



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
Schedule of Findings.....	3
Attachment: Annual Comprehensive Financial Report	

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OHIO AUDITOR OF STATE KEITH FABER



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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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 24, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. *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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a significant deficiency.

Efficient • Effective • Transparent

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

July 24, 2024

**CITY OF PAINESVILLE
LAKE COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2022**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

Cash Reconciliation

FINDING NUMBER 2022-001

SIGNIFICANT DEFICIENCY

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Finance Director is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and City Council are responsible for reviewing the reconciliations and related support.

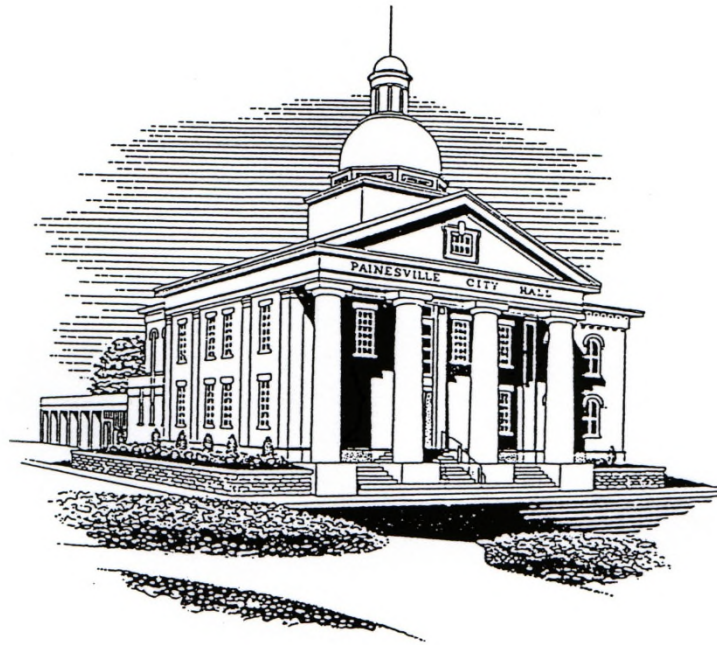
Monthly bank to book reconciliations were not prepared and reviewed each month of 2022. The City only prepared a City-wide bank-to-book reconciliation at the close of the fiscal year. Per review of the year-end reconciliation, the City had a book over bank difference of \$247. We also noted there was an unidentified variance of \$4,610 relating to 2022 during the subsequent reconciliation process.

Failure to reconcile monthly increases the possibility that the City will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

We recommend completing a monthly City-wide cash reconciliation which compares reconciled bank and investment balances to the City's book balances. Also, the City Council should perform an additional review of the City-wide cash and investment reconciliation. This should include reviewing support for reconciling items and timely follow-up on any discrepancies.

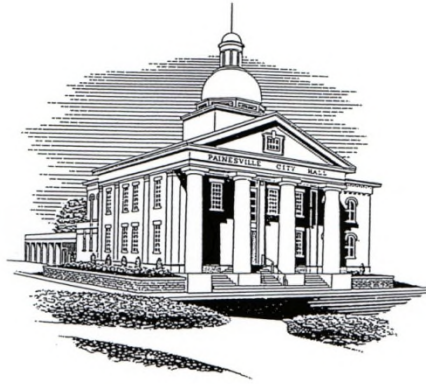
Officials' Response: The City is continuing to work with Rea & Associates for the bank to book reconciliations and also working with the Munis financial software company to develop a standard bank reconciliation procedure.

CITY OF PAINESVILLE, OHIO



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2022



Lake County, Ohio

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2022

Prepared by the Finance Department

Bill Parkinson
Director

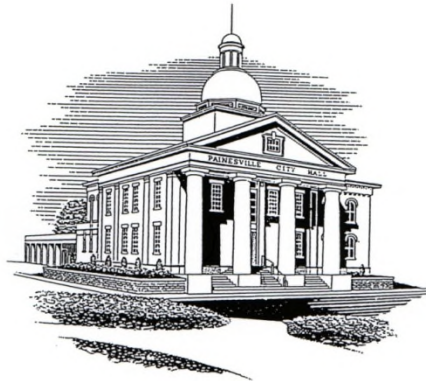


TABLE OF CONTENTS

CITY OF PAINESVILLE
LAKE COUNTY, OHIO

I INTRODUCTORY SECTION

A Letter of Transmittalv
B List of Principal Officialsxvi
C City Organizational Chartxvii
D Certificate of Achievement for Excellence in Financial Reportingxviii

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 Sheet20
 Reconciliation of Total Governmental Fund Balances to Net Position of
 Governmental Activities21
 Statement of Revenues, Expenditures and Changes in Fund Balances22
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities23
 Statement of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual (Non-GAAP Budgetary Basis)
 General Fund24
 Proprietary Funds:
 Statement of Net Position26
 Statement of Revenues, Expenses and Changes in Fund Net Position.....30
 Statement of Cash Flows32
 Fiduciary Funds:
 Statement of Net Position36
 Statement of Changes in Net Position37
Notes to the Basic Financial Statements.....39

D	Required Supplementary Information:	
	Schedule of City’s Proportionate Share of the Net Pension Liability.....	102
	Schedule of City Pension Contributions.....	104
	Schedule of City’s Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability (Asset).....	106
	Schedule of City’s Other Postemployment Benefit (OPEB) Contributions	108
	Notes to the Required Supplementary Information	110
E	Combining and Individual Fund Statements and Schedules:	
	Nonmajor Governmental Financial Statements:	
	Combining Balance Sheet.....	122
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	123
	Combining Balance Sheet – Nonmajor Special Revenue Funds.....	124
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	130
	Combining Balance Sheet – Nonmajor Debt Service Funds	136
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	137
	Combining Balance Sheet – Nonmajor Capital Projects Funds	138
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	140
	Combining Balance Sheet – Nonmajor Permanent Funds.....	142
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Permanent Funds.....	143
	Individual Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
	Major Governmental Funds:	
	<i>General Fund</i>	144
	Nonmajor Governmental Funds:	
	<i>Special Revenue Funds:</i>	
	Street Construction, Maintenance and Repair Fund.....	150
	State Highway Improvement Fund.....	151
	Cemeteries Fund.....	152
	Police Pension Transfer Fund.....	153
	Fire Pension Transfer Fund	154
	Law Enforcement Fund	155
	American Rescue Plan Act (ARPA) Fund	156
	Municipal Motor Vehicle License Tax Fund	157
	Indigent Drivers Alcohol Treatment Fund	158
	Enforcement and Education Fund	159

Nonmajor Governmental Funds: (Continued)

Special Revenue Funds: (Continued)

City Motor Vehicle License Tax Fund	160
Fire Levy Fund	161
Underground Storage Tank Fund	162
Probation Services Fund.....	163
Community Oriented Policing Services (COPS) Fast Grant Fund.....	164
Lake County Grant Fund.....	165
Indigent Driver Interlock and Alcohol Monitoring (IDIAM) Fund	166
Fire Fund	167
Victim’s Advocate Grant Fund	168
Emergency Medical Services Fund.....	169
Municipal Court Computerization Fund	170
Plan Review Fund	171
Brownfield Grant Fund	172
Zoning Application Fund	173
Fire Improvement Levy Fund.....	174
Road Improvement Levy Fund.....	175
Police Levy Fund.....	176
Columbarium Trust Fund	177
Law Enforcement Trust Fund.....	178

Debt Service Funds:

General Bond Retirement Fund.....	179
Special Assessment Bond Retirement Fund.....	180
Shamrock Business Center TIF Fund.....	181

Capital Projects Funds:

Municipal Court Improvement Fund.....	182
Capital Equipment Reserve Fund.....	183
Capital Improvement Fund.....	185
Lake Hospital Demolition Fund.....	187
Jackson Street Interchange Project Fund.....	188
Industrial Park Project Fund.....	189
Municipal Court Special Projects Fund.....	190
Millstone Acquisition Fund.....	191
City Hall Fire Fund.....	192
Shamrock Boulevard Road Project Fund	193

Permanent Funds:

Cemetery Trust Fund.....	194
Special Endowment Fund.....	195
Evergreen Cemetery Trust Fund	196
Riverside Cemetery Trust Fund.....	197
Special Endowment Trust Fund	198

Nonmajor Proprietary Funds:

Nonmajor Enterprise Funds:

Combining Statement of Net Position.....	200
Combining Statement of Revenues, Expenses and Changes in Fund	
Net Position.....	202
Combining Statement of Cash Flows.....	204

Nonmajor Internal Service Funds:

Combining Statement of Net Position.....	208
Combining Statement of Revenues, Expenses and Changes in Fund	
Net Position.....	209
Combining Statement of Cash Flows.....	210

Fiduciary Funds – Custodial Funds:

Combining Statement of Net Position.....	212
Combining Statement of Changes in Net Position.....	213

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

July 24, 2024

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

We are pleased to present this Annual Comprehensive Financial Report for the City of Painesville, Ohio for the fiscal year ended December 31, 2022. 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, 2022***

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 end on December 31, 2023; the remaining members are elected At-Large and their current term expires on December 31, 2025. 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, 2022

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, 2022***

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 Annual Comprehensive 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, 2022***

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 2022 was redevelopment of current buildings and former brownfield properties. The department also continued strong efforts on business attraction and retention and worked to identify new end-use opportunities for our two new business parks and new office and residential mixed-use development. Key projects included the redevelopment of several buildings in the downtown area and the retention and expansion of the Avery Dennison facility on Chester Street. The department also led brownfield remediation initiatives on two sites to return them to productive use.

***Letter of Transmittal
For the Year Ended December 31, 2022***

Business Support Programs

The City remains a progressive and pro-business community and has established many programs to encourage business attraction, retention and expansion on a regular basis. For example, through AMPOhio, the Key Accounts program annually provides us the opportunity for direct communication on a technical basis with our largest energy users who comprise a group of our largest employers as well. The City of Painesville also continued to utilize Community Reinvestment Area (CRA) incentives to support the retention and expansion of Avery Dennison. The City also revised a Tax Incentive Financing District (TIF) in the City to support the redevelopment of Victoria Place, as well as to support the new development of a former brownfield site. Use of these Tax Incentive Districts is allowing the City to finance much needed public improvements and infrastructure in the future, as well as providing an incentive to developers to move development projects forward. The Office of Economic Development also continued to regularly meet with local business owners and managers to identify resources and sources to aid their future business growth.

Much of the focus in 2022 was on brownfield remediation. The City obtained a \$613,000 grant from the Ohio Department of Development for remediation of the former hotel site at 257 East Main Street to prepare the site for a new \$28 million mixed-use development, and received a \$350,000 Abandoned Gas Station grant to remediate a site for a new restaurant.

The City continued to work closely with a developer on the rehabilitation of both the Victoria Place and former Chase Bank buildings. With the City's support, the mixed-use rehabilitation of Victoria Place received a \$1 million Vibrant Communities Grant. The developer also partnered with two other developers to secure a Transformational Mixed-Use Development tax credit award, which will support the rehabilitation/new construction for all three projects. The former Chase Bank building is being renovated as student dormitories for Lake Erie College, and will be partially leased in 2023. The City Economic Development Department continued to focus around its Downtown Master Plan and fulfilling that plan in the coming years as well as 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 business parkways. In 2022, the City successfully located a new Sheetz development on Richmond Street and saw the opening of the new Signature Health facility on State Street. 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. To support that effort, the department developed a grant program for small businesses to enhance exterior and interior improvements. Continued business connections and communication remain very important to the City of Painesville.

***Letter of Transmittal
For the Year Ended December 31, 2022***

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 2022, the City continued to uphold that mission by expanding and improving services, upgrading and constructing infrastructure, and enhancing public grounds and facilities.

Public Works entered into its eighteenth 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. Voters approved the renewal Nov. 2022.

Painesville Public Water System extended the overflow and replaced venting at Auburn water tank for \$18,000. Seven (7) 16" water valve replacements along Chestnut Street through the city south to the 1 Million Gallon Tower was a massive undertaking by water distribution for \$150,000. Water plant windows (partial) from the 1960's were replaced for \$27,000. The Route 86 Booster station was bid out and quoted for 2023 completion, budgeted for \$150,000. Laboratory cabinets and counters repaired; fume hood installed \$30,000. Buildings on Chester St. were purchased for \$2.3 million, partly to house water distribution. The main building and offices are held for sale to manufacturing or other industrial use. Work is underway to make the small buildings a useful headquarters and shield construction vehicles from weather damage. Chester water main replacement was designed and bid out at \$1.3 million for early 2023 completion.

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

In 2022, 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 \$1,546,500 on repaving roads in 2023.

In 2023, the City will continue replacing the City's 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 continue in 2023.

***Letter of Transmittal
For the Year Ended December 31, 2022***

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.

***Letter of Transmittal
For the Year Ended December 31, 2022***

Accounting System

The City uses automated governmental accounting software developed and licensed by Tyler Munis. 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. In 2020 the City began to switch out the antiquated finance software program. We went live with our new finance software program in September 2020. The City is in the process of implementing new software programs for HR/Payroll and Utilities. Both of these software programs are expected to go live in 2023.

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 2022 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 this report. 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 Annual Comprehensive Financial Report for the year ended December 31, 2021. 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 Annual Comprehensive 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, 2022***

A Certificate of Achievement is valid for a period of one year. Painesville has received a Certificate of Achievement for the last thirty-five consecutive years, fiscal years ended 1987 – 2021.

Public Disclosure

The publication of this Annual Comprehensive 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.

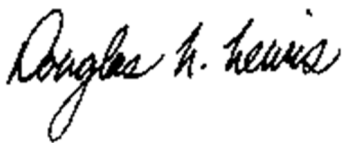
Acknowledgements

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 Annual Comprehensive Financial Report and annual independent audit.

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

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

Sincerely,



Douglas L. Lewis
City Manager



Bill Parkinson
Director of Finance



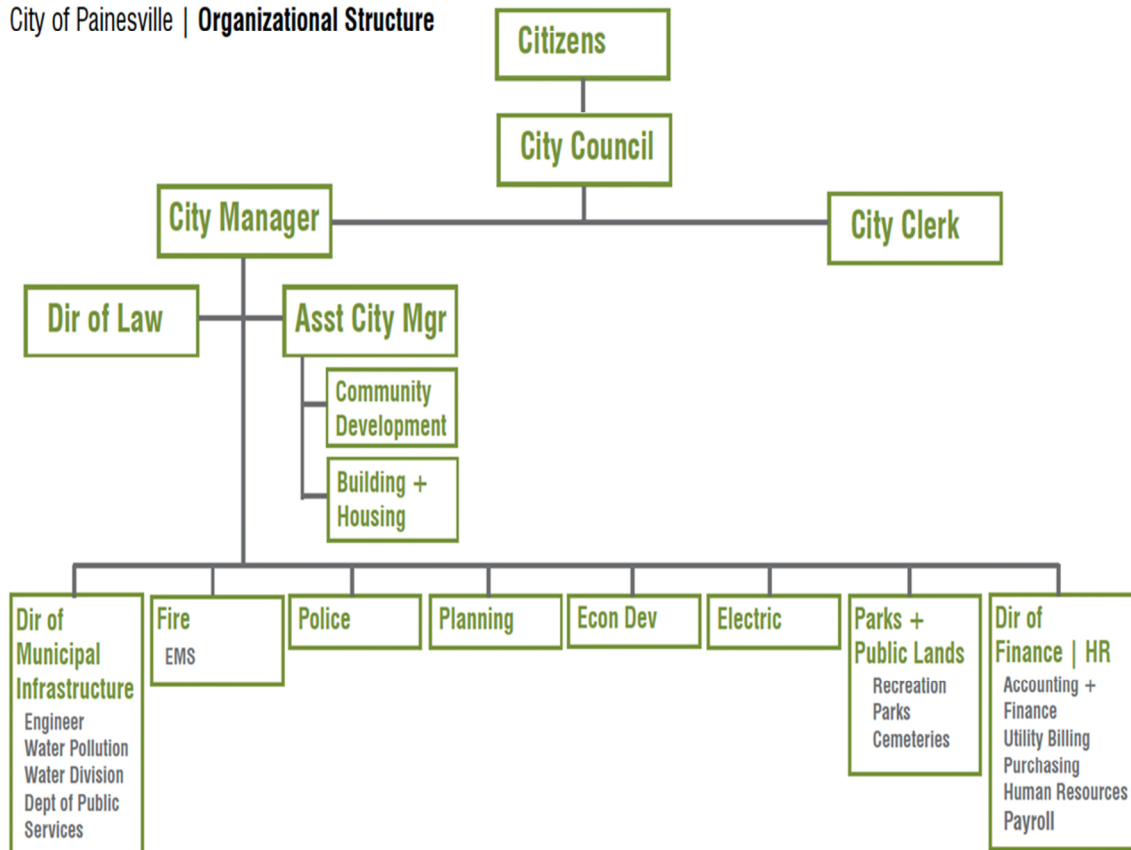
CITY OF PAINESVILLE, OHIO

***List of Principal Officials
For the Year Ended December 31, 2022***

<u>Name</u>	<u>Title</u>
CITY COUNCIL	
Derrick Abney	Council Member At-Large
Nick Augustine	Council Member Ward 3
Lori Dinallo	Council Member At-Large
Jim Fodor	Vice-President At-Large
Paul W. Hach II	Council Member Ward 4
Mario Rodriguez	Council Member Ward 2
Christine Shoop	President Ward 1
Samantha Danielson	Clerk of Council
 CITY ADMINISTRATION	
Doug Lewis	City Manager
Anthony J. Zampedro	Assistant City Manager
Bill Parkinson	Director of Finance
Jim Lyons	Director of Law
 DEPARTMENT/DIVISION HEADS	
Jarod McCrone	Service Director
Leanne Exum	City Engineer
Jeffrey McHugh	Electric Power Superintendent
Kevin Aiken	Water Pollution Control Superintendent
Thomas Hummel	Fire Chief
Daniel Waterman	Chief of Police
Michelle LaPuma	Director of Recreation and Public Lands
Sarah Sitterle	City Planner

City Organizational Chart
For the Year Ended December 31, 2022

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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Painesville, Lake County, Ohio (City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022, and the respective changes in financial position and where applicable, cash flows thereof and the budgetary comparison for the General fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

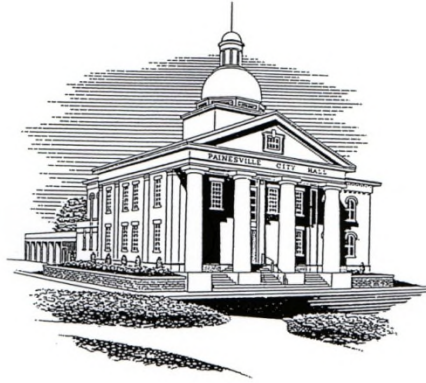
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will also issue our report dated July 24, 2024, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.



Keith Faber
Auditor of State
Columbus, Ohio

July 24, 2024



***Management's Discussion and Analysis
For the Year Ended December 31, 2022***

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, 2022. 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 2022 are as follows:

- ❑ In total, net position increased \$11,397,731. Net position of governmental activities increased \$2,636,629, which represents a 5% increase from 2021. Net position of business-type activities increased \$8,761,102, or 11% from 2021.
- ❑ General revenues accounted for \$15,596,394 in revenue, or 25% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$47,947,512, or 75% of total revenues of \$63,543,906.
- ❑ The City had \$18,486,081 in expenses related to governmental activities; only \$4,715,555 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$15,596,394 were adequate to fully provide for these programs.
- ❑ Among major funds, the general fund had \$14,882,322 in revenues, including other financing sources and \$16,260,475 in expenditures, including other financing uses. The general fund's fund balance decreased \$1,378,153.

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, 2022**

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, 2022 and 2021:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$32,700,531	\$32,994,794	\$38,324,507	\$32,664,585	\$71,025,038	\$65,659,379
Net OPEB Asset	639,209	353,773	1,527,673	894,328	2,166,882	1,248,101
Capital Assets, Net	54,702,131	54,055,365	84,582,422	84,055,433	139,284,553	138,110,798
Total Assets	88,041,871	87,403,932	124,434,602	117,614,346	212,476,473	205,018,278
Deferred Outflows of Resources	6,577,486	4,518,352	2,245,890	1,709,703	8,823,376	6,228,055
Net Pension Liability	14,876,101	17,144,598	5,234,805	8,651,960	20,110,906	25,796,558
Net OPEB Liability	2,297,461	2,204,003	171,600	180,263	2,469,061	2,384,266
Long-Term Liabilities	9,289,752	10,845,639	22,767,820	21,264,001	32,057,572	32,109,640
Other Liabilities	3,103,336	2,495,426	4,304,942	4,595,229	7,408,278	7,090,655
Total Liabilities	29,566,650	32,689,666	32,479,167	34,691,453	62,045,817	67,381,119
Deferred Inflows of Resources	11,329,528	8,146,068	7,340,498	6,532,871	18,670,026	14,678,939
Net Position						
Net Investment in Capital Assets	47,649,570	46,322,916	65,729,675	63,253,313	113,379,245	109,576,229
Restricted	13,084,223	12,686,989	0	0	13,084,223	12,686,989
Unrestricted	(7,010,614)	(7,923,355)	21,131,152	14,846,412	14,120,538	6,923,057
Total Net Position	\$53,723,179	\$51,086,550	\$86,860,827	\$78,099,725	\$140,584,006	\$129,186,275

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, 2022***

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, 2022**

Unaudited

Change in Net Position – The following table shows the change in net position for 2022 and 2021:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services and Sales	\$3,049,735	\$3,038,216	\$41,992,157	\$42,297,175	\$45,041,892	\$45,335,391
Operating Grants and Contributions	1,472,034	1,550,989	15,750	0	1,487,784	1,550,989
Capital Grants and Contributions	193,786	372,679	1,224,050	930,104	1,417,836	1,302,783
Total Program Revenues	4,715,555	4,961,884	43,231,957	43,227,279	47,947,512	48,189,163
General Revenues:						
Property Taxes	3,242,091	3,350,755	0	0	3,242,091	3,350,755
Municipal Income Taxes	11,360,620	10,223,262	0	0	11,360,620	10,223,262
Intergovernmental, Unrestricted	1,072,731	1,213,502	0	0	1,072,731	1,213,502
Investment Earnings	(1,514,512)	(284,081)	0	0	(1,514,512)	(284,081)
Miscellaneous	1,435,464	708,393	0	0	1,435,464	708,393
Total General Revenues	15,596,394	15,211,831	0	0	15,596,394	15,211,831
Total Revenues	20,311,949	20,173,715	43,231,957	43,227,279	63,543,906	63,400,994
Program Expenses						
General Government	5,083,805	4,229,560	0	0	5,083,805	4,229,560
Public Safety	9,360,511	9,085,789	0	0	9,360,511	9,085,789
Highways and Streets	2,598,606	2,793,314	0	0	2,598,606	2,793,314
Public Health and Welfare	553,134	406,086	0	0	553,134	406,086
Culture and Recreation	577,726	374,691	0	0	577,726	374,691
Community Environment	119,341	77,695	0	0	119,341	77,695
Interest and Fiscal Charges	192,958	223,498	0	0	192,958	223,498
Water	0	0	5,115,863	4,059,439	5,115,863	4,059,439
Sewer	0	0	3,592,480	2,877,473	3,592,480	2,877,473
Electric	0	0	24,479,326	25,314,877	24,479,326	25,314,877
Refuse	0	0	0	1,238	0	1,238
Off-Street Parking	0	0	4,319	3,868	4,319	3,868
Storm Water Utility	0	0	365,946	290,116	365,946	290,116
Community Programs	0	0	102,160	28,006	102,160	28,006
Total Expenses	18,486,081	17,190,633	33,660,094	32,575,017	52,146,175	49,765,650
Excess (Deficiency) Before Transfers	1,825,868	2,983,082	9,571,863	10,652,262	11,397,731	13,635,344
Transfers	810,761	885,709	(810,761)	(885,709)	0	0
Total Change in Net Position	2,636,629	3,868,791	8,761,102	9,766,553	11,397,731	13,635,344
Beginning Net Position	51,086,550	47,217,759	78,099,725	68,333,172	129,186,275	115,550,931
Ending Net Position	\$53,723,179	\$51,086,550	\$86,860,827	\$78,099,725	\$140,584,006	\$129,186,275

**Management's Discussion and Analysis
For the Year Ended December 31, 2022**

Unaudited

Governmental Activities

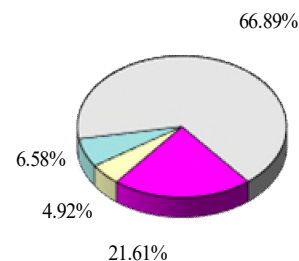
Governmental activities net position increased \$2,636,629, or 5%. Overall, revenues were consistent with the prior year. A decrease in investment earnings can be attributed to a decrease in the fair value of investments.

An overall decrease in expenses in the prior year due to changes in the Net Pension and Net OPEB liabilities resulted in a subsequent increase in expense in 2022.

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 67% of revenues for governmental activities in 2022. The City's reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2022	Percent of Total
Taxes	\$14,602,711	66.89%
Program Revenues	4,715,555	21.61%
Intergovernmental, Unrestricted	1,072,731	4.92%
General Other*	1,435,464	6.58%
Total Revenue	\$21,826,461	100.00%



*Does not include investment earnings of (\$1,514,512)

Business-Type Activities

Net position of the business-type activities increased \$8,761,102, or 11%. An overall decrease in expenses in the prior year due to changes in the Net Pension and Net OPEB liabilities resulted in a subsequent increase in expense in 2022. Overall revenues were consistent with the prior year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$23,593,462, which is a decrease from last year's balance of \$24,049,788. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2022 and 2021:

	Fund Balance December 31, 2022	Fund Balance December 31, 2021	Increase (Decrease)
General	\$7,757,436	\$9,135,589	(\$1,378,153)
Other Governmental	15,836,026	14,914,199	921,827
Total	\$23,593,462	\$24,049,788	(\$456,326)

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, 2022**

Unaudited

	2022 <u>Revenues</u>	2021 <u>Revenues</u>	Increase <u>(Decrease)</u>
Property Taxes	\$539,996	\$471,858	\$68,138
Municipal Income Taxes	11,440,689	10,155,450	1,285,239
Intergovernmental Revenues	1,135,067	1,094,119	40,948
Charges for Services	55,293	52,927	2,366
Licenses, Permits and Inspection Fees	309,944	345,318	(35,374)
Investment Earnings	(1,533,984)	(258,355)	(1,275,629)
Fines and Forfeitures	915,952	909,635	6,317
All Other Revenue	1,208,604	635,274	573,330
Total	<u>\$14,071,561</u>	<u>\$13,406,226</u>	<u>\$665,335</u>

General Fund revenues increased approximately 5% when compared to 2021 revenues. An increase in income taxes can be attributed to improving economic conditions. A decrease in investment earnings can be attributed to a decrease in the fair value of investments.

	2022 <u>Expenditures</u>	2021 <u>Expenditures</u>	Increase <u>(Decrease)</u>
Current:			
General Government	\$5,515,479	\$4,426,725	\$1,088,754
Public Safety	7,478,663	7,140,389	338,274
Highways and Streets	679,987	694,368	(14,381)
Public Health and Welfare	172,100	153,572	18,528
Culture and Recreation	667,583	625,754	41,829
Community Environment	105,663	85,790	19,873
Total	<u>\$14,619,475</u>	<u>\$13,126,598</u>	<u>\$1,492,877</u>

General Fund expenditures increased \$1,492,877, or approximately 11% from the prior year. This increase can mostly be attributed to increased health insurance and worker's compensation costs.

Water Fund – The City's Water Fund reported an increase in net position of 11%. A decrease in expenses in the prior year due to changes in the Net Pension and Net OPEB liabilities resulted in a subsequent increase in expenses 2022. Overall, revenues continued to outpace expenses, resulting in the increase in net position.

Sewer Fund – The City's Sewer Fund reported an increase in net position of 16%. A decrease in expenses in the prior year due to changes in the Net Pension and Net OPEB liabilities resulted in a subsequent increase in expenses 2022. Overall, revenues continued to outpace expenses, resulting in the increase in net position.

Electric Fund – The City's Electric Fund reported an increase in net position of 8%. This increase in net position was a direct result of changes in the Net Pension and Net OPEB liabilities. Mild weather was the main contributing factor to a decrease in charges to consumers. This decrease in revenue was offset by a decrease in the cost of purchased power.

***Management's Discussion and Analysis
For the Year Ended December 31, 2022***

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 2022 the City amended its General Fund budget several times.

For the General Fund, final budgeted revenues were 27% higher than original revenue estimates due to increases in income tax receipts. Final revenue estimates and actual budget basis revenues were not materially different. Final budgeted expenditures were 10% higher than original estimates due to increased costs for health insurance. Final budgeted and actual budget basis expenditures were not materially different. The General Fund had an adequate fund balance to cover expenditures.

