



OHIO AUDITOR OF STATE  
**KEITH FABER**





CITY OF PAINESVILLE  
LAKE COUNTY

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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 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, 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 23, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the City.

### ***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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***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*.

***Purpose of This Report***

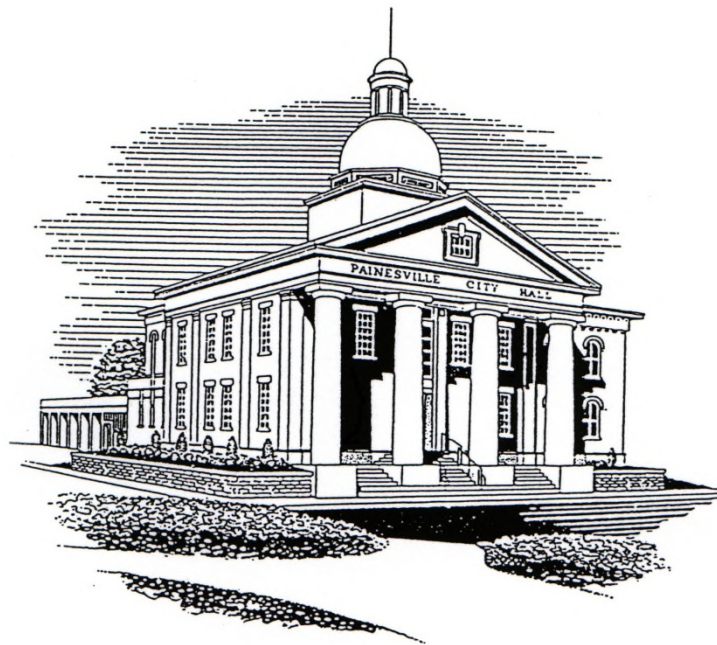
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance 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

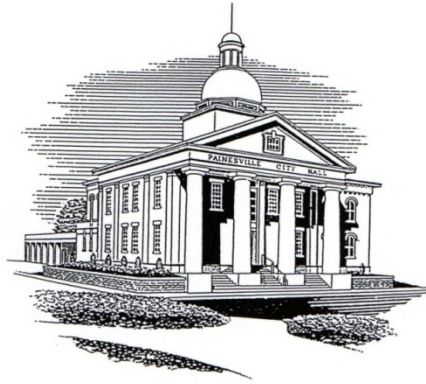
June 23, 2022

# *CITY OF PAINESVILLE, OHIO*



## ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2021





***Lake County, Ohio***

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2021

*Prepared by the Finance Department*

Andrew A. Unetic  
Director

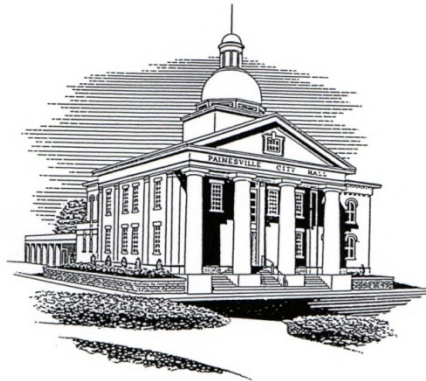


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LAKE COUNTY, OHIO

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## *INTRODUCTORY SECTION*

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

June 23, 2022

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, 2021. 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, 2021***

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

**The History of the City**

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

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

**The Management**

The Council-Manager form of government is established by the Charter. The legislative power of the City is vested in a Council of seven members who are elected on a non-partisan basis for a term of four years. Four of the members are elected from wards and their 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, 2021***

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

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

**The Organization**

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

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

The *Department of Public Service* is comprised of three divisions and two enterprise activities administered by a director. The Public Works Division is responsible for the maintenance of all City vehicles, all non-contractual street repairs, snow and ice removal, leaf and yard waste pick-up and maintenance of storm and sanitary sewers. The Parking Division is in charge of installation, removal, maintenance of the City parking meters including collection and deposit of all monies from the meters. This division is also responsible for striping, cleaning and plowing snow from off-street parking areas. The Traffic Division consists of the fabrication and installation of regulatory, warning and informational signage within the City. This division is also responsible for the striping of traffic lanes, edge lines and parking stalls on the City streets. The enterprise functions within the Department of Public Service consist of the general operational maintenance of the parking garage (Off-Street Parking) and a storm water utility. The Off-Street Parking operation is sustained through a user-fee for hourly and monthly parkers as well as merchant validations for surrounding businesses. The Storm Water Division is responsible for the management and monitoring of the general maintenance of the storm water system of the City. This division is also responsible for providing long-range planning for the infrastructure improvements for the overall system. The operation of the Storm Water Utility is a part of the Public Works Division.

***Letter of Transmittal  
For the Year Ended December 31, 2021***

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The Department of Finance is responsible for the accurate recording of all receipts and disbursements. The department also maintains the capital asset system. The department compiles the Annual Budget, and prepares the 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, 2021***

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The Department of Utilities consists of three divisions that are individually operated utility systems—Water, Water Pollution Control, and Electric. The Water Division consists of the plant and a water distribution system. The Water Division provides the highest quality service in a timely, safe and reliable manner to its customers. The Water Pollution Control Division consists of the wastewater treatment plant. The collection and transmission is maintained by the Department of Public Services as noted above. The goal of this division is to efficiently operate and maintain the wastewater treatment facility. The Electric Division consists of the plant and an electric distribution system. The Electric Division provides adequate, reliable and economical power to its customers in an efficient and professional manner.

**Basis of Accounting**

The basis of accounting used by the City is in conformity with GAAP as applicable to governmental units and is consistent with GASB Section 1600, “Basis of Accounting,” except for accounting used for budgetary purposes. All governmental funds are accounted for using a flow of current financial resources measurement focus. The modified accrual basis of accounting is utilized for the governmental funds. Revenues are recognized when they are susceptible to accrual, both measurable and available. Expenditures are recognized when the related liability is incurred, except for the interest on long-term debt which is recorded when due.

The measurement focus for the City’s proprietary and private-purpose trust funds is on “economic resources.” All assets, liabilities, and deferred outflows/inflows of resources associated with the operation of these funds are included on the balance sheet. The accrual basis of accounting is used for the proprietary and private-purpose trust funds. Under the accrual basis of accounting, revenues are recognized when earned and expenses when they are incurred.

The City’s basis of accounting for budgetary purposes differs from GAAP in that revenues are recognized when received, rather than when susceptible to accrual. In addition, encumbrances are recorded as expenditures on the budgetary basis of accounting. A reconciliation of the results of these two methods appears in Note 1.

**ECONOMIC CONDITION AND OUTLOOK**

**Local Economy**

The primary focus of the Office of Economic Development in 2021 was redevelopment of current buildings and former brownfield properties. We also continue strong efforts on business attraction and retention. Finally, we are working to identifying new end-use opportunities for our two new business parks and opportunities for new office and residential mixed-use development. We were also working to address key business needs related to the pandemic and supporting our businesses through the challenges they continue to face as a result. This year’s key expansion projects included Mar-Bal and the retention of several key manufacturing establishments that were impacted by this year’s economic conditions.

***Letter of Transmittal  
For the Year Ended December 31, 2021***

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**Business Support Programs**

Painesville City remains a progressive and pro-business community and we have established many programs that enable us to work on business attraction, retention and expansion on a regular basis. A few key programs include the Key Accounts program, and Efficiency Smart Program. Through AMP, these programs provide us a one to one communication point on a technical basis with these largest employers as well as our largest energy users on an annual basis. We also have also been working on using the new CRA district #5 that was put into place and finalized recently and we are exploring the creation of new Tax Incentive Financing Districts (TIF) within the City. These Tax Incentive Districts would allow us to finance much needed public improvements and infrastructure within the specific districts we establish TIF's within. The Office of Economic Development also meets with local business owners and managers to identify resources and sources to aid their future business growth.

We have been focusing efforts this past year on new development areas for industrial growth and have created a new 25 acre Encore Development Business Park of Shamrock Blvd. This will provide new opportunities for the City to attract industrial development needing up to 80,000 sq. ft. facilities.

We have been working on securing grants for 2 large office building re-use projects including Victoria Place and the Chase Bank Building. The one is confirmed now to be a mixed-use residential project, the other will be student dormitories for Lake Erie College. We are also working with a new developer on the former Hotel site at 257 East Main Street for redevelopment of that former brownfield site into a new 120-unit mixed-use residential and commercial/retail development project. We also have continued efforts and discussions on the High Pointe Centre, continuing to focus around our 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 addition to marketing those developments the City continues its focus on the Ohio Main Street Approach to economic restructuring for the downtown retail and commercial district. Continued business connections and communication remain very important to the City of Painesville.

***Letter of Transmittal  
For the Year Ended December 31, 2021***

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**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 2021, the City continued to uphold that mission by expanding and improving services, upgrading and constructing infrastructure, and enhancing public grounds and facilities.

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

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

In 2021, the City budgeted \$2 million for road paving projects that were paid for with General Fund monies, road levy monies, and through grants the City received.

The Water Department continues to replace water mains on several streets throughout the City and in communities outside the City that the City provides water to. The Water Department also made various improvements to the plant to make it more efficient and improve its technology. In 2017, the Water Department began the construction on the new water intake line in Lake Erie that will cost approximately \$17,000,000. This new water in-take line will provide the consumers of Painesville Water with uninterrupted raw water and reduce the danger of the harmful algae blooms in the lake. The City is financing this project through a 20 year interest free loan through the EPA and will pay off the loan through the Water Department's Water Infrastructure fee, which generates \$1.5 million annually.

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

In 2021, 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 \$1,500,000 on repaving roads in 2022.

In 2022, 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 2022. Also in 2022 the Fire Department will be purchasing a new Fire Truck.

***Letter of Transmittal  
For the Year Ended December 31, 2021***

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**MANAGEMENT PRACTICES**

**Internal Control**

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

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

**Budgetary System**

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

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

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

The City compiles its Annual Budget in document form. The budget presents anticipated revenues and expenditures by fund and department by category with additional supporting documentation that explains the budgetary process and individual departmental goals.



***Letter of Transmittal  
For the Year Ended December 31, 2021***

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**Accounting System**

The City uses automated governmental accounting software developed and licensed by Civica CMI, Inc. This software controls budgetary accounting, payroll, utility billing, and capital assets. In 2003 the Finance Department purchased a new mainframe computer and updated software on all modules by September 2004. In 2020 the City began to switch out our 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 2022.

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**

The City is required to have an audit performed every year. The State of Ohio Auditor's Office performed the 2021 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, 2020. 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, 2021***

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A Certificate of Achievement is valid for a period of one year. Painesville has received a Certificate of Achievement for the last thirty-four consecutive years, fiscal years ended 1987 – 2020. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting the report to the GFOA to determine its eligibility for another certificate.

**Public Disclosure**

The publication of this 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.

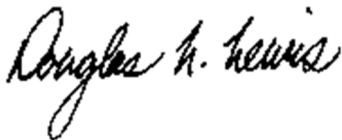
**Acknowledgements**

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



Andrew A. Unetic  
Director of Finance



**CITY OF PAINESVILLE, OHIO**

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**List of Principal Officials  
For the Year Ended December 31, 2021**

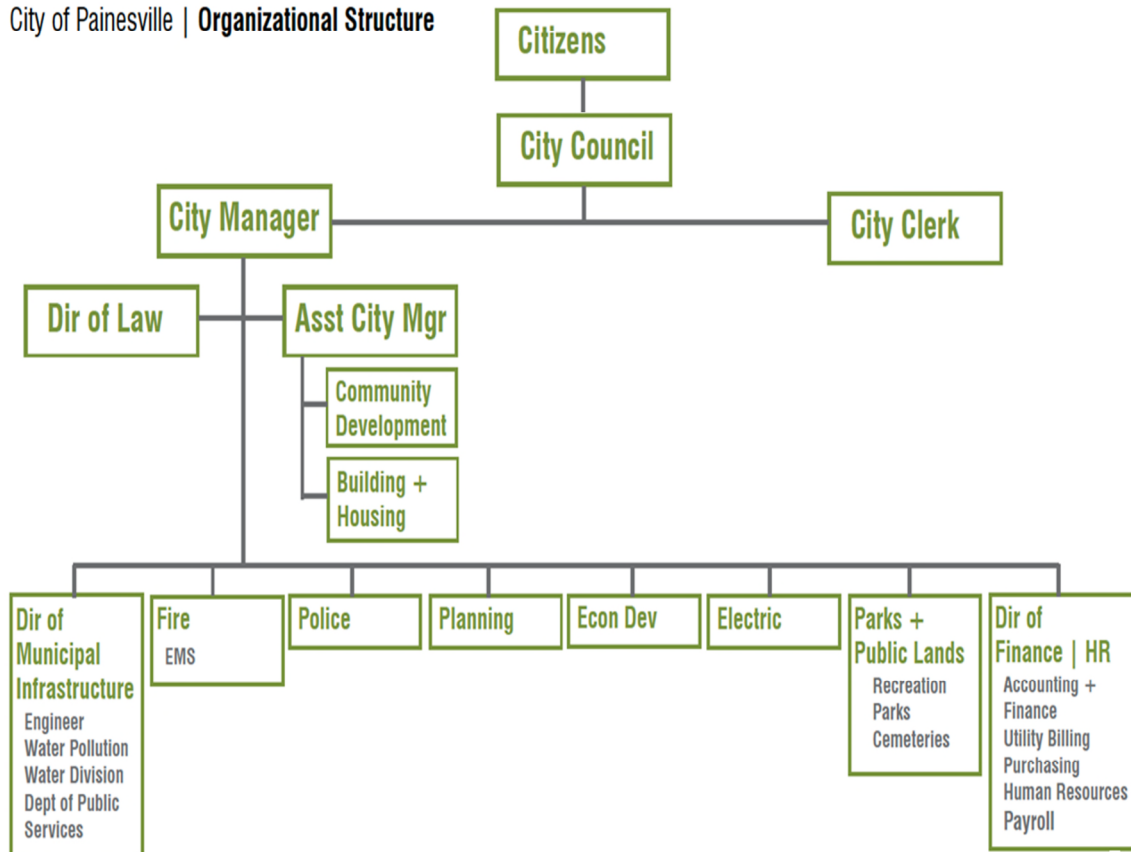
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Name	Title	Position	Years of Municipal/Governmental Service			Total Public Service
			City	Municipal/ Governmental Service	Other	
<b>CITY COUNCIL</b>						
Paul W. Hach II	President (Ward 4)	8.0	18.0	0.0		18.0
Lori Dinallo	Vice President (at Large)	8.0	12.0	2.0		14.0
Tom Fitzgerald	Council Member (at Large)	8.0	8.0	0.0		8.0
Jim Fodor	Council Member (at Large)	12.0	12.0	0.0		12.0
Christine Shoop	Council Member (Ward 1)	6.0	6.0	0.0		6.0
Katie Jenkins	Council Member (Ward 2)	10.0	10.0	9.0		19.0
Nick Augustine	Council Member (Ward 3)	5.3	5.3	0.0		5.3
Samantha Danielson	Clerk of Council	1.1	1.1	0.0		1.1
<b>CITY ADMINISTRATION</b>						
Doug Lewis	City Manager	1.1	13.6	9.8		23.4
Derek Feuerstein	Assistant City Manager	0.6	0.6	0.0		0.6
Andrew A. Unetic	Director of Finance	14.1	14.1	14.1		28.2
Joseph M. Gurley	Director of Law	34.0	41.3	15.3		56.6
<b>DEPARTMENT/DIVISION HEADS</b>						
Ryan Tiedman	Service Director	1.1	13.7	0.0		13.7
Leanne Exum	City Engineer	7.5	7.5	0.0		7.5
Jeffrey McHugh	Electric Power Superintendent	9.3	9.3	33.3		42.6
Kevin Aiken	Water Pollution Control Superintendent	4.0	6.4	0.0		6.4
Thomas Hummel	Fire Chief	3.0	25.8	0.0		25.8
Daniel Waterman	Chief of Police	4.3	25.0	0.8		25.8
Michelle LaPuma	Director of Recreation and Public Lands	6.3	9.2	0.0		9.2
Lynn White	City Planner	6.5	29.5	0.0		29.5

**City Organizational Chart**  
**For the Year Ended December 31, 2021**

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City of Painesville | **Organizational Structure**



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

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Government Finance Officers Association

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

Presented to

**City of Painesville  
Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morrill*

Executive Director/CEO

## *FINANCIAL SECTION*

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# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad 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 (the City), as of and for the year ended December 31, 2021, 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, 2021, 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.

#### **Emphasis of Matter**

As discussed in Note 20 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. We did not modify our opinion regarding this matter.

#### **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 nonmajor 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, combining and individual nonmajor fund financial statements and schedules is 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 June 23, 2022, 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

June 23, 2022

***Management's Discussion and Analysis  
For the Year Ended December 31, 2021***

***Unaudited***

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The discussion and analysis of the City of Painesville's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2021. 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 2021 are as follows:

- ❑ In total, net position increased \$13,635,344. Net position of governmental activities increased \$3,868,791, which represents an 8% increase from 2020. Net position of business-type activities increased \$9,766,553, or 14% from 2020.
- ❑ General revenues accounted for \$15,211,831 in revenue, or 24% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$48,189,163, or 76% of total revenues of \$63,400,994.
- ❑ The City had \$17,190,633 in expenses related to governmental activities; only \$4,961,884 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$15,211,831 were adequate to fully provide for these programs.
- ❑ Among major funds, the general fund had \$14,294,742 in revenues, including other financing sources and \$15,036,598 in expenditures, including other financing uses. The general fund's fund balance decreased \$741,856.

