<u>8,052,437</u>	<u>6,965,027</u>
<i>Total Governmental Funds</i>	<u><u>\$8,827,437</u></u>	<u><u>\$10,949,891</u></u>	<u><u>\$15,498,495</u></u>	<u><u>\$14,684,546</u></u>

Source: Finance Director's Office

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

\* Restated

*City of Painesville, Ohio*

---

2014	2015	2016	2017	*	2018	2019
\$876,065	\$877,739	\$868,584	\$875,763	\$886,154	\$884,051	
0	0	0	0	7,206	7,206	
0	0	11,931	10,931	10,931	10,931	
923,785	1,091,861	926,069	756,999	1,277,058	1,734,457	
5,764,760	6,216,145	5,801,917	5,903,284	5,338,589	5,923,562	
0	0	0	0	0	0	
0	0	0	0	0	0	
<u>7,564,610</u>	<u>8,185,745</u>	<u>7,608,501</u>	<u>7,546,977</u>	<u>7,519,938</u>	<u>8,560,207</u>	
1,279,005	1,146,021	1,175,425	1,170,344	1,193,253	1,206,703	
4,663,014	5,598,192	6,192,754	6,564,682	7,547,035	7,910,091	
1,436,758	1,702,514	2,081,797	2,635,021	2,414,072	2,296,269	
0	0	0	0	0	0	
(60,716)	(15,740)	0	0	0	0	
0	0	0	0	0	0	
0	0	0	0	0	0	
0	0	0	0	0	0	
0	0	0	0	0	0	
<u>7,318,061</u>	<u>8,430,987</u>	<u>9,449,976</u>	<u>10,370,047</u>	<u>11,154,360</u>	<u>11,413,063</u>	
<u>\$14,882,671</u>	<u>\$16,616,732</u>	<u>\$17,058,477</u>	<u>\$17,917,024</u>	<u>\$18,674,298</u>	<u>\$19,973,270</u>	

## City of Painesville, Ohio

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

	2010	2011	2012	2013
<b>Revenues:</b>				
Taxes	\$8,330,535	\$8,335,086	\$8,705,017	\$8,778,000
Intergovernmental Revenues	2,860,371	5,328,950	4,200,293	2,694,920
Charges for Services	801,465	834,222	777,772	672,887
Licenses, Permits and Inspection Fees	303,800	296,994	450,655	337,067
Investment Earnings	442,524	562,484	166,025	49,611
Special Assessments	89,140	92,547	115,843	76,294
Fines and Forfeitures	1,227,158	1,257,805	1,377,753	1,416,206
All Other Revenue	1,337,779	439,886	519,586	462,724
<b>Total Revenue</b>	<b>15,392,772</b>	<b>17,147,974</b>	<b>16,312,944</b>	<b>14,487,709</b>
<b>Expenditures:</b>				
Current:				
General Government	4,515,245	4,657,111	5,777,433	3,558,335
Public Safety	7,178,506	7,135,751	6,694,103	6,660,415
Highways and Streets	1,880,062	2,345,029	3,550,420	5,882,834
Public Health and Welfare	618,599	619,796	528,871	494,241
Culture and Recreation	712,688	725,325	619,372	538,577
Community Environment	509,372	363,544	201,364	309,105
Capital Outlay	1,702,801	1,101,883	616,881	820,402
Debt Service:				
Principal Retirement	399,072	346,102	1,796,045	1,336,673
Interest and Fiscal Charges	205,692	161,423	311,643	268,510
<b>Total Expenditures</b>	<b>17,722,037</b>	<b>17,455,964</b>	<b>20,096,132</b>	<b>19,869,092</b>
Excess (Deficiency) of Revenues Over Expenditures	(2,329,265)	(307,990)	(3,783,188)	(5,381,383)