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***Management's Discussion and Analysis
For the Year Ended December 31, 2022***

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022 the City had \$139,284,553 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, \$54,702,131 was related to governmental activities and \$84,582,422 to the business-type activities. The following tables show 2022 and 2021 balances:

	Governmental Activities		Increase (Decrease)
	2022	2021	
Land	\$13,136,789	\$13,136,789	\$0
Construction in Progress	3,730,129	3,683,735	46,394
Buildings and Improvements	8,118,579	7,964,484	154,095
Improvements other than Buildings	3,573,440	3,508,196	65,244
Machinery and Equipment	12,209,957	10,663,099	1,546,858
Infrastructure	50,704,193	49,657,559	1,046,634
Less: Accumulated Depreciation	<u>(36,770,956)</u>	<u>(34,558,497)</u>	<u>(2,212,459)</u>
Totals	<u>\$54,702,131</u>	<u>\$54,055,365</u>	<u>\$646,766</u>

Governmental Activities capital asset additions included the purchase of police cruisers, fire trucks, and other various equipment purchases in the street and parks departments. Infrastructure additions included routine improvement projects for various City streets.

	Business-Type Activities		Increase (Decrease)
	2022	2021	
Land	\$2,010,667	\$2,010,667	\$0
Construction in Progress	13,758,674	13,507,693	250,981
Buildings and Improvements	32,013,107	31,635,088	378,019
Infrastructure	83,145,794	80,443,135	2,702,659
Machinery and Equipment	40,710,918	39,643,361	1,067,557
Less: Accumulated Depreciation	<u>(87,056,738)</u>	<u>(83,184,511)</u>	<u>(3,872,227)</u>
Totals	<u>\$84,582,422</u>	<u>\$84,055,433</u>	<u>\$526,989</u>

In Business-Type capital assets, increases in infrastructure can be attributed to various waterline replacements, a retaining wall project at Bank Street, and a bridge construction project on State Route 2. 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 9.

***Management's Discussion and Analysis
For the Year Ended December 31, 2022***

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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Governmental Activities:		
General Obligation Bonds	\$5,213,284	\$5,703,112
Special Assessment Bonds	90,000	115,000
Ohio Public Works Commission Loans	969,836	1,023,082
Long Term Notes Payable	779,441	869,927
Compensated Absences	1,482,650	1,510,586
Workers' Compensation Liability	285,211	1,105,196
Installment Loan Payable	0	21,328
Police and Firemen's Accrued Pension	469,330	497,408
Total Governmental Activities	<u>9,289,752</u>	<u>10,845,639</u>
Business-Type Activities:		
General Obligation Bonds	1,395,000	1,480,000
Ohio Water Development Authority Loans	15,863,301	16,741,207
Ohio Public Works Commission Loans	42,527	46,312
Long Term Notes Payable	2,870,000	0
Installment Loan Payable	1,274,461	1,525,692
AMP Joint Venture Financing Agreement	5,829	62,378
Compensated Absences	1,316,702	1,408,412
Total Business-Type Activities	<u>22,767,820</u>	<u>21,264,001</u>
Totals	<u>\$32,057,572</u>	<u>\$32,109,640</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, 2022, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 12.

ECONOMIC FACTORS

The City will continue to focus on strengthening its tax base through community planning and economic development. The City is continuing its efforts to attract and retain quality residential, commercial, and industrial developments. In addition, we are working on two key development areas for new City business parks. However, the stagnate National and State economy and the wholesale overhaul of the State budget will have a direct effect on the City. 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 current economic outlook for the three major proprietary funds of Water, Sewer and Electric is that budgeted revenues in all of these funds will be slightly down from the previous year.

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, 2022**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled Cash and Investments	\$ 21,873,759	\$ 32,229,310	\$ 54,103,069
Cash and Cash Equivalents in Segregated Accounts	573,360	91,066	664,426
Receivables:			
Taxes	6,236,216	0	6,236,216
Accounts	486,457	3,410,291	3,896,748
Intergovernmental	1,183,941	0	1,183,941
Interest	119,689	0	119,689
Internal Balances	67,022	(67,022)	0
Inventory of Supplies at Cost	0	589,514	589,514
Land Held for Resale	785,000	0	785,000
Prepaid Items	106,282	352,214	458,496
Restricted Assets:			
Cash and Cash Equivalents	1,268,805	1,719,134	2,987,939
Net OPEB Asset	639,209	1,527,673	2,166,882
Capital Assets:			
Capital Assets Not Being Depreciated	16,866,918	15,769,341	32,636,259
Capital Assets Being Depreciated, Net	37,835,213	68,813,081	106,648,294
Total Assets	88,041,871	124,434,602	212,476,473
Deferred Outflows of Resources:			
Pension	5,295,409	2,159,688	7,455,097
OPEB	1,282,077	86,202	1,368,279
Total Deferred Outflows of Resources	6,577,486	2,245,890	8,823,376
Liabilities:			
Accounts Payable	122,003	1,973,568	2,095,571
Accrued Wages and Benefits	354,111	273,618	627,729
Intergovernmental Payable	77,496	13,212	90,708
Claims Payable	313,540	0	313,540
Retainage Payable	0	277,458	277,458
Refundable Deposits	0	1,719,134	1,719,134
Payroll Withholding	320,411	0	320,411
Unearned Revenue	1,855,649	0	1,855,649
Accrued Interest Payable	60,126	47,952	108,078
Noncurrent Liabilities:			
Due Within One Year	1,073,790	1,839,757	2,913,547
Due in More Than One Year:			
Net Pension Liability	14,876,101	5,234,805	20,110,906
Net OPEB Liability	2,297,461	171,600	2,469,061
Other Amounts Due in More Than One Year	8,215,962	20,928,063	29,144,025
Total Liabilities	29,566,650	32,479,167	62,045,817

(Continued)

CITY OF PAINESVILLE, OHIO

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	3,282,776	0	3,282,776
Pension	6,525,086	5,653,327	12,178,413
OPEB	1,521,666	1,687,171	3,208,837
Total Deferred Inflows of Resources	<u>11,329,528</u>	<u>7,340,498</u>	<u>18,670,026</u>
Net Position:			
Net Investment in Capital Assets	47,649,570	65,729,675	113,379,245
Restricted For:			
Capital Projects	1,613,145	0	1,613,145
Debt Service	2,116,040	0	2,116,040
Highways	4,610,054	0	4,610,054
Public Safety	1,685,888	0	1,685,888
Community Development	602,293	0	602,293
Cemetery Operations:			
Nonexpendable	1,268,805	0	1,268,805
Expendable	1,187,998	0	1,187,998
Unrestricted (Deficit)	<u>(7,010,614)</u>	<u>21,131,152</u>	<u>14,120,538</u>
Total Net Position	<u>\$ 53,723,179</u>	<u>\$ 86,860,827</u>	<u>\$ 140,584,006</u>

See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

**Statement of Activities
For the Year Ended December 31, 2022**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 5,083,805	\$ 1,445,813	\$ 262,986	\$ 0
Public Safety	9,360,511	886,139	182,269	0
Highways and Streets	2,598,606	202,115	1,024,229	193,786
Public Health and Welfare	553,134	216,601	0	0
Culture and Recreation	577,726	17,960	0	0
Community Environment	119,341	281,107	2,550	0
Interest and Fiscal Charges	192,958	0	0	0
Total Governmental Activities	18,486,081	3,049,735	1,472,034	193,786
Business-Type Activities:				
Water	5,115,863	7,875,790	0	0
Sewer	3,592,480	4,404,804	0	0
Electric	24,479,326	29,198,026	15,750	0
Refuse	0	1,012	0	0
Off Street Parking	4,319	7,499	0	0
Storm Water Utility	365,946	435,492	0	1,224,050
Community Programs	102,160	69,534	0	0
Total Business-Type Activities	33,660,094	41,992,157	15,750	1,224,050
Totals	\$ 52,146,175	\$ 45,041,892	\$ 1,487,784	\$ 1,417,836

General Revenues and Transfers

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

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (3,375,006)	\$ 0	\$ (3,375,006)
(8,292,103)	0	(8,292,103)
(1,178,476)	0	(1,178,476)
(336,533)	0	(336,533)
(559,766)	0	(559,766)
164,316	0	164,316
(192,958)	0	(192,958)
<u>(13,770,526)</u>	<u>0</u>	<u>(13,770,526)</u>
0	2,759,927	2,759,927
0	812,324	812,324
0	4,734,450	4,734,450
0	1,012	1,012
0	3,180	3,180
0	1,293,596	1,293,596
0	(32,626)	(32,626)
<u>0</u>	<u>9,571,863</u>	<u>9,571,863</u>
<u>\$ (13,770,526)</u>	<u>\$ 9,571,863</u>	<u>\$ (4,198,663)</u>
3,242,091	0	3,242,091
11,360,620	0	11,360,620
1,072,731	0	1,072,731
(1,514,512)	0	(1,514,512)
1,435,464	0	1,435,464
810,761	(810,761)	0
<u>16,407,155</u>	<u>(810,761)</u>	<u>15,596,394</u>
2,636,629	8,761,102	11,397,731
51,086,550	78,099,725	129,186,275
<u>\$ 53,723,179</u>	<u>\$ 86,860,827</u>	<u>\$ 140,584,006</u>

CITY OF PAINESVILLE, OHIO

**Balance Sheet
Governmental Funds
December 31, 2022**

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Pooled Cash and Investments	\$ 4,975,872	\$ 16,258,863	\$ 21,234,735
Cash and Cash Equivalents in Segregated Accounts	517,265	56,095	573,360
Receivables:			
Taxes	3,444,868	2,791,348	6,236,216
Accounts	194,453	292,004	486,457
Intergovernmental	585,881	598,060	1,183,941
Interest	119,689	0	119,689
Land Held for Resale	785,000	0	785,000
Prepaid Items	94,475	11,807	106,282
Restricted Assets:			
Cash and Cash Equivalents	0	1,268,805	1,268,805
Total Assets	\$ 10,717,503	\$ 21,276,982	\$ 31,994,485
Liabilities:			
Accounts Payable	\$ 35,206	\$ 86,797	\$ 122,003
Accrued Wages and Benefits Payable	297,524	56,587	354,111
Intergovernmental Payable	77,496	0	77,496
Payroll Withholding	320,411	0	320,411
Unearned Revenue	0	1,855,649	1,855,649
Total Liabilities	730,637	1,999,033	2,729,670
Deferred Inflows of Resources:			
Unavailable Amounts	1,675,675	712,902	2,388,577
Property Tax Levy for Next Fiscal Year	553,755	2,729,021	3,282,776
Total Deferred Inflows of Resources	2,229,430	3,441,923	5,671,353
Fund Balances:			
Nonspendable	879,475	1,280,612	2,160,087
Restricted	7,206	11,441,964	11,449,170
Committed	195,431	3,113,450	3,308,881
Assigned	2,024,798	0	2,024,798
Unassigned	4,650,526	0	4,650,526
Total Fund Balances	7,757,436	15,836,026	23,593,462
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 10,717,503	\$ 21,276,982	\$ 31,994,485

See accompanying notes to the basic financial statements

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2022***

Total Governmental Fund Balances	\$ 23,593,462
<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.	54,702,131
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	2,388,577
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.	(16,105,778)
The net OPEB liability (asset) is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.	(1,897,841)
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.	107,295
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(9,064,667)</u>
<i>Net Position of Governmental Activities</i>	<u>\$ 53,723,179</u>

See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022**

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Property Taxes	\$ 539,996	\$ 2,760,166	\$ 3,300,162
Municipal Income Taxes	11,440,689	0	11,440,689
Intergovernmental Revenues	1,135,067	1,815,052	2,950,119
Charges for Services	55,293	866,601	921,894
Licenses, Permits and Inspection Fees	309,944	25	309,969
Investment Earnings	(1,533,984)	15,415	(1,518,569)
Special Assessments	0	269,246	269,246
Fines and Forfeitures	915,952	473,653	1,389,605
All Other Revenues	1,208,604	228,585	1,437,189
Total Revenues	14,071,561	6,428,743	20,500,304
Expenditures:			
Current:			
General Government	5,515,479	713,582	6,229,061
Public Safety	7,478,663	2,700,452	10,179,115
Highways and Streets	679,987	1,666,237	2,346,224
Public Health and Welfare	172,100	455,487	627,587
Culture and Recreation	667,583	0	667,583
Community Environment	105,663	37,840	143,503
Capital Outlay	0	696,634	696,634
Debt Service:			
Principal Retirement	0	672,060	672,060
Interest and Fiscal Charges	0	205,624	205,624
Total Expenditures	14,619,475	7,147,916	21,767,391
Excess (Deficiency) of Revenues Over Expenditures	(547,914)	(719,173)	(1,267,087)
Other Financing Sources (Uses):			
Transfers In	810,761	1,641,000	2,451,761
Transfers Out	(1,641,000)	0	(1,641,000)
Total Other Financing Sources (Uses)	(830,239)	1,641,000	810,761
Net Change in Fund Balances	(1,378,153)	921,827	(456,326)
Fund Balance at Beginning of Year	9,135,589	14,914,199	24,049,788
Fund Balance End of Year	\$ 7,757,436	\$ 15,836,026	\$ 23,593,462

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, 2022***

Net Change in Fund Balances - Total Governmental Funds \$ (456,326)

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. 646,766

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (188,355)

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

Pension	1,789,789	
OPEB	31,549	1,821,338
	<hr/>	

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	(786,322)	
OPEB	343,716	(442,606)
	<hr/>	

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. 679,888

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 4,838

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. 56,014

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. 515,072

Change in Net Position of Governmental Activities \$ 2,636,629

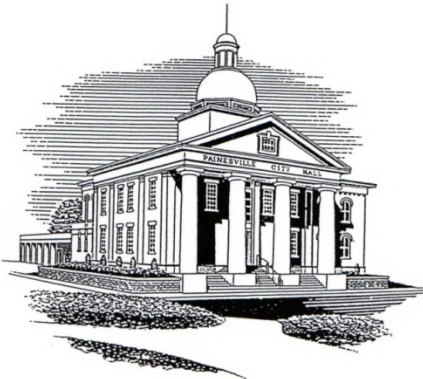
See accompanying notes to the basic financial statements

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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 589,983	\$ 412,000	\$ 539,996	\$ 127,996
Municipal Income Taxes	8,620,000	11,448,000	11,470,673	22,673
Intergovernmental Revenue	859,300	859,300	1,125,669	266,369
Charges for Services	31,435	31,435	55,293	23,858
Licenses, Permits and Inspection Fees	333,450	333,450	314,221	(19,229)
Investment Earnings	380,300	514,300	516,892	2,592
Fines and Forfeitures	935,150	935,150	907,984	(27,166)
All Other Revenues	497,137	1,040,220	1,076,777	36,557
Total Revenues	<u>12,246,755</u>	<u>15,573,855</u>	<u>16,007,505</u>	<u>433,650</u>
Expenditures:				
Current:				
General Government	5,116,265	6,228,304	6,030,862	197,442
Public Safety	7,647,301	7,924,840	7,758,764	166,076
Highways and Streets	753,539	796,605	774,775	21,830
Public Health and Welfare	172,160	172,160	172,100	60
Culture and Recreation	657,131	697,763	689,513	8,250
Community Environment	109,949	116,446	114,006	2,440
Total Expenditures	<u>14,456,345</u>	<u>15,936,118</u>	<u>15,540,020</u>	<u>396,098</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,209,590)	(362,263)	467,485	829,748
Other Financing Sources (Uses):				
Sale of Capital Assets	400	400	24	(376)
Transfers In	951,000	1,063,000	1,010,761	(52,239)
Transfers Out	(288,000)	(1,841,000)	(1,841,000)	0
Total Other Financing Sources (Uses):	<u>663,400</u>	<u>(777,600)</u>	<u>(830,215)</u>	<u>(52,615)</u>
Net Changes in Fund Balance	(1,546,190)	(1,139,863)	(362,730)	777,133
Fund Balance at Beginning of Year	5,248,152	5,248,152	5,248,152	0
Prior Year Encumbrances	1,056,859	1,056,859	1,056,859	0
Fund Balance at End of Year	<u>\$ 4,758,821</u>	<u>\$ 5,165,148</u>	<u>\$ 5,942,281</u>	<u>\$ 777,133</u>

See accompanying notes to the basic financial statements



CITY OF PAINESVILLE, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2022**

	Business-Type Activities			
	Enterprise Funds			Other Enterprise Funds
	Water	Sewer	Electric	
Assets:				
Current Assets:				
Pooled Cash and Investments	\$ 11,651,010	\$ 2,632,903	\$ 16,432,271	\$ 1,604,192
Receivables:				
Accounts	617,580	345,408	2,404,274	43,029
Inventory of Supplies at Cost	0	0	589,514	0
Prepaid Items	75,980	77,750	198,484	0
Total Current Assets	<u>12,344,570</u>	<u>3,056,061</u>	<u>19,624,543</u>	<u>1,647,221</u>
Noncurrent Assets:				
Restricted Assets:				
Cash and Cash Equivalents	684,609	0	1,034,525	0
Total Restricted Assets	<u>684,609</u>	<u>0</u>	<u>1,034,525</u>	<u>0</u>
Net OPEB Asset	<u>388,294</u>	<u>307,472</u>	<u>810,343</u>	<u>21,564</u>
Capital Assets:				
Capital Assets Not Being Depreciated	5,074,907	788,468	8,868,494	1,037,472
Capital Assets Being Depreciated, Net	31,198,566	6,124,440	26,526,876	4,963,199
Total Noncurrent Assets	<u>37,346,376</u>	<u>7,220,380</u>	<u>37,240,238</u>	<u>6,022,235</u>
Total Assets	<u>49,690,946</u>	<u>10,276,441</u>	<u>56,864,781</u>	<u>7,669,456</u>
Deferred Outflows of Resources:				
Pension	491,580	434,381	1,207,559	26,168
OPEB	5,774	17,304	63,124	0
Total Deferred Outflows of Resources	<u>497,354</u>	<u>451,685</u>	<u>1,270,683</u>	<u>26,168</u>
Liabilities:				
Current Liabilities:				
Accounts Payable	68,435	26,329	1,873,310	5,494
Accrued Wages and Benefits	64,070	59,249	147,184	3,115
Intergovernmental Payable	0	13,212	0	0
Claims Payable - Current	0	0	0	0
Retainage Payable	228,286	0	49,172	0
Refundable Deposits	684,609	0	1,034,525	0
Accrued Interest Payable	16,234	28,042	24	3,652
Installment Loan Payable - Current	236,050	15,737	10,491	0
General Obligation Bonds Payable - Current	0	0	0	90,000
OWDA Loans Payable - Current	823,309	180,444	0	0
OPWC Loans Payable - Current	1,737	2,048	0	0
Payable to Joint Venture - Current	0	0	5,829	0
Compensated Absences Payable - Current	104,603	56,539	309,824	3,146
Total Current Liabilities	<u>2,227,333</u>	<u>381,600</u>	<u>3,430,359</u>	<u>105,407</u>

CITY OF PAINESVILLE, OHIO

Total	Governmental Activities - Internal Service Funds
\$ 32,320,376	\$ 639,024
3,410,291	0
589,514	0
352,214	0
<u>36,672,395</u>	<u>639,024</u>
1,719,134	0
<u>1,719,134</u>	<u>0</u>
1,527,673	0
15,769,341	0
68,813,081	0
<u>87,829,229</u>	<u>0</u>
<u>124,501,624</u>	<u>639,024</u>
2,159,688	0
86,202	0
<u>2,245,890</u>	<u>0</u>
1,973,568	0
273,618	0
13,212	0
0	313,540
277,458	0
1,719,134	0
47,952	0
262,278	0
90,000	0
1,003,753	0
3,785	0
5,829	0
474,112	0
<u>6,144,699</u>	<u>313,540</u>

(Continued)

CITY OF PAINESVILLE, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2022**

	Business-Type Activities			
	Enterprise Funds			
	Water	Sewer	Electric	Other Enterprise Funds
Noncurrent Liabilities:				
Installment Loan Payable	910,964	60,731	40,488	0
General Obligation Bonds Payable	0	0	0	1,305,000
Claims Payable	0	0	0	0
OWDA Loans Payable	13,172,937	1,686,611	0	0
OPWC Loans Payable	29,521	9,221	0	0
Compensated Absences Payable	230,603	176,995	424,383	10,609
Long Term Notes Payable	2,870,000	0	0	0
Net Pension Liability	1,147,288	1,052,737	2,974,686	60,094
Net OPEB Liability	11,472	34,384	125,744	0
Total Noncurrent Liabilities	18,372,785	3,020,679	3,565,301	1,375,703
Total Liabilities	20,600,118	3,402,279	6,995,660	1,481,110
Deferred Inflows of Resources:				
Pension	1,378,091	1,138,126	3,063,463	73,647
OPEB	416,400	339,756	908,261	22,754
Total Deferred Inflows of Resources	1,794,491	1,477,882	3,971,724	96,401
Net Position				
Net Investment in Capital Assets	20,870,669	4,958,116	35,295,219	4,605,671
Unrestricted	6,923,022	889,849	11,872,861	1,512,442
Total Net Position	\$ 27,793,691	\$ 5,847,965	\$ 47,168,080	\$ 6,118,113

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

Total	Governmental Activities - Internal Service Funds
1,012,183	0
1,305,000	0
0	285,211
14,859,548	0
38,742	0
842,590	0
2,870,000	0
5,234,805	0
171,600	0
<u>26,334,468</u>	<u>285,211</u>
<u>32,479,167</u>	<u>598,751</u>
5,653,327	0
1,687,171	0
<u>7,340,498</u>	<u>0</u>
65,729,675	0
21,198,174	40,273
<u>\$ 86,927,849</u>	<u>\$ 40,273</u>
(67,022)	
<u>\$ 86,860,827</u>	

CITY OF PAINESVILLE, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2022**

	Business-Type Activities Enterprise Funds			
	Water	Sewer	Electric	Other Enterprise Funds
Operating Revenues:				
Charges for Services	\$ 5,199,335	\$ 4,271,908	\$ 28,284,168	\$ 508,623
Other Charges for Services	433,677	113,360	192,324	3,852
Other Operating Revenues	2,241,525	19,159	93,521	1,012
Total Operating Revenues	7,874,537	4,404,427	28,570,013	513,487
Operating Expenses:				
Personal Services	2,127,177	1,664,990	4,612,300	150,966
Contractual Services	535,086	490,626	1,442,878	67,664
Materials and Supplies	332,052	228,107	523,408	18,202
Utilities	492,671	328,016	16,771,490	2,360
Depreciation	1,494,422	675,740	1,517,274	184,791
Total Operating Expenses	4,981,408	3,387,479	24,867,350	423,983
Operating Income	2,893,129	1,016,948	3,702,663	89,504
Non-Operating Revenue (Expenses):				
Interest and Fiscal Charges	(103,051)	(61,144)	(3,060)	(47,877)
Gain on Disposal of Assets	0	0	8,306	0
Intergovernmental Grants	0	0	15,750	0
Other Nonoperating Revenue	1,253	377	619,707	50
Other Nonoperating Expense	(31,404)	(143,857)	(37,369)	(565)
Total Non-Operating Revenues (Expenses)	(133,202)	(204,624)	603,334	(48,392)
Income Before Transfers and Contributions	2,759,927	812,324	4,305,997	41,112
Transfers and Contributions:				
Transfers Out	(25,000)	(25,000)	(760,761)	0
Capital Contributions	0	0	0	1,224,050
Total Transfers and Contributions	(25,000)	(25,000)	(760,761)	1,224,050
Change in Net Position	2,734,927	787,324	3,545,236	1,265,162
Net Position Beginning of Year	25,058,764	5,060,641	43,622,844	4,852,951
Net Position End of Year	\$ 27,793,691	\$ 5,847,965	\$ 47,168,080	\$ 6,118,113

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

Total	Governmental Activities - Internal Service Funds
\$ 38,264,034	\$ 6,370,166
743,213	0
2,355,217	81,422
41,362,464	6,451,588
8,555,433	4,163,627
2,536,254	1,324,349
1,101,769	20,087
17,594,537	0
3,872,227	0
33,660,220	5,508,063
7,702,244	943,525
(215,132)	0
8,306	0
15,750	0
621,387	0
(213,195)	0
217,116	0
7,919,360	943,525
(810,761)	0
1,224,050	0
413,289	0
8,332,649	943,525
78,595,200	(903,252)
\$ 86,927,849	\$ 40,273
\$ 8,332,649	
428,453	
\$ 8,761,102	

CITY OF PAINESVILLE, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Electric
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$7,857,633	\$4,393,469	\$29,374,962
Cash Receipts from Interfund Services Provided	0	0	0
Cash Payments for Goods and Services	(1,451,328)	(1,228,880)	(18,680,925)
Cash Payments to Employees	(2,970,605)	(2,476,989)	(6,791,678)
Cash Payments for Employee Medical Claims	0	0	0
Net Cash Provided by Operating Activities	3,435,700	687,600	3,902,359
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Grants Received	0	0	15,750
Transfers Out to Other Funds	(25,000)	(25,000)	(760,761)
Net Cash Used by Noncapital Financing Activities	(25,000)	(25,000)	(745,011)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Capital Contributions	469,248	0	0
Sale of Capital Assets	0	0	8,306
Acquisition and Construction of Assets	(803,725)	(461,142)	(2,342,732)
Note Issuance	2,870,000	0	0
Issuance of Ohio Water Development Authority Loans	31,740	0	0
Principal Paid on Installment Loans	(226,108)	(15,074)	(10,049)
Principal Paid on General Obligation Bonds	0	0	0
Principal Paid on Ohio Public Works Commission Loans	(1,737)	(2,048)	0
Principal Paid on Ohio Water Development Authority Loans	(735,219)	(174,427)	0
Interest Paid on All Debt	(87,472)	(63,768)	(3,065)
Net Cash Provided (Used) for Capital and Related Financing Activities	1,516,727	(716,459)	(2,347,540)
Net Increase (Decrease) in Cash and Cash Equivalents	4,927,427	(53,859)	809,808
Cash and Cash Equivalents at Beginning of Year	7,408,192	2,686,762	16,656,988
Cash and Cash Equivalents at End of Year	\$12,335,619	\$2,632,903	\$17,466,796
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet</u>			
Cash and Cash Equivalents	\$11,651,010	\$2,632,903	\$16,432,271
Restricted Cash and Cash Equivalents	684,609	0	1,034,525
Cash and Cash Equivalents at End of Year	\$12,335,619	\$2,632,903	\$17,466,796

CITY OF PAINESVILLE, OHIO

Other Enterprise Funds	Total	Governmental Activities
		Internal Service Funds
\$516,433	\$42,142,497	\$0
0	0	6,244,225
(91,013)	(21,452,146)	(1,345,424)
(164,177)	(12,403,449)	(612,622)
0	0	(4,214,184)
<u>261,243</u>	<u>8,286,902</u>	<u>71,995</u>
0	15,750	0
0	(810,761)	0
<u>0</u>	<u>(795,011)</u>	<u>0</u>
1,224,050	1,693,298	0
0	8,306	0
(1,250,276)	(4,857,875)	0
0	2,870,000	0
0	31,740	0
0	(251,231)	0
(85,000)	(85,000)	0
0	(3,785)	0
0	(909,646)	0
<u>(48,100)</u>	<u>(202,405)</u>	<u>0</u>
<u>(159,326)</u>	<u>(1,706,598)</u>	<u>0</u>
101,917	5,785,293	71,995
<u>1,502,275</u>	<u>28,254,217</u>	<u>567,029</u>
<u>\$1,604,192</u>	<u>\$34,039,510</u>	<u>\$639,024</u>
\$1,604,192	\$32,320,376	\$639,024
0	1,719,134	0
<u>\$1,604,192</u>	<u>\$34,039,510</u>	<u>\$639,024</u>

(Continued)

CITY OF PAINESVILLE, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Electric
<u>Reconciliation of Operating Income to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income	\$2,893,129	\$1,016,948	\$3,702,663
Adjustments to Reconcile Operating Income to			
Net Cash Provided by Operating Activities:			
Depreciation Expense	1,494,422	675,740	1,517,274
Miscellaneous Nonoperating Revenues	30,785	177	633,489
Miscellaneous Nonoperating Expenses	(31,404)	(143,803)	(38,722)
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
(Increase) Decrease in Accounts Receivable	(47,689)	(11,135)	171,460
Increase in Prepaid Items	(5,420)	(6,491)	(14,121)
Increase in Net OPEB Asset	(171,513)	(125,616)	(323,960)
Increase in Deferred Outflows of Resources	(128,665)	(104,734)	(291,707)
Increase (Decrease) in Accounts Payable	(54,531)	(11,496)	166,412
Increase in Accrued Wages and Benefits	5,110	8,872	17,049
Decrease in Intergovernmental Payable	(164)	(20,341)	(469)
Decrease in Compensated Absences Payable	(44,430)	(35,534)	(8,780)
Decrease in Claims Liability	0	0	0
Decrease in Payable to Joint Venture	0	0	(56,549)
Decrease in Net Pension Liability	(746,178)	(702,973)	(1,950,100)
Decrease in Net OPEB Liability	(561)	(1,709)	(6,393)
Increase in Deferred Inflows of Resources	242,809	149,695	384,813
Total Adjustments	542,571	(329,348)	199,696
Net Cash Provided by Operating Activities	\$3,435,700	\$687,600	\$3,902,359

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2022 the Electric Fund had outstanding liabilities of \$218,345 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
\$89,504	\$7,702,244	\$943,525
184,791	3,872,227	0
50	664,501	0
(565)	(214,494)	0
2,896	115,532	0
0	(26,032)	0
(12,256)	(633,345)	0
(11,081)	(536,187)	0
(2,193)	98,192	(988)
686	31,717	0
(29)	(21,003)	0
(2,966)	(91,710)	0
0	0	(870,542)
0	(56,549)	0
(17,904)	(3,417,155)	0
0	(8,663)	0
30,310	807,627	0
171,739	584,658	(871,530)
\$261,243	\$8,286,902	\$71,995

CITY OF PAINESVILLE, OHIO

**Statement of Net Position
Fiduciary Funds
December 31, 2022**

	Private Purpose Trust	
	Deposit Trust	Custodial
Assets:		
Cash and Cash Equivalents	\$ 843,555	\$ 57,760
Cash and Cash Equivalents in Segregated Accounts	0	2,378
Receivables:		
Taxes	0	195,788
Total Assets	<u>843,555</u>	<u>255,926</u>
Liabilities:		
Intergovernmental Payable	0	195,788
Due to Others	0	23,440
Total Liabilities	<u>0</u>	<u>219,228</u>
Net Position:		
Restricted For:		
Court Bonds	0	36,698
Other Purposes	843,555	0
Total Net Position	<u>\$ 843,555</u>	<u>\$ 36,698</u>

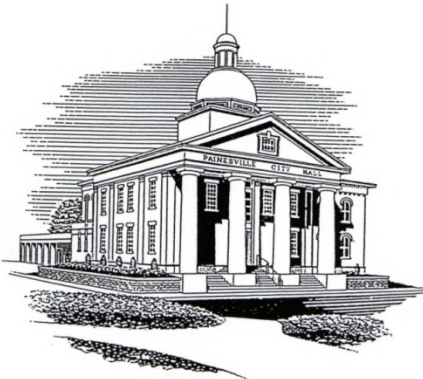
See accompanying notes to the basic financial statements

CITY OF PAINESVILLE, OHIO

**Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2022**

	Private Purpose Trust	
	Deposit Trust	Custodial
Additions:		
Fines and Forfeiture Collections for other Governments	\$ 0	\$ 1,841,595
Deposits Held for Others	57,644	0
Income Tax Collections for Other Governments	0	1,001,618
Total Additions	57,644	2,843,213
Deductions:		
Distribution of Fines and Forfeitures to other Government	0	1,804,897
Distribution of Deposits to Others	106,574	0
Distribution of Income Taxes to other Governments	0	1,001,618
Total Deductions	106,574	2,806,515
Change in Net Position	(48,930)	36,698
Net Position at Beginning of Year	892,485	0
Net Position End of Year	\$ 843,555	\$ 36,698

See accompanying notes to the basic financial statements



***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

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 14, "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, 2022***

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, 2022***

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, 2022***

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, 2022***

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, 2022, but which are not intended to finance 2022 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 5.