**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, 2021**

**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, 2021 and 2020:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$32,994,794	\$30,096,936	\$32,664,585	\$32,360,963	\$65,659,379	\$62,457,899
Net OPEB Asset	353,773	0	894,328	0	1,248,101	0
Capital Assets, Net	54,055,365	53,533,095	84,055,433	82,756,960	138,110,798	136,290,055
Total Assets	87,403,932	83,630,031	117,614,346	115,117,923	205,018,278	198,747,954
Deferred Outflows of Resources	4,518,352	4,595,392	1,709,703	2,953,545	6,228,055	7,548,937
Net Pension Liability	17,144,598	17,511,085	8,651,960	11,540,178	25,796,558	29,051,263
Net OPEB Liability	2,204,003	4,738,608	180,263	7,344,915	2,384,266	12,083,523
Long-Term Liabilities	10,845,639	10,783,339	21,264,001	22,345,642	32,109,640	33,128,981
Other Liabilities	2,495,426	1,094,511	4,595,229	4,992,011	7,090,655	6,086,522
Total Liabilities	32,689,666	34,127,543	34,691,453	46,222,746	67,381,119	80,350,289
Deferred Inflows of Resources	8,146,068	6,880,121	6,532,871	3,515,550	14,678,939	10,395,671
Net Position						
Net Investment in Capital Assets	46,322,916	45,339,087	63,253,313	60,818,840	109,576,229	106,157,927
Restricted	12,686,989	11,404,072	0	0	12,686,989	11,404,072
Unrestricted	(7,923,355)	(9,525,400)	14,846,412	7,514,332	6,923,057	(2,011,068)
Total Net Position	\$51,086,550	\$47,217,759	\$78,099,725	\$68,333,172	\$129,186,275	\$115,550,931

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, 2021***

***Unaudited***

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

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

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

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

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

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

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



**CITY OF PAINESVILLE, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2021**

**Unaudited**

**Change in Net Position** – The following table shows the change in net position for 2021 and 2020:

	Governmental		Business-type		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues:						
Charges for Services and Sales	\$3,038,216	\$2,754,541	\$42,297,175	\$42,761,724	\$45,335,391	\$45,516,265
Operating Grants and Contributions	1,550,989	3,455,315	0	0	1,550,989	3,455,315
Capital Grants and Contributions	372,679	261,924	930,104	170,390	1,302,783	432,314
Total Program Revenues	4,961,884	6,471,780	43,227,279	42,932,114	48,189,163	49,403,894
General Revenues:						
Property Taxes	3,350,755	3,038,768	0	0	3,350,755	3,038,768
Municipal Income Taxes	10,223,262	9,220,580	0	0	10,223,262	9,220,580
Intergovernmental, Unrestricted	1,213,502	1,019,623	0	0	1,213,502	1,019,623
Investment Earnings	(284,081)	1,329,394	0	0	(284,081)	1,329,394
Miscellaneous	708,393	923,949	0	0	708,393	923,949
Total General Revenues	15,211,831	15,532,314	0	0	15,211,831	15,532,314
Total Revenues	20,173,715	22,004,094	43,227,279	42,932,114	63,400,994	64,936,208
Program Expenses						
General Government	4,229,560	4,328,561	0	0	4,229,560	4,328,561
Public Safety	9,085,789	9,466,839	0	0	9,085,789	9,466,839
Highways and Streets	2,793,314	2,756,670	0	0	2,793,314	2,756,670
Public Health and Welfare	406,086	612,715	0	0	406,086	612,715
Culture and Recreation	374,691	749,688	0	0	374,691	749,688
Community Environment	77,695	115,123	0	0	77,695	115,123
Interest and Fiscal Charges	223,498	243,052	0	0	223,498	243,052
Water	0	0	4,059,439	6,067,320	4,059,439	6,067,320
Sewer	0	0	2,877,473	4,287,628	2,877,473	4,287,628
Electric	0	0	25,314,877	30,585,981	25,314,877	30,585,981
Refuse	0	0	1,238	1,966	1,238	1,966
Off-Street Parking	0	0	3,868	2,932	3,868	2,932
Storm Water Utility	0	0	290,116	570,376	290,116	570,376
Community Programs	0	0	28,006	19,706	28,006	19,706
Total Expenses	17,190,633	18,272,648	32,575,017	41,535,909	49,765,650	59,808,557
Excess (Deficiency) Before						
Transfers	2,983,082	3,731,446	10,652,262	1,396,205	13,635,344	5,127,651
Transfers	885,709	823,041	(885,709)	(823,041)	0	0
Total Change in Net Position	3,868,791	4,554,487	9,766,553	573,164	13,635,344	5,127,651
Beginning Net Position	47,217,759	42,663,272	68,333,172	67,760,008	115,550,931	110,423,280
Ending Net Position	\$51,086,550	\$47,217,759	\$78,099,725	\$68,333,172	\$129,186,275	\$115,550,931

**Management's Discussion and Analysis  
For the Year Ended December 31, 2021**

**Unaudited**

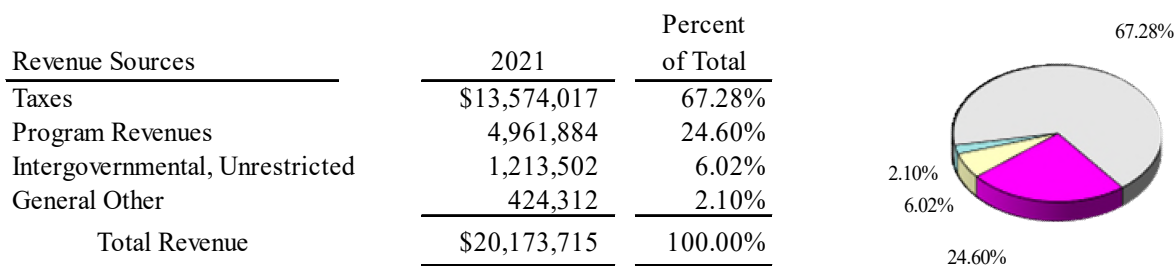
**Governmental Activities**

Governmental activities net position increased \$3,868,791, or 8%. An increase in charges for services can be attributed to an increase in fines and forfeitures, which was due to court activities returning to pre-pandemic levels. An increase in operating grants in the prior year due to Coronavirus Relief Funding, resulted in a subsequent decrease in operating grants in the current year. An increase in income taxes can be attributed to improving economic conditions. A decrease in investment earnings can be attributed to a decrease in interest rates.

An overall decrease in expenses can be attributed to changes in the Net Pension and Net OPEB liabilities.

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 2021. The City's reliance upon tax revenues is demonstrated by the following graph:



**Business-Type Activities**

Net position of the business-type activities increased \$9,766,553, or 14%. Revenues were consistent with the prior year. A substantial decrease in expenses was due to changes in the Net Pension and Net OPEB liabilities.

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

The City's governmental funds reported a combined fund balance of \$24,049,788, which is an increase from last year's balance of \$23,321,684. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2021 and 2020:

	Fund Balance December 31, 2021	Fund Balance December 31, 2020	Increase (Decrease)
General	\$9,135,589	\$9,877,445	(\$741,856)
Other Governmental	14,914,199	13,444,239	1,469,960
<b>Total</b>	<b>\$24,049,788</b>	<b>\$23,321,684</b>	<b>\$728,104</b>

**CITY OF PAINESVILLE, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2021**

**Unaudited**

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

	2021 Revenues	2020 Revenues	Increase (Decrease)
Property Taxes	\$471,858	\$473,961	(\$2,103)
Municipal Income Taxes	10,155,450	9,236,961	918,489
Intergovernmental Revenues	1,094,119	918,973	175,146
Charges for Services	52,927	51,093	1,834
Licenses, Permits and Inspection Fees	345,318	347,121	(1,803)
Investment Earnings	(258,355)	1,337,836	(1,596,191)
Fines and Forfeitures	909,635	772,783	136,852
All Other Revenue	635,274	853,654	(218,380)
Total	<u>\$13,406,226</u>	<u>\$13,992,382</u>	<u>(\$586,156)</u>

General Fund revenues decreased approximately 4% when compared to 2020 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 interest rates.

	2021 Expenditures	2020 Expenditures	Increase (Decrease)
Current:			
General Government	\$4,426,725	\$4,266,359	\$160,366
Public Safety	7,140,389	6,221,214	919,175
Highways and Streets	694,368	569,891	124,477
Public Health and Welfare	153,572	152,354	1,218
Culture and Recreation	625,754	598,368	27,386
Community Environment	85,790	108,389	(22,599)
Total	<u>\$13,126,598</u>	<u>\$11,916,575</u>	<u>\$1,210,023</u>

General Fund expenditures increased \$1,210,023, or approximately 10% from the prior year. A portion of public safety costs were moved to the CARES Act Fund in the prior year, resulting in a subsequent increase in public safety in 2021.

*Water Fund* – The City's Water Fund reported an increase in net position of 19%. This increase in net position was a direct result of changes in the Net Pension and Net OPEB liabilities.

*Sewer Fund* – The City's Sewer Fund reported an increase in net position of 37%. This increase in net position was a direct result of changes in the Net Pension and Net OPEB liabilities.

*Electric Fund* – The City's Electric Fund reported an increase in net position of 11%. This increase in net position was a direct result of changes in the Net Pension and Net OPEB liabilities.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2021***

***Unaudited***

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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 2021 the City amended its General Fund budget several times.

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

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***Management's Discussion and Analysis  
For the Year Ended December 31, 2021***

***Unaudited***

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of 2021 the City had \$138,110,798 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, \$54,055,365 was related to governmental activities and \$84,055,433 to the business-type activities. The following tables show 2021 and 2020 balances:

	Governmental Activities		Increase (Decrease)
	2021	2020	
Land	\$13,136,789	\$13,136,789	\$0
Construction in Progress	3,683,735	2,568,564	1,115,171
Buildings and Improvements	7,964,484	7,761,596	202,888
Improvements other than Buildings	3,508,196	2,811,193	697,003
Machinery and Equipment	10,663,099	10,139,936	523,163
Infrastructure	49,657,559	49,657,559	0
Less: Accumulated Depreciation	<u>(34,558,497)</u>	<u>(32,542,542)</u>	<u>(2,015,955)</u>
Totals	<u>\$54,055,365</u>	<u>\$53,533,095</u>	<u>\$522,270</u>

Some of the larger Governmental Capital Assets the City spent money on in 2021 were: paving roads; building a new salt dome; and the continued implementation of the new software for the Finance, HR, and utility offices. Other additions were the police camera project. Additions to machinery and equipment included police cruisers, and other various trucks.

	Business-Type Activities		Increase (Decrease)
	2021	2020	
Land	\$2,010,667	\$2,010,667	\$0
Construction in Progress	13,507,693	10,112,484	3,395,209
Buildings and Improvements	31,635,088	31,400,724	234,364
Infrastructure	80,443,135	79,526,915	916,220
Machinery and Equipment	39,643,361	39,114,222	529,139
Less: Accumulated Depreciation	<u>(83,184,511)</u>	<u>(79,408,052)</u>	<u>(3,776,459)</u>
Totals	<u>\$84,055,433</u>	<u>\$82,756,960</u>	<u>\$1,298,473</u>

In Business-Type capital assets, increases in infrastructure can be attributed to a new water intake project, various waterline replacements, and electric infrastructure improvements. Various vehicle and utility equipment purchases contributed to an increase in machinery and equipment. Increase in the Storm Water can be attributed to the Bank Street Erosion Control Project. Additional information on the City's capital assets can be found in Note 9.

**CITY OF PAINESVILLE, OHIO**

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**Management's Discussion and Analysis  
For the Year Ended December 31, 2021**

**Unaudited**

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**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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Governmental Activities:		
General Obligation Bonds	\$5,703,112	\$6,179,940
Special Assessment Bonds	115,000	140,000
Ohio Public Works Commission Loans	1,023,082	1,076,328
Long Term Notes Payable	869,927	750,000
Compensated Absences	1,510,586	1,454,264
Workers' Compensation Liability	1,105,196	610,738
Capital Leases	21,328	47,740
Police and Firemen's Accrued Pension	497,408	524,329
Total Governmental Activities	<u>10,845,639</u>	<u>10,783,339</u>
Business-Type Activities:		
General Obligation Bonds	1,480,000	1,560,000
Ohio Water Development Authority Loans	16,741,207	17,319,657
Ohio Public Works Commission Loans	46,312	50,097
Capital Leases	1,525,692	1,766,341
AMP Joint Venture Financing Agreement	62,378	130,785
Compensated Absences	1,408,412	1,518,762
Total Business-Type Activities	<u>21,264,001</u>	<u>22,345,642</u>
Totals	<u>\$32,109,640</u>	<u>\$33,128,981</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, 2021, 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**

For the 2021 budget, the emphasis is being placed on balancing all funds, when possible, without using carryover. For 2021 the General Fund will see slightly increased revenues from the 2020 budgeted revenues. The City anticipates the municipal income tax revenues for 2021 to be \$8,200,000, which is slightly more than was budgeted for 2020.

The City will to continue to focus on strengthening its tax base through community planning and economic development. The City's continuing its efforts to attract and retain quality residential, commercial, and industrial developments. In addition, we are working on 2 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 of Painesville. Continued analysis of our expenditures and ongoing diligence to identify additional long term stable sources of revenue for the General Fund are necessary to maintain the level and quality of service to our residents.

The 2021 economic outlook for the three major proprietary funds of Water, Sewer and Electric is that 2021 budgeted revenues in all of these funds will be slightly up.

**REQUESTS FOR INFORMATION**

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

**CITY OF PAINESVILLE, OHIO**

**Statement of Net Position  
December 31, 2021**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Pooled Cash and Investments	\$ 21,949,579	\$ 26,583,121	\$ 48,532,700
Cash and Cash Equivalents in Segregated Accounts	95,474	0	95,474
Receivables:			
Taxes	6,361,005	0	6,361,005
Accounts	212,251	3,520,899	3,733,150
Intergovernmental	1,633,634	469,248	2,102,882
Interest	88,272	0	88,272
Internal Balances	495,475	(495,475)	0
Inventory of Supplies at Cost	0	589,514	589,514
Land Held for Resale	785,000	0	785,000
Prepaid Items	135,049	326,182	461,231
Restricted Assets:			
Cash and Cash Equivalents	1,239,055	1,671,096	2,910,151
Net OPEB Asset	353,773	894,328	1,248,101
Capital Assets:			
Capital Assets Not Being Depreciated	16,820,524	15,518,360	32,338,884
Capital Assets Being Depreciated, Net	37,234,841	68,537,073	105,771,914
<b>Total Assets</b>	<b>87,403,932</b>	<b>117,614,346</b>	<b>205,018,278</b>
<b>Deferred Outflows of Resources:</b>			
Pension	2,929,222	1,168,232	4,097,454
OPEB	1,589,130	541,471	2,130,601
<b>Total Deferred Outflows of Resources</b>	<b>4,518,352</b>	<b>1,709,703</b>	<b>6,228,055</b>
<b>Liabilities:</b>			
Accounts Payable	781,495	2,336,330	3,117,825
Accrued Wages and Benefits	298,469	241,901	540,370
Intergovernmental Payable	2,491	34,215	36,706
Claims Payable	364,097	0	364,097
Retainage Payable	0	276,462	276,462
Refundable Deposits	0	1,671,096	1,671,096
Unearned Revenue	983,910	0	983,910
Accrued Interest Payable	64,964	35,225	100,189
Noncurrent Liabilities:			
Due Within One Year	1,580,609	1,117,469	2,698,078
Due in More Than One Year:			
Net Pension Liability	17,144,598	8,651,960	25,796,558
Net OPEB Liability	2,204,003	180,263	2,384,266
Other Amounts Due in More Than One Year	9,265,030	20,146,532	29,411,562
<b>Total Liabilities</b>	<b>32,689,666</b>	<b>34,691,453</b>	<b>67,381,119</b>



**CITY OF PAINESVILLE, OHIO**

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	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Fiscal Year	3,240,193	0	3,240,193
Pension	2,893,869	3,611,656	6,505,525
OPEB	2,012,006	2,921,215	4,933,221
<b>Total Deferred Inflows of Resources</b>	<b>8,146,068</b>	<b>6,532,871</b>	<b>14,678,939</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	46,322,916	63,253,313	109,576,229
Restricted For:			
Capital Projects	1,341,091	0	1,341,091
Debt Service	1,924,566	0	1,924,566
Highways	4,068,350	0	4,068,350
Public Safety	2,491,612	0	2,491,612
Community Development	514,673	0	514,673
Cemetery Operations:			
Nonexpendable	1,239,055	0	1,239,055
Expendable	1,107,642	0	1,107,642
Unrestricted (Deficit)	(7,923,355)	14,846,412	6,923,057
<b>Total Net Position</b>	<b>\$ 51,086,550</b>	<b>\$ 78,099,725</b>	<b>\$ 129,186,275</b>

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2021**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 4,229,560	\$ 1,509,557	\$ 356,931	\$ 0
Public Safety	9,085,789	591,208	57,246	0
Highways and Streets	2,793,314	346,272	1,136,812	367,679
Public Health and Welfare	406,086	169,155	0	0
Culture and Recreation	374,691	17,087	0	5,000
Community Environment	77,695	404,937	0	0
Interest and Fiscal Charges	223,498	0	0	0
<b>Total Governmental Activities</b>	<b>17,190,633</b>	<b>3,038,216</b>	<b>1,550,989</b>	<b>372,679</b>
<b>Business-Type Activities:</b>				
Water	4,059,439	7,437,052	0	637,354
Sewer	2,877,473	4,268,947	0	0
Electric	25,314,877	30,106,877	0	0
Refuse	1,238	2,733	0	0
Off Street Parking	3,868	9,946	0	0
Storm Water Utility	290,116	445,585	0	292,750
Community Programs	28,006	26,035	0	0
<b>Total Business-Type Activities</b>	<b>32,575,017</b>	<b>42,297,175</b>	<b>0</b>	<b>930,104</b>
<b>Totals</b>	<b>\$ 49,765,650</b>	<b>\$ 45,335,391</b>	<b>\$ 1,550,989</b>	<b>\$ 1,302,783</b>

**General Revenues and Transfers**

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

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

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Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (2,363,072)	\$ 0	\$ (2,363,072)
(8,437,335)	0	(8,437,335)
(942,551)	0	(942,551)
(236,931)	0	(236,931)
(352,604)	0	(352,604)
327,242	0	327,242
(223,498)	0	(223,498)
<u>(12,228,749)</u>	<u>0</u>	<u>(12,228,749)</u>
0	4,014,967	4,014,967
0	1,391,474	1,391,474
0	4,792,000	4,792,000
0	1,495	1,495
0	6,078	6,078
0	448,219	448,219
0	(1,971)	(1,971)
<u>0</u>	<u>10,652,262</u>	<u>10,652,262</u>
<u>\$ (12,228,749)</u>	<u>\$ 10,652,262</u>	<u>\$ (1,576,487)</u>
3,350,755	0	3,350,755
10,223,262	0	10,223,262
1,213,502	0	1,213,502
(284,081)	0	(284,081)
708,393	0	708,393
885,709	(885,709)	0
<u>16,097,540</u>	<u>(885,709)</u>	<u>15,211,831</u>
3,868,791	9,766,553	13,635,344
47,217,759	68,333,172	115,550,931
<u>\$ 51,086,550</u>	<u>\$ 78,099,725</u>	<u>\$ 129,186,275</u>

**CITY OF PAINESVILLE, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2021**

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Pooled Cash and Investments	\$ 6,647,719	\$ 14,734,831	\$ 21,382,550
Cash and Cash Equivalents in Segregated Accounts	62,654	32,820	95,474
Receivables:			
Taxes	3,567,594	2,793,411	6,361,005
Accounts	74,590	137,661	212,251
Intergovernmental	560,135	1,073,499	1,633,634
Interest	88,272	0	88,272
Land Held for Resale	785,000	0	785,000
Prepaid Items	124,380	10,669	135,049
Restricted Assets:			
Cash and Cash Equivalents	0	1,239,055	1,239,055
<b>Total Assets</b>	<b>\$ 11,910,344</b>	<b>\$ 20,021,946</b>	<b>\$ 31,932,290</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 209,664	\$ 570,843	\$ 780,507
Accrued Wages and Benefits Payable	260,833	37,636	298,469
Intergovernmental Payable	2,491	0	2,491
Unearned Revenue	0	983,910	983,910
<b>Total Liabilities</b>	<b>472,988</b>	<b>1,592,389</b>	<b>2,065,377</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable Amounts	1,747,688	829,244	2,576,932
Property Tax Levy for Next Fiscal Year	554,079	2,686,114	3,240,193
<b>Total Deferred Inflows of Resources</b>	<b>2,301,767</b>	<b>3,515,358</b>	<b>5,817,125</b>
<b>Fund Balances:</b>			
Nonspendable	909,380	1,249,724	2,159,104
Restricted	7,206	10,812,873	10,820,079
Committed	200,931	3,063,972	3,264,903
Assigned	1,587,082	0	1,587,082
Unassigned	6,430,990	(212,370)	6,218,620
<b>Total Fund Balances</b>	<b>9,135,589</b>	<b>14,914,199</b>	<b>24,049,788</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 11,910,344</b>	<b>\$ 20,021,946</b>	<b>\$ 31,932,290</b>

See accompanying notes to the basic financial statements

***Reconciliation Of Total Governmental Fund Balances  
To Net Position Of Governmental Activities  
December 31, 2021***

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<b>Total Governmental Fund Balances</b>	\$ 24,049,788
 <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.	54,055,365
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	2,576,932
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.	(17,109,245)
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.	(2,273,106)
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.	(407,777)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(9,805,407)
	<hr/>
<b><i>Net Position of Governmental Activities</i></b>	<b><i>\$ 51,086,550</i></b> <hr/> <hr/>