*City of Painesville, Ohio*

2014	2015	2016	2017	2018	2019
\$9,912,425	\$11,411,537	\$10,950,272	\$11,203,877	\$10,707,047	\$12,054,906
3,369,400	3,363,173	1,956,828	2,467,808	2,834,399	4,057,877
678,643	823,641	731,184	779,986	756,546	869,599
476,660	551,881	502,156	549,998	474,497	439,661
147,622	373,424	308,897	448,358	692,761	1,317,066
91,321	205,700	112,284	96,820	85,015	98,853
1,428,419	1,314,000	1,374,157	1,425,667	1,543,578	1,540,151
519,613	649,609	669,658	638,744	365,100	613,277
<u>16,624,103</u>	<u>18,692,965</u>	<u>16,605,436</u>	<u>17,611,258</u>	<u>17,458,943</u>	<u>20,991,390</u>
3,785,221	3,788,515	4,211,050	4,012,316	3,926,735	4,479,276
6,591,728	7,115,031	6,971,484	7,367,209	7,789,590	8,681,233
4,394,199	4,180,040	2,703,940	3,045,926	3,079,358	3,355,673
480,801	489,786	493,012	539,169	534,050	547,858
574,406	634,046	644,296	613,505	643,694	654,457
113,556	112,913	120,000	121,553	127,541	185,362
1,493,091	612,219	621,855	726,411	945,078	1,288,948
1,292,115	1,753,434	1,737,466	1,505,048	1,245,033	1,077,215
327,143	311,109	299,911	278,970	264,282	261,442
<u>19,052,260</u>	<u>18,997,093</u>	<u>17,803,014</u>	<u>18,210,107</u>	<u>18,555,361</u>	<u>20,531,464</u>
(2,428,157)	(304,128)	(1,197,578)	(598,849)	(1,096,418)	459,926

(continued)

## City of Painesville, Ohio

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

	2010	2011	2012	2013
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	9,169	0	758	30,322
Other Financing Sources - Capital Leases	0	0	0	0
Ohio Public Works Commission Loan	0	0	0	840,030
General Obligation Bonds Issued	0	0	5,485,000	1,917,000
Premium on Debt Issuance	0	0	156,564	0
Long Term Note Issuance	0	1,440,751	1,190,481	1,031,876
Insurance Proceeds	0	5,513	607,425	3,482
Transfers In	1,682,167	1,698,475	1,734,524	1,628,935
Transfers Out	(969,276)	(595,000)	(845,900)	(883,000)
<b>Total Other Financing Sources (Uses)</b>	<u>722,060</u>	<u>2,549,739</u>	<u>8,328,852</u>	<u>4,568,645</u>
<b>Net Change in Fund Balance</b>	<u>(\$1,607,205)</u>	<u>\$2,241,749</u>	<u>\$4,545,664</u>	<u>(\$812,738)</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	4.05%	3.25%	13.32%	11.00%

Source: Finance Director's Office



*City of Painesville, Ohio*

2014	2015	2016	2017	2018	2019
10	19,401	46,487	19,231	646	776
147,000	111,000	125,000	0	0	0
358,135	8,180	2,553	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,205,271	1,060,365	898,389	696,153	535,917	0
0	0	0	0	337,078	2,961
3,218,310	3,015,243	3,141,894	3,042,012	2,170,222	2,250,309
(2,150,000)	(2,176,000)	(2,575,000)	(2,300,000)	(1,378,560)	(1,415,000)
<u>2,778,726</u>	<u>2,038,189</u>	<u>1,639,323</u>	<u>1,457,396</u>	<u>1,665,303</u>	<u>839,046</u>
<u>\$350,569</u>	<u>\$1,734,061</u>	<u>\$441,745</u>	<u>\$858,547</u>	<u>\$568,885</u>	<u>\$1,298,972</u>
11.13%	12.98%	12.90%	11.74%	9.59%	7.74%

**City of Painesville, Ohio**

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

<b>Tax year</b>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Income Tax Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Estimated Personal Income	\$694,975,575	\$780,798,456	\$788,821,699	\$850,247,106	\$866,328,046
Total Tax Collected	\$6,968,103	\$6,959,790	\$7,230,012	\$6,870,545	\$7,955,171
Income Tax Receipts					
Withholding	5,685,972	5,679,189	5,899,690	5,606,364	6,491,419
Percentage	81.6%	81.6%	81.6%	81.6%	81.6%
Corporate	634,097	633,341	657,931	625,220	723,921
Percentage	9.1%	9.1%	9.1%	9.1%	9.1%
Individuals	648,034	647,260	672,391	638,961	739,831
Percentage	9.3%	9.3%	9.3%	9.3%	9.3%