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, 2022***

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 2022.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

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, 2022***

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)	(\$1,378,153)
Increase (Decrease):	
Accrued Revenues at December 31, 2022 received during 2023	(2,632,726)
Accrued Revenues at December 31, 2021 received during 2022	2,051,478
Accrued Expenditures at December 31, 2022 paid during 2023	730,637
Accrued Expenditures at December 31, 2021 paid during 2022	(472,988)
2021 Prepays for 2022	124,380
2022 Prepays for 2023	(94,475)
2021 Adjustment to Fair Value	117,032
2022 Adjustment to Fair Value	1,961,204
Outstanding Encumbrances	(770,224)
Perspective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	<u>1,105</u>
Budget Basis	<u>(\$362,730)</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, 2022***

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 4 "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. Investment earnings of \$476,661 earned by other funds were credited to the General Fund as required by state statute.

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 2022, 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 \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 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, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Inventory

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

J. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

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

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

2. Property, Plant and Equipment – Business Type Activities

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

3. Depreciation

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

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, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Long-Term Debt (Continued)

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

Obligation	Fund
General Obligation Bonds	General Bond Retirement Fund, Storm Water Utility Fund
Special Assessment Bonds	Special Assessment Bond Retirement Fund
Ohio Public Works Commission (OPWC) Loans	Street Construction, Maintenance and Repair Fund Water Fund, Sewer Fund
Ohio Water Development Authority (OWDA) Loans	Water Fund Sewer Fund
AMP Joint Venture Financing	Electric Fund
Police and Fire Pension Accrued Liability	General Fund
Workers' Compensation Liability	Workers' Compensation Retrospective Fund
Installment Loans	Fire Levy Fund Water Fund Sewer Fund Electric Fund
Compensated Absences/Net Pension Liability/Net OPEB Liability	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 Bond Retirement Fund

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

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, 2022, 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, 2022***

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, 2022***

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 2022.

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 assets 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 10 and 11.

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 assets 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 10 and 11.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 2 – 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	\$1,298,945
Shared Revenues	787,485
Interest Revenues	35,064
Charges for Services	240,688
Grant Revenue	26,395
	<u>\$2,388,577</u>

Net Pension liability and related deferred outflows/inflows:

Deferred Outflows - Pension	\$5,295,409
Deferred Inflows - Pension	(6,525,086)
Net Pension Liability	<u>(14,876,101)</u>
	<u>(\$16,105,778)</u>

Net OPEB liability (asset) and related deferred outflows/inflows:

Deferred Outflows - OPEB	\$1,282,077
Deferred Inflows - OPEB	(1,521,666)
Net OPEB Liability	(2,297,461)
Net OPEB Asset	639,209
	<u>(\$1,897,841)</u>

Long-Term liabilities not reported in the funds:

General Obligation Bonds Payable	(\$5,213,284)
Special Assessment Bonds Payable	(90,000)
Long Term Notes Payable	(779,441)
OPWC Loans Payable	(969,836)
Accrued Interest on Long-Term Debt	(60,126)
Police/Firemen's Pension Accrued Liability	(469,330)
Compensated Absences Payable	<u>(1,482,650)</u>
	<u>(\$9,064,667)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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

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

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

Capital Outlay	\$2,859,225
Depreciation Expense	<u>(2,212,459)</u>
	<u>\$646,766</u>

Governmental revenues not reported in the funds:

Decrease in Tax Revenue	(\$138,140)
Increase in Intergovernmental Revenue	33,818
Increase in Interest Revenue	4,057
Increase in Charges for Services	159,021
Decrease in Grant Revenue	<u>(247,111)</u>
	<u>(\$188,355)</u>

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

Long-Term Note Principal Payment	\$90,486
Premium Amortization	7,828
General Obligation Bond Principal Payment	482,000
Special Assessment Bond Principal Payment	25,000
OPWC Loan Principal Payment	53,246
Installment Loan Principal Payment	<u>21,328</u>
	<u>\$679,888</u>

Expenses not requiring the use of current financial resources:

Decrease in Compensated Absences Payable	\$27,936
Decrease in Police/Firemen's Pension Liability	<u>28,078</u>
	<u>\$56,014</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 3 – 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	94,475	11,807	106,282
Permanent Fund Corpus	0	1,268,805	1,268,805
Total Nonspendable	<u>879,475</u>	<u>1,280,612</u>	<u>2,160,087</u>
Restricted:			
Street Maintenance and Repair	0	4,277,311	4,277,311
Cemetery Maintenance	0	1,223,007	1,223,007
Law Enforcement	7,206	696,800	704,006
Fire Department Operations	0	432,711	432,711
Drug and Alcohol Treatment	0	89,584	89,584
Adult Probation Program	0	224,885	224,885
Court Computer Improvements	0	141,124	141,124
Community Improvements	0	14,281	14,281
Inspections and Plan Reviews	0	588,012	588,012
Debt Retirement	0	2,109,587	2,109,587
Capital Improvements	0	1,644,662	1,644,662
Total Restricted	<u>7,206</u>	<u>11,441,964</u>	<u>11,449,170</u>
Committed:			
Emergency Medical Services	0	482,565	482,565
Capital Improvements	0	2,630,885	2,630,885
Community Improvements	184,500	0	184,500
Underground Storage Tank Cleanup	10,931	0	10,931
Total Committed	<u>195,431</u>	<u>3,113,450</u>	<u>3,308,881</u>
Assigned:			
Budget Resource	657,666	0	657,666
Contractual Services and Supplies	1,367,132	0	1,367,132
Total Assigned	<u>2,024,798</u>	<u>0</u>	<u>2,024,798</u>
Unassigned (Deficits):			
	<u>4,650,526</u>	<u>0</u>	<u>4,650,526</u>
Total Fund Balances	<u>\$7,757,436</u>	<u>\$15,836,026</u>	<u>\$23,593,462</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 4 - CASH AND CASH EQUIVALENTS

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

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

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

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

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

CITY OF PAINESVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 4 - 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, 2022, the carrying amount of the City’s deposits was \$15,199,424 and the bank balance was \$15,628,736. Of the bank balance, \$845,515 was covered by federal depository insurance and \$14,783,221 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, 2022 were as follows:

	Fair Value	Credit Rating	Fair Value Hierarchy	Concentration of Credit Risk	Investment Maturities (in Years)		
					less than 1	1-3	3-5
STAR Ohio ⁴	\$6,567,238	AAAm ¹	NA	15.11%	\$6,567,238	\$0	\$0
Negotiable CD's	8,146,360	AAA ³	Level 2	18.74%	5,998,397	1,913,711	234,252
US Treasury Notes	8,918,868	N/A	Level 2	20.52%	1,628,258	3,407,369	3,883,241
US Treasury Bonds	1,511,189	N/A	Level 2	3.48%	687,491	823,698	0
FHLB	4,744,275	AA+ ¹ /Aaa ²	Level 2	10.92%	491,620	4,252,655	0
FMCC	4,437,974	AA+ ¹ /Aaa ²	Level 2	10.21%	116,371	4,321,603	0
AGM	742,775	AA+ ¹ /Aaa ²	Level 2	1.71%	0	408,740	334,035
FFCB	6,632,067	AA+ ¹ /Aaa ²	Level 2	15.26%	369,561	5,222,526	1,039,980
FNMA	1,758,957	AAA ¹ /Aaa ²	Level 2	4.05%	0	1,758,957	0
Total Investments	\$43,459,703			100.00%	\$15,858,936	\$22,109,259	\$5,491,508

¹ Standard & Poor’s

² Moody’s Investor Service

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

⁴ Reported at amortized cost

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, 2022***

NOTE 4 - 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 \$225,497 in these funds at December 31, 2022 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 5 - 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 2022 were levied after October 1, 2021 on assessed values as of January 1, 2021, 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, 2022***

NOTE 5 - 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, 2022 was \$10.67 per \$1,000 of assessed value. The assessed value upon which the 2022 collections were based was \$290,574,650. This amount constitutes \$287,182,250 in real property assessed value and \$3,392,400 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 2022 were based on a tax rate equal to 1.067% (10.67 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 and has now established its first commercial post-1994 CRA. 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, 2022.

	Total Amount of Taxes Abated For the year 2022
<i>Community Reinvestment Area (CRA)</i>	
Industrial	\$841,821
	<u>\$841,821</u>

CITY OF PAINESVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 6 - RECEIVABLES

Receivables at December 31, 2022 consisted of taxes, interest, accounts receivable, and intergovernmental receivables arising from shared revenues.

NOTE 7 - 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, 2022 the City's Land Held for Resale balance was \$785,000.

NOTE 8 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2022:

Fund	Transfer In	Transfer Out
Governmental Funds		
General Fund	\$810,761	\$1,641,000
Other Governmental Funds	1,641,000	0
Total Governmental Funds	2,451,761	1,641,000
Enterprise Funds		
Water Fund	0	25,000
Sewer Fund	0	25,000
Electric Fund	0	760,761
Total Enterprise Funds	0	810,761
Totals	\$2,451,761	\$2,451,761

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 2022 the portion due to the City was \$710,761, which was transferred to the General Fund as required by Ohio Revised Code.

CITY OF PAINESVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2022:

Historical Cost:

Class	December 31, 2021	Additions	Deletions	December 31, 2022
Capital assets not being depreciated:				
Land	\$13,136,789	\$0	\$0	\$13,136,789
Construction in Progress	3,683,735	46,394	0	3,730,129
Subtotal	16,820,524	46,394	0	16,866,918
Capital assets being depreciated:				
Buildings and Improvements	7,964,484	154,095	0	8,118,579
Improvements other than Buildings	3,508,196	65,244	0	3,573,440
Machinery and Equipment	10,663,099	1,546,858	0	12,209,957
Infrastructure	49,657,559	1,046,634	0	50,704,193
Subtotal	71,793,338	2,812,831	0	74,606,169
Total Cost	\$88,613,862	\$2,859,225	\$0	\$91,473,087

Accumulated Depreciation:

Class	December 31, 2021	Additions	Deletions	December 31, 2022
Buildings and Improvements	(\$2,983,498)	(\$84,538)	\$0	(\$3,068,036)
Improvements other than Buildings	(863,967)	(36,063)	0	(900,030)
Machinery and Equipment	(7,076,784)	(791,488)	0	(7,868,272)
Infrastructure	(23,634,248)	(1,300,370)	0	(24,934,618)
Total Depreciation	(\$34,558,497)	(\$2,212,459) *	\$0	(\$36,770,956)
Net Value:	\$54,055,365			\$54,702,131

*Depreciation was charged to governmental functions as follows:

General Government	\$191,085
Public Safety	379,172
Highways and Streets	1,508,604
Public Health and Welfare	49,657
Culture and Recreation	83,941
Total Depreciation Expense	\$2,212,459

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 9 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by category of changes in business-type activities capital assets at December 31, 2022:

Historical Cost:

Class	December 31, 2021	Additions	Deletions	December 31, 2022
Capital assets not being depreciated:				
Land	\$2,010,667	\$0	\$0	\$2,010,667
Construction In Progress	13,507,693	250,981	0	13,758,674
Subtotal	15,518,360	250,981	0	15,769,341
Capital assets being depreciated:				
Buildings and Improvements	31,635,088	378,019	0	32,013,107
Infrastructure	80,443,135	2,702,659	0	83,145,794
Machinery and Equipment	39,643,361	1,067,557	0	40,710,918
Subtotal	151,721,584	4,148,235	0	155,869,819
Total Cost	\$167,239,944	\$4,399,216	\$0	\$171,639,160

Accumulated Depreciation:

Class	December 31, 2021	Additions	Deletions	December 31, 2022
Buildings and Improvements	(\$22,744,450)	(\$468,670)	\$0	(\$23,213,120)
Infrastructure	(32,947,000)	(1,886,266)	0	(34,833,266)
Machinery and Equipment	(27,493,061)	(1,517,291)	0	(29,010,352)
Total Depreciation	(\$83,184,511)	(\$3,872,227)	\$0	(\$87,056,738)

Net Value:

\$84,055,433	\$84,582,422
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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 10 – 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, 2022***

NOTE 10 – 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 Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 10 – 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. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit. For additional information, see the Plan Statement in the OPERS Annual Comprehensive Financial Report.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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>
2022 Statutory Maximum Contribution Rates		
Employer	14.0 %	18.1 %
Employee	10.0 %	*
2022 Actual Contribution Rates		
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 \$1,566,421 for 2022.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. (see OP&F Annual Comprehensive Financial Report 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, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.00% of their base pension or disability benefit.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 10 – 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>
2022 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25
2022 Actual Contribution Rates		
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	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$1,426,802 for 2022.

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, 2021, 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, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$6,037,904	\$14,073,002	\$20,110,906
Proportion of the Net Pension Liability-2022	0.069398%	0.225261%	
Proportion of the Net Pension Liability-2021	<u>0.070610%</u>	<u>0.225034%</u>	
Percentage Change	<u>(0.001212%)</u>	<u>0.000227%</u>	
Pension Expense	(\$1,384,480)	\$1,007,296	(\$377,184)

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$755,034	\$2,571,940	\$3,326,974
Differences between expected and actual experience	307,803	405,789	713,592
Change in proportionate share	0	421,308	421,308
City contributions subsequent to the measurement date	1,566,421	1,426,802	2,993,223
Total Deferred Outflows of Resources	<u>\$2,629,258</u>	<u>\$4,825,839</u>	<u>\$7,455,097</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$7,181,871	\$3,689,722	\$10,871,593
Differences between expected and actual experience	132,428	731,601	864,029
Change in proportionate share	262,065	180,726	442,791
Total Deferred Inflows of Resources	<u>\$7,576,364</u>	<u>\$4,602,049</u>	<u>\$12,178,413</u>

\$2,993,223 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2023	(\$1,169,364)	\$44,904	(\$1,124,460)
2024	(2,512,941)	(954,125)	(3,467,066)
2025	(1,688,750)	(324,145)	(2,012,895)
2026	(1,142,472)	(249,906)	(1,392,378)
2027	0	280,260	280,260
Total	<u>(\$6,513,527)</u>	<u>(\$1,203,012)</u>	<u>(\$7,716,539)</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, 2022***

NOTE 10 – 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, 2021 and December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2021
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 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 2022. 2.05 percent simple, thereafter
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2020
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)	0.5 percent simple through 2021. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 10 – 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. Best estimates of arithmetic real rates of return were provided by the Board’s investment consultant. For each major asset class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	24.00 %	1.03 %
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other Investments	4.00	2.85
Total	100.00 %	4.21 %

Discount Rate The discount rate used to measure the total pension liability was 6.9 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 6.9 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 (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City’s proportionate share of the net pension liability	\$15,919,207	\$6,037,904	(\$2,184,649)

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2021 is based on the results of an actuarial valuation date of January 1, 2021, 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, 2021, compared with January 1, 2020, are presented below.

	January 1, 2021	January 1, 2020
Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 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	2.2 percent simple	2.2 percent simple

For the January 1, 2021 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 Buck 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, 2021 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, 2022***

NOTE 10 – 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 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, 2021 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 %	0.00 %
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
Total	<u>125.00 %</u>	

* levered 2.5x

Note: Assumptions are geometric

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 1.25 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, 2022***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2021, the total pension liability was calculated using the discount rate of 7.50 percent. The discount rate used for 2020 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 7.50 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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$20,870,069	\$14,073,002	\$8,412,728

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

The net OPEB liability (asset) 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 (asset) 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 (asset) 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 (asset). Resulting adjustments to the net OPEB liability (asset) 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 (asset)* 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, 2022***

NOTE 11 - 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.

Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. 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. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. See OPERS' Annual Comprehensive Financial Report 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 2022, 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.

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 2022. 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 2022 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 2022.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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 health care 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. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75. OP&F maintains funds for health care in two separate accounts: 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. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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 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, 2022***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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 2022, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$33,991 for 2022.

OPEB Liabilities (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, 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, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability (Asset)	(\$2,166,882)	\$2,469,061	\$302,179
Proportion of the Net OPEB Liability (Asset)-2022	0.069182%	0.225261%	
Proportion of the Net OPEB Liability (Asset)-2021	0.070056%	0.225034%	
Percentage Change	<u>(0.000874%)</u>	<u>0.000227%</u>	
OPEB Expense	(\$1,978,683)	\$216,777	(\$1,761,906)

CITY OF PAINESVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$0	\$1,092,881	\$1,092,881
Differences between expected and actual experience	0	112,321	112,321
Change in proportionate share	0	129,086	129,086
City contributions subsequent to the measurement date	<u>0</u>	<u>33,991</u>	<u>33,991</u>
Total Deferred Outflows of Resources	<u>\$0</u>	<u>\$1,368,279</u>	<u>\$1,368,279</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$1,033,023	\$223,044	\$1,256,067
Differences between expected and actual experience	328,685	326,323	655,008
Changes in assumptions	877,131	286,766	1,163,897
Change in proportionate share	<u>62,722</u>	<u>71,143</u>	<u>133,865</u>
Total Deferred Inflows of Resources	<u>\$2,301,561</u>	<u>\$907,276</u>	<u>\$3,208,837</u>

\$33,991 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 2023. 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&F</u>	<u>Total</u>
Year Ending December 31:			
2023	(\$1,447,316)	\$114,545	(\$1,332,771)
2024	(480,170)	81,432	(398,738)
2025	(225,708)	97,746	(127,962)
2026	(148,367)	25,721	(122,646)
2027	0	54,341	54,341
2028	0	33,946	33,946
2029	<u>0</u>	<u>19,281</u>	<u>19,281</u>
Total	<u>(\$2,301,561)</u>	<u>\$427,012</u>	<u>(\$1,874,549)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 11 - 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, 2020, rolled forward to the measurement date of December 31, 2021. 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	2.75 percent
Projected Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	1.84 percent
Prior measurement date	2.00 percent
Health Care Cost Trend Rate:	
Current measurement date	5.5 percent initial, 3.5 percent ultimate in 2034
Prior measurement date	8.5 percent initial, 3.5 percent ultimate in 2035
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 11 - 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.

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. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	0.91 %
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00 %	3.45 %

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. 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 1.84 percent (Fidelity Index's "20-Year Municipal GO AA Index").

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 11 - 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 2121. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 6.00 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB liability (asset)	(\$1,274,332)	(\$2,166,882)	(\$2,907,719)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) 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 (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates and the expected net OPEB liability (asset) 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 2022 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 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 (asset)	(\$2,190,302)	(\$2,166,882)	(\$2,139,107)

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, 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, 2021, with actuarial liabilities rolled forward to December 31, 2021	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 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	2.84 percent	2.96 percent
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 11 - 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 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, 2021, are summarized below:

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
Total	125.00 %	

* levered 2.5x

Note: Assumptions are geometric

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 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. For 2020, the total OPEB liability was calculated using the discount rate of 2.96 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 of 7.50 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 2.05 percent at December 31, 2021 and 2.12 percent at December 31, 2020, was blended with the long-term rate of 7.50 percent, which resulted in a blended discount rate of 2.84 percent for 2021 and 2.96 percent for 2020. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The 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 2.84 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 (1.84 percent), or one percentage point higher (3.84 percent) than the current rate.

	1% Decrease (1.84%)	Current Discount Rate (2.84%)	1% Increase (3.84%)
City's proportionate share of the net OPEB liability	\$3,103,656	\$2,469,061	\$1,947,410

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

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CITY OF PAINESVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 12 – DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt of the City at December 31, 2022 is as follows:

		Balance December 31, 2021	Issued	(Retired)	Balance December 31, 2022	Amount Due Within One Year	
Governmental Activities Debt:							
General Obligation Bonds:							
4.250 - 5.000%	Various Purpose	2007	\$470,000	\$0	(\$140,000)	\$330,000	\$65,000
2.850%	Shamrock Blvd Improvement	2013	1,232,000	0	(97,000)	1,135,000	100,000
2.0 - 3.000%	Shamrock Blvd Improvement TIF	2012	3,915,000	0	(245,000)	3,670,000	255,000
	Premium on Debt Issuance		86,112	0	(7,828)	78,284	0
	Total General Obligation Bonds		5,703,112	0	(489,828)	5,213,284	420,000
Special Assessment Debt (with governmental commitment)							
4.75%	Renaissance Parkway	2005	115,000	0	(25,000)	90,000	30,000
Ohio Public Works Commission Loans (OPWC):							
0.000%	Chester Street Improvements	2008	31,786	0	(4,890)	26,896	4,890
0.000%	Brookstone Blvd Improvements	2013	991,296	0	(48,356)	942,940	48,356
	Total OPWC Loans		1,023,082	0	(53,246)	969,836	53,246
Long-Term Notes Payable:							
2.40%	Fire Truck	2020	697,286	0	(53,571)	643,715	53,571
2.19%	Salt Dome	2021	172,641	0	(36,915)	135,726	18,762
	Total Long-Term Notes Payable		869,927	0	(90,486)	779,441	72,333
Installment Loan Payable:							
4.85%	Fire Truck	2008	21,328	0	(21,328)	0	0
Governmental Activities Other Long-Term Obligations:							
	Compensated Absences		1,510,586	1,482,650	(1,510,586)	1,482,650	468,927
	Workers' Compensation Liability		1,105,196	285,211	(1,105,196)	285,211	0
	Police/Firemen's Pension Accrued Liability		497,408	0	(28,078)	469,330	29,284
	Total Governmental Activities		\$10,845,639	\$1,767,861	(\$3,323,748)	\$9,289,752	\$1,073,790

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CITY OF PAINESVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 12 - DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

Long-term debt of the City at December 31, 2022 is as follows:

		Balance December 31, 2021	Issued	(Retired)	Balance December 31, 2022	Amount Due Within One Year
Business-Type Activities Debt:						
General Obligation Bonds:						
3.25% Storm Water Improvements	2016	\$1,480,000	\$0	(\$85,000)	\$1,395,000	\$90,000
Notes Payable:						
5.25% Property Acquisition	2022	0	2,870,000	0	2,870,000	0
Ohio Water Development Authority Loans (OWDA):						
3.420% WPCLF WWTP Upgrades	2009	2,041,482	0	(174,427)	1,867,055	180,444
0.000% Water Intake Improvements	2014	14,699,725	31,740	(735,219)	13,996,246	823,309
Total OWDA Loans		<u>16,741,207</u>	<u>31,740</u>	<u>(909,646)</u>	<u>15,863,301</u>	<u>1,003,753</u>
Ohio Public Works Commission Loans (OPWC):						
0.000% Mentor Ave / Jackson Street Sewer	2008	13,317	0	(2,048)	11,269	2,048
0.000% Pinehill Road Waterline Phase I	2020	32,995	0	(1,737)	31,258	1,737
Total OPWC Loans		<u>46,312</u>	<u>0</u>	<u>(3,785)</u>	<u>42,527</u>	<u>3,785</u>
Installment Loan Payable:						
4.00% Various Purpose	2007	1,525,692	0	(251,231)	1,274,461	262,278
Business-Type Activities Other Long-Term Obligations:						
AMP Joint Venture Financing Agreement		62,378	0	(56,549)	5,829	5,829
Compensated Absences		1,408,412	1,316,702	(1,408,412)	1,316,702	474,112
Total Business-Type Activities		<u>\$21,264,001</u>	<u>\$4,218,442</u>	<u>(\$2,714,623)</u>	<u>\$22,767,820</u>	<u>\$1,839,757</u>

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 12 - DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. 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 \$1,705,268 for the City as of December 31, 2022.

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, 2022 amounted to \$1,094,084.

B. 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, 2022 was \$609,328 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.