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, 2021**

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Property Taxes	\$ 471,858	\$ 2,905,822	\$ 3,377,680
Municipal Income Taxes	10,155,450	0	10,155,450
Intergovernmental Revenues	1,094,119	1,724,440	2,818,559
Charges for Services	52,927	811,986	864,913
Licenses, Permits and Inspection Fees	345,318	0	345,318
Investment Earnings	(258,355)	973	(257,382)
Special Assessments	0	418,424	418,424
Fines and Forfeitures	909,635	495,044	1,404,679
All Other Revenues	635,274	74,624	709,898
<b>Total Revenues</b>	<b>13,406,226</b>	<b>6,431,313</b>	<b>19,837,539</b>
<b>Expenditures:</b>			
Current:			
General Government	4,426,725	782,359	5,209,084
Public Safety	7,140,389	1,872,331	9,012,720
Highways and Streets	694,368	2,654,653	3,349,021
Public Health and Welfare	153,572	408,141	561,713
Culture and Recreation	625,754	0	625,754
Community Environment	85,790	29,968	115,758
Capital Outlay	0	335,407	335,407
Debt Service:			
Principal Retirement	0	644,531	644,531
Interest and Fiscal Charges	0	234,763	234,763
<b>Total Expenditures</b>	<b>13,126,598</b>	<b>6,962,153</b>	<b>20,088,751</b>
Excess (Deficiency) of Revenues Over Expenditures	279,628	(530,840)	(251,212)
<b>Other Financing Sources (Uses):</b>			
Sale of Capital Assets	2,807	0	2,807
Long Term Note Issuance	0	190,800	190,800
Transfers In	885,709	1,810,000	2,695,709
Transfers Out	(1,910,000)	0	(1,910,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,021,484)</b>	<b>2,000,800</b>	<b>979,316</b>
Net Change in Fund Balances	(741,856)	1,469,960	728,104
<b>Fund Balance at Beginning of Year</b>	<b>9,877,445</b>	<b>13,444,239</b>	<b>23,321,684</b>
<b>Fund Balance End of Year</b>	<b>\$ 9,135,589</b>	<b>\$ 14,914,199</b>	<b>\$ 24,049,788</b>

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

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***Reconciliation Of The Statement Of Revenues, Expenditures  
And Changes In Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For the Year Ended December 31, 2021***

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	728,104
 <i>Amounts reported for governmental activities in the statement of activities are different because</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		525,069
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets net of proceeds received.		(2,799)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		336,176
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	1,507,924	
OPEB	26,347	1,534,271
Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension/OPEB expense in the statement of activities:		
Pension	(1,279,985)	
OPEB	1,840,312	560,327
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.		488,480
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		3,437
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.		(87,009)
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.		(217,265)
<b><i>Change in Net Position of Governmental Activities</i></b>	<b>\$</b>	<b>3,868,791</b>

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 451,016	\$ 451,016	\$ 471,858	\$ 20,842
Municipal Income Taxes	8,390,000	9,390,000	9,820,659	430,659
Intergovernmental Revenue	787,800	787,800	1,075,170	287,370
Charges for Services	27,500	27,500	52,927	25,427
Licenses, Permits and Inspection Fees	309,120	309,120	347,322	38,202
Investment Earnings	385,300	385,300	415,605	30,305
Fines and Forfeitures	993,100	993,100	903,187	(89,913)
All Other Revenues	310,220	860,220	1,053,840	193,620
Total Revenues	<u>11,654,056</u>	<u>13,204,056</u>	<u>14,140,568</u>	<u>936,512</u>
<b>Expenditures:</b>				
Current:				
General Government	4,865,127	5,562,475	5,373,649	188,826
Public Safety	7,266,655	7,699,830	7,211,046	488,784
Highways and Streets	784,543	776,818	738,437	38,381
Public Health and Welfare	153,629	153,629	153,572	57
Culture and Recreation	684,322	662,932	634,691	28,241
Community Environment	137,315	112,960	98,279	14,681
Total Expenditures	<u>13,891,591</u>	<u>14,968,644</u>	<u>14,209,674</u>	<u>758,970</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,237,535)	(1,764,588)	(69,106)	1,695,482
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	2,807	2,807
Transfers In	710,000	1,210,000	1,235,709	25,709
Transfers Out	(155,000)	(2,450,000)	(2,450,000)	0
Total Other Financing Sources (Uses):	<u>555,000</u>	<u>(1,240,000)</u>	<u>(1,211,484)</u>	<u>28,516</u>
Net Changes in Fund Balance	(1,682,535)	(3,004,588)	(1,280,590)	1,723,998
Fund Balance at Beginning of Year	5,498,386	5,498,386	5,498,386	0
Prior Year Encumbrances	1,030,356	1,030,356	1,030,356	0
Fund Balance at End of Year	<u>\$ 4,846,207</u>	<u>\$ 3,524,154</u>	<u>\$ 5,248,152</u>	<u>\$ 1,723,998</u>

See accompanying notes to the basic financial statements





**CITY OF PAINESVILLE, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2021**

	Business-Type Activities			
	Enterprise Funds			Other
	Water	Sewer	Electric	Enterprise Funds
<b>Assets:</b>				
Current Assets:				
Pooled Cash and Investments	\$ 6,753,215	\$ 2,686,762	\$ 15,640,869	\$ 1,502,275
Receivables:				
Accounts	569,791	334,073	2,571,110	45,925
Intergovernmental	469,248	0	0	0
Inventory of Supplies at Cost	0	0	589,514	0
Prepaid Items	70,560	71,259	184,363	0
Total Current Assets	7,862,814	3,092,094	18,985,856	1,548,200
Noncurrent Assets:				
Restricted Assets:				
Cash and Cash Equivalents	654,977	0	1,016,119	0
Total Restricted Assets	654,977	0	1,016,119	0
Net OPEB Asset	216,781	181,856	486,383	9,308
Capital Assets:				
Capital Assets Not Being Depreciated	5,050,627	788,468	8,641,793	1,037,472
Capital Assets Being Depreciated, Net	32,008,816	6,343,703	26,292,334	3,892,220
Total Noncurrent Assets	37,931,201	7,314,027	36,436,629	4,939,000
<b>Total Assets</b>	<b>45,794,015</b>	<b>10,406,121</b>	<b>55,422,485</b>	<b>6,487,200</b>
<b>Deferred Outflows of Resources:</b>				
Pension	255,311	237,132	665,281	10,508
OPEB	113,378	109,819	313,695	4,579
<b>Total Deferred Outflows of Resources</b>	<b>368,689</b>	<b>346,951</b>	<b>978,976</b>	<b>15,087</b>
<b>Liabilities:</b>				
Current Liabilities:				
Accounts Payable	219,058	42,436	2,072,643	2,193
Accrued Wages and Benefits	58,960	50,377	130,135	2,429
Intergovernmental Payable	164	33,553	469	29
Claims Payable - Current	0	0	0	0
Retainage Payable	227,467	0	48,995	0
Refundable Deposits	654,977	0	1,016,119	0
Accrued Interest Payable	655	30,666	29	3,875
Capital Leases Payable - Current	226,108	15,074	10,049	0
General Obligation Bonds Payable - Current	0	0	0	85,000
OWDA Loans Payable - Current	0	174,427	0	0
OPWC Loans Payable - Current	1,737	2,048	0	0
Payable to Joint Venture - Current	0	0	62,378	0
Compensated Absences Payable - Current	139,414	95,543	300,534	5,157
Total Current Liabilities	1,528,540	444,124	3,641,351	98,683

**CITY OF PAINESVILLE, OHIO**

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Total	Governmental Activities - Internal Service Funds
\$ 26,583,121	\$ 567,029
3,520,899	0
469,248	0
589,514	0
326,182	0
<u>31,488,964</u>	<u>567,029</u>
1,671,096	0
<u>1,671,096</u>	<u>0</u>
894,328	0
15,518,360	0
<u>68,537,073</u>	<u>0</u>
<u>86,620,857</u>	<u>0</u>
<u>118,109,821</u>	<u>567,029</u>
1,168,232	0
541,471	0
<u>1,709,703</u>	<u>0</u>
2,336,330	988
241,901	0
34,215	0
0	1,015,635
276,462	0
1,671,096	0
35,225	0
251,231	0
85,000	0
174,427	0
3,785	0
62,378	0
540,648	0
<u>5,712,698</u>	<u>1,016,623</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2021**

	Business-Type Activities Enterprise Funds			
	Water	Sewer	Electric	Other Enterprise Funds
<b>Noncurrent Liabilities:</b>				
Capital Leases Payable	1,147,014	76,468	50,979	0
General Obligation Bonds Payable	0	0	0	1,395,000
Claims Payable	0	0	0	0
OWDA Loans Payable	14,699,725	1,867,055	0	0
OPWC Loans Payable	31,258	11,269	0	0
Compensated Absences Payable	240,222	173,525	442,453	11,564
Net Pension Liability	1,893,466	1,755,710	4,924,786	77,998
Net OPEB Liability	12,033	36,093	132,137	0
<b>Total Noncurrent Liabilities</b>	<b>18,023,718</b>	<b>3,920,120</b>	<b>5,550,355</b>	<b>1,484,562</b>
<b>Total Liabilities</b>	<b>19,552,258</b>	<b>4,364,244</b>	<b>9,191,706</b>	<b>1,583,245</b>
<b>Deferred Inflows of Resources:</b>				
Pension	856,330	734,206	1,984,685	36,435
OPEB	695,352	593,981	1,602,226	29,656
<b>Total Deferred Inflows of Resources</b>	<b>1,551,682</b>	<b>1,328,187</b>	<b>3,586,911</b>	<b>66,091</b>
<b>Net Position</b>				
Net Investment in Capital Assets	20,589,230	4,973,024	34,241,367	3,449,692
Unrestricted	4,469,534	87,617	9,381,477	1,403,259
<b>Total Net Position</b>	<b>\$ 25,058,764</b>	<b>\$ 5,060,641</b>	<b>\$ 43,622,844</b>	<b>\$ 4,852,951</b>

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

Net Position of Business-type Activities

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

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<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
1,274,461	0
1,395,000	0
0	453,658
16,566,780	0
42,527	0
867,764	0
8,651,960	0
180,263	0
<u>28,978,755</u>	<u>453,658</u>
<u>34,691,453</u>	<u>1,470,281</u>
3,611,656	0
2,921,215	0
<u>6,532,871</u>	<u>0</u>
63,253,313	0
15,341,887	(903,252)
<u>\$ 78,595,200</u>	<u>\$ (903,252)</u>
<u>(495,475)</u>	
<u>\$ 78,099,725</u>	

**CITY OF PAINESVILLE, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2021**

	Business-Type Activities			
	Enterprise Funds			Other Enterprise Funds
	Water	Sewer	Electric	
<b>Operating Revenues:</b>				
Charges for Services	\$ 4,764,411	\$ 4,120,508	\$ 29,872,655	\$ 465,489
Other Charges for Services	469,830	108,317	93,802	2,651
Other Operating Revenues	2,199,424	24,976	119,536	2,998
<b>Total Operating Revenues</b>	<b>7,433,665</b>	<b>4,253,801</b>	<b>30,085,993</b>	<b>471,138</b>
<b>Operating Expenses:</b>				
Personal Services	1,399,036	1,147,757	2,926,513	72,550
Contractual Services	402,552	457,797	1,718,814	11,010
Materials and Supplies	131,080	232,122	658,462	20,137
Utilities	560,450	309,396	18,167,441	2,189
Depreciation	1,481,904	662,825	1,464,879	166,851
<b>Total Operating Expenses</b>	<b>3,975,022</b>	<b>2,809,897</b>	<b>24,936,109</b>	<b>272,737</b>
<b>Operating Income (Loss)</b>	<b>3,458,643</b>	<b>1,443,904</b>	<b>5,149,884</b>	<b>198,401</b>
<b>Non-Operating Revenue (Expenses):</b>				
Interest and Fiscal Charges	(75,842)	(67,576)	(3,370)	(50,491)
Other Nonoperating Revenue	3,387	15,146	20,884	13,161
Other Nonoperating Expense	(8,575)	0	(109,630)	0
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(81,030)</b>	<b>(52,430)</b>	<b>(92,116)</b>	<b>(37,330)</b>
<b>Income (Loss) Before Transfers and Contributions</b>	<b>3,377,613</b>	<b>1,391,474</b>	<b>5,057,768</b>	<b>161,071</b>
<b>Transfers and Contributions:</b>				
Transfers In	0	0	0	0
Transfers Out	(25,000)	(25,000)	(835,709)	0
Capital Contributions	637,354	0	0	292,750
<b>Total Transfers and Contributions</b>	<b>612,354</b>	<b>(25,000)</b>	<b>(835,709)</b>	<b>292,750</b>
<b>Change in Net Position</b>	<b>3,989,967</b>	<b>1,366,474</b>	<b>4,222,059</b>	<b>453,821</b>
Net Position Beginning of Year	21,068,797	3,694,167	39,400,785	4,399,130
<b>Net Position End of Year</b>	<b>\$ 25,058,764</b>	<b>\$ 5,060,641</b>	<b>\$ 43,622,844</b>	<b>\$ 4,852,951</b>

Change in Net Position - Total Enterprise Funds

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

Change in Net Position - Business-type Activities

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

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Total	Governmental Activities - Internal Service Funds
\$ 39,223,063	\$ 5,104,443
674,600	0
2,346,934	0
<u>42,244,597</u>	<u>5,104,443</u>
5,545,856	4,719,966
2,590,173	946,947
1,041,801	20,563
19,039,476	0
3,776,459	0
<u>31,993,765</u>	<u>5,687,476</u>
10,250,832	(583,033)
(197,279)	0
52,578	0
(118,205)	0
<u>(262,906)</u>	<u>0</u>
9,987,926	(583,033)
0	100,000
(885,709)	0
930,104	0
<u>44,395</u>	<u>100,000</u>
10,032,321	(483,033)
68,562,879	(420,219)
<u>\$ 78,595,200</u>	<u>\$ (903,252)</u>
\$ 10,032,321	
(265,768)	
<u>\$ 9,766,553</u>	

**CITY OF PAINESVILLE, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2021**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Electric
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$7,640,513	\$4,525,631	\$31,730,017
Cash Receipts from Interfund Services Provided	0	0	0
Cash Payments for Goods and Services	(1,086,305)	(993,427)	(20,971,545)
Cash Payments to Employees	(2,904,838)	(2,484,243)	(6,810,136)
Cash Payments for Employee Medical Claims	0	0	0
Net Cash Provided by Operating Activities	<u>3,649,370</u>	<u>1,047,961</u>	<u>3,948,336</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	0	0	0
Transfers Out to Other Funds	(25,000)	(25,000)	(835,709)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(25,000)</u>	<u>(25,000)</u>	<u>(835,709)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Capital Contributions	168,106	0	0
Acquisition and Construction of Assets	(2,827,292)	(426,473)	(1,854,020)
Issuance of Ohio Water Development Authority Loans	457,515	0	0
Principal Paid on Capital Leases	(216,584)	(14,439)	(9,626)
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	(867,353)	(168,612)	0
Interest Paid on All Debt	(75,945)	(70,112)	(3,375)
Net Cash Used for Capital and Related Financing Activities	<u>(3,363,290)</u>	<u>(681,684)</u>	<u>(1,867,021)</u>
Net Increase in Cash and Cash Equivalents	261,080	341,277	1,245,606
Cash and Cash Equivalents at Beginning of Year	<u>7,147,112</u>	<u>2,345,485</u>	<u>15,411,382</u>
Cash and Cash Equivalents at End of Year	<u><u>\$7,408,192</u></u>	<u><u>\$2,686,762</u></u>	<u><u>\$16,656,988</u></u>
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet</u>			
Cash and Cash Equivalents	\$6,753,215	\$2,686,762	\$15,640,869
Restricted Cash and Cash Equivalents	654,977	0	1,016,119
Cash and Cash Equivalents at End of Year	<u><u>\$7,408,192</u></u>	<u><u>\$2,686,762</u></u>	<u><u>\$16,656,988</u></u>



**CITY OF PAINESVILLE, OHIO**

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Other Enterprise Funds	Total	Governmental Activities
		Internal Service Funds
\$499,815	\$44,395,976	\$0
0	0	5,104,443
(32,314)	(23,083,591)	(966,522)
(112,845)	(12,312,062)	(461,768)
0	0	(3,674,874)
<u>354,656</u>	<u>9,000,323</u>	<u>1,279</u>
0	0	100,000
0	(885,709)	0
<u>0</u>	<u>(885,709)</u>	<u>100,000</u>
292,750	460,856	0
(212,398)	(5,320,183)	0
0	457,515	0
0	(240,649)	0
(80,000)	(80,000)	0
0	(3,785)	0
0	(1,035,965)	0
(50,700)	(200,132)	0
<u>(50,348)</u>	<u>(5,962,343)</u>	<u>0</u>
304,308	2,152,271	101,279
1,197,967	26,101,946	465,750
<u>\$1,502,275</u>	<u>\$28,254,217</u>	<u>\$567,029</u>
\$1,502,275	\$26,583,121	\$567,029
0	1,671,096	0
<u>\$1,502,275</u>	<u>\$28,254,217</u>	<u>\$567,029</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2021**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Electric
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income (Loss)	\$3,458,643	\$1,443,904	\$5,149,884
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	1,481,904	662,825	1,464,879
Miscellaneous Nonoperating Revenues	138,160	149,420	377,747
Miscellaneous Nonoperating Expenses	(8,575)	0	(123,213)
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
Decrease in Accounts Receivable	68,688	122,410	1,266,277
(Increase) Decrease in Prepaid Items	9,730	(197)	14,008
Increase in Net OPEB Asset	(216,781)	(181,856)	(486,383)
Decrease in Deferred Outflows of Resources	288,308	250,035	696,117
Increase (Decrease) in Accounts Payable	6,458	(27,468)	(250,885)
Increase in Accrued Wages and Benefits	11,026	8,133	11,627
Increase in Intergovernmental Payable	164	33,553	469
Increase (Decrease) in Compensated Absences Payable	16,631	(2,515)	(129,214)
Increase in Claims Liability	0	0	0
Decrease in Payable to Joint Venture	0	0	(68,407)
Decrease in Net Pension Liability	(654,691)	(579,798)	(1,637,185)
Decrease in Net OPEB Liability	(1,700,789)	(1,447,641)	(3,951,135)
Increase in Deferred Inflows of Resources	750,494	617,156	1,613,750
Total Adjustments	190,727	(395,943)	(1,201,548)
Net Cash Provided by Operating Activities	\$3,649,370	\$1,047,961	\$3,948,336

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2021 the Water, Sewer, and Electric Funds had outstanding liabilities of \$136,904, \$12,806, and \$582,737 respectively, for the purchase of certain capital assets.