Source: City Income Tax Department

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

*City of Painesville, Ohio*

---



---

2015	2016	2017	2018	2019
2.00%	2.00%	2.00%	2.00%	2.00%
\$873,158,400	\$905,602,368	\$840,817,740	\$924,914,752	\$1,021,884,976
\$8,737,608	\$8,982,680	\$8,460,238	\$8,308,548	\$8,457,798
7,129,887	6,476,511	6,226,735	6,156,635	6,284,144
66.1%	72.1%	73.6%	74.1%	74.3%
795,122	1,338,421	1,285,956	1,204,739	1,243,296
21.9%	14.9%	15.2%	14.5%	14.7%
812,599	1,167,748	947,547	947,174	930,358
12.0%	13.0%	11.2%	11.4%	11.0%

*City of Painesville, Ohio*

---



## City of Painesville

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

Calendar Year 2019				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,934	37.42%	\$23,674,326	9.80%
20,000 - 49,999	1,563	30.23%	56,968,741	23.58%
50,000 - 74,999	679	13.14%	48,875,932	20.23%
75,000 - 99,999	498	9.63%	41,539,574	17.19%
Over 100,000	495	9.58%	70,568,762	29.20%
Total	5,169	100.00%	\$241,627,335	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to Painesville	\$1,114,139
Taxes Credited to Other Municipalities	426,794
	\$1,540,933

Calendar Year 2010				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	2,027	44.14%	\$12,128,980	8.11%
20,000 - 49,999	1,469	31.99%	49,230,897	32.92%
50,000 - 74,999	622	13.55%	38,014,609	25.42%
75,000 - 99,999	280	6.10%	24,072,955	16.10%
Over 100,000	194	4.22%	26,113,328	17.45%
Total	4,592	100.00%	\$149,560,769	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to Painesville	\$686,573
Taxes Credited to Other Municipalities	417,666
	\$1,104,239

Source: Finance Director's Office

## *City of Painesville, Ohio*

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

	2010	2011	2012	2013
<b>Governmental Activities</b> <sup>(1)</sup>				
General Obligation Bonds	\$1,700,000	\$1,565,000	\$7,116,564	\$8,930,736
Special Assessment Bonds	340,000	325,000	310,000	290,000
Ohio Public Works Commission Loan Payable	83,131	78,241	73,351	908,491
Long-Term Notes Payable	0	1,440,751	1,065,481	960,876
Construction Loan Payable	381,978	324,854	265,276	203,139
Capital Leases	414,816	280,728	219,902	201,737
<b>Business-type Activities</b> <sup>(1)</sup>				
Mortgage Revenue Bonds Payable	\$2,072,304	\$1,908,438	\$1,334,040	\$1,050,236
General Obligation Bonds Payable	2,540,000	2,025,000	1,500,000	1,250,000
Ohio Water Development Authority Loan Payable	4,281,356	4,282,382	4,072,160	3,853,679
Ohio Public Works Commission Loan Payable	361,516	258,111	154,706	111,301
Long-Term Notes Payable	0	1,754,179	1,535,519	1,339,124
Capital Leases	3,738,838	3,540,782	3,360,319	3,548,506
Total Primary Government	<u>\$15,913,939</u>	<u>\$17,783,466</u>	<u>\$21,007,318</u>	<u>\$22,647,825</u>
<b>Population</b> <sup>(2)</sup>				
City of Painesville	19,563	19,563	19,549	19,563
Outstanding Debt Per Capita	\$813	\$909	\$1,075	\$1,158
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	\$694,976	\$780,798	\$788,822	\$850,247
Percentage of Personal Income	2.29%	2.28%	2.66%	2.66%

**Sources:**

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

*City of Painesville, Ohio*

2014	2015	2016	2017	2018	2019
\$8,750,908	\$8,373,080	\$7,953,252	\$7,526,424	\$7,091,596	\$6,644,768
270,000	250,000	230,000	210,000	190,000	165,000
1,261,736	1,265,026	1,262,689	1,209,443	1,156,197	1,102,951
1,205,271	1,060,365	898,389	696,153	535,917	0
135,547	69,193	0	0	0	0
281,980	306,061	260,043	145,630	96,996	72,944
\$795,089	\$536,294	\$275,899	\$0	\$0	\$0
0	0	1,865,000	1,790,000	1,715,000	1,640,000
3,708,874	3,882,369	3,929,625	5,815,830	7,936,226	16,221,502
67,896	24,587	22,539	20,491	18,443	16,389
2,254,729	1,799,635	1,351,611	903,847	464,083	0
3,301,087	3,044,934	2,779,149	2,503,526	2,217,666	1,996,863
<u>\$22,033,117</u>	<u>\$20,611,544</u>	<u>\$20,828,196</u>	<u>\$20,821,344</u>	<u>\$21,422,124</u>	<u>\$27,860,417</u>
19,933	19,840	19,776	19,563	20,192	20,144
\$1,105	\$1,039	\$1,053	\$1,064	\$1,061	\$1,383
\$866,328	\$873,158	\$905,602	\$840,818	\$924,915	\$1,021,885
2.54%	2.36%	2.30%	2.48%	2.32%	2.73%