C. Special Assessments with Governmental Commitment

The principal amount of the City's special assessment debt outstanding at December 31, 2022, \$90,000, 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 \$44,748 in the Special Assessment Bond Retirement Fund at December 31, 2022 is restricted for the retirement of outstanding special assessment bonds.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 12 - DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

D. Principal and Interest Requirements

The principal and interest requirements to retire long-term debt at December 31, 2022 are as follows:

GOVERNMENTAL ACTIVITIES						
Years	General Obligation Bonds		Special Assessment Bonds		Police/Firemen's Pension Accrued Liability	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$420,000	\$48,848	\$30,000	\$4,500	\$29,284	\$19,639
2024	433,000	42,748	30,000	3,000	30,542	18,381
2025	445,000	36,312	30,000	1,500	31,853	17,069
2026	443,000	29,820	0	0	33,222	15,701
2027	462,000	23,742	0	0	34,648	14,274
2028-2032	2,172,000	52,840	0	0	196,887	47,728
2033-2037	760,000	0	0	0	112,894	7,206
2038-2042	0	0	0	0	0	0
Totals	\$5,135,000	\$234,310	\$90,000	\$9,000	\$469,330	\$139,998

Years	Long Term Notes		OPWC Loans	
	Principal	Interest	Principal	Interest
2023	\$72,333	\$16,271	\$53,246	\$0
2024	72,538	14,781	53,246	0
2025	72,746	13,288	53,246	0
2026	72,956	11,792	53,246	0
2027	73,168	10,294	53,246	0
2028-2032	307,695	29,583	244,224	0
2033-2037	108,005	7,715	241,780	0
2038-2042	0	0	217,602	0
Totals	\$779,441	\$103,724	\$969,836	\$0

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 12 - DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

D. Principal and Interest Requirements (Continued)

BUSINESS-TYPE ACTIVITIES				
Years	General Obligation Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest
2023	\$90,000	\$45,338	\$1,003,753	\$54,670
2024	90,000	42,412	1,009,976	49,210
2025	95,000	39,488	1,016,416	43,562
2026	95,000	36,400	1,023,076	37,720
2027	100,000	33,312	1,029,967	31,675
2028-2032	550,000	0	5,016,956	61,979
2033-2037	375,000	0	4,116,541	0
2038-2042	0	0	1,646,616	0
Totals	<u>\$1,395,000</u>	<u>\$196,950</u>	<u>\$15,863,301</u>	<u>\$278,816</u>
Years	Installment Loans		OPWC Loans	
	Principal	Interest	Principal	Interest
2023	\$262,278	\$52,617	\$3,785	\$0
2024	273,813	41,084	3,785	0
2025	285,852	29,043	3,785	0
2026	298,422	16,474	3,785	0
2027	154,096	3,351	3,785	0
2028-2032	0	0	9,709	0
2033-2037	0	0	8,685	0
2038-2042	0	0	5,208	0
Totals	<u>\$1,274,461</u>	<u>\$142,569</u>	<u>\$42,527</u>	<u>\$0</u>

CITY OF PAINESVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 13 - 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 2022 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 Liability	\$0
Jackson Dieken & Associates	Commercial General Liability	\$5,000

*All "Covered Equipment" at 325 Richmond Street \$250,000 deductible \$10/HP subject to a \$25,000 minimum on all Internal Combustion Engines and their driven objects located at all Covered Premises except at 325 Richmond Street. Deductible \$25,000

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 \$285,211 reported in the fund at December 31, 2022 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
2021	\$610,738	\$956,226	(\$461,768)	\$1,105,196
2022	1,105,196	(207,363)	(612,622)	285,211

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 13 - 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 \$313,540 reported in the fund at December 31, 2022 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>
2021	\$275,231	3,763,740	(3,674,874)	\$364,097
2022	364,097	4,163,627	(4,214,184)	313,540

NOTE 14 - 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, 2022***

NOTE 14 - 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 \$0 at December 31, 2022. At December 31, 2022 OMEGA JV2 has an outstanding line of credit payable. The City's electric fund is reporting an AMP Joint Venture Financing Agreement liability for its share of the OMEGA JV2 line of credit balance, which is \$5,829. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

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CITY OF PAINESVILLE, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 15 – SIGNIFICANT COMMITMENTS

As of December 31, 2022, the City had the following contracts with respect to capital improvements:

Project	Remaining Construction Commitment	Expected Date of Completion
Primary Clarifier Rebuild	\$212,391	2023
Bank Street Erosion Control Project	84,650	2023
Battery Building Upgrades	50,037	2023
Carbon Feed Building	445,922	2023
Chester Street Improvements	588,771	2023
Various Sidewalk Improvements	459,869	2023
Water Filter Room Repairs	185,033	2023
Electric Circuit Extension	207,226	2023
Water Intake Project	2,999,855	2023
Paving of Various Roads	576,120	2023
Route 86 Booster Station	116,373	2023
State Route 2 Bridge Construction Circuits	188,635	2023
Various Electric System Circuit Upgrades	233,279	2023
Various Storm Water Improvements	160,517	2023
Water Valve Replacements	65,820	2023
	<u>\$6,574,498</u>	

At December 31, 2022 the City had encumbrance commitments in the Governmental Funds as follows:

Fund	Encumbrances
General Fund	\$770,224
Other Governmental Funds	1,629,702
Total Governmental Funds	<u>\$2,399,926</u>

NOTE 16 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equities - The fund deficit at December 31, 2022 of \$131,432 in the Workers' Compensation Retrospective Fund (internal service fund) arose from the recognition of expenses on the accrual basis that are greater than 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 17 - CONTINGENCIES

A. Federal and State Grants

For the period January 1, 2022 to December 31, 2022, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

B. Litigation

The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

C. Asset Retirement Obligations

GASB Statement No. 83 "*Certain Asset Retirement Obligations*" establishes criteria for determining the recognition of a liability for an Asset Retirement Obligation (ARO). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Recognition of the ARO occurs when the liability is both incurred and reasonably estimable. An ARO is incurred based on external laws, regulations, or contracts.

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewage treatment system to the Ohio EPA for approval. Through this permitting process, the City would be responsible to address any public safety issues associated with their sewage treatment facilities and the permit would specify the procedures required to dispose of all or part of the sewage treatment plant. At this time, the City does not have an approved permit from the Ohio EPA to dispose of all or part of their sewage treatment plants. Due to the lack of specific legal requirements for retiring the sewage treatment plants, the City has determined that the amount of the Asset Retirement Obligation cannot be reasonably estimated.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 18 – 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 \$28,031 and interest on the credit balance credited to the City has been \$84,312, resulting in a net credit balance at December 31, 2022 of \$598,519. The City does have a potential PHFU Liability of \$684,673 resulting in a net total potential liability of \$86,154, 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 19 – CHANGE IN ACCOUNTING PRINCIPLE

For 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, “Leases,” Statement No. 91, “Conduit Debt Obligations,” Statement No. 92, “Omnibus 2020,” and Statement No. 93, “Replacement of Interbank Offered Rates.”

GASB Statement No. 87 establishes standards of accounting and financial reporting for leases.

GASB Statement No. 91 establishes a single method of reporting conduit debt obligations.

GASB Statement No. 92 establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of interbank offered rates in hedging derivative instruments and leases.

The implementation of these Statements had no effect on beginning net position/fund balance.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PAINESVILLE, OHIO

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 68 in 2015.

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

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

See notes to the required supplementary information

CITY OF PAINESVILLE, OHIO

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
0.073358%	0.073885%	0.073060%	0.070610%	0.069398%
\$11,508,461	\$20,235,603	\$14,440,805	\$10,455,803	\$6,037,904
\$9,690,523	\$9,979,221	\$10,283,014	\$9,944,843	\$10,062,864
118.76%	202.78%	140.43%	105.14%	60.00%
84.66%	74.70%	82.17%	86.88%	92.62%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
0.215503%	0.221773%	0.216884%	0.225034%	0.225261%
\$13,226,399	\$18,102,535	\$14,610,458	\$15,340,755	\$14,073,002
\$4,763,981	\$5,068,494	\$5,209,283	\$5,549,138	\$5,714,467
277.63%	357.16%	280.47%	276.45%	246.27%
70.91%	63.07%	69.89%	70.65%	75.03%

CITY OF PAINESVILLE, OHIO

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

Ohio Public Employees Retirement System

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$1,255,903	\$1,158,640	\$1,200,609	\$1,222,062
Contributions in relation to the contractually required contribution	<u>1,255,903</u>	<u>1,158,640</u>	<u>1,200,609</u>	<u>1,222,062</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$9,660,792	\$9,655,333	\$10,005,075	\$10,183,850
Contributions as a percentage of covered payroll	13.00%	12.00%	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>	<u>2016</u>
Contractually required contribution	\$874,748	\$914,762	\$948,955	\$999,545
Contributions in relation to the contractually required contribution	<u>874,748</u>	<u>914,762</u>	<u>948,955</u>	<u>999,545</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$4,943,828	\$4,373,483	\$4,529,777	\$4,771,700
Contributions as a percentage of covered payroll	17.69%	20.92%	20.95%	20.95%

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

Notes: The City implemented GASB Statement 68 in 2015.

See notes to the required supplementary information

CITY OF PAINESVILLE, OHIO

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$1,259,768	\$1,397,091	\$1,439,622	\$1,392,278	\$1,408,801	\$1,566,421
<u>1,259,768</u>	<u>1,397,091</u>	<u>1,439,622</u>	<u>1,392,278</u>	<u>1,408,801</u>	<u>1,566,421</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,690,523	\$9,979,221	\$10,283,014	\$9,944,843	\$10,062,864	\$11,188,721
13.00%	14.00%	14.00%	14.00%	14.00%	14.00%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$997,803	\$1,061,198	\$1,089,427	\$1,166,277	\$1,199,416	\$1,426,802
<u>997,803</u>	<u>1,061,198</u>	<u>1,089,427</u>	<u>1,166,277</u>	<u>1,199,416</u>	<u>1,426,802</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,763,981	\$5,068,494	\$5,209,283	\$5,549,138	\$5,714,467	\$6,798,155
20.94%	20.94%	20.91%	21.02%	20.99%	20.99%

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

Ohio Public Employees Retirement System

Year	2017	2018	2019
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	2017	2018	2019
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 2017 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

<u>2020</u>	<u>2021</u>	<u>2022</u>
0.071972%	0.070056%	0.069182%
\$9,941,205	(\$1,248,101)	(\$2,166,882)
\$10,283,014	\$9,944,843	\$10,062,864
96.68%	(12.55%)	(21.53%)
47.80%	115.57%	128.23%

<u>2020</u>	<u>2021</u>	<u>2022</u>
0.216884%	0.225034%	0.225261%
\$2,142,318	\$2,384,266	\$2,469,061
\$5,209,283	\$5,549,138	\$5,714,467
41.13%	42.97%	43.21%
47.08%	45.42%	46.86%

CITY OF PAINESVILLE, OHIO

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

Ohio Public Employees Retirement System

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$96,608	\$193,107	\$200,102	\$203,677
Contributions in relation to the contractually required contribution	<u>96,608</u>	<u>193,107</u>	<u>200,102</u>	<u>203,677</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$9,660,792	\$9,655,333	\$10,005,075	\$10,183,850
Contributions as a percentage of covered payroll	1.00%	2.00%	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>	<u>2016</u>
Contractually required contribution	\$178,304	\$21,867	\$22,649	\$23,859
Contributions in relation to the contractually required contribution	<u>178,304</u>	<u>21,867</u>	<u>22,649</u>	<u>23,859</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$4,943,828	\$4,373,483	\$4,529,777	\$4,771,700
Contributions as a percentage of covered payroll	3.61%	0.50%	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.

See notes to the required supplementary information

CITY OF PAINESVILLE, OHIO

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$96,905	\$0	\$0	\$0	\$0	\$0
<u>96,905</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,690,523	\$9,979,221	\$10,283,014	\$9,944,843	\$10,062,864	\$11,188,721
1.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$23,820	\$25,342	\$26,047	\$27,746	\$28,572	\$33,991
<u>23,820</u>	<u>25,342</u>	<u>26,047</u>	<u>27,746</u>	<u>28,572</u>	<u>33,991</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,763,981	\$5,068,494	\$5,209,283	\$5,549,138	\$5,714,467	\$6,798,155
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2022***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2022.

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%

2020: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 3.00% to 1.4% for post 1/7/13 retirees.

2021: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 1.4% to 0.5% for post 1/7/13 retirees.

2022: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 0.5% to 3.00% for post 1/7/13 retirees.
- Reduction in actuarial assumed rate of return from 7.20% to 6.90%.
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2022***

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2022.

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 the 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

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2022: 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%

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***Notes to the Required Supplementary Information
For the Year Ended December 31, 2022***

NET OPEB LIABILITY (ASSET)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2021.

2022: Group plans for non-Medicare retirees and re-employed retirees replaced with individual medical plans. OPERS will provide a subsidy or allowance via an HRA.

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%
- The Municipal Bond Rate changed from 3.31% to 3.71%

2020: 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 3.96% to 3.16%.
- Change in health care cost trend rate from 10.0% to 10.5%
- The Municipal Bond Rate changed from 3.71% to 2.75%

2021: 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 3.16% to 6.00%.
- Change in health care cost trend rate from 10.5% to 8.5%
- The Municipal Bond Rate changed from 2.75% to 2.00%

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- Change in health care cost trend rate from 8.5% to 5.5%
- The Municipal Bond Rate changed from 2.00% to 1.84%
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2022***

NET OPEB LIABILITY (ASSET) (Continued)

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.

2020 - 2022: There were no changes in benefit terms.

Changes in assumptions:

2018: The single discount rate changed from 3.79% to 3.24%.

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%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

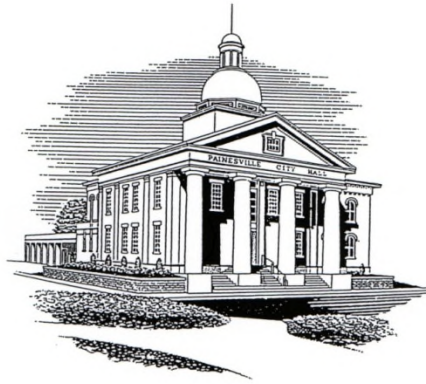
- The single discount rate changed from 4.66% to 3.56%.

2021: 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 3.56% to 2.96%.
- The payroll growth rate changed from 2.75% to 3.25%.

2022: 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 2.96% to 2.84%.



*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.

American Rescue Plan Act (ARPA) Fund

This fund is used to account for Coronavirus State and Local Fiscal Recovery funds received as part of the American Rescue Plan Act. The funds are to be used to support the response and recovery from the COVID-19 public health emergency.

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.

Lake County Grant Fund

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

Indigent Driver Interlock and Alcohol Monitoring (IDIAM) Fund

This fund is used to account for the revenues from fines to be used for certified ignition interlock devices and electronic monitoring devices where alcohol was a contributing factor in an offense.

Fire Fund

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

Victim's Advocate Grant Fund

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

(Continued)

Special Revenue Funds (Continued)

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.

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 Funds are 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 Cemetery Trust Fund on a GAAP basis.)

Evergreen Cemetery Trust Fund

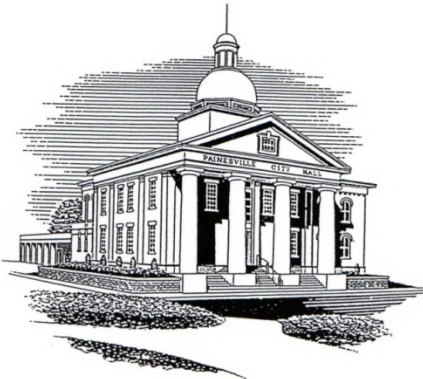
To account for the principal, acquired from contributions and endowments, for the City's Evergreen Cemetery. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the Cemetery Trust Fund on a GAAP basis.)

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, 2022**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
Assets:					
Pooled Cash and Investments	\$ 9,682,827	\$ 2,114,553	\$ 4,235,986	\$ 225,497	\$ 16,258,863
Cash and Cash Equivalents in Segregated Accounts	41,651	0	14,444	0	56,095
Receivables:					
Taxes	1,847,835	943,513	0	0	2,791,348
Accounts	292,004	0	0	0	292,004
Intergovernmental	593,591	4,469	0	0	598,060
Prepaid Items	11,585	0	222	0	11,807
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	1,268,805	1,268,805
Total Assets	\$ 12,469,493	\$ 3,062,535	\$ 4,250,652	\$ 1,494,302	\$ 21,276,982
Liabilities:					
Accounts Payable	\$ 80,166	\$ 4,966	\$ 1,665	\$ 0	\$ 86,797
Accrued Wages and Benefits Payable	54,996	0	1,591	0	56,587
Unearned Revenue	1,855,649	0	0	0	1,855,649
Total Liabilities	1,990,811	4,966	3,256	0	1,999,033
Deferred Inflows of Resources:					
Unavailable Amounts	706,449	6,453	0	0	712,902
Property Tax Levy for Next Fiscal Year	1,787,492	941,529	0	0	2,729,021
Total Deferred Inflows of Resources	2,493,941	947,982	0	0	3,441,923
Fund Balances:					
Nonspendable	11,585	0	222	1,268,805	1,280,612
Restricted	7,490,591	2,109,587	1,616,289	225,497	11,441,964
Committed	482,565	0	2,630,885	0	3,113,450
Total Fund Balances	7,984,741	2,109,587	4,247,396	1,494,302	15,836,026
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 12,469,493	\$ 3,062,535	\$ 4,250,652	\$ 1,494,302	\$ 21,276,982

CITY OF PAINESVILLE, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
Revenues:					
Property Taxes	\$ 1,820,126	\$ 940,040	\$ 0	\$ 0	\$ 2,760,166
Intergovernmental Revenues	1,752,985	8,937	53,130	0	1,815,052
Charges for Services	866,601	0	0	0	866,601
Licenses, Permits and Inspection Fees	25	0	0	0	25
Investment Earnings	0	0	0	15,415	15,415
Special Assessments	0	74,246	195,000	0	269,246
Fines and Forfeitures	290,626	0	183,027	0	473,653
All Other Revenues	129,782	0	69,053	29,750	228,585
Total Revenues	4,860,145	1,023,223	500,210	45,165	6,428,743
Expenditures:					
Current:					
General Government	543,224	15,906	154,452	0	713,582
Public Safety	2,700,452	0	0	0	2,700,452
Highways and Streets	1,232,605	189,173	244,459	0	1,666,237
Public Health and Welfare	455,144	0	0	343	455,487
Community Environment	37,840	0	0	0	37,840
Capital Outlay	0	0	696,634	0	696,634
Debt Service:					
Principal Retirement	168,813	451,331	51,916	0	672,060
Interest and Fiscal Charges	26,932	174,362	4,330	0	205,624
Total Expenditures	5,165,010	830,772	1,151,791	343	7,147,916
Excess (Deficiency) of Revenues Over Expenditures	(304,865)	192,451	(651,581)	44,822	(719,173)
Other Financing Sources (Uses):					
Transfers In	641,000	0	1,000,000	0	1,641,000
Total Other Financing Sources (Uses)	641,000	0	1,000,000	0	1,641,000
Net Change in Fund Balances	336,135	192,451	348,419	44,822	921,827
Fund Balances at Beginning of Year	7,648,606	1,917,136	3,898,977	1,449,480	14,914,199
Fund Balances End of Year	\$ 7,984,741	\$ 2,109,587	\$ 4,247,396	\$ 1,494,302	\$ 15,836,026

CITY OF PAINESVILLE, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2022**

	Street Construction, Maintenance and Repair Fund	State Highway Improvement Fund	Cemeteries Fund	Police Pension Transfer Fund
Assets:				
Pooled Cash and Investments	\$ 2,864,266	\$ 164,242	\$ 1,004,863	\$ 149,112
Cash and Cash Equivalents in Segregated Accounts	2,499	0	3,008	0
Receivables:				
Taxes	0	0	0	79,390
Accounts	0	0	0	0
Intergovernmental	462,837	33,270	0	5,586
Prepaid Items	0	0	3,160	0
Total Assets	\$ 3,329,602	\$ 197,512	\$ 1,011,031	\$ 234,088
Liabilities:				
Accounts Payable	\$ 10,564	\$ 0	\$ 1,079	\$ 0
Accrued Wages and Benefits Payable	7,433	0	9,371	0
Unearned Revenue	0	0	0	0
Total Liabilities	17,997	0	10,450	0
Deferred Inflows of Resources:				
Unavailable Amounts	308,558	22,180	0	8,066
Property Tax Levy for Next Fiscal Year	0	0	0	76,910
Total Deferred Inflows of Resources	308,558	22,180	0	84,976
Fund Balances:				
Nonspendable	0	0	3,160	0
Restricted	3,003,047	175,332	997,421	149,112
Committed	0	0	0	0
Total Fund Balances	3,003,047	175,332	1,000,581	149,112
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,329,602	\$ 197,512	\$ 1,011,031	\$ 234,088

CITY OF PAINESVILLE, OHIO

<u>Fire Pension Transfer Fund</u>	<u>Law Enforcement Fund</u>	<u>ARPA Fund</u>	<u>Indigent Drivers Alcohol Treatment Fund</u>	<u>Enforcement and Education Fund</u>	<u>Fire Levy Fund</u>
\$ 149,154	\$ 35,357	\$ 1,900,106	\$ 71,955	\$ 87,013	\$ 177,520
0	0	0	890	0	0
79,390	0	0	0	0	100,819
0	0	0	0	0	0
5,586	0	0	0	0	4,083
0	0	0	0	0	0
<u>\$ 234,130</u>	<u>\$ 35,357</u>	<u>\$ 1,900,106</u>	<u>\$ 72,845</u>	<u>\$ 87,013</u>	<u>\$ 282,422</u>
\$ 0	\$ 0	\$ 44,457	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	1,855,649	0	0	0
<u>0</u>	<u>0</u>	<u>1,900,106</u>	<u>0</u>	<u>0</u>	<u>0</u>
8,066	0	0	0	0	7,426
76,910	0	0	0	0	97,476
<u>84,976</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>104,902</u>
0	0	0	0	0	0
149,154	35,357	0	72,845	87,013	177,520
0	0	0	0	0	0
<u>149,154</u>	<u>35,357</u>	<u>0</u>	<u>72,845</u>	<u>87,013</u>	<u>177,520</u>
<u>\$ 234,130</u>	<u>\$ 35,357</u>	<u>\$ 1,900,106</u>	<u>\$ 72,845</u>	<u>\$ 87,013</u>	<u>\$ 282,422</u>

(Continued)

CITY OF PAINESVILLE, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2022**

	Probation Services Fund	COPS Fast Grant Fund	Lake County Grant Fund	IDIAM Fund
Assets:				
Pooled Cash and Investments	\$ 217,241	\$ 4,991	\$ 6,028	\$ 16,117
Cash and Cash Equivalents in Segregated Accounts	9,544	0	0	622
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	\$ 226,785	\$ 4,991	\$ 6,028	\$ 16,739
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	1,900	0	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	1,900	0	0	0
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	224,885	4,991	6,028	16,739
Committed	0	0	0	0
Total Fund Balances	224,885	4,991	6,028	16,739
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 226,785	\$ 4,991	\$ 6,028	\$ 16,739

CITY OF PAINESVILLE, OHIO

Fire Fund	Victim's Advocate Grant Fund	Emergency Medical Services Fund	Municipal Court Computerization Fund	Plan Review Fund	Brownfield Grant Fund
\$ 23,340	\$ 11,119	\$ 449,876	\$ 133,293	\$ 588,012	\$ 28,373
0	267	10,721	9,553	0	0
0	0	0	0	0	0
0	0	292,004	0	0	0
0	0	0	0	0	26,395
0	0	8,425	0	0	0
<u>\$ 23,340</u>	<u>\$ 11,386</u>	<u>\$ 761,026</u>	<u>\$ 142,846</u>	<u>\$ 588,012</u>	<u>\$ 54,768</u>
\$ 0	\$ 0	\$ 7,561	\$ 0	\$ 0	\$ 0
0	811	21,787	1,722	0	0
0	0	0	0	0	0
<u>0</u>	<u>811</u>	<u>29,348</u>	<u>1,722</u>	<u>0</u>	<u>0</u>
0	0	240,688	0	0	26,395
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>240,688</u>	<u>0</u>	<u>0</u>	<u>26,395</u>
0	0	8,425	0	0	0
23,340	10,575	0	141,124	588,012	28,373
0	0	482,565	0	0	0
<u>23,340</u>	<u>10,575</u>	<u>490,990</u>	<u>141,124</u>	<u>588,012</u>	<u>28,373</u>
<u>\$ 23,340</u>	<u>\$ 11,386</u>	<u>\$ 761,026</u>	<u>\$ 142,846</u>	<u>\$ 588,012</u>	<u>\$ 54,768</u>

(Continued)

CITY OF PAINESVILLE, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2022**

	Fire Improvement Levy Fund	Road Improvement Levy Fund	Police Levy Fund	Columbarium Trust Fund
Assets:				
Pooled Cash and Investments	\$ 99,202	\$ 1,076,128	\$ 392,798	\$ 89
Cash and Cash Equivalents in Segregated Accounts	0	0	4,547	0
Receivables:				
Taxes	325,188	667,024	596,024	0
Accounts	0	0	0	0
Intergovernmental	7,988	36,012	11,834	0
Prepaid Items	0	0	0	0
Total Assets	\$ 432,378	\$ 1,779,164	\$ 1,005,203	\$ 89
Liabilities:				
Accounts Payable	\$ 16,505	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	11,972	0
Unearned Revenue	0	0	0	0
Total Liabilities	16,505	0	11,972	0
Deferred Inflows of Resources:				
Unavailable Amounts	18,574	35,094	31,402	0
Property Tax Levy for Next Fiscal Year	314,602	645,138	576,456	0
Total Deferred Inflows of Resources	333,176	680,232	607,858	0
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	82,697	1,098,932	385,373	89
Committed	0	0	0	0
Total Fund Balances	82,697	1,098,932	385,373	89
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 432,378	\$ 1,779,164	\$ 1,005,203	\$ 89

CITY OF PAINESVILLE, OHIO

Land Bank Fund	Law Enforcement Trust Fund	Total Nonmajor Special Revenue Funds
\$ 8,253	\$ 24,379	\$ 9,682,827
0	0	41,651
0	0	1,847,835
0	0	292,004
0	0	593,591
0	0	11,585
<u>\$ 8,253</u>	<u>\$ 24,379</u>	<u>\$ 12,469,493</u>
\$ 0	\$ 0	\$ 80,166
0	0	54,996
0	0	1,855,649
<u>0</u>	<u>0</u>	<u>1,990,811</u>
0	0	706,449
0	0	1,787,492
<u>0</u>	<u>0</u>	<u>2,493,941</u>
0	0	11,585
8,253	24,379	7,490,591
0	0	482,565
<u>8,253</u>	<u>24,379</u>	<u>7,984,741</u>
<u>\$ 8,253</u>	<u>\$ 24,379</u>	<u>\$ 12,469,493</u>

CITY OF PAINESVILLE, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022**

	Street Construction, Maintenance and Repair Fund	State Highway Improvement Fund	Cemeteries Fund	Police Pension Transfer Fund
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 75,000
Intergovernmental Revenues	1,086,274	76,707	0	11,172
Charges for Services	0	0	216,601	0
Licenses, Permits and Inspection Fees	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenues	0	0	4,395	0
Total Revenues	1,086,274	76,707	220,996	86,172
Expenditures:				
Current:				
General Government	0	0	0	915
Public Safety	0	0	0	100,000
Highways and Streets	598,519	23,471	0	0
Public Health and Welfare	0	0	455,144	0
Community Environment	0	0	0	0
Debt Service:				
Principal Retirement	93,890	0	0	0
Interest and Fiscal Charges	10,300	0	0	0
Total Expenditures	702,709	23,471	455,144	100,915
Excess (Deficiency) of Revenues Over Expenditures	383,565	53,236	(234,148)	(14,743)
Other Financing Sources (Uses):				
Transfers In	0	0	300,000	0
Total Other Financing Sources (Uses)	0	0	300,000	0
Net Change in Fund Balances	383,565	53,236	65,852	(14,743)
Fund Balances at Beginning of Year	2,619,482	122,096	934,729	163,855
Fund Balances End of Year	\$ 3,003,047	\$ 175,332	\$ 1,000,581	\$ 149,112

CITY OF PAINESVILLE, OHIO

Fire Pension Transfer Fund	Law Enforcement Fund	ARPA Fund	Indigent Drivers Alcohol Treatment Fund	Enforcement and Education Fund	Fire Levy Fund
\$ 75,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 94,888
11,172	0	178,117	0	0	8,166
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	28,022	1,128	0
0	5,625	0	0	0	88,188
<u>86,172</u>	<u>5,625</u>	<u>178,117</u>	<u>28,022</u>	<u>1,128</u>	<u>191,242</u>
915	0	178,117	22,226	9,799	1,123
100,000	0	0	0	0	394,507
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	21,352
0	0	0	0	0	1,675
<u>100,915</u>	<u>0</u>	<u>178,117</u>	<u>22,226</u>	<u>9,799</u>	<u>418,657</u>
(14,743)	5,625	0	5,796	(8,671)	(227,415)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(14,743)	5,625	0	5,796	(8,671)	(227,415)
163,897	29,732	0	67,049	95,684	404,935
<u>\$ 149,154</u>	<u>\$ 35,357</u>	<u>\$ 0</u>	<u>\$ 72,845</u>	<u>\$ 87,013</u>	<u>\$ 177,520</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, 2022**

	Probation Services Fund	COPS Fast Grant Fund	Lake County Grant Fund	IDIAM Fund
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Licenses, Permits and Inspection Fees	25	0	0	0
Fines and Forfeitures	121,770	0	0	19,635
All Other Revenues	0	2,524	0	0
Total Revenues	121,795	2,524	0	19,635
Expenditures:				
Current:				
General Government	99,782	0	0	0
Public Safety	0	0	0	2,896
Highways and Streets	0	0	0	0
Public Health and Welfare	0	0	0	0
Community Environment	0	0	37,840	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	99,782	0	37,840	2,896
Excess (Deficiency) of Revenues Over Expenditures	22,013	2,524	(37,840)	16,739
Other Financing Sources (Uses):				
Transfers In	0	0	41,000	0
Total Other Financing Sources (Uses)	0	0	41,000	0
Net Change in Fund Balances	22,013	2,524	3,160	16,739
Fund Balances at Beginning of Year	202,872	2,467	2,868	0
Fund Balances End of Year	\$ 224,885	\$ 4,991	\$ 6,028	\$ 16,739