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

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Other Enterprise Funds	Total	Governmental Activities
		Internal Service Funds
\$198,401	\$10,250,832	(\$583,033)
166,851	3,776,459	0
13,161	678,488	0
0	(131,788)	0
15,516	1,472,891	0
0	23,541	0
(9,308)	(894,328)	0
9,382	1,243,842	0
993	(270,902)	988
593	31,379	0
29	34,215	0
4,748	(110,350)	0
0	0	583,324
0	(68,407)	0
(16,544)	(2,888,218)	0
(65,087)	(7,164,652)	0
35,921	3,017,321	0
156,255	(1,250,509)	584,312
\$354,656	\$9,000,323	\$1,279

**CITY OF PAINESVILLE, OHIO**

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**Statement of Net Position  
Fiduciary Funds  
December 31, 2021**

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	Private Purpose	
	Trust	
	Deposit Trust	Custodial
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 892,485	\$ 80,652
Cash and Cash Equivalents in Segregated Accounts	0	1,587
Receivables:		
Taxes	0	195,967
<b>Total Assets</b>	<b>892,485</b>	<b>278,206</b>
<b>Liabilities:</b>		
Intergovernmental Payable	0	195,967
Due to Others	0	82,239
<b>Total Liabilities</b>	<b>0</b>	<b>278,206</b>
<b>Net Position:</b>		
Restricted For:		
Other Purposes	892,485	0
<b>Total Net Position</b>	<b>\$ 892,485</b>	<b>\$ 0</b>

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

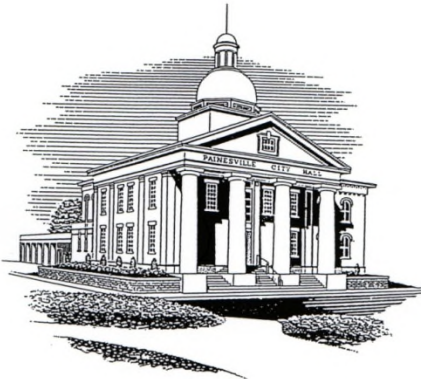
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**Statement of Changes in Net Position  
Fiduciary Funds  
For the Year Ended December 31, 2021**

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	Private Purpose	
	Trust	
	Deposit Trust	Custodial
<b>Additions:</b>		
Fines and Forfeiture Collections for other Governments	\$ 0	\$ 2,026,872
Deposits Held for Others	131,959	0
Income Tax Collections for other Governments	0	934,899
Total Additions	<u>131,959</u>	<u>2,961,771</u>
<b>Deductions:</b>		
Distribution of Fines and Forfeitures to other Governments	0	2,026,872
Distribution of Deposits to Others	16,692	0
Distribution of Income Taxes to other Governments	0	934,899
Total Deductions	<u>16,692</u>	<u>2,961,771</u>
Change in Net Position	115,267	0
Net Position at Beginning of Year	777,218	0
Net Position End of Year	<u>\$ 892,485</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Painesville, Ohio (the City), is a home-rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Council/Manager form of government, was adopted on November 6, 1962 and has been amended four times (1963, 1973, 1983 and 1989).

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

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

*Joint Venture with Equity Interest* – The City is a participant with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 2 (Omega JV-2). The Omega JV-2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economics of the participants' respective municipal electric utility systems. The Omega JV-2 is managed by AMP-Ohio, which acts as the joint venture's agent. See Note 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, 2021***

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

**B. Basis of Presentation - Fund Accounting** (Continued)

***Governmental Funds*** - Governmental funds are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following is the City's only major governmental fund:

General Fund - This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the provisions of the City Charter.

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

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

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

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

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

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



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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

**B. Basis of Presentation - Fund Accounting** (Continued)

Internal Service Funds - These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City uses internal service funds to account for costs associated with fuel, supplies, employee health insurance, and worker's compensation.

***Fiduciary Funds***

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and 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, 2021***

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

**C. Basis of Presentation - Financial Statements (Continued)**

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

**Fund Financial Statements** – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities, and deferred outflows/inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

**D. Basis of Accounting**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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

**D. Basis of Accounting** (Continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Revenue considered susceptible to accrual at year end includes income taxes, interest on investments, fines and forfeitures, and state levied locally shared taxes (including motor vehicle license fees and local government assistance). Other revenue, including licenses, permits, certain charges for services, and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

Special assessment installments, including related accrued interest, which are measurable but not available at December 31, are recorded as deferred inflows of resources. Property taxes which are measurable at December 31, 2021, but which are not intended to finance 2021 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, 2021***

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**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 2021.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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

**E. Budgetary Process (Continued)**

**3. Appropriations**

A temporary appropriation ordinance to control expenditures may be passed on or about January 1st of each year for the period January 1 through March 31. By Charter, the City Manager must submit an annual appropriation ordinance (for the period January 1 through December 31) to City Council by March 31 of each year. The primary level of budgetary control is at the program level (general government, public safety, highways and streets, public health and welfare, culture and recreation and community environment) and within each program at the level of personal services, certain other expenditures, capital outlay and transfers as required by Ohio law. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. During the year, several supplemental appropriations were necessary. The budgetary figures which appear in the Statement of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual—General Fund, are presented on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

**4. Encumbrances**

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

**5. Lapsing of Appropriations**

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

**6. Budgetary Basis of Accounting**

The City's budgetary process accounts for the City's transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on the cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. Encumbrances are recorded as the equivalent of expenditures on the budgetary basis. On the budgetary basis investment earnings are recognized when realized, whereas on a GAAP basis unrealized gains and losses are recognized when investments are adjusted to fair value.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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

**E. Budgetary Process (Continued)**

**6. Budgetary Basis of Accounting (Continued)**

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the “Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual” for the General Fund:

	<u>Net Change in Fund Balance</u>
	<u>General Fund</u>
GAAP Basis (as reported)	(\$741,856)
Increase (Decrease):	
Accrued Revenues at December 31, 2021 received during 2022	(2,051,478)
Accrued Revenues at December 31, 2020 received during 2021	2,108,295
Accrued Expenditures at December 31, 2021 paid during 2022	472,988
Accrued Expenditures at December 31, 2020 paid during 2021	(468,925)
2020 Prepays for 2021	93,996
2021 Prepays for 2022	(124,380)
2020 Adjustment to Fair Value	796,802
2021 Adjustment to Fair Value	(117,032)
Outstanding Encumbrances	(1,056,859)
Perspective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	<u>(192,141)</u>
Budget Basis	<u><u>(\$1,280,590)</u></u>

**F. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits, the State Treasury Asset Reserve (STAR Ohio), and short-term certificates of deposit with original maturities of three months or less. The STAR Ohio is considered an investment for purposes of GASB Statement No. 3, but it is reported as a cash equivalent in the basic financial statements because it is a highly liquid instrument which is readily convertible to cash.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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

**F. Cash and Cash Equivalents** (Continued)

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash, including the investment instrument described above, represents the balance on hand as if each fund maintained its own cash and investments account. For purposes of the statement of cash flows, the share of equity in the pooled cash and investments of the proprietary funds is considered to be a cash equivalent. See Note 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 \$381,025 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 2021, 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 \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

**H. Accounts Receivable**

Receivables consist primarily of taxes in the governmental funds and accounts (billings for user charged services, including unbilled amounts) in the proprietary funds.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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

**I. Inventory**

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

**J. Capital Assets and Depreciation**

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

**1. Property, Plant and Equipment - Governmental Activities**

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

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

**2. Property, Plant and Equipment – Business Type Activities**

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

**3. Depreciation**

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

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



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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

**K. Interfund Transactions**

During the course of normal operations, the City has numerous transactions between funds, most of which are in the form of transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. To the extent that certain transactions between funds have not been paid or received as of year end, interfund receivables or payables have been recorded.

**L. Compensated Absences**

In accordance with GASB Statement No. 16, “*Accounting for Compensated Absences*,” the City records a liability for vacation time and sick leave when the obligation is attributable to services previously rendered, to rights that vest or accumulate, and where payment of the obligation is probable and can be reasonably determined. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account “Compensated Absences Payable.” The City only reports a “Compensated Absence Payable” in governmental funds if the liability has matured. In the government wide statement of net position, “Compensated Absences Payable” is recorded within the “Due within one year” account and the long-term portion of the liability is recorded within the “Due in more than one year” account. Compensated absences are expensed in the proprietary funds when earned and the related liability is reported within the fund.

Employees of the City earn vacation leave at various rates within limits specified under collective bargaining agreements or under statute. At termination or retirement, employees are paid at their full rate for 100% of their unused vacation leave.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments, as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

**M. Long-Term Debt**

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, and special termination benefits are reported in the government wide statement of net position as a liability to the extent that they will not be paid with current expendable available financial resources. Such liabilities are reported in the government wide statement of net position in the “Due within one year” account and the “Due in more than one year” account. Bonds are recognized as a liability in the government wide statement of net position. Long-term debt and other obligations to be paid from proprietary funds are reported in those funds.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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

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

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

Obligation	Fund
General Obligation Bonds	General Bond Retirement Fund, Storm Water Utility Fund
Special Assessment Bonds	Special Assessment Bond Retirement Fund
Ohio Public Works Commission (OPWC) Loans	Street Construction, Maintenance and Repair Fund Water Fund, Sewer Fund
Ohio Water Development Authority (OWDA) Loans	Water Fund Sewer Fund
AMP Joint Venture Financing	Electric Fund
Police and Fire Pension Accrued Liability	General Fund
Workers' Compensation Liability	Workers' Compensation Retrospective Fund
Capital Leases	Fire Levy Fund Water Fund Sewer Fund Electric Fund
Compensated Absences/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, 2021***

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

**N. Fund Balances**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

*Nonspendable* – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

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

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

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

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

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

**O. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2021, 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, 2021***

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

**P. Restricted Assets**

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

**Q. Intergovernmental Revenues**

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

**R. Pension/OPEB**

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

**S. Net Position**

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

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

**T. Estimates**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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

**U. Operating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water treatment and distribution, wastewater collection and treatment, maintenance of storm water collection systems, electric distribution, off-street parking and collection of solid waste refuse. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**V. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2021.

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. For the City, deferred outflows of resources are reported for pension/OPEB amounts on the government-wide and proprietary funds statement of net position. See Notes 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 position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension/OPEB are reported on the government-wide and proprietary funds statement of net position. See Notes 10 and 11.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**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	\$1,437,085
Shared Revenues	753,667
Interest Revenues	31,007
Charges for Services	81,667
Grant Revenue	273,506
	<u>\$2,576,932</u>

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

Deferred Outflows - Pension	\$2,929,222
Deferred Inflows - Pension	(2,893,869)
Net Pension Liability	<u>(17,144,598)</u>
	<u>(\$17,109,245)</u>

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

Deferred Outflows - OPEB	\$1,589,130
Deferred Inflows - OPEB	(2,012,006)
Net OPEB Liability	(2,204,003)
Net OPEB Asset	353,773
	<u>(\$2,273,106)</u>

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

General Obligation Bonds Payable	(\$5,703,112)
Special Assessment Bonds Payable	(115,000)
Long Term Notes Payable	(869,927)
OPWC Loans Payable	(1,023,082)
Accrued Interest on Long-Term Debt	(64,964)
Capital Leases Payable	(21,328)
Police/Firemen's Pension Accrued Liability	(497,408)
Compensated Absences Payable	<u>(1,510,586)</u>
	<u>(\$9,805,407)</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**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	\$2,644,123
Depreciation Expense	(2,119,054)
	<u>\$525,069</u>

*Governmental revenues not reported in the funds:*

Increase in Tax Revenue	\$40,887
Increase in Intergovernmental Revenue	54,122
Decrease in Interest Revenue	(26,699)
Increase in Charges for Services	4,882
Increase in Grant Revenue	262,984
	<u>\$336,176</u>

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

Long-Term Note Issuance	(\$190,800)
Long-Term Note Principal Payment	70,873
Premium Amortization	7,828
General Obligation Bond Principal Payment	469,000
Special Assessment Bond Principal Payment	25,000
OPWC Loan Principal Payment	53,246
Police/Firemen's Pension Liability Payment	26,921
Capital Lease Payments	26,412
	<u>\$488,480</u>

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

Increase in Compensated Absences Payable	(\$87,009)
	<u>(\$87,009)</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

**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	124,380	10,669	135,049
Permanent Fund Corpus	0	1,239,055	1,239,055
Total Nonspendable	<u>909,380</u>	<u>1,249,724</u>	<u>2,159,104</u>
Restricted:			
Street Maintenance and Repair	0	3,741,060	3,741,060
Cemetery Maintenance	0	1,142,350	1,142,350
Law Enforcement	7,206	704,800	712,006
Fire Department Operations	0	1,010,381	1,010,381
Drug and Alcohol Treatment	0	67,049	67,049
Adult Probation Program	0	202,872	202,872
Court Computer Improvements	0	178,221	178,221
Community Improvements	0	11,121	11,121
Inspections and Plan Reviews	0	503,552	503,552
Debt Retirement	0	1,917,136	1,917,136
Capital Improvements	0	1,334,331	1,334,331
Total Restricted	<u>7,206</u>	<u>10,812,873</u>	<u>10,820,079</u>
Committed:			
Emergency Medical Services	0	499,388	499,388
Capital Improvements	0	2,564,584	2,564,584
Community Improvements	190,000	0	190,000
Underground Storage Tank Cleanup	10,931	0	10,931
Total Committed	<u>200,931</u>	<u>3,063,972</u>	<u>3,264,903</u>
Assigned:			
Budget Resource	742,230	0	742,230
Contractual Services and Supplies	844,852	0	844,852
Total Assigned	<u>1,587,082</u>	<u>0</u>	<u>1,587,082</u>
Unassigned (Deficits):	<u>6,430,990</u>	<u>(212,370)</u>	<u>6,218,620</u>
Total Fund Balances	<u>\$9,135,589</u>	<u>\$14,914,199</u>	<u>\$24,049,788</u>



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**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).

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

**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, 2021, the carrying amount of the City’s deposits was \$7,506,526 and the bank balance was \$8,138,706. Of the bank balance, \$847,957 was covered by federal depository insurance and \$7,290,749 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, 2021 were as follows:

	Fair Value	Credit Rating	Fair Value Hierarchy	Concentration of Credit Risk	Investment Maturities (in Years)		
					less than 1	1-3	3-5
STAR Ohio <sup>4</sup>	\$6,456,300	AAAm <sup>1</sup>	NA	14.35%	\$6,456,300	\$0	\$0
Negotiable CD's	15,541,377	AAA <sup>3</sup>	Level 2	34.53%	7,358,574	8,182,803	0
Commercial Paper	498,705	A1 <sup>1</sup> /P1 <sup>2</sup>	Level 2	1.11%	498,705	0	0
US Treasury Notes	5,895,302	N/A	Level 2	13.10%	0	2,208,923	3,686,379
FHLB	2,989,634	AA+ <sup>1</sup> /Aaa <sup>2</sup>	Level 2	6.64%	0	1,245,697	1,743,937
FMCC	4,841,697	AA+ <sup>1</sup> /Aaa <sup>2</sup>	Level 2	10.76%	0	119,189	4,722,508
AGM	809,375	AA+ <sup>1</sup> /Aaa <sup>2</sup>	Level 2	1.80%	0	0	809,375
FFCB	6,095,193	AA+ <sup>1</sup> /Aaa <sup>2</sup>	Level 2	13.54%	0	4,256,519	1,838,674
FNMA	1,878,940	AAA <sup>1</sup> /Aaa <sup>2</sup>	Level 2	4.17%	0	1,878,940	0
<b>Total Investments</b>	<b>\$45,006,523</b>			<b>100.00%</b>	<b>\$14,313,579</b>	<b>\$17,892,071</b>	<b>\$12,800,873</b>

<sup>1</sup> Standard & Poor’s

<sup>2</sup> Moody’s Investor Service

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**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 \$210,425 in these funds at December 31, 2021 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 2021 were levied after October 1, 2020 on assessed values as of January 1, 2020, 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, 2021***

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**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, 2021 was \$10.67 per \$1,000 of assessed value. The assessed value upon which the 2021 collections were based was \$251,585,440. This amount constitutes \$248,482,960 in real property assessed value and \$3,102,480 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 2021 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, 2021.

	<u>Total Amount of Taxes Abated For the year 2021</u>
<i>Community Reinvestment Area (CRA)</i>	
Industrial	<u>\$841,821</u>
	<u><u>\$841,821</u></u>

**CITY OF PAINESVILLE, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

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**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2021 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, 2021 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 2021:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds		
General Fund	\$885,709	\$1,910,000
Other Governmental Funds	<u>1,810,000</u>	<u>0</u>
Total Governmental Funds	2,695,709	1,910,000
Enterprise Funds		
Water Fund	0	25,000
Sewer Fund	0	25,000
Electric Fund	<u>0</u>	<u>835,709</u>
Total Enterprise Funds	<u>0</u>	<u>885,709</u>
Internal Service Funds	<u>100,000</u>	<u>0</u>
Totals	<u><u>\$2,795,709</u></u>	<u><u>\$2,795,709</u></u>

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

The City's Electric Fund collects a State levied Kilowatt Hour Tax that is distributed to the State of Ohio and to the City. In 2021 the portion due to the City was \$735,709, which was transferred to the General Fund as required by Ohio Revised Code.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

**NOTE 9 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2021:

**Historical Cost:**

Class	December 31, 2020	Additions	Deletions	December 31, 2021
<b>Capital assets not being depreciated:</b>				
Land	\$13,136,789	\$0	\$0	\$13,136,789
Construction in Progress	2,568,564	1,115,171	0	3,683,735
Subtotal	15,705,353	1,115,171	0	16,820,524
<b>Capital assets being depreciated:</b>				
Buildings and Improvements	7,761,596	202,888	0	7,964,484
Improvements other than Buildings	2,811,193	697,003	0	3,508,196
Machinery and Equipment	10,139,936	629,061	(105,898)	10,663,099
Infrastructure	49,657,559	0	0	49,657,559
Subtotal	70,370,284	1,528,952	(105,898)	71,793,338
Total Cost	\$86,075,637	\$2,644,123	(\$105,898)	\$88,613,862

**Accumulated Depreciation:**

Class	December 31, 2020	Additions	Deletions	December 31, 2021
Buildings and Improvements	(\$2,900,502)	(\$82,996)	\$0	(\$2,983,498)
Improvements other than Buildings	(829,535)	(34,432)	0	(863,967)
Machinery and Equipment	(6,465,738)	(714,145)	103,099	(7,076,784)
Infrastructure	(22,346,767)	(1,287,481)	0	(23,634,248)
Total Depreciation	(\$32,542,542)	(\$2,119,054) *	\$103,099	(\$34,558,497)
<b>Net Value:</b>	\$53,533,095			\$54,055,365

\*Depreciation was charged to governmental functions as follows:

General Government	\$179,328
Public Safety	327,389
Highways and Streets	1,485,925
Public Health and Welfare	49,657
Culture and Recreation	76,755
Total Depreciation Expense	\$2,119,054

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

**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, 2021:

**Historical Cost:**

Class	December 31, 2020	Additions	Deletions	December 31, 2021
<b>Capital assets not being depreciated:</b>				
Land	\$2,010,667	\$0	\$0	\$2,010,667
Construction In Progress	10,112,484	3,395,209	0	13,507,693
Subtotal	12,123,151	3,395,209	0	15,518,360
<b>Capital assets being depreciated:</b>				
Buildings and Improvements	31,400,724	234,364	0	31,635,088
Infrastructure	79,526,915	916,220	0	80,443,135
Machinery and Equipment	39,114,222	529,139	0	39,643,361
Subtotal	150,041,861	1,679,723	0	151,721,584
Total Cost	\$162,165,012	\$5,074,932	\$0	\$167,239,944

**Accumulated Depreciation:**

Class	December 31, 2020	Additions	Deletions	December 31, 2021
Buildings and Improvements	(\$22,279,560)	(\$464,890)	\$0	(\$22,744,450)
Infrastructure	(31,099,344)	(1,847,656)	0	(32,947,000)
Machinery and Equipment	(26,029,148)	(1,463,913)	0	(27,493,061)
Total Depreciation	(\$79,408,052)	(\$3,776,459)	\$0	(\$83,184,511)
<b>Net Value:</b>	\$82,756,960			\$84,055,433

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**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, 2021**

**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):

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**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. 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, 2021***

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**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>
<b>2021 Statutory Maximum Contribution Rates</b>		
Employer	14.0 %	18.1 %
Employee	10.0 %	*
<b>2021 Actual Contribution Rates</b>		
Employer:		
Pension	14.0 %	18.1 %
Post-employment Health Care Benefits	<u>0.0</u>	<u>0.0</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>13.0 %</u>

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,408,801 for 2021.

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**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](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

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**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>
<b>2021 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25
<b>2021 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$1,199,416 for 2021.