**City of Painesville, Ohio**

*Ratios of General Bonded Debt Outstanding  
Last Ten Years*

Year	2010	2011	2012	2013
<b>Population</b> (1)	19,563	19,563	19,549	19,563
<b>Personal Income</b> (2)	\$694,975,575	\$780,798,456	\$788,821,699	\$850,247,106
<b>General Bonded Debt</b>				
General Obligation Bonds	\$4,240,000	\$3,590,000	\$8,616,564	\$10,180,736
<b>Resources Available to Pay Principal</b>	\$95,541	\$160,845	\$102,737	\$161,951
<b>Net General Bonded Debt</b>	\$4,144,459	\$3,429,155	\$8,513,827	\$10,018,785
<b>Ratio of Net Bonded Debt to Personal Income</b>	0.60%	0.44%	1.08%	1.18%
<b>Net Bonded Debt per Capita</b>	\$211.85	\$175.29	\$435.51	\$512.13

**Sources:**

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

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2018, for the presentation of 2019 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*

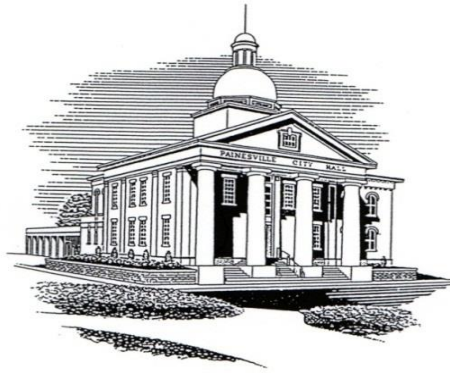
---

---

2014	2015	2016	2017	2018	2019
19,933	19,840	19,776	19,563	20,192	20,144
\$866,328,046	\$873,158,400	\$905,602,368	\$840,817,740	\$924,914,752	\$1,021,884,976
\$8,750,908	\$8,373,080	\$9,818,252	\$9,316,424	\$8,806,596	\$8,284,768
\$121,648	\$182,798	\$243,667	\$304,935	\$357,923	\$416,514
\$8,629,260	\$8,190,282	\$9,574,585	\$9,011,489	\$8,448,673	\$7,868,254
1.00%	0.94%	1.06%	1.07%	0.91%	0.77%
\$432.91	\$412.82	\$484.15	\$460.64	\$418.42	\$390.60

*City of Painesville, Ohio*

---



**City of Painesville, Ohio**

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2019*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Painesville</u>	<u>Amount Applicable to the City of Painesville</u>
<b>Direct:</b>			
City of Painesville	\$7,985,663	100.00%	\$7,985,663
<b>Overlapping:</b>			
Painesville City School District	26,014,923	100.00%	26,014,923
Auburn Career Center	4,815,000	9.56%	460,314
Lakeland Career Center	82,236,013	3.76%	3,092,074
Riverside Schools	38,258,905	4.59%	1,756,084
Lake County	7,395,000	3.76%	278,052
		Subtotal	<u>31,601,447</u>
		Total	<u><u>\$39,587,110</u></u>