CITY OF PAINESVILLE, OHIO

Fire Fund	Victim's Advocate Grant Fund	Emergency Medical Services Fund	Municipal Court Computerization Fund	Plan Review Fund	Brownfield Grant Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
10,000	19,587	0	0	0	285,732
0	0	565,540	0	84,460	0
0	0	0	0	0	0
0	0	0	120,071	0	0
2,348	0	0	0	0	0
<u>12,348</u>	<u>19,587</u>	<u>565,540</u>	<u>120,071</u>	<u>84,460</u>	<u>285,732</u>
0	28,190	0	157,168	0	44,989
10,309	0	881,652	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	0	0	0	0	0
<u>10,309</u>	<u>28,190</u>	<u>881,652</u>	<u>157,168</u>	<u>0</u>	<u>44,989</u>
2,039	(8,603)	(316,112)	(37,097)	84,460	240,743
0	0	300,000	0	0	0
0	0	300,000	0	0	0
2,039	(8,603)	(16,112)	(37,097)	84,460	240,743
21,301	19,178	507,102	178,221	503,552	(212,370)
<u>\$ 23,340</u>	<u>\$ 10,575</u>	<u>\$ 490,990</u>	<u>\$ 141,124</u>	<u>\$ 588,012</u>	<u>\$ 28,373</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, 2022**

	Fire Improvement Levy Fund	Road Improvement Levy Fund	Police Levy Fund	Columbarium Trust Fund
Revenues:				
Property Taxes	\$ 323,892	\$ 660,846	\$ 590,500	\$ 0
Intergovernmental Revenues	15,975	26,415	23,668	0
Charges for Services	0	0	0	0
Licenses, Permits and Inspection Fees	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenues	0	22,804	0	0
Total Revenues	339,867	710,065	614,168	0
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	608,890	0	601,991	0
Highways and Streets	0	610,615	0	0
Public Health and Welfare	0	0	0	0
Community Environment	0	0	0	0
Debt Service:				
Principal Retirement	53,571	0	0	0
Interest and Fiscal Charges	14,957	0	0	0
Total Expenditures	677,418	610,615	601,991	0
Excess (Deficiency) of Revenues Over Expenditures	(337,551)	99,450	12,177	0
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	(337,551)	99,450	12,177	0
Fund Balances at Beginning of Year	420,248	999,482	373,196	89
Fund Balances End of Year	\$ 82,697	\$ 1,098,932	\$ 385,373	\$ 89

CITY OF PAINESVILLE, OHIO

Land Bank Fund	Law Enforcement Trust Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 1,820,126
0	0	1,752,985
0	0	866,601
0	0	25
0	0	290,626
0	3,898	129,782
<u>0</u>	<u>3,898</u>	<u>4,860,145</u>
0	0	543,224
0	207	2,700,452
0	0	1,232,605
0	0	455,144
0	0	37,840
0	0	168,813
0	0	26,932
<u>0</u>	<u>207</u>	<u>5,165,010</u>
0	3,691	(304,865)
<u>0</u>	<u>0</u>	<u>641,000</u>
<u>0</u>	<u>0</u>	<u>641,000</u>
0	3,691	336,135
<u>8,253</u>	<u>20,688</u>	<u>7,648,606</u>
<u>\$ 8,253</u>	<u>\$ 24,379</u>	<u>\$ 7,984,741</u>

CITY OF PAINESVILLE, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2022**

	General Bond Retirement Fund	Special Assessment Bond Retirement Fund	Shamrock Business Center TIF Fund	Total Nonmajor Debt Service Funds
Assets:				
Pooled Cash and Investments	\$ 341,962	\$ 44,748	\$ 1,727,843	\$ 2,114,553
Receivables:				
Taxes	63,513	0	880,000	943,513
Intergovernmental	4,469	0	0	4,469
Total Assets	\$ 409,944	\$ 44,748	\$ 2,607,843	\$ 3,062,535
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 4,966	\$ 4,966
Total Liabilities	0	0	4,966	4,966
Deferred Inflows of Resources:				
Unavailable Amounts	6,453	0	0	6,453
Property Tax Levy for Next Fiscal Year	61,529	0	880,000	941,529
Total Deferred Inflows of Resources	67,982	0	880,000	947,982
Fund Balances:				
Restricted	341,962	44,748	1,722,877	2,109,587
Total Fund Balances	341,962	44,748	1,722,877	2,109,587
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 409,944	\$ 44,748	\$ 2,607,843	\$ 3,062,535

CITY OF PAINESVILLE, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2022**

	General Bond Retirement Fund	Special Assessment Bond Retirement Fund	Shamrock Business Center TIF Fund	Total Nonmajor Debt Service Funds
Revenues:				
Property Taxes	\$ 59,999	\$ 0	\$ 880,041	\$ 940,040
Intergovernmental Revenues	8,937	0	0	8,937
Special Assessments	0	74,246	0	74,246
Total Revenues	68,936	74,246	880,041	1,023,223
Expenditures:				
Current:				
General Government	732	15,174	0	15,906
Highways and Streets	0	0	189,173	189,173
Debt Service:				
Principal Retirement	0	61,000	390,331	451,331
Interest and Fiscal Charges	0	18,200	156,162	174,362
Total Expenditures	732	94,374	735,666	830,772
Net Change in Fund Balances	68,204	(20,128)	144,375	192,451
Fund Balances at Beginning of Year	273,758	64,876	1,578,502	1,917,136
Fund Balances End of Year	\$ 341,962	\$ 44,748	\$ 1,722,877	\$ 2,109,587

CITY OF PAINESVILLE, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2022**

	Municipal Court Improvement Fund	Capital Equipment Reserve Fund	Capital Improvement Fund	Lake Hospital Demolition Fund
Assets:				
Pooled Cash and Investments	\$ 81,772	\$ 1,096,734	\$ 1,533,695	\$ 10,775
Cash and Cash Equivalents in Segregated Accounts	96	0	0	0
Prepaid Items	0	0	0	0
Total Assets	<u>\$ 81,868</u>	<u>\$ 1,096,734</u>	<u>\$ 1,533,695</u>	<u>\$ 10,775</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	81,868	0	0	10,775
Committed	0	1,096,734	1,533,695	0
Total Fund Balances	<u>81,868</u>	<u>1,096,734</u>	<u>1,533,695</u>	<u>10,775</u>
Total Liabilities and Fund Balances	<u>\$ 81,868</u>	<u>\$ 1,096,734</u>	<u>\$ 1,533,695</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
\$ 923,341	\$ 456	\$ 499,531	\$ 31,578	\$ 189	\$ 57,915	\$ 4,235,986
0	0	14,348	0	0	0	14,444
0	0	222	0	0	0	222
<u>\$ 923,341</u>	<u>\$ 456</u>	<u>\$ 514,101</u>	<u>\$ 31,578</u>	<u>\$ 189</u>	<u>\$ 57,915</u>	<u>\$ 4,250,652</u>
\$ 0	\$ 0	\$ 1,665	\$ 0	\$ 0	\$ 0	\$ 1,665
0	0	1,591	0	0	0	1,591
<u>0</u>	<u>0</u>	<u>3,256</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,256</u>
0	0	222	0	0	0	222
923,341	0	510,623	31,578	189	57,915	1,616,289
0	456	0	0	0	0	2,630,885
<u>923,341</u>	<u>456</u>	<u>510,845</u>	<u>31,578</u>	<u>189</u>	<u>57,915</u>	<u>4,247,396</u>
<u>\$ 923,341</u>	<u>\$ 456</u>	<u>\$ 514,101</u>	<u>\$ 31,578</u>	<u>\$ 189</u>	<u>\$ 57,915</u>	<u>\$ 4,250,652</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, 2022**

	Municipal Court Improvement Fund	Capital Equipment Reserve Fund	Capital Improvement Fund	Lake Hospital Demolition Fund
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 15,317	\$ 0
Special Assessments	0	0	0	0
Fines and Forfeitures	1,428	0	0	0
All Other Revenues	0	0	0	0
Total Revenues	1,428	0	15,317	0
Expenditures:				
Current:				
General Government	34,113	0	0	0
Highways and Streets	0	195,786	48,673	0
Capital Outlay	2,476	530,579	117,732	0
Debt Service:				
Principal Retirement	0	0	36,916	0
Interest and Fiscal Charges	0	0	3,580	0
Total Expenditures	36,589	726,365	206,901	0
Excess (Deficiency) of Revenues Over Expenditures	(35,161)	(726,365)	(191,584)	0
Other Financing Sources (Uses):				
Transfers In	0	500,000	500,000	0
Total Other Financing Sources (Uses)	0	500,000	500,000	0
Net Change in Fund Balances	(35,161)	(226,365)	308,416	0
Fund Balances at Beginning of Year	117,029	1,323,099	1,225,279	10,775
Fund Balances End of Year	\$ 81,868	\$ 1,096,734	\$ 1,533,695	\$ 10,775

CITY OF PAINESVILLE, OHIO

Jackson Street Interchange Project Fund	Industrial Park Project Fund	Municipal Court Special Projects Fund	Millstone Acquisition Fund	City Hall Fire Fund	Shamrock Boulevard Road Project Fund	Total Nonmajor Capital Project Funds
\$ 37,813	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 53,130
195,000	0	0	0	0	0	195,000
0	0	181,599	0	0	0	183,027
0	0	69,053	0	0	0	69,053
<u>232,813</u>	<u>0</u>	<u>250,652</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>500,210</u>
0	0	120,339	0	0	0	154,452
0	0	0	0	0	0	244,459
45,847	0	0	0	0	0	696,634
0	15,000	0	0	0	0	51,916
0	750	0	0	0	0	4,330
<u>45,847</u>	<u>15,750</u>	<u>120,339</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,151,791</u>
186,966	(15,750)	130,313	0	0	0	(651,581)
0	0	0	0	0	0	1,000,000
0	0	0	0	0	0	1,000,000
186,966	(15,750)	130,313	0	0	0	348,419
736,375	16,206	380,532	31,578	189	57,915	3,898,977
<u>\$ 923,341</u>	<u>\$ 456</u>	<u>\$ 510,845</u>	<u>\$ 31,578</u>	<u>\$ 189</u>	<u>\$ 57,915</u>	<u>\$ 4,247,396</u>

CITY OF PAINESVILLE, OHIO

***Combining Balance Sheet
Nonmajor Permanent Funds
December 31, 2022***

	Cemetery Trust Fund	Special Endowment Trust Fund	Total Nonmajor Permanent Funds
Assets:			
Pooled Cash and Investments	\$ 139,081	\$ 86,416	\$ 225,497
Restricted Assets:			
Cash and Cash Equivalents	849,944	418,861	1,268,805
Total Assets	<u>\$ 989,025</u>	<u>\$ 505,277</u>	<u>\$ 1,494,302</u>
Liabilities:	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:			
Nonspendable	849,944	418,861	1,268,805
Restricted	139,081	86,416	225,497
Total Fund Balances	<u>989,025</u>	<u>505,277</u>	<u>1,494,302</u>
Total Liabilities and Fund Balances	<u>\$ 989,025</u>	<u>\$ 505,277</u>	<u>\$ 1,494,302</u>

CITY OF PAINESVILLE, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Permanent Funds
For the Year Ended December 31, 2022**

	Cemetery Trust Fund	Special Endowment Trust Fund	Total Nonmajor Permanent Funds
Revenues:			
Investment Earnings	\$ 10,038	\$ 5,377	\$ 15,415
All Other Revenues	14,050	15,700	29,750
Total Revenues	<u>24,088</u>	<u>21,077</u>	<u>45,165</u>
Expenditures:			
Current:			
Public Health and Welfare	343	0	343
Total Expenditures	<u>343</u>	<u>0</u>	<u>343</u>
Net Change in Fund Balances	23,745	21,077	44,822
Fund Balances at Beginning of Year	<u>965,280</u>	<u>484,200</u>	<u>1,449,480</u>
Fund Balances End of Year	<u>\$ 989,025</u>	<u>\$ 505,277</u>	<u>\$ 1,494,302</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, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Property Taxes:				
Real Estate and Public Utility	\$ 589,983	\$ 412,000	\$ 539,996	\$ 127,996
Total Property Taxes	<u>589,983</u>	<u>412,000</u>	<u>539,996</u>	<u>127,996</u>
Municipal Income Tax	8,620,000	11,448,000	11,470,673	22,673
Total Taxes	<u>9,209,983</u>	<u>11,860,000</u>	<u>12,010,669</u>	<u>150,669</u>
Intergovernmental Revenues:				
Local Government Fund - County	720,000	720,000	926,257	206,257
Local Government Fund - State	70,000	70,000	102,091	32,091
Property Tax Allocation	66,000	66,000	80,435	14,435
Miscellaneous Tax	3,300	3,300	14,336	11,036
Other Grants	0	0	2,550	2,550
Total Intergovernmental Revenues	<u>859,300</u>	<u>859,300</u>	<u>1,125,669</u>	<u>266,369</u>
Charges for Services:				
General Government	320	320	954	634
Public Safety	14,365	14,365	21,488	7,123
Highways and Streets	7,000	7,000	7,115	115
Culture and Recreation	6,750	6,750	17,960	11,210
Community Environment	3,000	3,000	7,776	4,776
Total Charges for Services	<u>31,435</u>	<u>31,435</u>	<u>55,293</u>	<u>23,858</u>
Licenses, Permits and Inspection Fees:				
License Fees	45,650	45,650	45,975	325
Permit Fees	25,000	25,000	24,815	(185)
Inspection Fees	6,000	6,000	2,042	(3,958)
Zoning Appeal Fees	37,500	37,500	40,103	2,603
Other Fees	219,300	219,300	201,286	(18,014)
Total Licenses, Permits and Inspection Fees	<u>333,450</u>	<u>333,450</u>	<u>314,221</u>	<u>(19,229)</u>
Investment Earnings	380,300	514,300	516,892	2,592
Fines and Forfeitures	935,150	935,150	907,984	(27,166)
All Other Revenues	497,137	1,040,220	1,076,777	36,557
Total Revenues	<u>12,246,755</u>	<u>15,573,855</u>	<u>16,007,505</u>	<u>433,650</u>

(Continued)

CITY OF PAINESVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund – General Fund
For the Year Ended December 31, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
General Government:				
Legislative:				
Council:				
Personal Services	2,112,039	3,191,437	3,048,763	142,674
All Other Expenditures	4,295	5,610	3,476	2,134
Clerk of Council:				
Personal Services	7,892	7,892	7,354	538
All Other Expenditures	2,924	3,216	2,975	241
Judicial - Municipal Court:				
Judicial Activities:				
Personal Services	240,040	228,540	221,524	7,016
Clerk of Court:				
Personal Services	699,153	663,833	660,841	2,992
All Other Expenditures	34,292	33,390	32,303	1,087
Probation:				
Personal Services	237,119	222,119	218,864	3,255
Executive:				
City Manager:				
Personal Services	73,008	73,008	68,938	4,070
All Other Expenditures	9,247	12,919	10,693	2,226
Comm., Promotions and Public Relations Activities:				
Personal Services	12,960	13,060	12,964	96
All Other Expenditures	20,158	17,853	15,652	2,201
Information Technology:				
All Other Expenditures	15,850	15,850	14,892	958
Human Resources:				
Personal Services	45,765	45,265	43,688	1,577
All Other Expenditures	23,587	41,547	41,341	206
Economic Development:				
Personal Services	25,309	25,309	20,055	5,254
All Other Expenditures	22,847	16,759	14,729	2,030

(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, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Finance:				
Administration:				
Personal Services	90,346	90,106	85,810	4,296
All Other Expenditures	34,613	34,928	34,825	103
Purchasing/Warehousing:				
All Other Expenditures	857	1,214	1,161	53
Income Tax Collection:				
All Other Expenditures	500,000	338,135	333,671	4,464
Law:				
Administration:				
Personal Services	36,428	47,728	47,559	169
Engineering:				
Administration:				
Personal Services	76,637	79,337	78,536	801
All Other Expenditures	16,706	10,062	9,476	586
Public Lands and Buildings:				
Building Operations, Maintenance and Repair:				
Personal Services	12,338	10,538	8,630	1,908
All Other Expenditures	59,348	58,806	57,579	1,227
Miscellaneous:				
Insurance:				
All Other Expenditures	49,984	53,789	53,787	2
Tax Settlement Deductions:				
All Other Expenditures	7,090	12,090	12,077	13
Other Miscellaneous:				
Personal Services	200,000	258,300	253,037	5,263
All Other Expenditures	445,433	615,664	615,662	2
Total General Government	<u>5,116,265</u>	<u>6,228,304</u>	<u>6,030,862</u>	<u>197,442</u>

(Continued)

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund – General Fund
For the Year Ended December 31, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Safety:				
Police:				
Law Enforcement - Sworn Officers:				
Personal Services	3,622,431	3,630,824	3,486,911	143,913
Law Enforcement - Other:				
Personal Services	414,159	438,159	420,584	17,575
All Other Expenditures	263,516	306,850	305,283	1,567
Fire:				
Fire Fighting, Prevention and Inspection:				
Personal Services	2,612,478	2,777,016	2,776,998	18
All Other Expenditures	92,002	100,696	99,495	1,201
Fire Service - Other:				
Personal Services	40,615	40,615	38,818	1,797
Police and Fire Communications:				
Control Center:				
All Other Expenditures	602,100	630,680	630,675	5
Total Public Safety	<u>7,647,301</u>	<u>7,924,840</u>	<u>7,758,764</u>	<u>166,076</u>
Highways and Streets:				
Public Works:				
Administration:				
Personal Services	87,526	110,526	106,622	3,904
All Other Expenditures	80,515	78,154	77,964	190
Building and Equipment Maintenance:				
Personal Services	32,797	32,797	31,362	1,435
All Other Expenditures	216,794	243,617	240,088	3,529
Employee Benefits:				
Personal Services	266,106	262,731	253,047	9,684

(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, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Parking:				
Parking Meters:				
All Other Expenditures	8,100	3,937	2,978	959
Traffic Signs, Markings:				
Traffic Signs, Markings, Signals:				
Personal Services	33,553	36,053	34,498	1,555
All Other Expenditures	28,148	28,790	28,216	574
Total Highways and Streets	<u>753,539</u>	<u>796,605</u>	<u>774,775</u>	<u>21,830</u>
Public Health and Welfare:				
Payments to County Health Board:				
County Health District Assessments:				
All Other Expenditures	171,860	171,860	171,860	0
Assistance to Needy/Aged:				
Poor Relief:				
All Other Expenditures	300	300	240	60
Total Public Health and Welfare	<u>172,160</u>	<u>172,160</u>	<u>172,100</u>	<u>60</u>
Culture and Recreation:				
Parks:				
Administration:				
Personal Services	332,596	364,011	358,253	5,758
All Other Expenditures	111,375	119,469	117,849	1,620
Parks Systems:				
All Other Expenditures	453	553	553	0
Morse Avenue Community Center:				
All Other Expenditures	8,319	6,550	6,079	471
Recreation Activities:				
Personal Services	165,559	167,159	167,015	144
All Other Expenditures	10,829	12,021	11,764	257
Other Leisure Time Activities:				
Community Functions:				
All Other Expenditures	28,000	28,000	28,000	0
Total Culture and Recreation	<u>657,131</u>	<u>697,763</u>	<u>689,513</u>	<u>8,250</u>

(Continued)

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund – General Fund
For the Year Ended December 31, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Environment:				
Community Planning and Zoning:				
Planning Commission:				
All Other Expenditures	799	975	972	3
Demolition:				
All Other Expenditures	3,800	3,800	3,748	52
Planning and Development:				
Personal Services	32,163	24,252	23,124	1,128
All Other Expenditures	9,931	14,049	13,572	477
Housing and Building Code Enforcement:				
Code Enforcement:				
Personal Services	38,346	44,571	43,986	585
All Other Expenditures	10,495	10,451	10,260	191
Tree Care and Weed Control:				
Weed Control:				
All Other Expenditures	14,415	18,348	18,344	4
Total Community Environment	109,949	116,446	114,006	2,440
Total Expenditures	14,456,345	15,936,118	15,540,020	396,098
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(2,209,590)	(362,263)	467,485	829,748
Other Financing Sources (Uses):				
Sale of Capital Assets	400	400	24	(376)
Transfers In	951,000	1,063,000	1,010,761	(52,239)
Transfers Out	(288,000)	(1,841,000)	(1,841,000)	0
Total Other Financing Sources (Uses)	663,400	(777,600)	(830,215)	(52,615)
Net Change in Fund Balance	(1,546,190)	(1,139,863)	(362,730)	777,133
Fund Balance at Beginning of Year	5,248,152	5,248,152	5,248,152	0
Prior Year Encumbrances	1,056,859	1,056,859	1,056,859	0
Fund Balance at End of Year	\$ 4,758,821	\$ 5,165,148	\$ 5,942,281	\$ 777,133

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, 2022***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 860,000	\$ 1,152,890	\$ 1,231,469	\$ 78,579
Total Revenues	<u>860,000</u>	<u>1,152,890</u>	<u>1,231,469</u>	<u>78,579</u>
Expenditures:				
Highways and Streets:				
Public Works:				
Administration:				
Personal Services	324,896	270,821	256,655	14,166
All Other Expenditures	9,681	9,681	8,567	1,114
Highway/Street Improvement:				
Capital Outlay	522,894	522,969	474,376	48,593
Snow and Ice Removal:				
All Other Expenditures	190,809	173,809	173,343	466
Debt Service:				
Principal Retirement	93,891	93,891	93,890	1
Interest Charges	10,300	10,300	10,300	0
Total Expenditures	<u>1,152,471</u>	<u>1,081,471</u>	<u>1,017,131</u>	<u>64,340</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(292,471)	71,419	214,338	142,919
Other Financing Sources (Uses):				
Transfers In	102,000	102,000	102,000	0
Total Other Financing Sources (Uses)	<u>102,000</u>	<u>102,000</u>	<u>102,000</u>	<u>0</u>
Net Changes in Fund Balance	(190,471)	173,419	316,338	142,919
Fund Balance at Beginning of Year	1,934,062	1,934,062	1,934,062	0
Prior Year Encumbrances	345,013	345,013	345,013	0
Fund Balance at End of Year	<u>\$ 2,088,604</u>	<u>\$ 2,452,494</u>	<u>\$ 2,595,413</u>	<u>\$ 142,919</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, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 70,000	\$ 70,000	\$ 76,101	\$ 6,101
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>76,101</u>	<u>6,101</u>
Expenditures:				
Highways and Streets:				
Public Works:				
State Highway Maintenance:				
All Other Expenditures	59,088	34,688	34,663	25
Total Expenditures	<u>59,088</u>	<u>34,688</u>	<u>34,663</u>	<u>25</u>
Net Change in Fund Balance	10,912	35,312	41,438	6,126
Fund Balance at Beginning of Year	104,948	104,948	104,948	0
Prior Year Encumbrances	6,664	6,664	6,664	0
Fund Balance at End of Year	<u>\$ 122,524</u>	<u>\$ 146,924</u>	<u>\$ 153,050</u>	<u>\$ 6,126</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, 2022***

CEMETERIES FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 155,500	\$ 155,500	\$ 216,601	\$ 61,101
All Other Revenues	0	0	4,395	4,395
Total Revenues	<u>155,500</u>	<u>155,500</u>	<u>220,996</u>	<u>65,496</u>
Expenditures:				
Public Health and Welfare:				
Cemeteries:				
Administration:				
Personal Services	446,402	445,952	415,911	30,041
All Other Expenditures	48,006	53,556	51,819	1,737
Total Expenditures	<u>494,408</u>	<u>499,508</u>	<u>467,730</u>	<u>31,778</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(338,908)	(344,008)	(246,734)	97,274
Other Financing Sources (Uses):				
Transfers In	150,000	300,000	300,000	0
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>300,000</u>	<u>300,000</u>	<u>0</u>
Net Change in Fund Balance	(188,908)	(44,008)	53,266	97,274
Fund Balance at Beginning of Year	938,562	938,562	938,562	0
Prior Year Encumbrances	7,884	7,884	7,884	0
Fund Balance at End of Year	<u>\$ 757,538</u>	<u>\$ 902,438</u>	<u>\$ 999,712</u>	<u>\$ 97,274</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, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 72,943	\$ 72,943	\$ 75,000	\$ 2,057
Intergovernmental Revenues	9,000	9,000	11,172	2,172
Total Revenues	<u>81,943</u>	<u>81,943</u>	<u>86,172</u>	<u>4,229</u>
Expenditures:				
Public Safety:				
Police:				
Law-Enforcement-Sworn Officers:				
Personal Services	100,000	100,000	100,000	0
All Other Expenditures	1,000	1,000	915	85
Total Expenditures	<u>101,000</u>	<u>101,000</u>	<u>100,915</u>	<u>85</u>
Net Changes in Fund Balance	(19,057)	(19,057)	(14,743)	4,314
Fund Balance at Beginning of Year	163,855	163,855	163,855	0
Fund Balance at End of Year	<u>\$ 144,798</u>	<u>\$ 144,798</u>	<u>\$ 149,112</u>	<u>\$ 4,314</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, 2022***

FIRE PENSION TRANSFER FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 72,943	\$ 72,943	\$ 75,000	\$ 2,057
Intergovernmental Revenues	9,000	9,000	11,172	2,172
Total Revenues	<u>81,943</u>	<u>81,943</u>	<u>86,172</u>	<u>4,229</u>
Expenditures:				
Public Safety:				
Fire:				
Fire Fighting, Prevention, and Inspection:				
Personal Services	100,000	100,000	100,000	0
All Other Expenditures	1,000	1,000	915	85
Total Expenditures	<u>101,000</u>	<u>101,000</u>	<u>100,915</u>	<u>85</u>
Net Change in Fund Balance	(19,057)	(19,057)	(14,743)	4,314
Fund Balance at Beginning of Year	163,897	163,897	163,897	0
Fund Balance at End of Year	<u>\$ 144,840</u>	<u>\$ 144,840</u>	<u>\$ 149,154</u>	<u>\$ 4,314</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, 2022***

LAW ENFORCEMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 0	\$ 5,600	\$ 5,625	\$ 25
Total Revenues	<u>0</u>	<u>5,600</u>	<u>5,625</u>	<u>25</u>
Expenditures:				
Public Safety:				
Police:				
Law-Enforcement-Other:				
All Other Expenditures	688	688	0	688
Total Expenditures	<u>688</u>	<u>688</u>	<u>0</u>	<u>688</u>
Net Change in Fund Balance	(688)	4,912	5,625	713
Fund Balance at Beginning of Year	29,044	29,044	29,044	0
Prior Year Encumbrances	688	688	688	0
Fund Balance at End of Year	<u>\$ 29,044</u>	<u>\$ 34,644</u>	<u>\$ 35,357</u>	<u>\$ 713</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, 2022***

AMERICAN RESCUE PLAN ACT (ARPA) FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,041,540	\$ 1,041,540	\$ 1,049,856	\$ 8,316
Total Revenues	1,041,540	1,041,540	1,049,856	8,316
Expenditures:				
General Government:				
All Other Expenditures	1,093,540	373,540	370,138	3,402
Total Expenditures	1,093,540	373,540	370,138	3,402
Excess (Deficiency) of Revenues				
Net Change in Fund Balance	(52,000)	668,000	679,718	11,718
Fund Balance at Beginning of Year	950,790	950,790	950,790	0
Prior Year Encumbrances	52,000	52,000	52,000	0
Fund Balance at End of Year	\$ 950,790	\$ 1,670,790	\$ 1,682,508	\$ 11,718

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, 2022***

MUNICIPAL MOTOR VEHICLE LICENSE TAX FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 35,000	\$ 35,000	\$ 40,165	\$ 5,165
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>40,165</u>	<u>5,165</u>
Expenditures:				
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	40,165	5,165
Other Financing Sources (Uses):				
Transfers Out	(35,000)	(35,000)	(35,000)	0
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	5,165	5,165
Fund Balance at Beginning of Year	32,834	32,834	32,834	0
Fund Balance at End of Year	<u>\$ 32,834</u>	<u>\$ 32,834</u>	<u>\$ 37,999</u>	<u>\$ 5,165</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, 2022***

INDIGENT DRIVERS ALCOHOL TREATMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 9,000	\$ 22,000	\$ 27,527	\$ 5,527
Total Revenues	<u>9,000</u>	<u>22,000</u>	<u>27,527</u>	<u>5,527</u>
Expenditures:				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
All Other Expenditures	25,000	25,225	25,224	1
Total Expenditures	<u>25,000</u>	<u>25,225</u>	<u>25,224</u>	<u>1</u>
Net Change in Fund Balance	(16,000)	(3,225)	2,303	5,528
Fund Balance at Beginning of Year	69,652	69,652	69,652	0
Fund Balance at End of Year	<u>\$ 53,652</u>	<u>\$ 66,427</u>	<u>\$ 71,955</u>	<u>\$ 5,528</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, 2022***