***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, 2020, 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, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$10,455,803	\$15,340,755	\$25,796,558
Proportion of the Net Pension Liability-2021	0.070610%	0.225034%	
Proportion of the Net Pension Liability-2020	<u>0.073060%</u>	<u>0.216884%</u>	
Percentage Change	<u>(0.002450%)</u>	<u>0.008150%</u>	
Pension Expense	(\$104,399)	\$1,347,176	\$1,242,777

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Changes in assumptions	\$0	\$257,273	\$257,273
Differences between expected and actual experience	0	641,298	641,298
Change in proportionate share	0	590,666	590,666
City contributions subsequent to the measurement date	<u>1,408,801</u>	<u>1,199,416</u>	<u>2,608,217</u>
Total Deferred Outflows of Resources	<u>\$1,408,801</u>	<u>\$2,688,653</u>	<u>\$4,097,454</u>
<b>Deferred Inflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$4,075,368	\$744,130	\$4,819,498
Differences between expected and actual experience	437,375	597,624	1,034,999
Change in proportionate share	<u>376,166</u>	<u>274,862</u>	<u>651,028</u>
Total Deferred Inflows of Resources	<u>\$4,888,909</u>	<u>\$1,616,616</u>	<u>\$6,505,525</u>

\$2,608,217 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, 2022. 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&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2022	(\$1,982,973)	\$43,637	(\$1,939,336)
2023	(688,856)	372,560	(316,296)
2024	(1,661,258)	(625,503)	(2,286,761)
2025	(555,822)	3,895	(551,927)
2026	<u>0</u>	<u>78,032</u>	<u>78,032</u>
Total	<u>(\$4,888,909)</u>	<u>(\$127,379)</u>	<u>(\$5,016,288)</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, 2021***

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**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, 2020 and December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>December 31, 2020</u>
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	0.5 percent simple through 2021. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age
	<u>December 31, 2019</u>
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	1.4 percent simple through 2020. 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 the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

**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. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

**Discount Rate** The discount rate used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$19,944,501	\$10,455,803	\$2,565,967



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

***Actuarial Assumptions – OPF***

OPF’s total pension liability as of December 31, 2020 is based on the results of an actuarial valuation date of January 1, 2020, 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, 2020, compared with January 1, 2019, are presented below.

	January 1, 2020	January 1, 2019
Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	2.2 percent simple	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

For the January 1, 2020 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, 2020 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, 2021***

**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 prior experience study was completed December 31, 2011.

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2020 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	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds *	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

\* levered 2x

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, 2021***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

**Discount Rate** For 2020, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2019 was 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$21,356,298	\$15,340,755	\$10,306,355

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**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. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**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.

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. 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 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. 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 2021 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 2021.

***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.

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.

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**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 2021, 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 \$28,572 for 2021.

***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, 2019, rolled forward to the measurement date of December 31, 2020, 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, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. 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&amp;F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability (Asset)	(\$1,248,101)	\$2,384,266	\$1,136,165
Proportion of the Net OPEB Liability (Asset)-2021	0.070056%	0.225034%	
Proportion of the Net OPEB Liability-2020	0.071972%	0.216884%	
Percentage Change	<u>(0.001916%)</u>	<u>0.008150%</u>	
OPEB Expense	(\$7,685,204)	\$298,583	(\$7,386,621)

**CITY OF PAINESVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Changes in assumptions	\$613,583	\$1,317,176	\$1,930,759
Change in proportionate share	0	171,270	171,270
City contributions subsequent to the measurement date	0	28,572	28,572
Total Deferred Outflows of Resources	<u>\$613,583</u>	<u>\$1,517,018</u>	<u>\$2,130,601</u>
<b>Deferred Inflows of Resources</b>			
Net difference between projected and actual earnings on OPEB plan investments	\$664,760	\$88,606	\$753,366
Differences between expected and actual experience	1,126,407	393,278	1,519,685
Changes in assumptions	2,022,303	380,097	2,402,400
Change in proportionate share	161,576	96,194	257,770
Total Deferred Inflows of Resources	<u>\$3,975,046</u>	<u>\$958,175</u>	<u>\$4,933,221</u>

\$28,572 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 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2022	(\$1,769,513)	\$109,495	(\$1,660,018)
2023	(1,676,960)	130,475	(1,546,485)
2024	(1,526,138)	97,392	(1,428,746)
2025	1,611,148	113,686	1,724,834
2026	0	41,723	41,723
2027	0	28,939	28,939
2028	0	8,561	8,561
Total	<u>(\$3,361,463)</u>	<u>\$530,271</u>	<u>(\$2,831,192)</u>



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**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, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior Measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.00 percent
Prior Measurement date	2.75 percent
Health Care Cost Trend Rate:	
Current measurement date	8.5 percent initial, 3.5 percent ultimate in 2035
Prior Measurement date	10.5 percent initial, 3.5 percent ultimate in 2030
Actuarial Cost Method	Individual Entry Age Normal

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**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. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43 %

**Discount Rate** A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. 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 2.00 percent.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

**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 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, and the municipal bond rate was applied to all health care costs after that date.

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability (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 <u>(5.00%)</u>	Current Discount Rate <u>(6.00%)</u>	1% Increase <u>(7.00%)</u>
City's proportionate share of the net OPEB liability (asset)	(\$310,348)	(\$1,248,101)	(\$2,019,014)

***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 2021 is 8.50 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)	(\$1,278,522)	(\$1,248,101)	(\$1,214,070)

***Changes between Measurement Date and Reporting Date***

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

***Actuarial Assumptions – OP&F***

OP&F’s total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, 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, 2020, with actuarial liabilities rolled forward to December 31, 2020	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	2.96 percent	3.56 percent
Cost of Living Adjustments	2.2 percent simple	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**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 prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

**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	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	125.00 %	

\* levered 2x

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 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 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 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**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 2.96 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 (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
City's proportionate share of the net OPEB liability	\$2,973,048	\$2,384,266	\$1,898,597

***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, 2021**

**NOTE 12 – DEBT AND OTHER LONG-TERM OBLIGATIONS**

Long-term debt of the City at December 31, 2021 is as follows:

		Balance December 31, 2020	Issued	(Retired)	Balance December 31, 2021	Amount Due Within One Year	
<b>Governmental Activities Debt:</b>							
General Obligation Bonds:							
4.250 - 5.000%	Various Purpose	2007	\$605,000	\$0	(\$135,000)	\$470,000	\$140,000
2.850%	Shamrock Blvd Improvement	2013	1,326,000	0	(94,000)	1,232,000	97,000
2.0 - 3.000%	Shamrock Blvd Improvement TIF	2012	4,155,000	0	(240,000)	3,915,000	245,000
	Premium on Debt Issuance		93,940	0	(7,828)	86,112	0
	Total General Obligation Bonds		<u>6,179,940</u>	<u>0</u>	<u>(476,828)</u>	<u>5,703,112</u>	<u>482,000</u>
Special Assessment Debt (with governmental commitment)							
4.75%	Renaissance Parkway	2005	140,000	0	(25,000)	115,000	25,000
Ohio Public Works Commission Loans (OPWC):							
0.000%	Chester Street Improvements	2008	36,676	0	(4,890)	31,786	4,890
0.000%	Brookstone Blvd Improvements	2013	1,039,652	0	(48,356)	991,296	48,356
	Total OPWC Loans		<u>1,076,328</u>	<u>0</u>	<u>(53,246)</u>	<u>1,023,082</u>	<u>53,246</u>
Long-Term Notes Payable:							
2.40%	Fire Truck	2020	750,000	0	(52,714)	697,286	53,571
2.19%	Salt Dome	2021	0	190,800	(18,159)	172,641	18,357
	Total Long-Term Notes Payable		<u>750,000</u>	<u>190,800</u>	<u>(70,873)</u>	<u>869,927</u>	<u>71,928</u>
<b>Governmental Activities Other Long-Term Obligations:</b>							
	Compensated Absences		1,454,264	273,754	(217,432)	1,510,586	247,491
	Workers' Compensation Liability		610,738	1,105,196	(610,738)	1,105,196	651,538
	Capital Lease Payable		47,740	0	(26,412)	21,328	21,328
	Police/Firemen's Pension Accrued Liability		524,329	0	(26,921)	497,408	28,078
	Total Governmental Activities		<u>\$10,783,339</u>	<u>\$1,569,750</u>	<u>(\$1,507,450)</u>	<u>\$10,845,639</u>	<u>\$1,580,609</u>

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**CITY OF PAINESVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

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

Long-term debt of the City at December 31, 2021 is as follows:

		Balance December 31, 2020	Issued	(Retired)	Balance December 31, 2021	Amount Due Within One Year
<b>Business-Type Activities Debt:</b>						
General Obligation Bonds:						
3.25% Storm Water Improvements	2016	\$1,560,000	\$0	(\$80,000)	\$1,480,000	\$85,000
Ohio Water Development Authority Loans (OWDA):						
3.420% WPCLF WWTP Upgrades	2009	2,210,094	0	(168,612)	2,041,482	174,427
0.000% Water Intake Improvements	2014	15,109,563	457,515	(867,353)	14,699,725	0
Total OWDA Loans		<u>17,319,657</u>	<u>457,515</u>	<u>(1,035,965)</u>	<u>16,741,207</u>	<u>174,427</u>
Ohio Public Works Commission Loans (OPWC):						
0.000% Mentor Ave / Jackson Street Sewer	2008	15,365	0	(2,048)	13,317	2,048
0.000% Pinehill Road Waterline Phase I	2020	34,732	0	(1,737)	32,995	1,737
Total OPWC Loans		<u>50,097</u>	<u>0</u>	<u>(3,785)</u>	<u>46,312</u>	<u>3,785</u>
<b>Business-Type Activities Other Long-Term Obligations:</b>						
Capital Leases Payable		1,766,341	0	(240,649)	1,525,692	251,231
AMP Joint Venture Financing Agreement		130,785	0	(68,407)	62,378	62,378
Compensated Absences		1,518,762	557,973	(668,323)	1,408,412	540,648
Total Business-Type Activities		<u>\$22,345,642</u>	<u>\$1,015,488</u>	<u>(\$2,097,129)</u>	<u>\$21,264,001</u>	<u>\$1,117,469</u>

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**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 \$1,860,921 for the City as of December 31, 2021.

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, 2021 amounted to \$1,058,077.

**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, 2021 was \$658,251 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, 2021, \$115,000, 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 \$64,876 in the Special Assessment Bond Retirement Fund at December 31, 2021 is restricted for the retirement of outstanding special assessment bonds.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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

**D. Capital Leases**

The City has entered into agreements to lease equipment. The original cost of the equipment was \$7,364,181. Such agreements are, in substance, lease purchases (capital leases) and are classified as long-term obligations in the financial statements. The costs of these assets are included in the capital asset balances of the Governmental Activities and Water Fund, Sewer Fund, and Electric Fund (major enterprise funds). The capital leases payable are recorded in Governmental Activities and Business-Type Activities in the amount of \$21,328, and \$1,525,692, respectively.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2021:

Year Ending December 31,	Governmental Activities	Business-Type Activities
2022	\$23,003	\$314,896
2023	0	314,896
2024	0	314,896
2025	0	314,896
2026	0	472,343
Minimum Lease Payments	23,003	1,731,927
Less: amount representing interest at the City's incremental borrowing rate of interest	(1,675)	(206,235)
Present value of minimum lease payments	<u>\$21,328</u>	<u>\$1,525,692</u>

**E. Ohio Water Development Authority Loans**

In 2014, the City entered into an agreement with the Ohio Water Development Authority to receive a loan for the planning and design of water system intake improvements. In 2016, this loan was rolled into a new loan for the construction of water system intake improvements. The interest rate on the new loan is 0.00% per annum. This loan is payable from water service charges. The loan can only be received by the City in increments as the project is completed. As of December 31, 2021, the City had received \$16,434,431. As of December 31, 2021, the loan has not been finalized and there is no amortization schedule for the loan.

**CITY OF PAINESVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

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

**F. Principal and Interest Requirements**

The principal and interest requirements to retire long-term debt at December 31, 2021 are as follows:

Years	General Obligation Bonds		Special Assessment Bonds		Long Term Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$567,000	\$227,737	\$25,000	\$5,750	\$71,928	\$17,961
2023	510,000	207,860	30,000	4,500	72,129	16,474
2024	523,000	191,184	30,000	3,000	72,333	14,986
2025	540,000	174,024	30,000	1,500	72,538	13,496
2026	538,000	158,032	0	0	72,746	12,002
2027-2031	2,706,000	524,733	0	0	346,677	37,525
2032-2035	1,713,000	111,713	0	0	161,576	5,787
Totals	\$7,097,000	\$1,595,283	\$115,000	\$14,750	\$869,927	\$118,231

Years	OWDA Loans		OPWC Loans		Police/Firemen's Pension Accrued Liability	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$174,427	\$59,947	\$57,031	\$0	\$28,078	\$20,845
2023	180,444	54,670	57,031	0	29,284	19,639
2024	186,668	49,210	57,031	0	30,542	18,381
2025	193,106	43,562	57,031	0	31,853	17,069
2026	199,767	37,720	57,031	0	33,222	15,701
2027-2031	1,107,070	93,655	260,871	0	188,778	55,836
2032-2036	0	0	250,463	0	155,651	13,372
2037-2041	0	0	248,726	0	0	0
2042	0	0	24,179	0	0	0
Totals	\$2,041,482	\$338,764	\$1,069,394	\$0	\$497,408	\$160,843

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

**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 2021 the City contracted with several different insurance providers for various insurance coverages, as follows:

Insurance Provider	Coverage	Deductible
Jackson Dieken & Associates	Public Employee Dishonesty/ Forgery	\$5,000
Jackson Dieken & Associates	Law Enforcement Professional Liability	\$25,000
Jackson Dieken & Associates	Public Officials Liability	\$25,000
Jackson Dieken & Associates	Comprehensive General Liability	\$5,000
Jackson Dieken & Associates	Ohio Employers Intentional Tort Liability	\$5,000
Jackson Dieken & Associates	Commercial Umbrella Liability	\$0
Jackson Dieken & Associates	Boiler and Machinery	\$10,000
Jackson Dieken & Associates	Automobile	\$0
Jackson Dieken & Associates	Commercial General Liability (Fire)	\$0
Jackson Dieken & Associates	Commercial Umbrella	\$0

In 1993, the Workers' Compensation Retrospective Rating Fund was established to account for the funding of the City's workers' compensation plan. Under the plan, the City is charged by the State of Ohio for administrative fees, claims paid and premiums for individual and aggregate claim limits. All City funds are charged a premium per employee covered by the Workers' Compensation Retrospective Rating Fund based on claims experience. The City has a claims limit of \$300,000 per individual and a maximum yearly amount for all claims which varies each policy year. The claims liability of \$1,105,196 reported in the fund at December 31, 2021 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
2020	\$686,265	\$0	(\$75,527)	\$610,738
2021	610,738	956,226	(461,768)	1,105,196

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**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 \$364,097 reported in the fund at December 31, 2021 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>
2020	\$284,724	\$3,234,032	(\$3,243,525)	\$275,231
2021	275,231	3,763,740	(3,674,874)	364,097

**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, 2021***

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**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, 2021. At December 31, 2021 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 \$62,378. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at [www.auditor.state.oh.us](http://www.auditor.state.oh.us).

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**CITY OF PAINESVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

**NOTE 15 – SIGNIFICANT COMMITMENTS**

As of December 31, 2021, the City had the following contracts with respect to capital improvements:

Project	Remaining Construction Commitment	Expected Date of Completion
Automated Metering Infrastructure	\$1,330,707	2022
Ami Utility Software	962,656	2022
Water Intake Project 1471208	335,365	2022
Road Improvement Annual Paving Program	274,022	2022
Specialized/Technical-Intersection & LRP Cameras	203,433	2022
Streetscape Project	151,368	2022
North State Street Paving Project	121,467	2022
Carbon Feed Building & Equipment	104,298	2022
St. Clair Street Parking Lot Paving	71,963	2022
SR44 Traffic Evaluation	62,824	2022
Aeration Tank Upgrade	49,741	2022
Button Avenue Waterline Replacement	39,973	2022
Filter Repairs	39,315	2022
Traffic Signal Study	38,610	2022
Bank Street Erosion Protection Project	37,950	2022
H10 Expansion Project for Shamrock Park	37,295	2022
Headwall Repair - Gingerbread Place	35,400	2022
Skinner Avenue Water Main Replacement	34,929	2022
No. 3 Primary Rebuild	26,096	2022
Reed Ave Design Roadway & Storm Sewer Improvements	22,575	2022
Water Valve Replacements 2021	21,473	2022
Fire/Security Lift Gate	15,665	2022
High Service Pump Room Improvements	15,295	2022
Parking Lot Repairs - Sewer	14,476	2022
Fire Station Bathroom Project	11,940	2022
WPCP Step Screen	10,959	2022
	<u>\$4,069,795</u>	

At December 31, 2021 the City had encumbrance commitments in the Governmental Funds as follows:

Fund	Encumbrances
General Fund	\$1,056,858
Other Governmental Funds	1,884,359
Total Governmental Funds	<u>\$2,941,217</u>



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**NOTE 16 - COMPLIANCE AND ACCOUNTABILITY**

*Deficit Fund Equities* - The fund deficits at December 31, 2021 of \$212,370 in the Brownfield Grant Fund (special revenue fund), \$110,391 in the Employee Health Insurance Fund, and \$951,417 in the Workers' Compensation Retrospective Fund (internal service funds) arise from the recognition of expenditures/expenses on the modified accrual/accrual basis that are greater than expenditures/expenses recognized on the budgetary/cash basis. Deficits do not exist under the budgetary/cash basis of accounting. Transfers are provided when cash is required, not when accruals occur.

**NOTE 17 - CONTINGENCIES**

**A. Federal and State Grants**

For the period January 1, 2021 to December 31, 2021, 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, 2021***

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**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 \$27,697 and interest on the credit balance credited to the City has been \$71,294, resulting in a net credit balance at December 31, 2021 of \$585,835. The City does have a potential PHFU Liability of \$667,723 resulting in a net total potential liability of \$81,888, 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, 2021***

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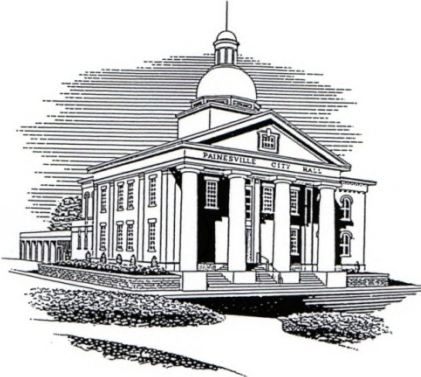
**NOTE 19 – CHANGE IN ACCOUNTING PRINCIPLE**

For 2021, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period.”

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. The implementation of this statement had no effect on beginning of year net position/fund balance.

**NOTE 20 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City's investment portfolio and investments of the pension and other employee benefit plan in which the City participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.



*REQUIRED SUPPLEMENTARY INFORMATION*

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**CITY OF PAINESVILLE, OHIO**

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

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**Ohio Public Employees Retirement System**

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

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

**Ohio Police and Fire Pension Fund**

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

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

Notes: The City implemented GASB Statement 68 in 2015.