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

**Source:** Lake County

**City of Painesville, Ohio**

*Debt Limitations  
Last Ten Years*

Collection Year	2010	2011	2012	2013
<u>Total Debt</u>				
Net Assessed Valuation	\$256,194,750	\$251,049,200	\$252,866,440	\$218,554,660
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	26,900,449	26,360,166	26,550,976	22,948,239
City Debt Outstanding (2)	4,939,766	4,887,591	4,955,121	4,939,613
Less: Applicable Debt Service Fund Amounts	(95,541)	(160,845)	(102,737)	(161,951)
Net Indebtedness Subject to Limitation	<u>4,844,225</u>	<u>4,726,746</u>	<u>4,852,384</u>	<u>4,777,662</u>
Overall Legal Debt Margin	<u>\$22,056,224</u>	<u>\$21,633,420</u>	<u>\$21,698,592</u>	<u>\$18,170,577</u>
Debt Margin as a Percentage of Debt Limit	81.99%	82.07%	81.72%	79.18%
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$256,194,750	\$251,049,200	\$252,866,440	\$218,554,660
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	14,090,711	13,807,706	13,907,654	12,020,506
City Debt Outstanding (2)	0	0	0	0
Less: Applicable Debt Service Fund Amounts	(95,541)	(160,845)	(102,737)	(161,951)
Net Indebtedness Subject to Limitation	<u>(95,541)</u>	<u>(160,845)</u>	<u>(102,737)</u>	<u>(161,951)</u>
Overall Legal Debt Margin	<u>\$14,186,252</u>	<u>\$13,968,551</u>	<u>\$14,010,391</u>	<u>\$12,182,457</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*

2014	2015	2016	2017	2018	2019
\$219,194,440	\$218,983,000	\$220,674,620	\$221,250,540	\$222,787,360	\$243,528,100
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
23,015,416	22,993,215	23,170,835	23,231,307	23,392,673	25,570,451
4,612,251	4,311,426	3,916,432	3,405,783	2,994,913	2,508,311
(121,648)	(182,798)	(243,667)	(304,935)	(357,923)	(416,514)
4,490,603	4,128,628	3,672,765	3,100,848	2,636,990	2,091,797
<u>\$18,524,813</u>	<u>\$18,864,587</u>	<u>\$19,498,070</u>	<u>\$20,130,459</u>	<u>\$20,755,683</u>	<u>\$23,478,654</u>
80.49%	82.04%	84.15%	86.65%	88.73%	91.82%
\$219,194,440	\$218,983,000	\$220,674,620	\$221,250,540	\$222,787,360	\$243,528,100
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
12,055,694	12,044,065	12,137,104	12,168,780	12,253,305	13,394,046
0	0	0	0	0	0
(121,648)	(182,798)	(243,667)	(304,935)	(357,923)	(416,514)
(121,648)	(182,798)	(243,667)	(304,935)	(357,923)	(416,514)
<u>\$12,177,342</u>	<u>\$12,226,863</u>	<u>\$12,380,771</u>	<u>\$12,473,715</u>	<u>\$12,611,228</u>	<u>\$13,810,560</u>

*City of Painesville, Ohio*

*Pledged Revenue Coverage  
Last Ten Years*

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Special Assessment Bonds (1)</b>				
Special Assessment Collections	\$89,140	\$57,402	\$77,616	\$56,832
Debt Service				
Principal	15,000	15,000	15,000	20,000
Interest	17,638	16,926	16,212	15,500
Coverage	2.73	1.80	2.49	1.60

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

Source: Finance Director's Office

*City of Painesville, Ohio*

---

---

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$78,213	\$56,770	\$56,719	\$57,090	\$57,179	\$90,682
20,000	20,000	20,000	20,000	20,000	25,000
14,500	13,500	12,500	11,500	10,500	9,500
2.27	1.69	1.75	1.81	1.87	2.63

## City of Painesville, Ohio

### Demographic and Economic Statistics Last Ten Years

Calendar Year	2010	2011	2012	2013
<b>Population</b> <sup>(1)</sup>				
City of Painesville	19,563	19,563	19,549	19,563
Lake County	236,775	230,041	229,582	230,041
<b>Income</b> <sup>(2) (a)</sup>				
Total Personal (in thousands)	\$694,976	\$780,798	\$788,822	\$850,247
Per Capita	\$35,525	\$39,912	\$40,351	\$43,462
<b>Unemployment Rate</b> <sup>(3)</sup>				
Federal	9.0%	8.5%	7.8%	6.7%
State	9.0%	8.6%	6.7%	6.5%
Lake County	8.1%	8.4%	6.4%	7.9%
<b>Civilian Work Force Estimates</b> <sup>(3)</sup>				
State	5,908,000	5,897,600	5,740,900	5,765,000
Lake County	133,900	133,600	126,800	126,500

#### Sources:

(1) US Bureau of Census of Population

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2018, for the presentation of 2019 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*