ENFORCEMENT AND EDUCATION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 11,000	\$ 2,000	\$ 1,744	\$ (256)
Total Revenues	<u>11,000</u>	<u>2,000</u>	<u>1,744</u>	<u>(256)</u>
Expenditures:				
General Government:				
All Other Expenditures	2,500	8,271	6,238	2,033
Capital Outlay	13,933	12,561	3,561	9,000
Total Expenditures	<u>16,433</u>	<u>20,832</u>	<u>9,799</u>	<u>11,033</u>
Net Change in Fund Balance	(5,433)	(18,832)	(8,055)	10,777
Fund Balance at Beginning of Year	93,635	93,635	93,635	0
Prior Year Encumbrances	1,433	1,433	1,433	0
Fund Balance at End of Year	<u>\$ 89,635</u>	<u>\$ 76,236</u>	<u>\$ 87,013</u>	<u>\$ 10,777</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, 2022***

CITY MOTOR VEHICLE LICENSE TAX FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 75,000	\$ 75,000	\$ 80,330	\$ 5,330
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>80,330</u>	<u>5,330</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	75,000	75,000	80,330	5,330
Other Financing Sources (Uses):				
Transfers Out	(67,000)	(67,000)	(67,000)	0
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	8,000	8,000	13,330	5,330
Fund Balance at Beginning of Year	85,607	85,607	85,607	0
Fund Balance at End of Year	<u>\$ 93,607</u>	<u>\$ 93,607</u>	<u>\$ 98,937</u>	<u>\$ 5,330</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, 2022***

	FIRE LEVY FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 93,935	\$ 93,935	\$ 94,888	\$ 953
Intergovernmental Revenues	8,000	8,000	8,166	166
All Other Revenues	0	88,000	88,188	188
Total Revenues	<u>101,935</u>	<u>189,935</u>	<u>191,242</u>	<u>1,307</u>
Expenditures:				
Public Safety:				
Fire Fighting, Prevention, and Inspection:				
All Other Expenditures	1,500	89,410	89,031	379
Fire Service - Other:				
All Other Expenditures	13,460	13,460	13,046	414
Capital Outlay	300,000	300,000	300,000	0
Debt Service:				
Principal Retirement	21,874	21,874	21,352	522
Interest and Fiscal Charges	1,675	1,675	1,675	0
Total Expenditures	<u>338,509</u>	<u>426,419</u>	<u>425,104</u>	<u>1,315</u>
Net Change in Fund Balance	(236,574)	(236,484)	(233,862)	2,622
Fund Balance at Beginning of Year	401,475	401,475	401,475	0
Prior Year Encumbrances	3,460	3,460	3,460	0
Fund Balance at End of Year	<u>\$ 168,361</u>	<u>\$ 168,451</u>	<u>\$ 171,073</u>	<u>\$ 2,622</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, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
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, 2022***

PROBATION SERVICES FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Licenses, Permits and Inspection Fees	\$ 0	\$ 0	\$ 25	\$ 25
Fines and Forfeitures	150,000	150,000	124,050	(25,950)
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>124,075</u>	<u>(25,925)</u>
Expenditures:				
General Government:				
Judicial - Municipal Court:				
Probation:				
Personal Services	87,128	87,128	68,035	19,093
All Other Expenditures	43,972	43,972	34,722	9,250
Total Expenditures	<u>131,100</u>	<u>131,100</u>	<u>102,757</u>	<u>28,343</u>
Net Change in Fund Balance	18,900	18,900	21,318	2,418
Fund Balance at Beginning of Year	191,882	191,882	191,882	0
Prior Year Encumbrances	1,582	1,582	1,582	0
Fund Balance at End of Year	<u>\$ 212,364</u>	<u>\$ 212,364</u>	<u>\$ 214,782</u>	<u>\$ 2,418</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, 2022***

	COPS FAST GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 0	\$ 2,524	\$ 2,524	\$ 0
Total Revenues	<u>0</u>	<u>2,524</u>	<u>2,524</u>	<u>0</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	2,524	2,524	0
Fund Balance at Beginning of Year	2,467	2,467	2,467	0
Fund Balance at End of Year	<u>\$ 2,467</u>	<u>\$ 4,991</u>	<u>\$ 4,991</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, 2022***

LAKE COUNTY GRANT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 65,000	\$ 0	\$ 0	\$ 0
Total Revenues	<u>65,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:				
Community Environment:				
All Other Expenditures	29,117	43,656	43,656	0
Total Expenditures	<u>29,117</u>	<u>43,656</u>	<u>43,656</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	35,883	(43,656)	(43,656)	0
Other Financing Sources (Uses):				
Transfers In	0	41,000	41,000	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>41,000</u>	<u>41,000</u>	<u>0</u>
Net Change in Fund Balance	35,883	(2,656)	(2,656)	0
Fund Balance at Beginning of Year	1,312	1,312	1,312	0
Prior Year Encumbrances	1,556	1,556	1,556	0
Fund Balance at End of Year	<u>\$ 38,751</u>	<u>\$ 212</u>	<u>\$ 212</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, 2022***

INDIGENT DRIVER INTERLOCK AND ALCOHOL MONITORING (IDIAM) FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 13,000	\$ 13,000	\$ 19,013	\$ 6,013
Total Revenues	<u>13,000</u>	<u>13,000</u>	<u>19,013</u>	<u>6,013</u>
Expenditures:				
Public Safety:				
Probation:				
All Other Expenditures	<u>13,000</u>	<u>13,000</u>	<u>6,447</u>	<u>6,553</u>
Total Expenditures	<u>13,000</u>	<u>13,000</u>	<u>6,447</u>	<u>6,553</u>
Net Change in Fund Balance	0	0	12,566	12,566
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,566</u>	<u>\$ 12,566</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, 2022**

	FIRE FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 12,700	\$ 12,766	\$ 66
All Other Revenues	0	2,100	2,348	248
Total Revenues	<u>0</u>	<u>14,800</u>	<u>15,114</u>	<u>314</u>
Expenditures:				
Public Safety:				
Fire:				
Fire Service - Other:				
All Other Expenditures	510	10,510	10,319	191
Total Expenditures	<u>510</u>	<u>10,510</u>	<u>10,319</u>	<u>191</u>
Excess (Deficiency) of Revenues				
Net Change in Fund Balance	(510)	4,290	4,795	505
Fund Balance at Beginning of Year	18,525	18,525	18,525	0
Prior Year Encumbrances	10	10	10	0
Fund Balance at End of Year	<u>\$ 18,025</u>	<u>\$ 22,825</u>	<u>\$ 23,330</u>	<u>\$ 505</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, 2022***

VICTIM'S ADVOCATE GRANT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 25,000	\$ 19,600	\$ 19,587	\$ (13)
Total Revenues	<u>25,000</u>	<u>19,600</u>	<u>19,587</u>	<u>(13)</u>
Expenditures:				
General Government:				
Judicial - Municipal Court:				
Clerk of Court:				
Personal Services	28,862	28,862	28,359	503
Total Expenditures	<u>28,862</u>	<u>28,862</u>	<u>28,359</u>	<u>503</u>
Net Changes in Fund Balance	(3,862)	(9,262)	(8,772)	490
Fund Balance at Beginning of Year	19,891	19,891	19,891	0
Fund Balance at End of Year	<u>\$ 16,029</u>	<u>\$ 10,629</u>	<u>\$ 11,119</u>	<u>\$ 490</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, 2022***

EMERGENCY MEDICAL SERVICES FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 460,000	\$ 460,000	\$ 553,259	\$ 93,259
Total Revenues	<u>460,000</u>	<u>460,000</u>	<u>553,259</u>	<u>93,259</u>
Expenditures:				
Public Safety:				
Fire:				
Fire Fighting, Prevention, and Inspection:				
Personal Services	562,870	579,995	579,944	51
All Other Expenditures	55,372	65,462	65,456	6
Fire Service - Other:				
Personal Services	114,935	279,308	266,213	13,095
Total Expenditures	<u>733,177</u>	<u>924,765</u>	<u>911,613</u>	<u>13,152</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(273,177)	(464,765)	(358,354)	106,411
Other Financing Sources (Uses):				
Transfers In	0	0	300,000	300,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>300,000</u>	<u>300,000</u>
Net Change in Fund Balance	(273,177)	(464,765)	(58,354)	406,411
Fund Balance at Beginning of Year	480,220	480,220	480,220	0
Prior Year Encumbrances	19,859	19,859	19,859	0
Fund Balance at End of Year	<u>\$ 226,902</u>	<u>\$ 35,314</u>	<u>\$ 441,725</u>	<u>\$ 406,411</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, 2022***

MUNICIPAL COURT COMPUTERIZATION FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 108,000	\$ 108,000	\$ 118,982	\$ 10,982
Total Revenues	<u>108,000</u>	<u>108,000</u>	<u>118,982</u>	<u>10,982</u>
Expenditures:				
General Government:				
Judicial - Municipal Court:				
Clerk of Court:				
Personal Services	80,152	136,488	130,906	5,582
All Other Expenditures	31,145	31,145	30,493	652
Total Expenditures	<u>111,297</u>	<u>167,633</u>	<u>161,399</u>	<u>6,234</u>
Net Change in Fund Balance	(3,297)	(59,633)	(42,417)	17,216
Fund Balance at Beginning of Year	172,088	172,088	172,088	0
Prior Year Encumbrances	1,158	1,158	1,158	0
Fund Balance at End of Year	<u>\$ 169,949</u>	<u>\$ 113,613</u>	<u>\$ 130,829</u>	<u>\$ 17,216</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, 2022***

	PLAN REVIEW FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 80,000	\$ 80,000	\$ 80,676	\$ 676
Total Revenues	<u>80,000</u>	<u>80,000</u>	<u>80,676</u>	<u>676</u>
Expenditures:				
General Government:				
All Other Expenditures	63,970	3,970	3,785	185
Total Expenditures	<u>63,970</u>	<u>3,970</u>	<u>3,785</u>	<u>185</u>
Net Change in Fund Balance	16,030	76,030	76,891	861
Fund Balance at Beginning of Year	507,151	507,151	507,151	0
Prior Year Encumbrances	3,970	3,970	3,970	0
Fund Balance at End of Year	<u>\$ 527,151</u>	<u>\$ 587,151</u>	<u>\$ 588,012</u>	<u>\$ 861</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, 2022***

BROWNFIELD GRANT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 50,000	\$ 285,732	\$ 285,732	\$ 0
Total Revenues	50,000	285,732	285,732	0
Expenditures:				
General Government:				
All Other Expenditures	80,051	293,205	292,159	1,046
Total Expenditures	80,051	293,205	292,159	1,046
Net Change in Fund Balance	(30,051)	(7,473)	(6,427)	1,046
Fund Balance at Beginning of Year	4,424	4,424	4,424	0
Prior Year Encumbrances	30,051	30,051	30,051	0
Fund Balance at End of Year	\$ 4,424	\$ 27,002	\$ 28,048	\$ 1,046

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, 2022***

ZONING APPLICATION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 2,000	\$ 2,000	\$ 4,450	\$ 2,450
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>4,450</u>	<u>2,450</u>
Expenditures:				
Community Environment:				
Zoning Application:				
All Other Expenditures	374	374	204	170
Total Expenditures	<u>374</u>	<u>374</u>	<u>204</u>	<u>170</u>
Net Change in Fund Balance	1,626	1,626	4,246	2,620
Fund Balance at Beginning of Year	17,390	17,390	17,390	0
Prior Year Encumbrances	149	149	149	0
Fund Balance at End of Year	<u>\$ 19,165</u>	<u>\$ 19,165</u>	<u>\$ 21,785</u>	<u>\$ 2,620</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, 2022***

FIRE IMPROVEMENT LEVY FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 306,205	\$ 306,205	\$ 323,892	\$ 17,687
Intergovernmental Revenues	15,000	15,000	15,975	975
Total Revenues	<u>321,205</u>	<u>321,205</u>	<u>339,867</u>	<u>18,662</u>
Expenditures:				
Public Safety:				
Fire:				
Fire Grant:				
All Other Expenditures	2,000	2,000	0	2,000
Fire Service - Other:				
All Other Expenditures	542,883	548,372	543,314	5,058
Capital Outlay	106,905	101,415	100,404	1,011
Debt Service:				
Principal Retirement	53,571	53,571	53,571	0
Interest and Fiscal Charges	16,072	16,072	14,957	1,115
Total Expenditures	<u>721,431</u>	<u>721,430</u>	<u>712,246</u>	<u>9,184</u>
Net Change in Fund Balance	(400,226)	(400,225)	(372,379)	27,846
Fund Balance at Beginning of Year	329,400	329,400	329,400	0
Prior Year Encumbrances	105,288	105,288	105,288	0
Fund Balance at End of Year	<u>\$ 34,462</u>	<u>\$ 34,463</u>	<u>\$ 62,309</u>	<u>\$ 27,846</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, 2022***

ROAD IMPROVEMENT LEVY FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 625,519	\$ 625,519	\$ 660,846	\$ 35,327
Intergovernmental Revenues	30,000	30,000	26,415	(3,585)
Total Revenues	<u>655,519</u>	<u>655,519</u>	<u>687,261</u>	<u>31,742</u>
Expenditures:				
Highways and Streets:				
Public Works:				
All Other Expenditures	9,000	9,000	7,486	1,514
Capital Outlay	1,633,767	1,591,767	1,245,357	346,410
Total Expenditures	<u>1,642,767</u>	<u>1,600,767</u>	<u>1,252,843</u>	<u>347,924</u>
Net Change in Fund Balance	(987,248)	(945,248)	(565,582)	379,666
Fund Balance at Beginning of Year	381,780	381,780	381,780	0
Prior Year Encumbrances	633,643	633,643	633,643	0
Fund Balance at End of Year	<u>\$ 28,175</u>	<u>\$ 70,175</u>	<u>\$ 449,841</u>	<u>\$ 379,666</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, 2022***

POLICE LEVY FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 562,778	\$ 562,778	\$ 590,500	\$ 27,722
Intergovernmental Revenues	23,000	23,000	23,668	668
Total Revenues	<u>585,778</u>	<u>585,778</u>	<u>614,168</u>	<u>28,390</u>
Expenditures:				
Public Safety:				
Police:				
Law-Enforcement-Sworn Officers:				
Personal Services	473,803	492,003	466,608	25,395
All Other Expenditures	15,330	15,330	14,023	1,307
Capital Outlay	328,314	328,314	324,210	4,104
Police Department - Other:				
Personal Services	20,384	2,184	813	1,371
All Other Expenditures	8,700	8,700	6,689	2,011
Total Expenditures	<u>846,531</u>	<u>846,531</u>	<u>812,343</u>	<u>34,188</u>
Net Change in Fund Balance	(260,753)	(260,753)	(198,175)	62,578
Fund Balance at Beginning of Year	150,243	150,243	150,243	0
Prior Year Encumbrances	228,284	228,284	228,284	0
Fund Balance at End of Year	<u>\$ 117,774</u>	<u>\$ 117,774</u>	<u>\$ 180,352</u>	<u>\$ 62,578</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, 2022***

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

CITY OF PAINESVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

LAW ENFORCEMENT TRUST FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 750	\$ 750	\$ 3,898	\$ 3,148
Total Revenues	<u>750</u>	<u>750</u>	<u>3,898</u>	<u>3,148</u>
Expenditures:				
Public Safety:				
Police:				
Law Enforcement - Other:				
All Other Expenditures	1,605	1,605	750	855
Total Expenditures	<u>1,605</u>	<u>1,605</u>	<u>750</u>	<u>855</u>
Net Change in Fund Balance	(855)	(855)	3,148	4,003
Fund Balance at Beginning of Year	20,376	20,376	20,376	0
Prior Year Encumbrances	855	855	855	0
Fund Balance at End of Year	<u>\$ 20,376</u>	<u>\$ 20,376</u>	<u>\$ 24,379</u>	<u>\$ 4,003</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, 2022***

GENERAL BOND RETIREMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 58,553	\$ 58,553	\$ 59,999	\$ 1,446
Intergovernmental Revenues	7,000	7,000	8,937	1,937
Total Revenues	<u>65,553</u>	<u>65,553</u>	<u>68,936</u>	<u>3,383</u>
Expenditures:				
General Government:				
All Other Expenditures	600	735	732	3
Total Expenditures	<u>600</u>	<u>735</u>	<u>732</u>	<u>3</u>
Net Change in Fund Balance	64,953	64,818	68,204	3,386
Fund Balance at Beginning of Year	<u>273,758</u>	<u>273,758</u>	<u>273,758</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 338,711</u></u>	<u><u>\$ 338,576</u></u>	<u><u>\$ 341,962</u></u>	<u><u>\$ 3,386</u></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, 2022***

SPECIAL ASSESSMENT BOND RETIREMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 66,000	\$ 66,000	\$ 74,246	\$ 8,246
Total Revenues	<u>66,000</u>	<u>66,000</u>	<u>74,246</u>	<u>8,246</u>
Expenditures:				
General Government:				
All Other Expenditures	15,606	15,606	15,174	432
Debt Service Function:				
Debt Service - Unvoted:				
Debt Service:				
Principal Retirement	61,000	61,000	61,000	0
Interest and Fiscal Charges	18,200	18,200	18,200	0
Total Expenditures	<u>94,806</u>	<u>94,806</u>	<u>94,374</u>	<u>432</u>
Net Change in Fund Balance	(28,806)	(28,806)	(20,128)	8,678
Fund Balance at Beginning of Year	64,876	64,876	64,876	0
Fund Balance at End of Year	<u>\$ 36,070</u>	<u>\$ 36,070</u>	<u>\$ 44,748</u>	<u>\$ 8,678</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, 2022***

SHAMROCK BUSINESS CENTER TIF FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 850,000	\$ 850,000	\$ 880,041	\$ 30,041
Total Revenues	<u>850,000</u>	<u>850,000</u>	<u>880,041</u>	<u>30,041</u>
Expenditures:				
Highways and Streets:				
All Other Expenditures	200,000	307,262	298,669	8,593
Debt Service:				
Principal Retirement	390,356	390,356	388,804	1,552
Interest and Fiscal Charges	156,137	158,337	157,689	648
Total Expenditures	<u>746,493</u>	<u>855,955</u>	<u>845,162</u>	<u>10,793</u>
Net Change in Fund Balance	103,507	(5,955)	34,879	40,834
Fund Balance at Beginning of Year	1,578,502	1,578,502	1,578,502	0
Fund Balance at End of Year	<u>\$ 1,682,009</u>	<u>\$ 1,572,547</u>	<u>\$ 1,613,381</u>	<u>\$ 40,834</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, 2022***

MUNICIPAL COURT IMPROVEMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 8,000	\$ 8,000	\$ 1,514	\$ (6,486)
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>1,514</u>	<u>(6,486)</u>
Expenditures:				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
Capital Outlay	10,000	10,000	2,476	7,524
Clerk of Court:				
Capital Outlay	32,515	53,107	41,810	11,297
Total Expenditures	<u>42,515</u>	<u>63,107</u>	<u>44,286</u>	<u>18,821</u>
Net Change in Fund Balance	(34,515)	(55,107)	(42,772)	12,335
Fund Balance at Beginning of Year	114,332	114,332	114,332	0
Prior Year Encumbrances	2,515	2,515	2,515	0
Fund Balance at End of Year	<u>\$ 82,332</u>	<u>\$ 61,740</u>	<u>\$ 74,075</u>	<u>\$ 12,335</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, 2022***

CAPITAL EQUIPMENT RESERVE FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
General Government:				
Executive:				
City Manager:				
Capital Outlay	9,987	12,342	12,342	0
Economic Development:				
Capital Outlay	3,000	3,000	3,000	0
Finance:				
Accounting:				
Capital Outlay	93,513	248,714	248,714	0
Total General Government	106,500	264,056	264,056	0
Public Safety:				
Police:				
Law Enforcement - Other:				
Capital Outlay	128,338	256,102	255,940	162
Total Public Safety	128,338	256,102	255,940	162
Highways and Streets:				
Public Works:				
Administration:				
Capital Outlay	190,000	195,787	195,787	0
Total Highways and Streets	190,000	195,787	195,787	0
Culture and Recreation:				
Parks:				
Parks Systems:				
Capital Outlay	162,014	161,998	161,305	693
Total Culture and Recreation	162,014	161,998	161,305	693

(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, 2022***

CAPITAL EQUIPMENT RESERVE FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Community Environment:				
Community Planning and Zoning:				
Planning and Development:				
Capital Outlay	3,000	3,000	3,000	0
Housing and Building Code Enforcement:				
Code Enforcement:				
Capital Outlay	6,500	6,500	6,500	0
Total Community Environment	9,500	9,500	9,500	0
Total Expenditures	596,352	887,443	886,588	855
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(596,352)	(887,443)	(886,588)	855
Other Financing Sources (Uses):				
Transfers In	0	500,000	500,000	0
Total Other Financing Sources (Uses)	0	500,000	500,000	0
Net Change in Fund Balance	(596,352)	(387,443)	(386,588)	855
Fund Balance at Beginning of Year	1,227,866	1,227,866	1,227,866	0
Prior Year Encumbrances	127,017	127,017	127,017	0
Fund Balance at End of Year	\$ 758,531	\$ 967,440	\$ 968,295	\$ 855

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, 2022***

CAPITAL IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 15,317	\$ 15,317
Total Revenues	<u>0</u>	<u>0</u>	<u>15,317</u>	<u>15,317</u>
Expenditures:				
General Government:				
Public Lands and Buildings:				
Building Operations, Maintenance and Repair:				
Capital Outlay	71,963	71,963	71,963	0
Total General Government	<u>71,963</u>	<u>71,963</u>	<u>71,963</u>	<u>0</u>
Highways and Streets:				
Public Works:				
Street Construction and Reconstruction:				
Capital Outlay	6,070	49,825	49,823	2
Total Highways and Streets	<u>6,070</u>	<u>49,825</u>	<u>49,823</u>	<u>2</u>
Culture and Recreation:				
Parks:				
Administration:				
Capital Outlay	120,252	273,520	119,327	154,193
Total Culture and Recreation	<u>120,252</u>	<u>273,520</u>	<u>119,327</u>	<u>154,193</u>
Community Environment:				
Community Planning and Zoning:				
Planning and Development:				
Capital Outlay	151,368	0	0	0
Total Community Environment	<u>151,368</u>	<u>0</u>	<u>0</u>	<u>0</u>
Debt Service:				
Principal Retirement	36,916	36,916	36,916	0
Interest and Fiscal Charges	3,580	3,580	3,580	0
Total Expenditures	<u>390,149</u>	<u>435,804</u>	<u>281,609</u>	<u>154,195</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(390,149)	(435,804)	(266,292)	169,512

(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, 2022***

	CAPITAL IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Other Financing Sources (Uses):				
Transfers In	0	500,000	500,000	0
Total Other Financing Sources (Uses)	0	500,000	500,000	0
 Net Change in Fund Balance	(390,149)	64,196	233,708	169,512
 Fund Balance at Beginning of Year	983,029	983,029	983,029	0
Prior Year Encumbrances	243,453	243,453	243,453	0
Fund Balance at End of Year	<u>\$ 836,333</u>	<u>\$ 1,290,678</u>	<u>\$ 1,460,190</u>	<u>\$ 169,512</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, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
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, 2022***

JACKSON STREET INTERCHANGE PROJECT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 1,000,000	\$ 0	\$ 37,813	\$ 37,813
Special Assessments	150,000	150,000	195,000	45,000
Total Revenues	<u>1,150,000</u>	<u>150,000</u>	<u>232,813</u>	<u>82,813</u>
Expenditures:				
Highways and Streets:				
Miscellaneous:				
Capital Outlay	1,213,372	68,373	68,373	0
Total Expenditures	<u>1,213,372</u>	<u>68,373</u>	<u>68,373</u>	<u>0</u>
Net Change in Fund Balance	(63,372)	81,627	164,440	82,813
Fund Balance at Beginning of Year	673,551	673,551	673,551	0
Prior Year Encumbrances	63,372	63,372	63,372	0
Fund Balance at End of Year	<u>\$ 673,551</u>	<u>\$ 818,550</u>	<u>\$ 901,363</u>	<u>\$ 82,813</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, 2022***

INDUSTRIAL PARK PROJECT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Debt Service:				
Principal Retirement	15,000	15,000	15,000	0
Interest and Fiscal Charges	750	750	750	0
Total Expenditures	15,750	15,750	15,750	0
Net Change in Fund Balance	(15,750)	(15,750)	(15,750)	0
Fund Balance at Beginning of Year	16,206	16,206	16,206	0
Fund Balance at End of Year	\$ 456	\$ 456	\$ 456	\$ 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, 2022***

MUNICIPAL COURT SPECIAL PROJECTS FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 180,000	\$ 180,000	\$ 180,326	\$ 326
All Other Revenues	0	0	86,012	86,012
Total Revenues	<u>180,000</u>	<u>180,000</u>	<u>266,338</u>	<u>86,338</u>
Expenditures:				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
Personal Services	65,278	65,278	51,752	13,526
All Other Expenditures	27,310	28,654	19,346	9,308
Clerk of Court:				
Personal Services	41,353	41,353	19,137	22,216
All Other Expenditures	68,503	66,673	41,077	25,596
Immobilization Remote Devices:				
All Other Expenditures	4,215	700	660	40
Total Expenditures	<u>206,659</u>	<u>202,658</u>	<u>131,972</u>	<u>70,686</u>
Net Change in Fund Balance	(26,659)	(22,658)	134,366	157,024
Fund Balance at Beginning of Year	351,184	351,184	351,184	0
Prior Year Encumbrances	4,428	4,428	4,428	0
Fund Balance at End of Year	<u>\$ 328,953</u>	<u>\$ 332,954</u>	<u>\$ 489,978</u>	<u>\$ 157,024</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, 2022***

MILLSTONE ACQUISITION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Expenditures:				
Total Expenditures	0	0	0	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
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, 2022***

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

CITY OF PAINESVILLE, OHIO

***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, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	57,915	57,915	57,915	0
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, 2022***

CEMETERY TRUST FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 500	\$ 500	\$ 10,038	\$ 9,538
Total Revenues	<u>500</u>	<u>500</u>	<u>10,038</u>	<u>9,538</u>
Expenditures:				
Public Health and Welfare:				
Cemeteries:				
Evergreen/Riverside Cemeteries:				
All Other Expenditures	<u>2,030</u>	<u>2,030</u>	<u>343</u>	<u>1,687</u>
Total Expenditures	<u>2,030</u>	<u>2,030</u>	<u>343</u>	<u>1,687</u>
Net Change in Fund Balance	(1,530)	(1,530)	9,695	11,225
Fund Balance at Beginning of Year	129,356	129,356	129,356	0
Prior Year Encumbrances	<u>30</u>	<u>30</u>	<u>30</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 127,856</u>	<u>\$ 127,856</u>	<u>\$ 139,081</u>	<u>\$ 11,225</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, 2022***

SPECIAL ENDOWMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Investment Earnings	\$ 300	\$ 300	\$ 5,377	\$ 5,077
Total Revenues	300	300	5,377	5,077
Expenditures:				
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	200	200	5,377	5,177
Fund Balance at Beginning of Year	81,039	81,039	81,039	0
Fund Balance at End of Year	\$ 81,239	\$ 81,239	\$ 86,416	\$ 5,177

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, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 200	\$ 200	\$ 150	\$ (50)
Total Revenues	<u>200</u>	<u>200</u>	<u>150</u>	<u>(50)</u>
Expenditures:				
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	407,807	407,807	407,807	0
Fund Balance at End of Year	<u>\$ 408,007</u>	<u>\$ 408,007</u>	<u>\$ 407,957</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, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 300	\$ 13,000	\$ 13,900	\$ 900
Total Revenues	<u>300</u>	<u>13,000</u>	<u>13,900</u>	<u>900</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	300	13,000	13,900	900
Fund Balance at Beginning of Year	428,087	428,087	428,087	0
Fund Balance at End of Year	<u>\$ 428,387</u>	<u>\$ 441,087</u>	<u>\$ 441,987</u>	<u>\$ 900</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, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 6,000	\$ 12,000	\$ 15,700	\$ 3,700
Total Revenues	<u>6,000</u>	<u>12,000</u>	<u>15,700</u>	<u>3,700</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	6,000	12,000	15,700	3,700
Fund Balance at Beginning of Year	403,161	403,161	403,161	0
Fund Balance at End of Year	<u>\$ 409,161</u>	<u>\$ 415,161</u>	<u>\$ 418,861</u>	<u>\$ 3,700</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, 2022**