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

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

See notes to the required supplementary information

**CITY OF PAINESVILLE, OHIO**

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<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
0.078734%	0.073358%	0.073885%	0.073060%	0.070610%
\$17,879,092	\$11,508,461	\$20,235,603	\$14,440,805	\$10,455,803
\$10,183,850	\$9,690,523	\$9,979,221	\$10,283,014	\$9,944,843
175.56%	118.76%	202.78%	140.43%	105.14%
77.25%	84.66%	74.70%	82.17%	86.88%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
0.219641%	0.215503%	0.221773%	0.216884%	0.225034%
\$13,911,813	\$13,226,399	\$18,102,535	\$14,610,458	\$15,340,755
\$4,771,700	\$4,763,981	\$5,068,494	\$5,209,283	\$5,549,138
291.55%	277.63%	357.16%	280.47%	276.45%
68.36%	70.91%	63.07%	69.89%	70.65%

**CITY OF PAINESVILLE, OHIO**

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

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**Ohio Public Employees Retirement System**

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

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

**Ohio Police and Fire Pension Fund**

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

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

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

See notes to the required supplementary information



**CITY OF PAINESVILLE, OHIO**

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<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$1,222,062	\$1,259,768	\$1,397,091	\$1,439,622	\$1,392,278	\$1,408,801
<u>1,222,062</u>	<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>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$10,183,850	\$9,690,523	\$9,979,221	\$10,283,014	\$9,944,843	\$10,062,864
12.00%	13.00%	14.00%	14.00%	14.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$999,545	\$997,803	\$1,061,198	\$1,089,427	\$1,166,277	\$1,199,416
<u>999,545</u>	<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>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,771,700	\$4,763,981	\$5,068,494	\$5,209,283	\$5,549,138	\$5,714,467
20.95%	20.94%	20.94%	20.91%	21.02%	20.99%

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

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<u>2020</u>	<u>2021</u>
0.071972%	0.070056%
\$9,941,205	(\$1,248,101)
\$10,283,014	\$9,944,843
96.68%	(12.55%)
47.80%	115.57%

<u>2020</u>	<u>2021</u>
0.216884%	0.225034%
\$2,142,318	\$2,384,266
\$5,209,283	\$5,549,138
41.13%	42.97%
47.08%	45.42%

**CITY OF PAINESVILLE, OHIO**

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

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**Ohio Public Employees Retirement System**

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

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

**Ohio Police and Fire Pension Fund**

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

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

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2013 is not available.

See notes to the required supplementary information

**CITY OF PAINESVILLE, OHIO**

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<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$203,677	\$96,905	\$0	\$0	\$0	\$0
<u>203,677</u>	<u>96,905</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$10,183,850	\$9,690,523	\$9,979,221	\$10,283,014	\$9,944,843	\$10,062,864
2.00%	1.00%	0.00%	0.00%	0.00%	0.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$23,859	\$23,820	\$25,342	\$26,047	\$27,746	\$28,572
<u>23,859</u>	<u>23,820</u>	<u>25,342</u>	<u>26,047</u>	<u>27,746</u>	<u>28,572</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,771,700	\$4,763,981	\$5,068,494	\$5,209,283	\$5,549,138	\$5,714,467
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information  
For the Year Ended December 31, 2021***

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**NET PENSION LIABILITY**

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

*Changes in benefit terms:* There were no changes in benefit terms for the period 2014-2021.

*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.

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

*Changes in benefit terms:* There were no changes in benefit terms for the period 2014-2021.

*Changes in assumptions:*

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

***Notes to the Required Supplementary Information  
For the Year Ended December 31, 2021***

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**NET PENSION LIABILITY** (Continued)

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

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

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

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

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***Notes to the Required Supplementary Information  
For the Year Ended December 31, 2021***

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**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.

*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%

**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.



***Notes to the Required Supplementary Information  
For the Year Ended December 31, 2021***

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**NET OPEB LIABILITY (ASSET)** (Continued)

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

*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%.

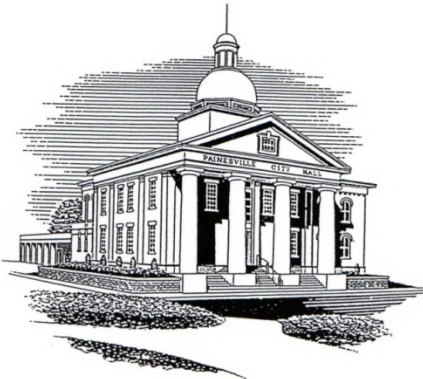
2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- 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%.

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*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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

**Street Construction, Maintenance and Repair Fund**

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

**State Highway Improvement Fund**

Required by the Ohio Revised Code to account for 7.5% of the state gasoline tax and motor vehicle registration fees designated for maintenance of state highways within the City.

**Cemeteries Fund**

To account for revenue received from the operation of the City's two municipal cemeteries.

**Police Pension Transfer Fund**

To accumulate property taxes levied for the partial payment of the current and accrued liability for police disability and pension.

**Fire Pension Transfer Fund**

To accumulate property taxes levied for the partial payment of the current and accrued liability for fire disability and pension.

**Law Enforcement Fund**

To account for the proceeds from the confiscation of contraband.

**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)***

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**Enforcement and Education Fund**

To account for funds received pursuant to Ohio Revised Code Section 4511.99 (A) to be used by the Painesville Police to pay the costs of educating the public about laws governing operation of a motor vehicle while under the influence of alcohol.

**City Motor Vehicle License Tax Fund**

To account for City-levied motor vehicle registration fees designated for street construction, maintenance and repair. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the Street Construction, Maintenance and Repair Fund on a GAAP basis.)

**Fire Levy Fund**

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

**Underground Storage Tank Fund**

To account for monies to pay for the deductible amount of costs of third party damages and corrective actions necessary to clean up a petroleum release from an underground storage tank. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

**Probation Services Fund**

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

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

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

**Lake County Grant Fund**

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

**CARES Act Fund**

This fund is used to account for Coronavirus Relief funds received through passage of the CARES Act. These funds can be used for necessary expenditures incurred due to the Covid-19 public health emergency. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

**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)***

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**Emergency Medical Services (EMS) Fund**

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

**Municipal Court Computerization Fund**

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

**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***

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

**General Bond Retirement Fund**

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

**Special Assessment Bond Retirement Fund**

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

**Shamrock Business Center TIF Fund**

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

***Capital Projects Funds***

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

**Municipal Court Improvement Fund**

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

**Capital Equipment Reserve Fund**

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

**Capital Improvement Fund**

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

**Lake Hospital Demolition Fund**

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

**Jackson Street Interchange Project Fund**

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

**Industrial Park Project Fund**

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

(Continued)

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

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**Municipal Court Special Projects Fund**

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

**Millstone Acquisition Fund**

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

**City Hall Fire Fund**

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

**Shamrock Boulevard Road Project Fund**

To account for costs associated with construction of Shamrock Boulevard.

***Permanent Funds***

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

**Cemetery Trust Fund**

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

**Special Endowment Fund**

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

**Evergreen Cemetery Trust Fund**

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

**Riverside Cemetery Trust Fund**

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

**Special Endowment Trust Fund**

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



**CITY OF PAINESVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2021**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Pooled Cash and Investments	\$ 8,699,860	\$ 1,917,136	\$ 3,907,410	\$ 210,425	\$ 14,734,831
Cash and Cash Equivalents in Segregated Accounts	20,106	0	12,714	0	32,820
Receivables:					
Taxes	1,878,408	915,003	0	0	2,793,411
Accounts	120,702	0	16,959	0	137,661
Intergovernmental	1,054,192	3,990	15,317	0	1,073,499
Prepaid Items	10,607	0	62	0	10,669
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	1,239,055	1,239,055
<b>Total Assets</b>	<b>\$ 11,783,875</b>	<b>\$ 2,836,129</b>	<b>\$ 3,952,462</b>	<b>\$ 1,449,480</b>	<b>\$ 20,021,946</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 533,701	\$ 0	\$ 37,142	\$ 0	\$ 570,843
Accrued Wages and Benefits Payable	36,610	0	1,026	0	37,636
Unearned Revenue	983,910	0	0	0	983,910
<b>Total Liabilities</b>	<b>1,554,221</b>	<b>0</b>	<b>38,168</b>	<b>0</b>	<b>1,592,389</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Amounts	806,497	7,430	15,317	0	829,244
Property Tax Levy for Next Fiscal Year	1,774,551	911,563	0	0	2,686,114
<b>Total Deferred Inflows of Resources</b>	<b>2,581,048</b>	<b>918,993</b>	<b>15,317</b>	<b>0</b>	<b>3,515,358</b>
<b>Fund Balances:</b>					
Nonspendable	10,607	0	62	1,239,055	1,249,724
Restricted	7,350,981	1,917,136	1,334,331	210,425	10,812,873
Committed	499,388	0	2,564,584	0	3,063,972
Unassigned	(212,370)	0	0	0	(212,370)
<b>Total Fund Balances</b>	<b>7,648,606</b>	<b>1,917,136</b>	<b>3,898,977</b>	<b>1,449,480</b>	<b>14,914,199</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 11,783,875</b>	<b>\$ 2,836,129</b>	<b>\$ 3,952,462</b>	<b>\$ 1,449,480</b>	<b>\$ 20,021,946</b>

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2021**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Property Taxes	\$ 1,788,217	\$ 1,117,605	\$ 0	\$ 0	\$ 2,905,822
Intergovernmental Revenues	1,632,793	7,979	83,668	0	1,724,440
Charges for Services	811,986	0	0	0	811,986
Investment Earnings	0	0	0	973	973
Special Assessments	0	78,424	340,000	0	418,424
Fines and Forfeitures	296,333	0	198,711	0	495,044
All Other Revenues	19,378	0	33,796	21,450	74,624
<b>Total Revenues</b>	<b>4,548,707</b>	<b>1,204,008</b>	<b>656,175</b>	<b>22,423</b>	<b>6,431,313</b>
<b>Expenditures:</b>					
Current:					
General Government	668,341	2,217	111,801	0	782,359
Public Safety	1,872,331	0	0	0	1,872,331
Highways and Streets	1,860,125	276,440	518,088	0	2,654,653
Public Health and Welfare	407,623	0	0	518	408,141
Community Environment	29,968	0	0	0	29,968
Capital Outlay	0	0	335,407	0	335,407
Debt Service:					
Principal Retirement	170,016	442,356	32,159	0	644,531
Interest and Fiscal Charges	31,408	184,816	18,539	0	234,763
<b>Total Expenditures</b>	<b>5,039,812</b>	<b>905,829</b>	<b>1,015,994</b>	<b>518</b>	<b>6,962,153</b>
Excess (Deficiency) of Revenues Over Expenditures	(491,105)	298,179	(359,819)	21,905	(530,840)
<b>Other Financing Sources (Uses):</b>					
Long Term Note Issuance	0	0	190,800	0	190,800
Transfers In	705,000	0	1,105,000	0	1,810,000
<b>Total Other Financing Sources (Uses)</b>	<b>705,000</b>	<b>0</b>	<b>1,295,800</b>	<b>0</b>	<b>2,000,800</b>
Net Change in Fund Balances	213,895	298,179	935,981	21,905	1,469,960
<b>Fund Balances at Beginning of Year</b>	<b>7,434,711</b>	<b>1,618,957</b>	<b>2,962,996</b>	<b>1,427,575</b>	<b>13,444,239</b>
<b>Fund Balances End of Year</b>	<b>\$ 7,648,606</b>	<b>\$ 1,917,136</b>	<b>\$ 3,898,977</b>	<b>\$ 1,449,480</b>	<b>\$ 14,914,199</b>

**CITY OF PAINESVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2021**

	Street Construction, Maintenance and Repair Fund	State Highway Improvement Fund	Cemeteries Fund	Police Pension Transfer Fund
<b>Assets:</b>				
Pooled Cash and Investments	\$ 2,397,516	\$ 111,612	\$ 946,446	\$ 163,855
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes	0	0	0	81,256
Accounts	0	0	0	0
Intergovernmental	712,519	31,451	0	4,987
Prepaid Items	0	0	2,893	0
<b>Total Assets</b>	<b>\$ 3,110,035</b>	<b>\$ 143,063</b>	<b>\$ 949,339</b>	<b>\$ 250,098</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 192,411	\$ 0	\$ 6,169	\$ 0
Accrued Wages and Benefits Payable	5,592	0	8,441	0
Unearned Revenue	0	0	0	0
<b>Total Liabilities</b>	<b>198,003</b>	<b>0</b>	<b>14,610</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	292,550	20,967	0	9,287
Property Tax Levy for Next Fiscal Year	0	0	0	76,956
<b>Total Deferred Inflows of Resources</b>	<b>292,550</b>	<b>20,967</b>	<b>0</b>	<b>86,243</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	2,893	0
Restricted	2,619,482	122,096	931,836	163,855
Committed	0	0	0	0
Unassigned	0	0	0	0
<b>Total Fund Balances</b>	<b>2,619,482</b>	<b>122,096</b>	<b>934,729</b>	<b>163,855</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 3,110,035</b>	<b>\$ 143,063</b>	<b>\$ 949,339</b>	<b>\$ 250,098</b>

(Continued)

**CITY OF PAINESVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2021**

	Fire Pension Transfer Fund	Law Enforcement Fund	ARPA Fund	Indigent Drivers Alcohol Treatment Fund
<b>Assets:</b>				
Pooled Cash and Investments	\$ 163,897	\$ 29,732	\$ 1,002,790	\$ 69,652
Cash and Cash Equivalents in Segregated Accounts	0	0	0	395
Receivables:				
Taxes	81,256	0	0	0
Accounts	0	0	0	0
Intergovernmental	4,987	0	0	0
Prepaid Items	0	0	0	0
<b>Total Assets</b>	<b>\$ 250,140</b>	<b>\$ 29,732</b>	<b>\$ 1,002,790</b>	<b>\$ 70,047</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 0	\$ 18,880	\$ 2,998
Accrued Wages and Benefits Payable	0	0	0	0
Unearned Revenue	0	0	983,910	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>1,002,790</b>	<b>2,998</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	9,287	0	0	0
Property Tax Levy for Next Fiscal Year	76,956	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>86,243</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	0
Restricted	163,897	29,732	0	67,049
Committed	0	0	0	0
Unassigned	0	0	0	0
<b>Total Fund Balances</b>	<b>163,897</b>	<b>29,732</b>	<b>0</b>	<b>67,049</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 250,140</b>	<b>\$ 29,732</b>	<b>\$ 1,002,790</b>	<b>\$ 70,047</b>

**CITY OF PAINESVILLE, OHIO**

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Enforcement and Education Fund	Fire Levy Fund	Probation Services Fund	COPS Fast Grant Fund	Lake County Grant Fund	Fire Fund
\$ 95,068	\$ 404,935	\$ 193,464	\$ 2,467	\$ 2,868	\$ 18,535
616	0	11,198	0	0	0
0	102,763	0	0	0	0
0	0	0	0	0	0
0	4,911	0	0	0	2,766
0	0	0	0	0	0
<u>\$ 95,684</u>	<u>\$ 512,609</u>	<u>\$ 204,662</u>	<u>\$ 2,467</u>	<u>\$ 2,868</u>	<u>\$ 21,301</u>
\$ 0	\$ 0	\$ 113	\$ 0	\$ 0	\$ 0
0	0	1,677	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>1,790</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	10,650	0	0	0	0
0	97,024	0	0	0	0
<u>0</u>	<u>107,674</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
95,684	404,935	202,872	2,467	2,868	21,301
0	0	0	0	0	0
0	0	0	0	0	0
<u>95,684</u>	<u>404,935</u>	<u>202,872</u>	<u>2,467</u>	<u>2,868</u>	<u>21,301</u>
<u>\$ 95,684</u>	<u>\$ 512,609</u>	<u>\$ 204,662</u>	<u>\$ 2,467</u>	<u>\$ 2,868</u>	<u>\$ 21,301</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2021**

	Victim's Advocate Grant Fund	Emergency Medical Services Fund	Municipal Court Computerization Fund	Plan Review Fund
<b>Assets:</b>				
Pooled Cash and Investments	\$ 19,891	\$ 500,079	\$ 173,246	\$ 511,121
Cash and Cash Equivalents in Segregated Accounts	0	0	7,897	0
Receivables:				
Taxes	0	0	0	0
Accounts	0	120,702	0	0
Intergovernmental	6,839	0	0	0
Prepaid Items	0	7,714	0	0
<b>Total Assets</b>	<b>\$ 26,730</b>	<b>\$ 628,495</b>	<b>\$ 181,143</b>	<b>\$ 511,121</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 27,237	\$ 555	\$ 7,569
Accrued Wages and Benefits Payable	713	12,489	2,367	0
Unearned Revenue	0	0	0	0
<b>Total Liabilities</b>	<b>713</b>	<b>39,726</b>	<b>2,922</b>	<b>7,569</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	6,839	81,667	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>6,839</b>	<b>81,667</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>				
Nonspendable	0	7,714	0	0
Restricted	19,178	0	178,221	503,552
Committed	0	499,388	0	0
Unassigned	0	0	0	0
<b>Total Fund Balances</b>	<b>19,178</b>	<b>507,102</b>	<b>178,221</b>	<b>503,552</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 26,730</b>	<b>\$ 628,495</b>	<b>\$ 181,143</b>	<b>\$ 511,121</b>

**CITY OF PAINESVILLE, OHIO**

Brownfield Grant Fund	Fire Improvement Levy Fund	Road Improvement Levy Fund	Police Levy Fund	Columbarium Trust Fund	Land Bank Fund
\$ 34,475	\$ 434,688	\$ 1,015,423	\$ 378,527	\$ 89	\$ 8,253
0	0	0	0	0	0
0	330,604	677,301	605,228	0	0
0	0	0	0	0	0
246,845	8,775	15,881	14,231	0	0
0	0	0	0	0	0
<u>\$ 281,320</u>	<u>\$ 774,067</u>	<u>\$ 1,708,605</u>	<u>\$ 997,986</u>	<u>\$ 89</u>	<u>\$ 8,253</u>
\$ 246,845	\$ 14,440	\$ 15,941	\$ 0	\$ 0	\$ 0
0	0	0	5,331	0	0
0	0	0	0	0	0
<u>246,845</u>	<u>14,440</u>	<u>15,941</u>	<u>5,331</u>	<u>0</u>	<u>0</u>
246,845	26,949	53,544	47,912	0	0
0	312,430	639,638	571,547	0	0
<u>246,845</u>	<u>339,379</u>	<u>693,182</u>	<u>619,459</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
0	420,248	999,482	373,196	89	8,253
0	0	0	0	0	0
(212,370)	0	0	0	0	0
<u>(212,370)</u>	<u>420,248</u>	<u>999,482</u>	<u>373,196</u>	<u>89</u>	<u>8,253</u>
<u>\$ 281,320</u>	<u>\$ 774,067</u>	<u>\$ 1,708,605</u>	<u>\$ 997,986</u>	<u>\$ 89</u>	<u>\$ 8,253</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

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***Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2021***

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	Law Enforcement Trust Fund	Total Nonmajor Special Revenue Funds
<b>Assets:</b>		
Pooled Cash and Investments	\$ 21,231	\$ 8,699,860
Cash and Cash Equivalents in Segregated Accounts	0	20,106
Receivables:		
Taxes	0	1,878,408
Accounts	0	120,702
Intergovernmental	0	1,054,192
Prepaid Items	0	10,607
<b>Total Assets</b>	<b>\$ 21,231</b>	<b>\$ 11,783,875</b>
<b>Liabilities:</b>		
Accounts Payable	\$ 543	\$ 533,701
Accrued Wages and Benefits Payable	0	36,610
Unearned Revenue	0	983,910
<b>Total Liabilities</b>	<b>543</b>	<b>1,554,221</b>
<b>Deferred Inflows of Resources:</b>		
Unavailable Amounts	0	806,497
Property Tax Levy for Next Fiscal Year	0	1,774,551
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>2,581,048</b>
<b>Fund Balances:</b>		
Nonspendable	0	10,607
Restricted	20,688	7,350,981
Committed	0	499,388
Unassigned	0	(212,370)
<b>Total Fund Balances</b>	<b>20,688</b>	<b>7,648,606</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 21,231</b>	<b>\$ 11,783,875</b>