---

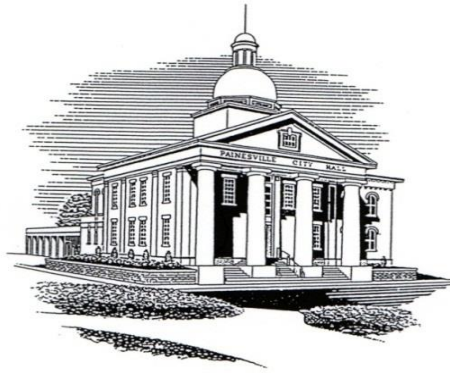


---

2014	2015	2016	2017	2018	2019
19,933	19,840	19,776	19,563	20,192	20,144
229,245	229,245	228,614	230,041	230,117	230,149
\$866,328	\$873,158	\$905,602	\$840,818	\$924,915	\$1,021,885
\$43,462	\$44,010	\$45,793	\$42,980	\$45,806	\$50,729
5.6%	4.8%	4.9%	4.1%	3.9%	3.5%
4.8%	4.6%	4.9%	4.1%	4.6%	4.1%
6.2%	3.7%	4.8%	4.4%	4.6%	4.3%
5,738,000	5,693,000	5,687,000	5,780,000	5,757,507	5,811,800
126,800	121,600	122,200	123,935	125,600	126,784

*City of Painesville, Ohio*

---



## *City of Painesville, Ohio*

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

Employer	Nature of Business	2019		
		Number of Employees	Rank	Percentage of Total Employment
County of Lake	Government	976	1	16.74%
Fasson Division/Avery International Corp.	Manufacturing	548	2	9.40%
Painesville City Schools	Education	415	3	7.12%
The City of Painesville	Government	263	4	4.51%
Lake Erie College	Education	255	5	4.37%
Aero Fluid Products, Inc.	Manufacturing	169	6	2.90%
Cintas	Service	151	7	2.59%
Mar-Bal Corporation	Manufacturing	118	8	2.02%
Eckart America	Manufacturing	105	9	1.80%
Yokohama Industries Americas Ohio	Manufacturing	56	10	0.96%
Total		<u>3,056</u>		
Total Employment within the City		<u>5,829</u>		

Employer	Nature of Business	2010		
		Number of Employees	Rank	Percentage of Total Employment
County of Lake	Government	1,264	1	N/A
Fasson Division/Avery Intern'l Corp.	Manufacturing	600	2	N/A
Painesville City Schools	Education	450	3	N/A
The City of Painesville	Government	284	4	N/A
Lake Erie College	Education	275	5	N/A
Core Systems	Manufacturing	243	6	N/A
AeroControlex Group, Inc.	Manufacturing	155	7	N/A
Cintas	Service	119	8	N/A
Eckart America	Manufacturing	109	9	N/A
SAS Rubber Div. Mohawk Rubber Co.	Manufacturing	87	10	N/A
		<u>3,586</u>		
Total Employment within the City		<u>N/A</u>		

**Source:**

Compiled by City of Painesville Finance Department

## *City of Painesville, Ohio*

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

	2010	2011	2012	2013	2014
<b>Governmental Activities</b>					
General Government					
Finance	7.00	7.00	7.00	6.00	6.00
Judicial	20.00	19.00	19.00	19.00	17.00
Administration	47.00	47.00	44.00	43.00	43.00
Maintenance	1.00	1.00	1.00	1.00	1.00
Public Safety					
Police	43.00	42.00	41.00	41.00	42.00
Fire	28.00	27.00	27.00	27.00	26.00
Public Works					
Public Works	17.00	16.00	15.00	15.00	16.00
Public Health and Welfare					
Cemeteries	5.00	5.00	4.00	4.00	4.00
Culture and Recreation					
Parks - Recreation	7.00	7.00	6.00	6.00	6.00
<b>Business-Type Activities</b>					
Utilities					
Water	21.00	20.00	19.00	20.00	21.00
Sewer	17.00	17.00	17.00	17.00	17.00
Electric	64.00	62.00	62.00	56.00	56.00
Off Street Parking	1.00	1.00	1.00	1.00	1.00
<i>Total Employees</i>	<u>278.00</u>	<u>271.00</u>	<u>263.00</u>	<u>256.00</u>	<u>256.00</u>