	Refuse Fund	Off Street Parking Fund	Storm Water Utility Fund	Community Programs Fund
Assets:				
Current Assets:				
Pooled Cash and Investments	\$ 14,352	\$ 38,806	\$ 1,539,547	\$ 11,487
Receivables:				
Accounts	0	0	43,029	0
Total Current Assets	14,352	38,806	1,582,576	11,487
Noncurrent Assets:				
Net OPEB Asset	0	0	16,703	4,861
Capital Assets:				
Capital Assets Not Being Depreciated	0	731,855	305,617	0
Capital Assets Being Depreciated, Net	0	0	4,963,199	0
Total Noncurrent Assets	0	731,855	5,285,519	4,861
Total Assets	14,352	770,661	6,868,095	16,348
Deferred Outflows of Resources:				
Pension	0	0	20,268	5,900
Total Deferred Outflows of Resources	0	0	20,268	5,900
Liabilities:				
Current Liabilities:				
Accounts Payable	0	0	5,494	0
Accrued Wages and Benefits	0	0	3,115	0
Accrued Interest Payable	0	0	3,652	0
General Obligation Bonds Payable - Current	0	0	90,000	0
Compensated Absences Payable - Current	0	0	3,146	0
Total Current Liabilities	0	0	105,407	0
Noncurrent Liabilities:				
General Obligation Bonds Payable	0	0	1,305,000	0
Compensated Absences Payable	0	0	10,609	0
Net Pension Liability	0	0	46,546	13,548
Total Noncurrent Liabilities	0	0	1,362,155	13,548
Total Liabilities	0	0	1,467,562	13,548
Deferred Inflows of Resources:				
Pension	0	0	57,169	16,478
OPEB	0	0	17,693	5,061
Total Deferred Inflows of Resources	0	0	74,862	21,539
Net Position				
Net Investment in Capital Assets	0	731,855	3,873,816	0
Unrestricted	14,352	38,806	1,472,123	(12,839)
Total Net Position	\$ 14,352	\$ 770,661	\$ 5,345,939	\$ (12,839)

CITY OF PAINESVILLE, OHIO

Total Nonmajor
Enterprise
Funds

\$ 1,604,192

43,029

1,647,221

21,564

1,037,472

4,963,199

6,022,235

7,669,456

26,168

26,168

5,494

3,115

3,652

90,000

3,146

105,407

1,305,000

10,609

60,094

1,375,703

1,481,110

73,647

22,754

96,401

4,605,671

1,512,442

\$ 6,118,113

CITY OF PAINESVILLE, OHIO

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2022**

	Refuse Fund	Off Street Parking Fund	Storm Water Utility Fund	Community Programs Fund
Operating Revenues:				
Charges for Services	\$ 0	\$ 7,449	\$ 431,640	\$ 69,534
Other Charges for Services	0	0	3,852	0
Other Operating Revenues	1,012	0	0	0
Total Operating Revenues	1,012	7,449	435,492	69,534
Operating Expenses:				
Personal Services	0	0	104,114	46,852
Contractual Services	0	1,959	24,469	41,236
Materials and Supplies	0	0	4,695	13,507
Utilities	0	2,360	0	0
Depreciation	0	0	184,791	0
Total Operating Expenses	0	4,319	318,069	101,595
Operating Income (Loss)	1,012	3,130	117,423	(32,061)
Non-Operating Revenue (Expenses):				
Interest and Fiscal Charges	0	0	(47,877)	0
Other Nonoperating Revenue	0	50	0	0
Other Nonoperating Expense	0	0	0	(565)
Total Non-Operating Revenues (Expenses)	0	50	(47,877)	(565)
Income (Loss) Before Contributions	1,012	3,180	69,546	(32,626)
Contributions:				
Capital Contributions	0	0	1,224,050	0
Total Contributions	0	0	1,224,050	0
Change in Net Position	1,012	3,180	1,293,596	(32,626)
Net Position Beginning of Year	13,340	767,481	4,052,343	19,787
Net Position End of Year	\$ 14,352	\$ 770,661	\$ 5,345,939	\$ (12,839)

CITY OF PAINESVILLE, OHIO

Total Nonmajor
Enterprise
Funds

\$ 508,623
3,852
1,012

513,487

150,966
67,664
18,202
2,360
184,791

423,983

89,504

(47,877)
50
(565)

(48,392)

41,112

1,224,050

1,224,050

1,265,162

4,852,951

\$ 6,118,113

CITY OF PAINESVILLE, OHIO

***Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2022***

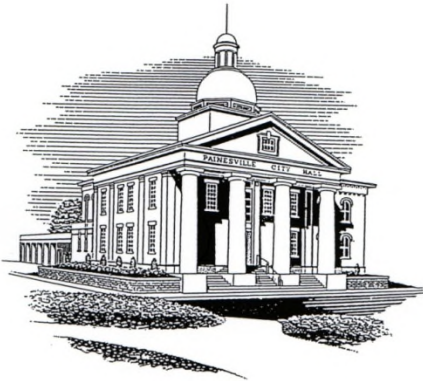
	Refuse Fund	Off-Street Parking Fund	Storm Water Utility Fund
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$1,012	\$7,499	\$438,388
Cash Payments for Goods and Services	0	(4,319)	(31,386)
Cash Payments to Employees	0	0	(133,047)
Net Cash Provided (Used) by Operating Activities	<u>1,012</u>	<u>3,180</u>	<u>273,955</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Capital Contributions	0	0	1,224,050
Acquisition and Construction of Assets	0	0	(1,250,276)
Principal Paid on General Obligation Bonds	0	0	(85,000)
Interest Paid on All Debt	0	0	(48,100)
Net Cash Used by Capital and Related Financing Activities	<u>0</u>	<u>0</u>	<u>(159,326)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,012	3,180	114,629
Cash and Cash Equivalents at Beginning of Year	<u>13,340</u>	<u>35,626</u>	<u>1,424,918</u>
Cash and Cash Equivalents at End of Year	<u><u>\$14,352</u></u>	<u><u>\$38,806</u></u>	<u><u>\$1,539,547</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$1,012	\$3,130	\$117,423
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Depreciation Expense	0	0	184,791
Miscellaneous Nonoperating Revenues	0	50	0
Miscellaneous Nonoperating Expenses	0	0	0
<u>Changes in Assets, Liabilities, and Deferred Outflows/Inflows:</u>			
Decrease in Accounts Receivable	0	0	2,896
Increase in Net OPEB Asset	0	0	(8,063)
Increase in Deferred Outflows of Resources	0	0	(6,266)
Decrease in Accounts Payable	0	0	(2,193)
Increase in Accrued Wages and Benefits	0	0	686
Decrease in Intergovernmental Payable	0	0	(29)
Decrease in Compensated Absences Payable	0	0	(2,966)
Increase (Decrease) in Net Pension Liability	0	0	(25,842)
Increase in Deferred Inflows of Resources	0	0	13,518
Total Adjustments	<u>0</u>	<u>50</u>	<u>156,532</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$1,012</u></u>	<u><u>\$3,180</u></u>	<u><u>\$273,955</u></u>

CITY OF PAINESVILLE, OHIO

Community Programs Fund	Total Nonmajor Enterprise Funds
\$69,534	\$516,433
(55,308)	(91,013)
(31,130)	(164,177)
(16,904)	261,243
0	1,224,050
0	(1,250,276)
0	(85,000)
0	(48,100)
0	(159,326)
(16,904)	101,917
28,391	1,502,275
\$11,487	\$1,604,192

(\$32,061) \$89,504

0	184,791
0	50
(565)	(565)
0	2,896
(4,193)	(12,256)
(4,815)	(11,081)
0	(2,193)
0	686
0	(29)
0	(2,966)
7,938	(17,904)
16,792	30,310
15,157	171,739
(\$16,904)	\$261,243



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, 2022**

	Fuel and Oil Rotary Fund	Supplies Rotary Fund	Employee Health Insurance Fund	Workers' Compensation Retrospective Fund	Total
Assets:					
Current Assets:					
Pooled Cash and Investments	\$ 132,602	\$ 17,515	\$ 335,128	\$ 153,779	\$ 639,024
Total Assets	132,602	17,515	335,128	153,779	639,024
Liabilities:					
Current Liabilities:					
Claims Payable - Current	0	0	313,540	0	313,540
Total Current Liabilities	0	0	313,540	0	313,540
Noncurrent Liabilities:					
Claims Payable	0	0	0	285,211	285,211
Total Liabilities	0	0	313,540	285,211	598,751
Net Position:					
Unrestricted	132,602	17,515	21,588	(131,432)	40,273
Total Net Position	\$ 132,602	\$ 17,515	\$ 21,588	\$ (131,432)	\$ 40,273

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, 2022**

	Fuel and Oil Rotary Fund	Supplies Rotary Fund	Employee Health Insurance Fund	Workers' Compensation Retrospective Fund	Total
Operating Revenues:					
Charges for Services	\$ 0	\$ 11,648	\$ 5,356,625	\$ 1,001,893	\$ 6,370,166
Other Operating Revenue	0	0	81,422	0	81,422
Total Operating Revenues	0	11,648	5,438,047	1,001,893	6,451,588
Operating Expenses:					
Personal Services	0	0	4,163,627	0	4,163,627
Contractual Services	0	0	1,142,441	181,908	1,324,349
Materials and Supplies	0	20,087	0	0	20,087
Total Operating Expenses	0	20,087	5,306,068	181,908	5,508,063
Change in Net Position	0	(8,439)	131,979	819,985	943,525
Net Position Beginning of Year	132,602	25,954	(110,391)	(951,417)	(903,252)
Net Position End of Year	\$ 132,602	\$ 17,515	\$ 21,588	\$ (131,432)	\$ 40,273

CITY OF PAINESVILLE, OHIO

**Combining Statement of Cash Flows
Nonmajor Internal Service Funds
For the Year Ended December 31, 2022**

	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	\$11,648	\$5,438,047	\$794,530	\$6,244,225
Cash Payments for Goods and Services	0	(21,075)	(1,142,441)	(181,908)	(1,345,424)
Cash Payments to Employees	0	0	0	(612,622)	(612,622)
Cash Payments for Employee Medical Claims	0	0	(4,214,184)	0	(4,214,184)
Net Cash Provided (Used) by Operating Activities	0	(9,427)	81,422	0	71,995
Net Increase (Decrease) in Cash and Cash Equivalents	0	(9,427)	81,422	0	71,995
Cash and Cash Equivalents at Beginning of Year	132,602	26,942	253,706	153,779	567,029
Cash and Cash Equivalents at End of Year	\$132,602	\$17,515	\$335,128	\$153,779	\$639,024
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>					
Operating Income (Loss)	\$0	(\$8,439)	\$131,979	\$819,985	\$943,525
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Changes in Assets and Liabilities:					
Decrease in Accounts Payable	0	(988)	0	0	(988)
Decrease in Claims Liability	0	0	(50,557)	(819,985)	(870,542)
Total Adjustments	0	(988)	(50,557)	(819,985)	(871,530)
Net Cash Provided (Used) by Operating Activities	\$0	(\$9,427)	\$81,422	\$0	\$71,995

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, 2022***

	Municipal Court	Law Library	JEDD	Total Custodial Funds
Assets:				
Cash and Cash Equivalents	\$ 36,698	\$ 21,062	\$ 0	\$ 57,760
Cash and Cash Equivalents in Segregated Accounts	0	2,378	0	2,378
Receivables:				
Taxes	0	0	195,788	195,788
Total Assets	<u>36,698</u>	<u>23,440</u>	<u>195,788</u>	<u>255,926</u>
Liabilities:				
Intergovernmental Payable	0	0	195,788	195,788
Due to Others	0	23,440	0	23,440
Total Liabilities	<u>0</u>	<u>23,440</u>	<u>195,788</u>	<u>219,228</u>
Net Position:				
Restricted For:				
Court Bonds	36,698	0	0	36,698
Total Net Position	<u>\$ 36,698</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 36,698</u>

CITY OF PAINESVILLE, OHIO

**Combining Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2022**

	Municipal Court	Law Library	JEDD	Total Custodial Funds
Additions:				
Fines and Forfeiture Collections for other Governments	\$ 1,808,341	\$ 33,254	\$ 0	\$ 1,841,595
Income Tax Collections for other Governments	0	0	1,001,618	1,001,618
Total Additions	<u>1,808,341</u>	<u>33,254</u>	<u>1,001,618</u>	<u>2,843,213</u>
Deductions:				
Distribution of Fines and Forfeitures to other Governments	1,771,643	33,254	0	1,804,897
Distribution of Income Taxes to other Governments	0	0	1,001,618	1,001,618
Total Deductions	<u>1,771,643</u>	<u>33,254</u>	<u>1,001,618</u>	<u>2,806,515</u>
Change in Net Position	36,698	0	0	36,698
Net Position at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Position End of Year	<u>\$ 36,698</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 36,698</u>



STATISTICAL SECTION



STATISTICAL TABLES

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

Contents

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

City of Painesville, Ohio

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

	*			
	2013	2014	2015	2016
Governmental Activities:				
Net Investment in Capital Assets	\$31,513,541	\$33,584,837	\$35,636,534	\$36,810,050
Restricted	5,438,792	6,309,396	7,102,200	7,672,865
Unrestricted	7,096,616	(4,187,406)	(3,309,250)	(3,617,085)
Total Governmental Activities Net Position	<u>\$44,048,949</u>	<u>\$35,706,827</u>	<u>\$39,429,484</u>	<u>\$40,865,830</u>
Business-type Activities:				
Net Investment in Capital Assets	\$53,612,184	\$54,456,010	\$54,770,683	\$55,073,798
Restricted	0	0	0	0
Unrestricted	28,133,474	20,419,355	19,843,074	18,657,959
Total Business-type Activities Net Position	<u>\$81,745,658</u>	<u>\$74,875,365</u>	<u>\$74,613,757</u>	<u>\$73,731,757</u>
Primary Government:				
Net Investment in Capital Assets	\$85,125,725	\$88,040,847	\$90,407,217	\$91,883,848
Restricted	5,438,792	6,309,396	7,102,200	7,672,865
Unrestricted	35,230,090	16,231,949	16,533,824	15,040,874
Total Primary Government Net Position	<u>\$125,794,607</u>	<u>\$110,582,192</u>	<u>\$114,043,241</u>	<u>\$114,597,587</u>

Source: Finance Director's Office

* Restated

City of Painesville, Ohio

*	*				
2017	2018	2019	2020	2021	2022
\$38,776,754	\$40,406,142	\$42,435,366	\$45,339,087	\$46,322,916	\$47,649,570
8,054,202	8,987,437	9,530,977	11,404,072	12,686,989	13,084,223
(15,647,961)	(17,105,653)	(9,303,071)	(9,525,400)	(7,923,355)	(7,010,614)
<u>\$31,182,995</u>	<u>\$32,287,926</u>	<u>\$42,663,272</u>	<u>\$47,217,759</u>	<u>\$51,086,550</u>	<u>\$53,723,179</u>
\$57,658,019	\$60,113,342	\$59,735,075	\$60,818,840	\$63,253,313	\$65,729,675
0	0	0	0	0	0
9,246,793	7,540,927	8,024,933	7,514,332	14,846,412	21,131,152
<u>\$66,904,812</u>	<u>\$67,654,269</u>	<u>\$67,760,008</u>	<u>\$68,333,172</u>	<u>\$78,099,725</u>	<u>\$86,860,827</u>
\$96,434,773	\$100,519,484	\$102,170,441	\$106,157,927	\$109,576,229	\$113,379,245
8,054,202	8,987,437	9,530,977	11,404,072	12,686,989	13,084,223
(6,401,168)	(9,564,726)	(1,278,138)	(2,011,068)	6,923,057	14,120,538
<u>\$98,087,807</u>	<u>\$99,942,195</u>	<u>\$110,423,280</u>	<u>\$115,550,931</u>	<u>\$129,186,275</u>	<u>\$140,584,006</u>

City of Painesville, Ohio

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

	2013	2014	2015
Expenses			
Governmental Activities:			
General Government	\$3,739,730	\$3,921,566	\$3,848,049
Public Safety	6,887,389	6,752,510	7,172,546
Highways and Streets	2,566,021	2,637,941	3,189,101
Public Health and Welfare	516,688	488,651	491,545
Culture and Recreation	590,591	618,468	666,284
Community Environment	314,010	105,322	114,791
Interest and Fiscal Charges	313,959	318,637	303,218
<i>Total Governmental Activities Expenses</i>	<u>14,928,388</u>	<u>14,843,095</u>	<u>15,785,534</u>
Business-type Activities:			
Water	5,302,197	6,117,078	5,542,369
Sewer	4,295,486	4,387,215	4,257,321
Electric	22,217,456	24,835,860	24,875,586
Other Enterprise	418,213	409,740	363,673
<i>Total Business-type Activities Expenses</i>	<u>32,233,352</u>	<u>35,749,893</u>	<u>35,038,949</u>
<i>Total Primary Government Expenses</i>	<u>\$47,161,740</u>	<u>\$50,592,988</u>	<u>\$50,824,483</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
General Government	\$1,720,626	\$1,749,663	\$1,446,087
Public Safety	587,466	616,933	811,277
Highways and Streets	19,050	60,591	67,287
Public Health and Welfare	108,261	110,225	133,515
Culture and Recreation	12,580	9,232	7,580
Community Environment	152,640	306,134	482,434
Operating Grants and Contributions	802,599	876,783	921,812
Capital Grants and Contributions	1,042,448	1,659,154	1,542,778
<i>Total Governmental Activities Program Revenues</i>	<u>4,445,670</u>	<u>5,388,715</u>	<u>5,412,770</u>

City of Painesville, Ohio

2016	2017	2018	2019	2020	2021	2022
\$4,277,546	\$4,297,312	\$4,243,338	\$5,554,317	\$4,328,561	\$4,229,560	\$5,083,805
7,886,075	7,960,151	9,101,205	909,829	9,466,839	9,085,789	9,360,511
2,625,969	2,806,601	2,850,216	2,943,684	2,756,670	2,793,314	2,598,606
522,594	647,437	606,592	682,216	612,715	406,086	553,134
723,245	763,163	750,338	851,330	749,688	374,691	577,726
119,266	140,834	138,948	209,686	115,123	77,695	119,341
290,744	266,554	257,745	234,477	243,052	223,498	192,958
<u>16,445,439</u>	<u>16,882,052</u>	<u>17,948,382</u>	<u>11,385,539</u>	<u>18,272,648</u>	<u>17,190,633</u>	<u>18,486,081</u>
5,746,233	5,229,158	5,308,516	5,944,437	6,067,320	4,059,439	5,115,863
4,137,233	4,315,748	4,202,467	4,979,247	4,287,628	2,877,473	3,592,480
27,199,162	27,882,194	30,563,700	30,291,595	30,585,981	25,314,877	24,479,326
1,323,662	318,883	379,284	385,479	594,980	323,228	472,425
<u>38,406,290</u>	<u>37,745,983</u>	<u>40,453,967</u>	<u>41,600,758</u>	<u>41,535,909</u>	<u>32,575,017</u>	<u>33,660,094</u>
<u>\$54,851,729</u>	<u>\$54,628,035</u>	<u>\$58,402,349</u>	<u>\$52,986,297</u>	<u>\$59,808,557</u>	<u>\$49,765,650</u>	<u>\$52,146,175</u>
\$1,490,185	\$1,530,658	\$1,645,439	\$1,644,353	\$1,261,515	\$1,509,557	\$1,445,813
681,672	620,251	666,103	636,004	607,396	591,208	886,139
22,686	18,892	15,335	10,819	293,419	346,272	202,115
145,531	157,765	180,385	142,265	186,586	169,155	216,601
15,150	22,560	23,277	23,350	13,414	17,087	17,960
331,328	374,365	316,352	481,075	392,211	404,937	281,107
1,046,834	1,057,201	1,185,541	1,100,244	3,455,315	1,550,989	1,472,034
62,266	677,076	1,023,476	2,107,142	261,924	372,679	193,786
<u>3,795,652</u>	<u>4,458,768</u>	<u>5,055,908</u>	<u>6,145,252</u>	<u>6,471,780</u>	<u>4,961,884</u>	<u>4,715,555</u>

(continued)

City of Painesville, Ohio

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

	2013	2014	2015
Business-type Activities:			
Charges for Services			
Water	6,307,635	6,209,116	5,956,836
Sewer	3,985,434	3,706,993	3,822,411
Electric	23,082,430	26,107,694	25,264,720
Other Enterprise	479,933	522,492	510,942
Operating Grants and Contributions	7,154	128,071	3,136
Capital Grants and Contributions	584	146	58,539
<i>Total Business-type Activities Program Revenues</i>	<u>33,863,170</u>	<u>36,674,512</u>	<u>35,616,584</u>
<i>Total Primary Government Program Revenues</i>	<u>38,308,840</u>	<u>42,063,227</u>	<u>41,029,354</u>
Net (Expense)/Revenue			
Governmental Activities	(10,482,718)	(9,454,380)	(10,372,764)
Business-type Activities	1,629,818	924,619	577,635
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$8,852,900)</u>	<u>(\$8,529,761)</u>	<u>(\$9,795,129)</u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes	\$1,144,755	\$1,966,322	\$2,215,786
Municipal Income Taxes	7,721,126	7,900,150	9,190,538
Intergovernmental, Unrestricted	875,970	847,630	881,985
Investment Earnings	47,643	177,819	318,260
Miscellaneous	256,805	284,727	649,609
Transfers	795,935	1,118,310	839,243
<i>Total Governmental Activities</i>	<u>10,842,234</u>	<u>12,294,958</u>	<u>14,095,421</u>
Business-type Activities:			
Investment Earnings	760	0	0
Transfers	(795,935)	(1,118,310)	(839,243)
<i>Total Business-type Activities</i>	<u>(795,175)</u>	<u>(1,118,310)</u>	<u>(839,243)</u>
<i>Total Primary Government</i>	<u>\$10,047,059</u>	<u>\$11,176,648</u>	<u>\$13,256,178</u>
Change in Net Position			
Governmental Activities	\$359,516	\$2,840,578	\$3,722,657
Business-type Activities	834,643	(193,691)	(261,608)
<i>Total Primary Government Change in Net Position</i>	<u>\$1,194,159</u>	<u>\$2,646,887</u>	<u>\$3,461,049</u>

Source: Finance Director's Office

City of Painesville, Ohio

2016	2017	2018	2019	2020	2021	2022
6,224,784	6,215,373	6,170,021	6,159,416	7,094,910	7,437,052	7,875,790
3,842,638	4,000,567	4,135,229	4,362,653	4,484,528	4,268,947	4,404,804
27,174,232	27,301,029	31,071,723	30,411,943	30,699,901	30,106,877	29,198,026
555,030	618,165	618,113	490,033	482,385	484,299	513,537
0	0	0	0	0	0	15,750
294,500	0	0	1,117,761	170,390	930,104	1,224,050
<u>38,091,184</u>	<u>38,135,134</u>	<u>41,995,086</u>	<u>42,541,806</u>	<u>42,932,114</u>	<u>43,227,279</u>	<u>43,231,957</u>
<u>41,886,836</u>	<u>42,593,902</u>	<u>47,050,994</u>	<u>48,687,058</u>	<u>49,403,894</u>	<u>48,189,163</u>	<u>47,947,512</u>
(12,649,787)	(12,423,284)	(12,892,474)	(5,240,287)	(11,800,868)	(12,228,749)	(13,770,526)
(315,106)	389,151	1,541,119	941,048	1,396,205	10,652,262	9,571,863
<u>(\$12,964,893)</u>	<u>(\$12,034,133)</u>	<u>(\$11,351,355)</u>	<u>(\$4,299,239)</u>	<u>(\$10,404,663)</u>	<u>(\$1,576,487)</u>	<u>(\$4,198,663)</u>
\$2,214,980	\$2,318,191	\$2,364,159	\$2,665,543	\$3,038,768	\$3,350,755	\$3,242,091
9,448,284	9,426,872	8,645,785	9,123,409	9,220,580	10,223,262	11,360,620
840,902	822,685	952,903	1,073,810	1,019,623	1,213,502	1,072,731
347,822	488,373	693,122	1,306,600	1,329,394	(284,081)	(1,514,512)
667,251	638,094	361,385	610,962	923,949	708,393	1,435,464
566,894	757,012	791,662	835,309	823,041	885,709	810,761
<u>14,086,133</u>	<u>14,451,227</u>	<u>13,809,016</u>	<u>15,615,633</u>	<u>16,355,355</u>	<u>16,097,540</u>	<u>16,407,155</u>
0	0	0	0	0	0	0
(566,894)	(757,012)	(791,662)	(835,309)	(823,041)	(885,709)	(810,761)
<u>(566,894)</u>	<u>(757,012)</u>	<u>(791,662)</u>	<u>(835,309)</u>	<u>(823,041)</u>	<u>(885,709)</u>	<u>(810,761)</u>
<u>\$13,519,239</u>	<u>\$13,694,215</u>	<u>\$13,017,354</u>	<u>\$14,780,324</u>	<u>\$15,532,314</u>	<u>\$15,211,831</u>	<u>\$15,596,394</u>
\$1,436,346	\$2,027,943	\$916,542	\$10,375,346	\$4,554,487	\$3,868,791	\$2,636,629
(882,000)	(367,861)	749,457	105,739	573,164	9,766,553	8,761,102
<u>\$554,346</u>	<u>\$1,660,082</u>	<u>\$1,665,999</u>	<u>\$10,481,085</u>	<u>\$5,127,651</u>	<u>\$13,635,344</u>	<u>\$11,397,731</u>

City of Painesville, Ohio

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

	2013	2014	2015	2016
General Fund				
Nonspendable	\$1,012,204	\$876,065	\$877,739	\$868,584
Restricted	0	0	0	0
Committed	0	0	0	11,931
Assigned	756,351	923,785	1,091,861	926,069
Unassigned	5,950,964	5,764,760	6,216,145	5,801,917
<i>Total General Fund</i>	<u>7,719,519</u>	<u>7,564,610</u>	<u>8,185,745</u>	<u>7,608,501</u>
All Other Governmental Funds				
Nonspendable	1,126,574	1,279,005	1,146,021	1,175,425
Restricted	4,827,946	4,663,014	5,598,192	6,192,754
Committed	1,140,484	1,436,758	1,702,514	2,081,797
Assigned	0	0	0	0
Unassigned	(129,977)	(60,716)	(15,740)	0
<i>Total All Other Governmental Funds</i>	<u>6,965,027</u>	<u>7,318,061</u>	<u>8,430,987</u>	<u>9,449,976</u>
<i>Total Governmental Funds</i>	<u>\$14,684,546</u>	<u>\$14,882,671</u>	<u>\$16,616,732</u>	<u>\$17,058,477</u>

Source: Finance Director's Office

* Restated

City of Painesville, Ohio

*					
2017	2018	2019	2020	2021	2022
\$875,763	\$886,154	\$884,051	\$878,996	\$909,380	\$879,475
0	7,206	7,206	7,206	7,206	7,206
10,931	10,931	10,931	10,931	200,931	195,431
756,999	1,277,058	1,734,457	1,514,656	1,587,082	2,024,798
5,903,284	5,338,589	5,923,562	7,465,656	6,430,990	4,650,526
<u>7,546,977</u>	<u>7,519,938</u>	<u>8,560,207</u>	<u>9,877,445</u>	<u>9,135,589</u>	<u>7,757,436</u>
1,170,344	1,193,253	1,206,703	1,228,949	1,249,724	1,280,612
6,564,682	7,547,035	7,910,091	9,783,465	10,812,873	11,441,964
2,635,021	2,414,072	2,296,269	2,431,825	3,063,972	3,113,450
0	0	0	0	0	0
0	0	0	0	(212,370)	0
<u>10,370,047</u>	<u>11,154,360</u>	<u>11,413,063</u>	<u>13,444,239</u>	<u>14,914,199</u>	<u>15,836,026</u>
<u>\$17,917,024</u>	<u>\$18,674,298</u>	<u>\$19,973,270</u>	<u>\$23,321,684</u>	<u>\$24,049,788</u>	<u>\$23,593,462</u>