**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021**

	Street Construction, Maintenance and Repair Fund	State Highway Improvement Fund	Cemeteries Fund	Police Pension Transfer Fund
<b>Revenues:</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 65,536
Intergovernmental Revenues	1,318,712	74,257	0	9,973
Charges for Services	0	0	169,155	0
Fines and Forfeitures	0	0	0	0
All Other Revenues	0	0	0	0
<b>Total Revenues</b>	<b>1,318,712</b>	<b>74,257</b>	<b>169,155</b>	<b>75,509</b>
<b>Expenditures:</b>				
Current:				
General Government	0	0	0	789
Public Safety	0	0	0	100,000
Highways and Streets	915,208	32,577	0	0
Public Health and Welfare	0	0	407,623	0
Community Environment	0	0	0	0
Debt Service:				
Principal Retirement	90,890	0	0	0
Interest and Fiscal Charges	14,600	0	0	0
<b>Total Expenditures</b>	<b>1,020,698</b>	<b>32,577</b>	<b>407,623</b>	<b>100,789</b>
Excess (Deficiency) of Revenues Over Expenditures	298,014	41,680	(238,468)	(25,280)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	305,000	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>305,000</b>	<b>0</b>
Net Change in Fund Balances	298,014	41,680	66,532	(25,280)
<b>Fund Balances at Beginning of Year</b>	<b>2,321,468</b>	<b>80,416</b>	<b>868,197</b>	<b>189,135</b>
<b>Fund Balances End of Year</b>	<b>\$ 2,619,482</b>	<b>\$ 122,096</b>	<b>\$ 934,729</b>	<b>\$ 163,855</b>

(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, 2021**

	Fire Pension Transfer Fund	Law Enforcement Fund	ARPA Fund	Indigent Drivers Alcohol Treatment Fund
<b>Revenues:</b>				
Property Taxes	\$ 65,536	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	9,973	0	57,630	0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	10,497
All Other Revenues	0	2,696	0	0
<b>Total Revenues</b>	<b>75,509</b>	<b>2,696</b>	<b>57,630</b>	<b>10,497</b>
<b>Expenditures:</b>				
Current:				
General Government	789	0	57,630	34,598
Public Safety	100,000	1,025	0	0
Highways and Streets	0	0	0	0
Public Health and Welfare	0	0	0	0
Community Environment	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<b>100,789</b>	<b>1,025</b>	<b>57,630</b>	<b>34,598</b>
Excess (Deficiency) of Revenues				
Over Expenditures	(25,280)	1,671	0	(24,101)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balances	(25,280)	1,671	0	(24,101)
<b>Fund Balances at Beginning of Year</b>	<b>189,177</b>	<b>28,061</b>	<b>0</b>	<b>91,150</b>
<b>Fund Balances End of Year</b>	<b>\$ 163,897</b>	<b>\$ 29,732</b>	<b>\$ 0</b>	<b>\$ 67,049</b>

**CITY OF PAINESVILLE, OHIO**

Enforcement and Education Fund	Fire Levy Fund	Probation Services Fund	COPS Fast Grant Fund	Lake County Grant Fund	CARES Act Fund
\$ 0	\$ 94,725	\$ 0	\$ 0	\$ 0	\$ 0
0	12,767	0	0	27,848	0
0	0	0	0	0	0
11,360	0	160,733	0	0	0
0	0	0	6,573	0	0
<u>11,360</u>	<u>107,492</u>	<u>160,733</u>	<u>6,573</u>	<u>27,848</u>	<u>0</u>
18,778	1,098	101,317	0	0	0
0	9,277	0	5,619	0	41,634
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	29,968	0
0	26,412	0	0	0	0
0	2,287	0	0	0	0
<u>18,778</u>	<u>39,074</u>	<u>101,317</u>	<u>5,619</u>	<u>29,968</u>	<u>41,634</u>
(7,418)	68,418	59,416	954	(2,120)	(41,634)
<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>
(7,418)	68,418	59,416	954	(2,120)	(41,634)
103,102	336,517	143,456	1,513	4,988	41,634
<u>\$ 95,684</u>	<u>\$ 404,935</u>	<u>\$ 202,872</u>	<u>\$ 2,467</u>	<u>\$ 2,868</u>	<u>\$ 0</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, 2021**

	Fire Fund	Victim's Advocate Grant Fund	Emergency Medical Services Fund	Municipal Court Computerization Fund
<b>Revenues:</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	19,253	24,608	0	0
Charges for Services	0	0	461,981	0
Fines and Forfeitures	0	0	0	113,743
All Other Revenues	3,433	0	0	0
<b>Total Revenues</b>	<b>22,686</b>	<b>24,608</b>	<b>461,981</b>	<b>113,743</b>
<b>Expenditures:</b>				
Current:				
General Government	0	28,157	0	125,760
Public Safety	10,978	0	724,095	0
Highways and Streets	0	0	0	0
Public Health and Welfare	0	0	0	0
Community Environment	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<b>10,978</b>	<b>28,157</b>	<b>724,095</b>	<b>125,760</b>
Excess (Deficiency) of Revenues Over Expenditures	11,708	(3,549)	(262,114)	(12,017)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	400,000	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>400,000</b>	<b>0</b>
Net Change in Fund Balances	11,708	(3,549)	137,886	(12,017)
<b>Fund Balances at Beginning of Year</b>	<b>9,593</b>	<b>22,727</b>	<b>369,216</b>	<b>190,238</b>
<b>Fund Balances End of Year</b>	<b>\$ 21,301</b>	<b>\$ 19,178</b>	<b>\$ 507,102</b>	<b>\$ 178,221</b>

**CITY OF PAINESVILLE, OHIO**

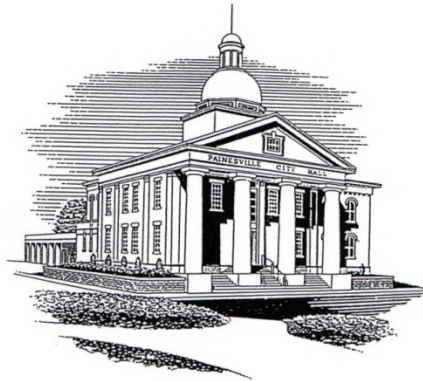
Plan Review Fund	Brownfield Grant Fund	Fire Improvement Levy Fund	Road Improvement Levy Fund	Police Levy Fund	Columbarium Trust Fund
\$ 0	\$ 0	\$ 321,188	\$ 655,486	\$ 585,746	\$ 0
0	0	17,549	31,761	28,462	0
180,850	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>180,850</u>	<u>0</u>	<u>338,737</u>	<u>687,247</u>	<u>614,208</u>	<u>0</u>
45,624	253,801	0	0	0	0
0	0	125,327	0	753,503	0
0	0	0	912,340	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	52,714	0	0	0
0	0	14,521	0	0	0
<u>45,624</u>	<u>253,801</u>	<u>192,562</u>	<u>912,340</u>	<u>753,503</u>	<u>0</u>
135,226	(253,801)	146,175	(225,093)	(139,295)	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>135,226</u>	<u>(253,801)</u>	<u>146,175</u>	<u>(225,093)</u>	<u>(139,295)</u>	<u>0</u>
368,326	41,431	274,073	1,224,575	512,491	89
<u>\$ 503,552</u>	<u>\$ (212,370)</u>	<u>\$ 420,248</u>	<u>\$ 999,482</u>	<u>\$ 373,196</u>	<u>\$ 89</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

	Land Bank Fund	Law Enforcement Trust Fund	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>			
Property Taxes	\$ 0	\$ 0	\$ 1,788,217
Intergovernmental Revenues	0	0	1,632,793
Charges for Services	0	0	811,986
Fines and Forfeitures	0	0	296,333
All Other Revenues	0	6,676	19,378
<b>Total Revenues</b>	<b>0</b>	<b>6,676</b>	<b>4,548,707</b>
<b>Expenditures:</b>			
Current:			
General Government	0	0	668,341
Public Safety	0	873	1,872,331
Highways and Streets	0	0	1,860,125
Public Health and Welfare	0	0	407,623
Community Environment	0	0	29,968
Debt Service:			
Principal Retirement	0	0	170,016
Interest and Fiscal Charges	0	0	31,408
<b>Total Expenditures</b>	<b>0</b>	<b>873</b>	<b>5,039,812</b>
Excess (Deficiency) of Revenues Over Expenditures	0	5,803	(491,105)
<b>Other Financing Sources (Uses):</b>			
Transfers In	0	0	705,000
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>705,000</b>
Net Change in Fund Balances	0	5,803	213,895
<b>Fund Balances at Beginning of Year</b>	<b>8,253</b>	<b>14,885</b>	<b>7,434,711</b>
<b>Fund Balances End of Year</b>	<b>\$ 8,253</b>	<b>\$ 20,688</b>	<b>\$ 7,648,606</b>



**CITY OF PAINESVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2021**

	General Bond Retirement Fund	Special Assessment Bond Retirement Fund	Shamrock Business Center TIF Fund	Total Nonmajor Debt Service Funds
<b>Assets:</b>				
Pooled Cash and Investments	\$ 273,758	\$ 64,876	\$ 1,578,502	\$ 1,917,136
Receivables:				
Taxes	65,003	0	850,000	915,003
Intergovernmental	3,990	0	0	3,990
<b>Total Assets</b>	<b>\$ 342,751</b>	<b>\$ 64,876</b>	<b>\$ 2,428,502</b>	<b>\$ 2,836,129</b>
<b>Liabilities:</b>				
<b>Total Liabilities</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	7,430	0	0	7,430
Property Tax Levy for Next Fiscal Year	61,563	0	850,000	911,563
<b>Total Deferred Inflows of Resources</b>	<b>68,993</b>	<b>0</b>	<b>850,000</b>	<b>918,993</b>
<b>Fund Balances:</b>				
Restricted	273,758	64,876	1,578,502	1,917,136
<b>Total Fund Balances</b>	<b>273,758</b>	<b>64,876</b>	<b>1,578,502</b>	<b>1,917,136</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 342,751</b>	<b>\$ 64,876</b>	<b>\$ 2,428,502</b>	<b>\$ 2,836,129</b>



**CITY OF PAINESVILLE, OHIO**

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2021**

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	General Bond Retirement Fund	Special Assessment Bond Retirement Fund	Shamrock Business Center TIF Fund	Total Nonmajor Debt Service Funds
<b>Revenues:</b>				
Property Taxes	\$ 52,428	\$ 0	\$ 1,065,177	\$ 1,117,605
Intergovernmental Revenues	7,979	0	0	7,979
Special Assessments	0	78,424	0	78,424
<b>Total Revenues</b>	<b>60,407</b>	<b>78,424</b>	<b>1,065,177</b>	<b>1,204,008</b>
<b>Expenditures:</b>				
Current:				
General Government	631	1,586	0	2,217
Highways and Streets	0	0	276,440	276,440
Debt Service:				
Principal Retirement	0	60,000	382,356	442,356
Interest and Fiscal Charges	0	21,200	163,616	184,816
<b>Total Expenditures</b>	<b>631</b>	<b>82,786</b>	<b>822,412</b>	<b>905,829</b>
Net Change in Fund Balances	59,776	(4,362)	242,765	298,179
<b>Fund Balances at Beginning of Year</b>	<b>213,982</b>	<b>69,238</b>	<b>1,335,737</b>	<b>1,618,957</b>
<b>Fund Balances End of Year</b>	<b>\$ 273,758</b>	<b>\$ 64,876</b>	<b>\$ 1,578,502</b>	<b>\$ 1,917,136</b>

**CITY OF PAINESVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2021**

	Municipal Court Improvement Fund	Capital Equipment Reserve Fund	Capital Improvement Fund	Lake Hospital Demolition Fund
<b>Assets:</b>				
Pooled Cash and Investments	\$ 116,847	\$ 1,354,883	\$ 1,226,482	\$ 10,775
Cash and Cash Equivalents in Segregated Accounts	182	0	0	0
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	0	15,317	0
Prepaid Items	0	0	0	0
<b>Total Assets</b>	<b>\$ 117,029</b>	<b>\$ 1,354,883</b>	<b>\$ 1,241,799</b>	<b>\$ 10,775</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 31,784	\$ 1,203	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>31,784</b>	<b>1,203</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	0	0	15,317	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>15,317</b>	<b>0</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	0
Restricted	117,029	0	0	10,775
Committed	0	1,323,099	1,225,279	0
<b>Total Fund Balances</b>	<b>117,029</b>	<b>1,323,099</b>	<b>1,225,279</b>	<b>10,775</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 117,029</b>	<b>\$ 1,354,883</b>	<b>\$ 1,241,799</b>	<b>\$ 10,775</b>

**CITY OF PAINESVILLE, OHIO**

Jackson Street Interchange Project Fund	Industrial Park Project Fund	Municipal Court Special Projects Fund	Millstone Acquisition Fund	City Hall Fire Fund	Shamrock Boulevard Road Project Fund	Total Nonmajor Capital Projects Funds
\$ 736,923	\$ 16,206	\$ 355,612	\$ 31,578	\$ 189	\$ 57,915	\$ 3,907,410
0	0	12,532	0	0	0	12,714
0	0	16,959	0	0	0	16,959
0	0	0	0	0	0	15,317
0	0	62	0	0	0	62
<u>\$ 736,923</u>	<u>\$ 16,206</u>	<u>\$ 385,165</u>	<u>\$ 31,578</u>	<u>\$ 189</u>	<u>\$ 57,915</u>	<u>\$ 3,952,462</u>
\$ 548	\$ 0	\$ 3,607	\$ 0	\$ 0	\$ 0	\$ 37,142
0	0	1,026	0	0	0	1,026
<u>548</u>	<u>0</u>	<u>4,633</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>38,168</u>
0	0	0	0	0	0	15,317
0	0	0	0	0	0	15,317
0	0	62	0	0	0	62
736,375	0	380,470	31,578	189	57,915	1,334,331
0	16,206	0	0	0	0	2,564,584
<u>736,375</u>	<u>16,206</u>	<u>380,532</u>	<u>31,578</u>	<u>189</u>	<u>57,915</u>	<u>3,898,977</u>
<u>\$ 736,923</u>	<u>\$ 16,206</u>	<u>\$ 385,165</u>	<u>\$ 31,578</u>	<u>\$ 189</u>	<u>\$ 57,915</u>	<u>\$ 3,952,462</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, 2021**

	Municipal Court Improvement Fund	Capital Equipment Reserve Fund	Capital Improvement Fund	Lake Hospital Demolition Fund
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 76,193	\$ 0
Special Assessments	0	0	0	0
Fines and Forfeitures	5,418	0	0	0
All Other Revenues	0	0	0	0
<b>Total Revenues</b>	<b>5,418</b>	<b>0</b>	<b>76,193</b>	<b>0</b>
<b>Expenditures:</b>				
Current:				
General Government	18,903	0	0	0
Highways and Streets	0	332,288	185,800	0
Capital Outlay	15,539	209,208	100,257	0
Debt Service:				
Principal Retirement	0	0	18,159	0
Interest and Fiscal Charges	0	0	17,089	0
<b>Total Expenditures</b>	<b>34,442</b>	<b>541,496</b>	<b>321,305</b>	<b>0</b>
Excess (Deficiency) of Revenues Over Expenditures	(29,024)	(541,496)	(245,112)	0
<b>Other Financing Sources (Uses):</b>				
Long Term Note Issuance	0	0	190,800	0
Transfers In	0	700,000	400,000	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>700,000</b>	<b>590,800</b>	<b>0</b>
Net Change in Fund Balances	(29,024)	158,504	345,688	0
<b>Fund Balances at Beginning of Year</b>	<b>146,053</b>	<b>1,164,595</b>	<b>879,591</b>	<b>10,775</b>
<b>Fund Balances End of Year</b>	<b>\$ 117,029</b>	<b>\$ 1,323,099</b>	<b>\$ 1,225,279</b>	<b>\$ 10,775</b>

**CITY OF PAINESVILLE, OHIO**

Jackson Street Interchange Project Fund	Industrial Park Project Fund	Municipal Court Special Projects Fund	Millstone Acquisition Fund	City Hall Fire Fund	Shamrock Boulevard Road Project Fund	Total Nonmajor Capital Project Funds
\$ 7,475	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	83,668
340,000	0	0	0	0	0	340,000
0	0	193,293	0	0	0	198,711
0	0	33,796	0	0	0	33,796
<u>347,475</u>	<u>0</u>	<u>227,089</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>656,175</u>
0	0	92,898	0	0	0	111,801
0	0	0	0	0	0	518,088
4,706	0	5,697	0	0	0	335,407
0	14,000	0	0	0	0	32,159
0	1,450	0	0	0	0	18,539
<u>4,706</u>	<u>15,450</u>	<u>98,595</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,015,994</u>
342,769	(15,450)	128,494	0	0	0	(359,819)
0	0	0	0	0	0	190,800
0	5,000	0	0	0	0	1,105,000
0	5,000	0	0	0	0	1,295,800
<u>342,769</u>	<u>(10,450)</u>	<u>128,494</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>935,981</u>
393,606	26,656	252,038	31,578	189	57,915	2,962,996
<u>\$ 736,375</u>	<u>\$ 16,206</u>	<u>\$ 380,532</u>	<u>\$ 31,578</u>	<u>\$ 189</u>	<u>\$ 57,915</u>	<u>\$ 3,898,977</u>

**CITY OF PAINESVILLE, OHIO**

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***Combining Balance Sheet  
Nonmajor Permanent Funds  
December 31, 2021***

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	Cemetery Trust Fund	Special Endowment Trust Fund	Total Nonmajor Permanent Funds
<b>Assets:</b>			
Pooled Cash and Investments	\$ 129,386	\$ 81,039	\$ 210,425
Restricted Assets:			
Cash and Cash Equivalents	835,894	403,161	1,239,055
<b>Total Assets</b>	<u>\$ 965,280</u>	<u>\$ 484,200</u>	<u>\$ 1,449,480</u>
<b>Liabilities:</b>			
<b>Total Liabilities</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Fund Balances:</b>			
Nonspendable	835,894	403,161	1,239,055
Restricted	129,386	81,039	210,425
<b>Total Fund Balances</b>	<u>965,280</u>	<u>484,200</u>	<u>1,449,480</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 965,280</u>	<u>\$ 484,200</u>	<u>\$ 1,449,480</u>

**CITY OF PAINESVILLE, OHIO**

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***Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2021***

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	Cemetery Trust Fund	Special Endowment Trust Fund	Total Nonmajor Permanent Funds
<b>Revenues:</b>			
Investment Earnings	\$ 686	\$ 287	\$ 973
All Other Revenues	8,250	13,200	21,450
<b>Total Revenues</b>	<b>8,936</b>	<b>13,487</b>	<b>22,423</b>
<b>Expenditures:</b>			
Current:			
Public Health and Welfare	518	0	518
<b>Total Expenditures</b>	<b>518</b>	<b>0</b>	<b>518</b>
Net Change in Fund Balances	8,418	13,487	21,905
<b>Fund Balances at Beginning of Year</b>	<b>956,862</b>	<b>470,713</b>	<b>1,427,575</b>
<b>Fund Balances End of Year</b>	<b>\$ 965,280</b>	<b>\$ 484,200</b>	<b>\$ 1,449,480</b>