**Method:** 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: Finance Director's Office

*City of Painesville, Ohio*

---

---

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
6.00	6.00	5.50	5.50	5.50
20.00	20.00	20.00	20.00	20.00
42.00	42.00	42.00	42.00	42.00
1.00	1.00	1.00	1.00	1.00
42.00	42.00	42.00	44.00	44.00
26.00	26.00	26.00	26.00	27.00
15.00	16.00	16.00	17.00	17.00
4.00	4.00	4.00	5.00	5.00
6.00	6.00	6.00	6.00	6.00
20.00	21.00	21.00	21.00	21.00
17.00	16.00	16.00	14.00	14.00
56.00	56.00	56.00	47.00	45.00
1.00	0.00	0.00	0.00	0.00
<u>256.00</u>	<u>256.00</u>	<u>255.50</u>	<u>248.50</u>	<u>247.50</u>

*City of Painesville, Ohio*

*Operating Indicators by Function  
Last Ten Years*

	2010	2011	2012
<b>Governmental Activities</b>			
General Government			
Court			
Number of Probation Cases	1,968	1,683	1,658
Number of Traffic Cases	9,086	8,550	9,573
Licenses and Permits			
Number of Building Permits - Residential	531	508	329
Number of Building Permits - Commercial & Industrial	132	106	148
Number of Building Inspections - Residential	1,866	2,200	1,660
Number of Building Inspections - Commercial	954	543	1,588
Public Safety			
Police			
Number of Citations Issued	2,430	1,878	1,513
Number of Arrests	1,411	1,232	1,378
Number of Accidents	564	579	562
Fire			
Number of Fire Calls	119	104	104
Number of EMS Runs	2,659	2,686	2,661
Number of Inspections	624	625	493
Highways and Streets			
Public Works			
Number of Streets Resurfaced	7	2	0
Public Health and Welfare			
Cemeteries			
Number of Burials	183	197	192
Number of Cemeteries	2	2	2
Culture and Recreation			
Parks - Recreation			
Program Attendance	40,429	39,929	42,350
Number of Park Visitations	139,050	135,000	142,000

*City of Painesville, Ohio*

2013	2014	2015	2016	2017	2018	2019
1,524	1,349	1,213	1,279	1,164	1,385	1,106
9,694	9,763	8,787	9,197	10,166	10,612	9,153
372	352	262	275	399	292	292
115	74	48	29	83	43	43
834	819	1,062	1,547	2,682	1,532	1,532
1,949	1,233	237	247	756	360	360
1,613	2,025	1,139	2,002	1,466	1,473	1,933
1,252	650	1,119	2,853	998	1,006	1,198
442	415	487	482	419	454	407
76	92	96	92	69	72	61
2,594	2,630	2,736	2,899	2,865	2,764	2,777
606	477	979	1,002	610	618	530
1	3	4	10	9	4	4
188	169	189	181	212	166	166
2	2	2	2	2	2	2
41,525	40,500	48,190	48,500	49,300	50,000	50,000
155,000	147,500	152,000	155,000	160,000	162,000	162,000

(Continued)

*City of Painesville, Ohio*

*Operating Indicators by Function  
Last Ten Years*

	2010	2011	2012
<b>Business-Type Activities</b>			
Water			
Number of Service Connections	10,254	10,316	10,380
Water Main Breaks	55	34	50
Daily Average Consumption (thousands of gallons)	3,590	3,440	3,410
Peak Daily Consumption (thousands of gallons)	4,667	5,208	6,098
Storage Capacity (thousands of gallons)	4,053	4,053	4,053
Sewer			
Daily Average Sewage Treatment (thousands of gallons)	2.75	4.11	3.33
Electric			
Number of Service Connections	12,041	12,038	12,032
Average Daily Generation in Kilowatt Hours	252,084	247,814	79,714
Peak Load in Kilowatts	54,000	55,500	57,400
Off Street Parking			
Number of Parking Garage Spaces (1)	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	6,095	6,095	7,103

(1) The parking garage was demolished in 2016.