City of Painesville, Ohio

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

	2013	2014	2015	2016
Revenues:				
Taxes	\$8,778,000	\$9,912,425	\$11,411,537	\$10,950,272
Intergovernmental Revenues	2,694,920	3,369,400	3,363,173	1,956,828
Charges for Services	672,887	678,643	823,641	731,184
Licenses, Permits and Inspection Fees	337,067	476,660	551,881	502,156
Investment Earnings	49,611	147,622	373,424	308,897
Special Assessments	76,294	91,321	205,700	112,284
Fines and Forfeitures	1,416,206	1,428,419	1,314,000	1,374,157
All Other Revenue	462,724	519,613	649,609	669,658
Total Revenue	14,487,709	16,624,103	18,692,965	16,605,436
Expenditures:				
Current:				
General Government	3,558,335	3,785,221	3,788,515	4,211,050
Public Safety	6,660,415	6,591,728	7,115,031	6,971,484
Highways and Streets	5,882,834	4,394,199	4,180,040	2,703,940
Public Health and Welfare	494,241	480,801	489,786	493,012
Culture and Recreation	538,577	574,406	634,046	644,296
Community Environment	309,105	113,556	112,913	120,000
Capital Outlay	820,402	1,493,091	612,219	621,855
Debt Service:				
Principal Retirement	1,336,673	1,292,115	1,753,434	1,737,466
Interest and Fiscal Charges	268,510	327,143	311,109	299,911
Total Expenditures	19,869,092	19,052,260	18,997,093	17,803,014
Excess (Deficiency) of Revenues Over Expenditures	(5,381,383)	(2,428,157)	(304,128)	(1,197,578)

City of Painesville, Ohio

2017	2018	2019	2020	2021	2022
\$11,203,877	\$10,707,047	\$12,054,906	\$12,270,990	\$13,533,130	\$14,740,851
2,467,808	2,834,399	4,057,877	4,835,327	2,818,559	2,950,119
779,986	756,546	869,599	892,055	864,913	921,894
549,998	474,497	439,661	347,121	345,318	309,969
448,358	692,761	1,317,066	1,348,089	(257,382)	(1,518,569)
96,820	85,015	98,853	372,165	418,424	269,246
1,425,667	1,543,578	1,540,151	1,130,223	1,404,679	1,389,605
638,744	365,100	613,277	929,549	709,898	1,437,189
<u>17,611,258</u>	<u>17,458,943</u>	<u>20,991,390</u>	<u>22,125,519</u>	<u>19,837,539</u>	<u>20,500,304</u>
4,012,316	3,926,735	4,479,276	4,982,182	5,209,084	6,229,061
7,367,209	7,789,590	8,681,233	10,790,893	9,012,720	10,179,115
3,045,926	3,079,358	3,355,673	1,737,807	3,349,021	2,346,224
539,169	534,050	547,858	523,159	561,713	627,587
613,505	643,694	654,457	598,368	625,754	667,583
121,553	127,541	185,362	108,589	115,758	143,503
726,411	945,078	1,288,948	855,594	335,407	696,634
1,505,048	1,245,033	1,077,215	783,827	644,531	672,060
278,970	264,282	261,442	248,117	234,763	205,624
<u>18,210,107</u>	<u>18,555,361</u>	<u>20,531,464</u>	<u>20,628,536</u>	<u>20,088,751</u>	<u>21,767,391</u>
(598,849)	(1,096,418)	459,926	1,496,983	(251,212)	(1,267,087)

(continued)

City of Painesville, Ohio

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

	2013	2014	2015	2016
Other Financing Sources (Uses):				
Sale of Capital Assets	30,322	10	19,401	46,487
Other Financing Sources - Capital Leases	0	147,000	111,000	125,000
Ohio Public Works Commission Loan	840,030	358,135	8,180	2,553
General Obligation Bonds Issued	1,917,000	0	0	0
Long Term Note Issuance	1,031,876	1,205,271	1,060,365	898,389
Insurance Proceeds	3,482	0	0	0
Transfers In	1,628,935	3,218,310	3,015,243	3,141,894
Transfers Out	(883,000)	(2,150,000)	(2,176,000)	(2,575,000)
Total Other Financing Sources (Uses)	<u>4,568,645</u>	<u>2,778,726</u>	<u>2,038,189</u>	<u>1,639,323</u>
Net Change in Fund Balance	<u>(\$812,738)</u>	<u>\$350,569</u>	<u>\$1,734,061</u>	<u>\$441,745</u>
 Debt Service as a Percentage of Noncapital Expenditures	 11.00%	 11.13%	 12.98%	 12.90%

Source: Finance Director's Office

City of Painesville, Ohio

2017	2018	2019	2020	2021	2022
19,231	646	776	26,663	2,807	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
696,153	535,917	0	1,000,000	190,800	0
0	337,078	2,961	1,727	0	0
3,042,012	2,170,222	2,250,309	2,458,041	2,695,709	2,451,761
(2,300,000)	(1,378,560)	(1,415,000)	(1,635,000)	(1,910,000)	(1,641,000)
<u>1,457,396</u>	<u>1,665,303</u>	<u>839,046</u>	<u>1,851,431</u>	<u>979,316</u>	<u>810,761</u>
<u>\$858,547</u>	<u>\$568,885</u>	<u>\$1,298,972</u>	<u>\$3,348,414</u>	<u>\$728,104</u>	<u>(\$456,326)</u>
11.74%	9.59%	7.74%	6.64%	5.04%	4.64%

City of Painesville, Ohio

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

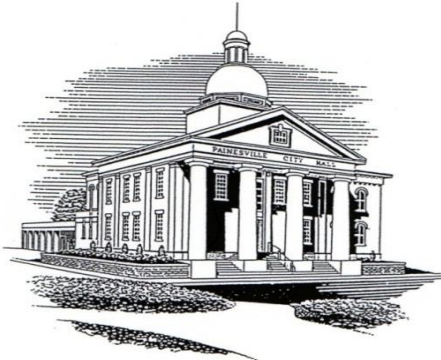
Tax year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Income Tax Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Estimated Personal Income	\$850,247,106	\$866,328,046	\$873,158,400	\$905,602,368	\$840,817,740
Total Tax Collected	\$6,870,545	\$7,955,171	\$8,737,608	\$8,982,680	\$8,460,238
Income Tax Receipts					
Withholding	5,606,364	6,491,419	7,129,887	6,476,511	6,226,735
Percentage	81.6%	81.6%	66.1%	72.1%	73.6%
Corporate	625,220	723,921	795,122	1,338,421	1,285,956
Percentage	9.1%	9.1%	21.9%	14.9%	15.2%
Individuals	638,961	739,831	812,599	1,167,748	947,547
Percentage	9.3%	9.3%	12.0%	13.0%	11.2%

Source: City Income Tax Department

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

City of Painesville, Ohio

2018	2019	2020	2021	2022
2.00%	2.00%	2.00%	2.00%	2.00%
\$924,914,752	\$1,021,884,976	\$1,069,848,000	\$1,116,255,264	\$990,320,592
\$8,308,548	\$8,457,798	\$8,870,241	\$9,188,366	\$10,714,168
6,156,635	6,284,144	6,581,719	6,836,144	7,971,341
74.1%	74.3%	74.2%	74.4%	74.4%
1,204,739	1,243,296	1,295,055	1,332,313	1,553,554
14.5%	14.7%	14.6%	14.5%	14.5%
947,174	930,358	993,467	1,019,909	1,189,273
11.4%	11.0%	11.2%	11.1%	11.1%



City of Painesville

Income Tax Collections Current Year and Nine Years Ago

Calendar Year 2022				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,002	23.13%	\$9,971,717	4.28%
20,000 - 49,999	1,587	36.64%	55,765,597	23.92%
50,000 - 74,999	802	18.51%	48,875,971	20.96%
75,000 - 99,999	399	9.21%	34,617,570	14.85%
Over 100,000	542	12.51%	83,920,514	35.99%
Total	4,332	100.00%	\$233,151,369	100.00%
Local Taxes Paid by Residents			Tax Dollars	
Taxes Paid to Painesville			\$989,674	
Taxes Credited to Other Municipalities			393,665	
			\$1,383,339	
Calendar Year 2013				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	2,160	44.82%	\$12,366,871	7.95%
20,000 - 49,999	1,462	30.34%	48,325,486	31.04%
50,000 - 74,999	661	13.72%	39,311,326	25.26%
75,000 - 99,999	321	6.66%	26,936,452	17.31%
Over 100,000	215	4.46%	28,690,880	18.44%
Total	4,819	100.00%	\$155,631,015	100.00%
Local Taxes Paid by Residents			Tax Dollars	
Taxes Paid to Painesville			\$686,187	
Taxes Credited to Other Municipalities			466,051	
			\$1,152,238	

Source: Finance Director's Office

City of Painesville, Ohio

Ratios of Outstanding Debt By Type Last Ten Years

	2013	2014	2015	2016
Governmental Activities ⁽¹⁾				
General Obligation Bonds	\$8,930,736	\$8,750,908	\$8,373,080	\$7,953,252
Special Assessment Bonds	290,000	270,000	250,000	230,000
Ohio Public Works Commission Loan	908,491	1,261,736	1,265,026	1,262,689
Long-Term Notes	960,876	1,205,271	1,060,365	898,389
Construction Loan	203,139	135,547	69,193	0
Installment Loan	201,737	281,980	306,061	260,043
Business-type Activities ⁽¹⁾				
Mortgage Revenue Bonds	\$1,050,236	\$795,089	\$536,294	\$275,899
General Obligation Bonds	1,250,000	0	0	1,865,000
Ohio Water Development Authority Loan	3,853,679	3,708,874	3,882,369	3,929,625
Ohio Public Works Commission Loan	111,301	67,896	24,587	22,539
Long-Term Notes	1,339,124	2,254,729	1,799,635	1,351,611
Capital Leases	3,548,506	3,301,087	3,044,934	2,779,149
Total Primary Government	<u>\$22,647,825</u>	<u>\$22,033,117</u>	<u>\$20,611,544</u>	<u>\$20,828,196</u>
Population ⁽²⁾				
City of Painesville	19,563	19,933	19,840	19,776
Outstanding Debt Per Capita	\$1,158	\$1,105	\$1,039	\$1,053
Income ⁽³⁾				
Personal (in thousands)	\$850,247	\$866,328	\$873,158	\$905,602
Percentage of Personal Income	2.66%	2.54%	2.36%	2.30%

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

2017	2018	2019	2020	2021	2022
\$7,526,424	\$7,091,596	\$6,644,768	\$6,179,940	\$5,703,112	\$5,213,284
210,000	190,000	165,000	140,000	115,000	90,000
1,209,443	1,156,197	1,102,951	1,076,328	1,023,082	969,836
696,153	535,917	0	750,000	869,927	779,441
0	0	0	0	0	0
145,630	96,996	72,944	47,740	21,328	0
\$0	\$0	\$0	\$0	\$0	\$0
1,790,000	1,715,000	1,640,000	1,560,000	1,480,000	1,395,000
5,815,830	7,936,226	16,221,502	17,319,657	16,741,207	15,863,301
20,491	18,443	16,389	50,097	46,312	42,527
903,847	464,083	0	0	0	2,870,000
2,503,526	2,217,666	1,996,863	1,766,341	1,525,692	1,274,461
<u>\$20,821,344</u>	<u>\$21,422,124</u>	<u>\$27,860,417</u>	<u>\$28,890,103</u>	<u>\$27,525,660</u>	<u>\$28,497,850</u>
19,563	20,192	20,144	20,250	20,334	20,642
\$1,064	\$1,061	\$1,383	\$1,427	\$1,354	\$1,381
\$840,818	\$924,915	\$1,021,885	\$1,069,848	\$1,116,255	\$990,321
2.48%	2.32%	2.73%	2.70%	2.47%	2.88%

City of Painesville, Ohio

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2013	2014	2015	2016
Population ⁽¹⁾	19,563	19,933	19,840	19,776
Personal Income ⁽²⁾	\$850,247,106	\$866,328,046	\$873,158,400	\$905,602,368
General Bonded Debt				
General Obligation Bonds	\$10,180,736	\$8,750,908	\$8,373,080	\$9,818,252
Resources Available to Pay Principal	\$161,951	\$121,648	\$182,798	\$243,667
Net General Bonded Debt	\$10,018,785	\$8,629,260	\$8,190,282	\$9,574,585
Ratio of Net Bonded Debt to Personal Income	1.18%	1.00%	0.94%	1.06%
Net Bonded Debt per Capita	\$512.13	\$432.91	\$412.82	\$484.15

Sources:

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

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2021, for the presentation of 2022 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

2017	2018	2019	2020	2021	2022
19,563	20,192	20,144	20,250	20,334	20,642
\$840,817,740	\$924,914,752	\$1,021,884,976	\$1,069,848,000	\$1,116,255,264	\$990,320,592
\$9,316,424	\$8,806,596	\$8,284,768	\$7,739,940	\$7,183,112	\$6,608,284
\$304,935	\$357,923	\$416,514	\$213,982	\$273,758	\$341,962
\$9,011,489	\$8,448,673	\$7,868,254	\$7,525,958	\$6,909,354	\$6,266,322
1.07%	0.91%	0.77%	0.70%	0.62%	0.63%
\$460.64	\$418.42	\$390.60	\$371.65	\$339.79	\$303.57

City of Painesville, Ohio



City of Painesville, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2022*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Painesville</u>	<u>Amount Applicable to the City of Painesville</u>
Direct:			
City of Painesville	\$7,052,561	100.00%	\$7,052,561
Overlapping:			
Painesville City School District	19,038,875	100.00%	19,038,875
Auburn Career Center	4,396,000	9.56%	420,258
Lakeland Community College	77,142,120	3.76%	2,900,544
Riverside Local School District	36,922,949	4.59%	1,694,763
Lake County	3,300,000	3.76%	124,080
		Subtotal	<u>24,178,520</u>
		Total	<u><u>\$31,231,081</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	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$218,554,660	\$219,194,440	\$218,983,000	\$220,674,620
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	22,948,239	23,015,416	22,993,215	23,170,835
City Debt Outstanding (2)	4,939,613	4,612,251	4,311,426	3,916,432
Less: Applicable Debt Service Fund Amounts	<u>(161,951)</u>	<u>(121,648)</u>	<u>(182,798)</u>	<u>(243,667)</u>
Net Indebtedness Subject to Limitation	<u>4,777,662</u>	<u>4,490,603</u>	<u>4,128,628</u>	<u>3,672,765</u>
Overall Legal Debt Margin	<u><u>\$18,170,577</u></u>	<u><u>\$18,524,813</u></u>	<u><u>\$18,864,587</u></u>	<u><u>\$19,498,070</u></u>
 Debt Margin as a Percentage of Debt Limit	 79.18%	 80.49%	 82.04%	 84.15%
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$218,554,660	\$219,194,440	\$218,983,000	\$220,674,620
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	12,020,506	12,055,694	12,044,065	12,137,104
City Debt Outstanding (2)	0	0	0	0
Less: Applicable Debt Service Fund Amounts	<u>(161,951)</u>	<u>(121,648)</u>	<u>(182,798)</u>	<u>(243,667)</u>
Net Indebtedness Subject to Limitation	<u>(161,951)</u>	<u>(121,648)</u>	<u>(182,798)</u>	<u>(243,667)</u>
Overall Legal Debt Margin	<u><u>\$12,182,457</u></u>	<u><u>\$12,177,342</u></u>	<u><u>\$12,226,863</u></u>	<u><u>\$12,380,771</u></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

2017	2018	2019	2020	2021	2022
\$221,250,540	\$222,787,360	\$243,528,100	\$251,176,110	\$251,585,440	\$290,574,650
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
23,231,307	23,392,673	25,570,451	26,373,492	26,416,471	30,510,338
3,405,783	2,994,913	2,508,311	2,681,000	2,571,927	2,244,441
(304,935)	(357,923)	(416,514)	(213,982)	(273,758)	(341,962)
<u>3,100,848</u>	<u>2,636,990</u>	<u>2,091,797</u>	<u>2,467,018</u>	<u>2,298,169</u>	<u>1,902,479</u>
<u>\$20,130,459</u>	<u>\$20,755,683</u>	<u>\$23,478,654</u>	<u>\$23,906,474</u>	<u>\$24,118,302</u>	<u>\$28,607,859</u>
86.65%	88.73%	91.82%	90.65%	91.30%	93.76%
\$221,250,540	\$222,787,360	\$243,528,100	\$251,176,110	\$251,585,440	\$290,574,650
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
12,168,780	12,253,305	13,394,046	13,814,686	13,837,199	15,981,606
0	0	0	0	0	0
(304,935)	(357,923)	(416,514)	(213,982)	(273,758)	(341,962)
<u>(304,935)</u>	<u>(357,923)</u>	<u>(416,514)</u>	<u>(213,982)</u>	<u>(273,758)</u>	<u>(341,962)</u>
<u>\$12,473,715</u>	<u>\$12,611,228</u>	<u>\$13,810,560</u>	<u>\$14,028,668</u>	<u>\$14,110,957</u>	<u>\$16,323,568</u>

City of Painesville, Ohio

*Pledged Revenue Coverage
Last Ten Years*

	2013	2014	2015	2016
Special Assessment Bonds (1)				
Special Assessment Collections	\$56,832	\$78,213	\$56,770	\$56,719
Debt Service				
Principal	20,000	20,000	20,000	20,000
Interest	15,500	14,500	13,500	12,500
Coverage	1.60	2.27	1.69	1.75

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

Source: Finance Director's Office

City of Painesville, Ohio

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$57,090	\$57,179	\$90,682	\$79,516	\$55,567	\$57,509
20,000	20,000	25,000	25,000	25,000	25,000
11,500	10,500	9,500	8,250	7,000	5,750
1.81	1.87	2.63	2.39	1.74	1.87

City of Painesville, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2013	2014	2015	2016
Population (1)				
City of Painesville	19,563	19,933	19,840	19,776
Lake County	230,041	229,245	229,245	228,614
Income (2) (a)				
Total Personal (in thousands)	\$850,247	\$866,328	\$873,158	\$905,602
Per Capita	\$43,462	\$43,462	\$44,010	\$45,793
Unemployment Rate (3)				
Federal	6.7%	5.6%	4.8%	4.9%
State	6.5%	4.8%	4.6%	4.9%
Lake County	7.9%	6.2%	3.7%	4.8%
Civilian Work Force Estimates (3)				
State	5,765,000	5,738,000	5,693,000	5,687,000
Lake County	126,500	126,800	121,600	122,200

Sources:

(1) US Bureau of Census of Population

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2021, for the presentation of 2022 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

2017	2018	2019	2020	2021	2022
19,563	20,192	20,144	20,250	20,334	20,642
230,041	230,117	230,149	230,051	234,906	231,842
\$840,818	\$924,915	\$1,021,885	\$1,069,848	\$1,116,255	\$990,321
\$42,980	\$45,806	\$50,729	\$52,832	\$54,896	\$47,976
4.1%	3.9%	3.5%	6.7%	5.3%	3.5%
4.1%	4.6%	4.1%	5.5%	4.5%	4.1%
4.4%	4.6%	4.3%	5.5%	3.4%	3.3%
5,780,000	5,757,507	5,811,800	5,692,600	5,741,300	5,768,443
123,935	125,600	126,784	117,500	118,286	151,625

City of Painesville, Ohio



City of Painesville, Ohio

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2022		
		Number of Employees	Rank	Percentage of Total Employment
County of Lake	Government	1,721	1	21.85%
Fasson Division/Avery International Corp.	Manufacturing	528	2	6.70%
Painesville City Schools	Education	404	3	5.13%
The City of Painesville	Government	267	4	3.39%
Lake Erie College	Education	264	5	3.35%
Aero Fluid Products, Inc.	Manufacturing	168	6	2.13%
Cintas	Service	145	7	1.84%
Mar-Bal Corporation	Manufacturing	123	8	1.56%
Eckart America	Manufacturing	89	9	1.13%
Yokohama Industries Americas Ohio	Manufacturing	57	10	0.72%
Total		<u>3,766</u>		
Total Employment within the City		<u><u>7,877</u></u>		

Employer	Nature of Business	2013		
		Number of Employees	Rank	Percentage of Total Employment
County of Lake	Government	1,076	1	18.76%
Fasson Division/Avery International Corp.	Manufacturing	556	2	9.69%
Painesville City Schools	Education	386	3	6.73%
The City of Painesville	Government	286	4	4.99%
Lake Erie College	Education	273	5	4.76%
Aero Fluid Products	Manufacturing	168	6	2.93%
Cintas	Service	120	7	2.09%
Eckart America	Manufacturing	104	8	1.81%
STP Products/Armored Auto Group	Manufacturing	85	9	1.48%
SAS Rubber Co.	Manufacturing	78	10	1.36%
		<u>3,132</u>		
Total Employment within the City		<u><u>5,737</u></u>		

Source:

Compiled by City of Painesville Finance Department

City of Painesville, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	2013	2014	2015	2016	2017
Governmental Activities					
General Government					
Finance	6.00	6.00	6.00	6.00	5.50
Judicial	19.00	17.00	20.00	20.00	20.00
Administration	43.00	43.00	42.00	42.00	42.00
Maintenance	1.00	1.00	1.00	1.00	1.00
Public Safety					
Police	41.00	42.00	42.00	42.00	42.00
Fire	27.00	26.00	26.00	26.00	26.00
Public Works					
Public Works	15.00	16.00	15.00	16.00	16.00
Public Health and Welfare					
Cemeteries	4.00	4.00	4.00	4.00	4.00
Culture and Recreation					
Parks - Recreation	6.00	6.00	6.00	6.00	6.00
Business-Type Activities					
Utilities					
Water	20.00	21.00	20.00	21.00	21.00
Sewer	17.00	17.00	17.00	16.00	16.00
Electric	56.00	56.00	56.00	56.00	56.00
Off Street Parking	1.00	1.00	1.00	0.00	0.00
<i>Total Employees</i>	<u>256.00</u>	<u>256.00</u>	<u>256.00</u>	<u>256.00</u>	<u>255.50</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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
5.50	5.50	5.50	5.50	5.50
20.00	20.00	20.00	20.00	24.00
42.00	42.00	42.00	42.00	49.50
1.00	1.00	1.00	1.00	0.00
44.00	44.00	44.00	44.00	49.00
26.00	27.00	27.00	27.00	29.00
17.00	17.00	17.00	17.00	19.00
5.00	5.00	5.00	5.00	5.00
6.00	6.00	6.00	6.00	6.00
21.00	21.00	21.00	21.00	22.00
14.00	14.00	14.00	14.00	14.00
47.00	45.00	45.00	45.00	43.00
0.00	0.00	0.00	0.00	0.00
<u>248.50</u>	<u>247.50</u>	<u>247.50</u>	<u>247.50</u>	<u>266.00</u>

City of Painesville, Ohio

Operating Indicators by Function Last Ten Years

	2013	2014	2015
Governmental Activities			
General Government			
Court			
Number of Probation Cases	1,524	1,349	1,213
Number of Traffic Cases	9,694	9,763	8,787
Licenses and Permits			
Number of Building Permits - Residential	372	352	262
Number of Building Permits - Commercial & Industrial	115	74	48
Number of Building Inspections - Residential	834	819	1,062
Number of Building Inspections - Commercial	1,949	1,233	237
Public Safety			
Police			
Number of Citations Issued	1,613	2,025	1,139
Number of Arrests	1,252	650	1,119
Number of Accidents	442	415	487
Fire			
Number of Fire Calls	76	92	96
Number of EMS Runs	2,594	2,630	2,736
Number of Inspections	606	477	979
Highways and Streets			
Public Works			
Number of Streets Resurfaced	1	3	4
Public Health and Welfare			
Cemeteries			
Number of Burials	188	169	189
Number of Cemeteries	2	2	2
Culture and Recreation			
Parks - Recreation			
Program Attendance	41,525	40,500	48,190
Number of Park Visitations	155,000	147,500	152,000

City of Painesville, Ohio

2016	2017	2018	2019	2020	2021	2022
1,279	1,164	1,385	1,106	1,048	930	1,182
9,197	10,166	10,612	9,153	6,514	7,177	8,276
275	399	292	292	296	584	60
29	83	43	43	47	99	64
1,547	2,682	1,532	1,532	1,561	1,602	494
247	756	360	360	345	191	256
2,002	1,466	1,473	1,933	926	1,808	2,622
2,853	998	1,006	1,198	861	885	482
482	419	454	407	414	406	443
92	69	72	61	83	88	88
2,899	2,865	2,764	2,777	2,864	2,834	2,930
1,002	610	618	530	542	471	465
10	9	4	4	4	1	6
181	212	166	166	166	189	223
2	2	2	2	2	2	2
48,500	49,300	50,000	50,000	25,000	35,000	40,000
155,000	160,000	162,000	162,000	210,600	220,000	230,000

City of Painesville, Ohio

Operating Indicators by Function Last Ten Years

	2013	2014	2015
Business-Type Activities			
Water			
Number of Service Connections	10,454	10,536	10,602
Water Main Breaks	44	43	42
Daily Average Consumption (thousands of gallons)	3,059	3,100	3,319
Peak Daily Consumption (thousands of gallons)	4,450	4,051	6,246
Storage Capacity (thousands of gallons)	4,053	4,053	4,053
Sewer			
Daily Average Sewage Treatment (thousands of gallons)	3.29	3.30	3.12
Electric			
Number of Service Connections	12,231	12,240	12,273
Average Daily Generation in Kilowatt Hours	41,115	16,983	18,939
Peak Load in Kilowatts	54,500	50,600	51,300
Off Street Parking			
Number of Parking Garage Spaces (1)	502	502	475
Number of Vogue Lot Spaces	60	60	60
Number of Sterling Lot Spaces	101	101	101
Storm Water Drainage			
Number of Billings	7,605	7,631	7,655

(1) The parking garage was demolished in 2016.

Source: Finance Director's Office

City of Painesville, Ohio

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
10,661	10,767	10,832	10,943	11,239	11,400	11,596
35	39	44	52	45	54	31
3,064	3,093	3,069	2,992	3,117	3,242	3,079
5,140	4,821	4,904	4,428	5,806	6,038	4,785
4,053	4,053	4,053	4,053	4,063	4,226	4,226
3.16	3.27	3.44	3.35	3.33	3.04	3.33
12,305	12,360	12,417	12,442	12,512	12,589	12,705
21,257	10,235	10,469	8,434	5,900	2,947	2,500
54,100	49,000	53,900	50,700	51,200	53,400	50,800
0	0	0	0	0	0	0
60	60	60	60	60	60	60
101	101	101	101	101	101	101
7,727	7,762	7,804	7,804	7,886	7,919	7,919

City of Painesville, Ohio

*Capital Asset Statistics by Function
Last Ten Years*

	2013	2014	2015	2016
Governmental Activities				
General Government				
Public Land and Buildings				
Land (acres)	0.95	0.95	0.95	0.95
Buildings	7	7	7	7
Public Safety				
Police				
Stations	1	1	1	1
Vehicles	21	25	24	21
Fire				
Stations	1	1	1	1
Vehicles	14	13	13	14
Public Works				
Street				
Streets (lane miles)	59	59	59	59
Street Lights	1,571	1,571	1,571	1,571
Traffic Signals	116	116	116	116
Vehicles	27	27	29	29
Culture and Recreation				
Recreation/Seniors				
Land (acres)	140.51	140.51	150.51	150.51
Buildings	1	1	1	1
Parks	15	15	15	15
Playgrounds	11	11	11	10
Tennis Courts	2	2	2	0
Baseball/Softball Diamonds	9	9	9	9

City of Painesville, Ohio

2017	2018	2019	2020	2021	2022
0.95 7	0.95 7	0.95 7	0.95 7	0.95 7	0.95 7
1 21	1 21	1 21	1 31	1 29	1 29
1 14	1 14	1 14	1 14	1 14	1 14
59 1,571 116 30	59 1,571 116 30	59 1,571 116 30	59 1,571 116 30	61 1,571 116 29	61 1,571 116 29
150.10 1 13 10 0 9	150.10 1 13 10 0 9	150.10 1 13 10 0 9	150.10 1 13 10 0 9	150.10 1 13 10 0 9	150.10 1 13 10 0 9

(Continued)

City of Painesville, Ohio

*Capital Asset Statistics by Function
Last Ten Years*

	2013	2014	2015	2016
Business-Type Activities				
Utilities				
Water				
Waterlines (Miles)	133.1	138.6	139.4	140.0
Pump Stations	7	7	7	7
Number of Hydrants	1,839	1,866	1,875	1,880
Sewer				
Sewer lines (Miles)	50	50	50	50
Lift Stations	8	8	8	8
Electric				
Lines (Miles)	222	222	222	222
Off Street Parking				
Buildings and Improvements	1	1	1	0
Storm Water Drainage				
Storm Drains (Miles)	38	38	38	38
Number of Catch Basins	2,902	2,902	2,904	2,904
Treatment Capacity (thousands of gallons)	28,000	28,000	28,000	28,000

Source: Finance Director's Office

City of Painesville, Ohio

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
141.1	142.0	142.6	143.4	144.2	144.7
7	7	7	7	7	7
1,900	1,902	1,914	1,924	1,941	1,941
50	57	57	57	57	57
8	8	8	9	9	9
222	222	222	225	225	225
0	0	0	0	0	0
38	38	38	38	42	42
2,904	2,904	2,904	2,904	3,104	3,104
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

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/8/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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www.ohioauditor.gov