Source: Finance Director's Office



*City of Painesville, Ohio*

---

---

2013	2014	2015	2016	2017	2018	2019
10,454	10,536	10,602	10,661	10,767	10,832	10,943
44	43	42	35	39	44	52
3,059	3,100	3,319	3,064	3,093	3,069	2,992
4,450	4,051	6,246	5,140	4,821	4,904	4,428
4,053	4,053	4,053	4,053	4,053	4,053	4,053
3.29	3.30	3.12	3.16	3.27	3.44	3.35
12,231	12,240	12,273	12,305	12,360	12,417	12,442
41,115	16,983	18,939	21,257	10,235	10,469	8,434
54,500	50,600	51,300	54,100	49,000	53,900	50,700
502	502	475	0	0	0	0
60	60	60	60	60	60	60
101	101	101	101	101	101	101
7,605	7,631	7,655	7,727	7,762	7,804	7,804

**City of Painesville, Ohio**

*Capital Asset Statistics by Function  
Last Ten Years*

	2010	2011	2012	2013
<b>Governmental Activities</b>				
General Government				
Public Land and Buildings				
Land (acres)	0.95	0.95	0.95	0.95
Buildings	7	7	7	7
Public Safety				
Police				
Stations	1	1	1	1
Vehicles	18	18	20	21
Fire				
Stations	1	1	1	1
Vehicles	13	13	13	14
Public Works				
Street				
Streets (lane miles)	58	59	59	59
Street Lights	1,571	1,571	1,571	1,571
Traffic Signals	116	116	116	116
Vehicles	28	28	27	27
Culture and Recreation				
Recreation/Seniors				
Land (acres)	125.32	125.32	140.51	140.51
Buildings	1	1	1	1
Parks	14	14	15	15
Playgrounds	8	8	11	11
Tennis Courts	2	2	2	2
Baseball/Softball Diamonds	9	9	9	9
Soccer Fields	1	1	0	0

*City of Painesville, Ohio*

---



---

2014	2015	2016	2017	2018	2019
0.95 7	0.95 7	0.95 7	0.95 7	0.95 7	0.95 7
1 25	1 24	1 21	1 21	1 21	1 21
1 13	1 13	1 14	1 14	1 14	1 14
59 1,571 116 27	59 1,571 116 29	59 1,571 116 29	59 1,571 116 30	59 1,571 116 30	59 1,571 116 30
140.51 1 15 11 2 9 0	150.51 1 15 11 2 9 0	150.51 1 15 10 0 9 0	150.10 1 13 10 0 9 0	150.10 1 13 10 0 9 0	150.10 1 13 10 0 9 0

(Continued)

*City of Painesville, Ohio*

*Capital Asset Statistics by Function  
Last Ten Years*

	2010	2011	2012	2013
<b>Business-Type Activities</b>				
Utilities				
Water				
Waterlines (Miles)	132.6	132.7	132.9	133.1
Pump Stations	7	7	7	7
Number of Hydrants	1,803	1,805	1,813	1,839
Sewer				
Sewer lines (Miles)	50	50	50	50
Lift Stations	7	7	8	8
Electric				
Lines (Miles)	220	220	220	222
Off Street Parking				
Buildings and Improvements	1	1	1	1
Storm Water Drainage				
Storm Drains (Miles)	37	38	38	38
Number of Catch Basins	2,900	2,902	2,902	2,902
Treatment Capacity (thousands of gallons)	28,000	28,000	28,000	28,000

Source: Finance Director's Office

*City of Painesville, Ohio*

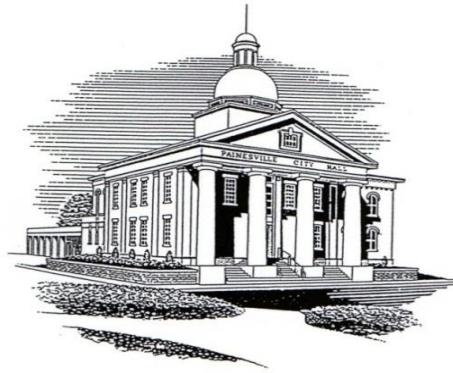
---

---

2014	2015	2016	2017	2018	2019
138.6	139.4	140.0	141.1	142.0	142.6
7	7	7	7	7	7
1,866	1,875	1,880	1,900	1,902	1,914
50	50	50	50	57	57
8	8	8	8	8	8
222	222	222	222	222	222
1	1	0	0	0	0
38	38	38	38	38	38
2,902	2,904	2,904	2,904	2,904	2,904
28,000	28,000	28,000	28,000	28,000	28,000

*City of Painesville, Ohio*

---



OHIO AUDITOR OF STATE  
**KEITH FABER**



**CITY OF PAINESVILLE**

**LAKE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 9, 2020**