**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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes:				
Property Taxes:				
Real Estate and Public Utility	\$ 451,016	\$ 451,016	\$ 471,858	\$ 20,842
Total Property Taxes	<u>451,016</u>	<u>451,016</u>	<u>471,858</u>	<u>20,842</u>
Municipal Income Tax	8,390,000	9,390,000	9,820,659	430,659
Total Taxes	<u>8,841,016</u>	<u>9,841,016</u>	<u>10,292,517</u>	<u>451,501</u>
Intergovernmental Revenues:				
Local Government Fund - County	675,000	675,000	861,545	186,545
Local Government Fund - State	40,000	40,000	90,971	50,971
Property Tax Allocation	66,000	66,000	71,807	5,807
Miscellaneous Tax	6,800	6,800	18,126	11,326
Other Grants	0	0	32,721	32,721
Total Intergovernmental Revenues	<u>787,800</u>	<u>787,800</u>	<u>1,075,170</u>	<u>287,370</u>
Charges for Services:				
General Government	320	320	13,511	13,191
Public Safety	13,430	13,430	10,332	(3,098)
Highways and Streets	5,500	5,500	6,272	772
Culture and Recreation	6,250	6,250	17,087	10,837
Community Environment	2,000	2,000	5,725	3,725
Total Charges for Services	<u>27,500</u>	<u>27,500</u>	<u>52,927</u>	<u>25,427</u>
Licenses, Permits and Inspection Fees:				
License Fees	37,500	37,500	51,275	13,775
Permit Fees	13,500	13,500	26,525	13,025
Inspection Fees	1,000	1,000	3,342	2,342
Zoning Appeal Fees	25,000	25,000	53,917	28,917
Other Fees	232,120	232,120	212,263	(19,857)
Total Licenses, Permits and Inspection Fees	<u>309,120</u>	<u>309,120</u>	<u>347,322</u>	<u>38,202</u>
Investment Earnings	385,300	385,300	415,605	30,305
Fines and Forfeitures	993,100	993,100	903,187	(89,913)
All Other Revenues	310,220	860,220	1,053,840	193,620
Total Revenues	<u>11,654,056</u>	<u>13,204,056</u>	<u>14,140,568</u>	<u>936,512</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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Expenditures:</b>				
General Government:				
Legislative:				
Council:				
Personal Services	2,088,903	2,131,198	2,074,180	57,018
All Other Expenditures	6,030	3,830	3,027	803
Clerk of Council:				
Personal Services	7,501	7,501	5,113	2,388
All Other Expenditures	3,406	3,406	1,997	1,409
Judicial - Municipal Court:				
Judicial Activities:				
Personal Services	231,075	231,075	227,971	3,104
Clerk of Court:				
Personal Services	673,148	715,498	708,646	6,852
All Other Expenditures	30,805	36,260	34,404	1,856
Probation:				
Personal Services	209,387	211,487	209,501	1,986
Executive:				
City Manager:				
Personal Services	45,589	64,589	62,382	2,207
All Other Expenditures	9,272	7,372	6,517	855
Comm., Promotions and Public Relations Activities:				
Personal Services	12,324	12,924	12,248	676
All Other Expenditures	25,049	18,049	16,564	1,485
Information Technology:				
All Other Expenditures	18,827	10,627	10,392	235
Human Resources:				
Personal Services	43,064	43,214	40,165	3,049
All Other Expenditures	31,127	29,127	27,250	1,877
Economic Development:				
Personal Services	27,422	28,472	26,968	1,504
All Other Expenditures	22,558	21,358	18,732	2,626

(Continued)

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Fund – General Fund  
For the Year Ended December 31, 2021***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Finance:				
Administration:				
Personal Services	81,843	99,818	95,979	3,839
All Other Expenditures	35,202	29,052	28,591	461
Purchasing/Warehousing:				
Personal Services	5,098	398	339	59
All Other Expenditures	1,071	1,071	941	130
Income Tax Collection:				
All Other Expenditures	240,000	689,425	683,032	6,393
Law:				
Administration:				
Personal Services	34,797	34,997	34,394	603
Engineering:				
Administration:				
Personal Services	78,336	80,036	75,077	4,959
All Other Expenditures	16,634	20,314	19,273	1,041
Public Lands and Buildings:				
Building Operations, Maintenance and Repair:				
Personal Services	11,608	12,308	11,962	346
All Other Expenditures	56,776	64,181	62,688	1,493
Miscellaneous:				
Insurance:				
All Other Expenditures	43,720	43,720	43,720	0
Tax Settlement Deductions:				
All Other Expenditures	5,090	6,140	6,074	66

(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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Miscellaneous:				
Personal Services	200,000	233,098	233,098	0
All Other Expenditures	569,465	671,930	592,424	79,506
Total General Government	<u>4,865,127</u>	<u>5,562,475</u>	<u>5,373,649</u>	<u>188,826</u>
Public Safety:				
Police:				
Law Enforcement - Sworn Officers:				
Personal Services	3,452,287	3,637,787	3,263,233	374,554
Law Enforcement - Other:				
Personal Services	382,662	399,387	380,530	18,857
All Other Expenditures	266,378	291,298	290,201	1,097
Fire:				
Fire Fighting, Prevention and Inspection:				
Personal Services	2,476,658	2,624,808	2,538,090	86,718
All Other Expenditures	112,888	108,113	101,556	6,557
Fire Service - Other:				
Personal Services	33,034	34,034	33,034	1,000
Police and Fire Communications:				
Control Center:				
All Other Expenditures	542,748	604,403	604,402	1
Total Public Safety	<u>7,266,655</u>	<u>7,699,830</u>	<u>7,211,046</u>	<u>488,784</u>
Highways and Streets:				
Public Works:				
Administration:				
Personal Services	80,119	111,044	106,517	4,527
All Other Expenditures	100,919	99,439	98,837	602
Building and Equipment Maintenance:				
Personal Services	30,395	30,395	28,733	1,662
All Other Expenditures	258,709	235,209	229,442	5,767

(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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Employee Benefits:				
Personal Services	246,208	230,873	208,894	21,979
Parking:				
Parking Meters:				
All Other Expenditures	2,715	2,715	2,553	162
Traffic Signs, Markings:				
Traffic Signs, Markings, Signals:				
Personal Services	29,636	31,301	30,122	1,179
All Other Expenditures	35,842	35,842	33,339	2,503
Total Highways and Streets	<u>784,543</u>	<u>776,818</u>	<u>738,437</u>	<u>38,381</u>
Public Health and Welfare:				
Payments to County Health Board:				
County Health District Assessments:				
All Other Expenditures	153,329	153,329	153,329	0
Assistance to Needy/Aged:				
Poor Relief:				
All Other Expenditures	300	300	243	57
Total Public Health and Welfare	<u>153,629</u>	<u>153,629</u>	<u>153,572</u>	<u>57</u>
Culture and Recreation:				
Parks:				
Administration:				
Personal Services	363,641	337,916	316,342	21,574
All Other Expenditures	114,329	119,149	116,539	2,610
Parks Systems:				
All Other Expenditures	400	400	400	0

(Continued)

**CITY OF PAINESVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Fund – General Fund  
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Morse Avenue Community Center:				
All Other Expenditures	10,102	7,427	6,937	490
Recreation Activities:				
Personal Services	154,009	155,009	151,806	3,203
All Other Expenditures	13,841	15,031	14,667	364
Other Leisure Time Activities:				
Community Functions:				
All Other Expenditures	28,000	28,000	28,000	0
Total Culture and Recreation	<u>684,322</u>	<u>662,932</u>	<u>634,691</u>	<u>28,241</u>
Community Environment:				
Community Planning and Zoning:				
Planning Commission:				
All Other Expenditures	444	844	833	11
Demolition:				
All Other Expenditures	10,421	6,241	311	5,930
Planning and Development:				
Personal Services	55,791	23,291	18,170	5,121
All Other Expenditures	9,039	15,739	15,356	383
Housing and Building Code Enforcement:				
Code Enforcement:				
Personal Services	39,397	44,917	43,396	1,521
All Other Expenditures	9,912	11,637	10,227	1,410
Tree Care and Weed Control:				
Weed Control:				
All Other Expenditures	12,311	10,291	9,986	305
Total Community Environment	<u>137,315</u>	<u>112,960</u>	<u>98,279</u>	<u>14,681</u>
Total Expenditures	<u>13,891,591</u>	<u>14,968,644</u>	<u>14,209,674</u>	<u>758,970</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(2,237,535)	(1,764,588)	(69,106)	1,695,482

(Continued)

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Fund – General Fund  
For the Year Ended December 31, 2021***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	2,807	2,807
Transfers In	710,000	1,210,000	1,235,709	25,709
Transfers Out	(155,000)	(2,450,000)	(2,450,000)	0
Total Other Financing Sources (Uses)	<u>555,000</u>	<u>(1,240,000)</u>	<u>(1,211,484)</u>	<u>28,516</u>
Net Change in Fund Balance	(1,682,535)	(3,004,588)	(1,280,590)	1,723,998
Fund Balance at Beginning of Year	5,498,386	5,498,386	5,498,386	0
Prior Year Encumbrances	1,030,356	1,030,356	1,030,356	0
Fund Balance at End of Year	<u>\$ 4,846,207</u>	<u>\$ 3,524,154</u>	<u>\$ 5,248,152</u>	<u>\$ 1,723,998</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, 2021***

<b>STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 810,000	\$ 810,000	\$ 907,795	\$ 97,795
Total Revenues	<u>810,000</u>	<u>810,000</u>	<u>907,795</u>	<u>97,795</u>
<b>Expenditures:</b>				
Highways and Streets:				
Public Works:				
Administration:				
Personal Services	300,083	300,083	231,070	69,013
All Other Expenditures	11,318	11,318	10,103	1,215
Highway/Street Improvement:				
Capital Outlay	540,675	973,175	819,381	153,794
Snow and Ice Removal:				
All Other Expenditures	200,842	200,842	136,392	64,450
Debt Service:				
Principal Retirement	93,336	93,336	90,890	2,446
Interest Charges	14,600	14,600	14,600	0
Total Expenditures	<u>1,160,854</u>	<u>1,593,354</u>	<u>1,302,436</u>	<u>290,918</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(350,854)	(783,354)	(394,641)	388,713
<b>Other Financing Sources (Uses):</b>				
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	(248,854)	(681,354)	(292,641)	388,713
Fund Balance at Beginning of Year	1,958,612	1,958,612	1,958,612	0
Prior Year Encumbrances	268,091	268,091	268,091	0
Fund Balance at End of Year	<u>\$ 1,977,849</u>	<u>\$ 1,545,349</u>	<u>\$ 1,934,062</u>	<u>\$ 388,713</u>

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 64,000	\$ 64,000	\$ 73,605	\$ 9,605
Total Revenues	<u>64,000</u>	<u>64,000</u>	<u>73,605</u>	<u>9,605</u>
<b>Expenditures:</b>				
Highways and Streets:				
Public Works:				
State Highway Maintenance:				
All Other Expenditures	62,762	62,762	47,739	15,023
Total Expenditures	<u>62,762</u>	<u>62,762</u>	<u>47,739</u>	<u>15,023</u>
Net Change in Fund Balance	1,238	1,238	25,866	24,628
Fund Balance at Beginning of Year	68,744	68,744	68,744	0
Prior Year Encumbrances	10,338	10,338	10,338	0
Fund Balance at End of Year	<u>\$ 80,320</u>	<u>\$ 80,320</u>	<u>\$ 104,948</u>	<u>\$ 24,628</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, 2021**

	CEMETERIES FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Charges for Services	\$ 154,000	\$ 154,000	\$ 169,155	\$ 15,155
Total Revenues	<u>154,000</u>	<u>154,000</u>	<u>169,155</u>	<u>15,155</u>
<b>Expenditures:</b>				
Public Health and Welfare:				
Cemeteries:				
Administration:				
Personal Services	419,193	413,308	358,913	54,395
All Other Expenditures	47,570	53,455	50,078	3,377
Total Expenditures	<u>466,763</u>	<u>466,763</u>	<u>408,991</u>	<u>57,772</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(312,763)	(312,763)	(239,836)	72,927
<b>Other Financing Sources (Uses):</b>				
Transfers In	150,000	300,000	305,000	5,000
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>300,000</u>	<u>305,000</u>	<u>5,000</u>
Net Change in Fund Balance	(162,763)	(12,763)	65,164	77,927
Fund Balance at Beginning of Year	866,504	866,504	866,504	0
Prior Year Encumbrances	6,894	6,894	6,894	0
Fund Balance at End of Year	<u>\$ 710,635</u>	<u>\$ 860,635</u>	<u>\$ 938,562</u>	<u>\$ 77,927</u>

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 61,947	\$ 61,947	\$ 65,536	\$ 3,589
Intergovernmental Revenues	9,000	9,000	9,973	973
Total Revenues	<u>70,947</u>	<u>70,947</u>	<u>75,509</u>	<u>4,562</u>
<b>Expenditures:</b>				
Public Safety:				
Police:				
Law-Enforcement-Sworn Officers:				
Personal Services	100,000	100,000	100,000	0
All Other Expenditures	1,000	1,000	789	211
Total Expenditures	<u>101,000</u>	<u>101,000</u>	<u>100,789</u>	<u>211</u>
Net Changes in Fund Balance	(30,053)	(30,053)	(25,280)	4,773
Fund Balance at Beginning of Year	189,135	189,135	189,135	0
Fund Balance at End of Year	<u>\$ 159,082</u>	<u>\$ 159,082</u>	<u>\$ 163,855</u>	<u>\$ 4,773</u>

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 61,947	\$ 61,947	\$ 65,536	\$ 3,589
Intergovernmental Revenues	9,000	9,000	9,973	973
Total Revenues	<u>70,947</u>	<u>70,947</u>	<u>75,509</u>	<u>4,562</u>
<b>Expenditures:</b>				
Public Safety:				
Fire:				
Fire Fighting, Prevention, and Inspection:				
Personal Services	100,000	100,000	100,000	0
All Other Expenditures	1,000	1,000	789	211
Total Expenditures	<u>101,000</u>	<u>101,000</u>	<u>100,789</u>	<u>211</u>
Net Change in Fund Balance	(30,053)	(30,053)	(25,280)	4,773
Fund Balance at Beginning of Year	189,177	189,177	189,177	0
Fund Balance at End of Year	<u>\$ 159,124</u>	<u>\$ 159,124</u>	<u>\$ 163,897</u>	<u>\$ 4,773</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, 2021***

	LAW ENFORCEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
All Other Revenues	\$ 400	\$ 1,600	\$ 2,696	\$ 1,096
Total Revenues	<u>400</u>	<u>1,600</u>	<u>2,696</u>	<u>1,096</u>
<b>Expenditures:</b>				
Public Safety:				
Police:				
Law-Enforcement-Other:				
All Other Expenditures	3,856	3,856	3,746	110
Total Expenditures	<u>3,856</u>	<u>3,856</u>	<u>3,746</u>	<u>110</u>
Net Change in Fund Balance	(3,456)	(2,256)	(1,050)	1,206
Fund Balance at Beginning of Year	26,238	26,238	26,238	0
Prior Year Encumbrances	3,856	3,856	3,856	0
Fund Balance at End of Year	<u>\$ 26,638</u>	<u>\$ 27,838</u>	<u>\$ 29,044</u>	<u>\$ 1,206</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, 2021***

AMERICAN RESCUE PLAN ACT (ARPA) FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 1,041,540	\$ 1,041,540	\$ 1,041,540	\$ 0
Total Revenues	<u>1,041,540</u>	<u>1,041,540</u>	<u>1,041,540</u>	<u>0</u>
<b>Expenditures:</b>				
General Government:				
All Other Expenditures	1,041,540	90,750	90,750	0
Total Expenditures	<u>1,041,540</u>	<u>90,750</u>	<u>90,750</u>	<u>0</u>
Net Change in Fund Balance	0	950,790	950,790	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 950,790</u>	<u>\$ 950,790</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, 2021***

**MUNICIPAL MOTOR VEHICLE LICENSE TAX FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 30,000	\$ 30,000	\$ 43,035	\$ 13,035
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>43,035</u>	<u>13,035</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,000	30,000	43,035	13,035
<b>Other Financing Sources (Uses):</b>				
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	(5,000)	(5,000)	8,035	13,035
Fund Balance at Beginning of Year	24,799	24,799	24,799	0
Fund Balance at End of Year	<u>\$ 19,799</u>	<u>\$ 19,799</u>	<u>\$ 32,834</u>	<u>\$ 13,035</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, 2021***

<b>INDIGENT DRIVERS ALCOHOL TREATMENT FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 22,000	\$ 10,000	\$ 10,127	\$ 127
Total Revenues	<u>22,000</u>	<u>10,000</u>	<u>10,127</u>	<u>127</u>
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
All Other Expenditures	60,000	60,000	31,600	28,400
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>31,600</u>	<u>28,400</u>
Net Change in Fund Balance	(38,000)	(50,000)	(21,473)	28,527
Fund Balance at Beginning of Year	91,125	91,125	91,125	0
Fund Balance at End of Year	<u>\$ 53,125</u>	<u>\$ 41,125</u>	<u>\$ 69,652</u>	<u>\$ 28,527</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, 2021***

<b>ENFORCEMENT AND EDUCATION FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 12,000	\$ 12,000	\$ 11,462	\$ (538)
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>11,462</u>	<u>(538)</u>
<b>Expenditures:</b>				
General Government:				
All Other Expenditures	2,500	2,500	550	1,950
Capital Outlay	52,529	52,529	38,699	13,830
Total Expenditures	<u>55,029</u>	<u>55,029</u>	<u>39,249</u>	<u>15,780</u>
Net Change in Fund Balance	(43,029)	(43,029)	(27,787)	15,242
Fund Balance at Beginning of Year	91,393	91,393	91,393	0
Prior Year Encumbrances	30,029	30,029	30,029	0
Fund Balance at End of Year	<u>\$ 78,393</u>	<u>\$ 78,393</u>	<u>\$ 93,635</u>	<u>\$ 15,242</u>



**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 60,000	\$ 60,000	\$ 86,070	\$ 26,070
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>86,070</u>	<u>26,070</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	60,000	60,000	86,070	26,070
<b>Other Financing Sources (Uses):</b>				
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	(7,000)	(7,000)	19,070	26,070
Fund Balance at Beginning of Year	66,537	66,537	66,537	0
Fund Balance at End of Year	<u>\$ 59,537</u>	<u>\$ 59,537</u>	<u>\$ 85,607</u>	<u>\$ 26,070</u>

**CITY OF PAINESVILLE, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021**

<b>FIRE LEVY FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 92,345	\$ 92,345	\$ 94,725	\$ 2,380
Intergovernmental Revenues	8,000	8,000	12,767	4,767
Total Revenues	<u>100,345</u>	<u>100,345</u>	<u>107,492</u>	<u>7,147</u>
<b>Expenditures:</b>				
Public Safety:				
Fire Fighting, Prevention, and Inspection:				
All Other Expenditures	1,500	1,500	1,098	402
Fire Service - Other:				
All Other Expenditures	17,917	17,917	11,783	6,134
Capital Outlay	3,067	3,067	2,841	226
Debt Service:				
Principal Retirement	26,415	26,415	26,412	3
Interest and Fiscal Charges	2,287	2,287	2,287	0
Total Expenditures	<u>51,186</u>	<u>51,186</u>	<u>44,421</u>	<u>6,765</u>
Net Change in Fund Balance	49,159	49,159	63,071	13,912
Fund Balance at Beginning of Year	327,420	327,420	327,420	0
Prior Year Encumbrances	10,984	10,984	10,984	0
Fund Balance at End of Year	<u>\$ 387,563</u>	<u>\$ 387,563</u>	<u>\$ 401,475</u>	<u>\$ 13,912</u>

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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

**CITY OF PAINESVILLE, OHIO**

**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, 2021**

<b>PROBATION SERVICES FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 110,000	\$ 110,000	\$ 156,456	\$ 46,456
Total Revenues	<u>110,000</u>	<u>110,000</u>	<u>156,456</u>	<u>46,456</u>
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Probation:				
Personal Services	80,108	82,108	71,728	10,380
All Other Expenditures	43,748	41,748	31,132	10,616
Total Expenditures	<u>123,856</u>	<u>123,856</u>	<u>102,860</u>	<u>20,996</u>
Net Change in Fund Balance	(13,856)	(13,856)	53,596	67,452
Fund Balance at Beginning of Year	133,664	133,664	133,664	0
Prior Year Encumbrances	4,622	4,622	4,622	0
Fund Balance at End of Year	<u>\$ 124,430</u>	<u>\$ 124,430</u>	<u>\$ 191,882</u>	<u>\$ 67,452</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, 2021***

<b>COPS FAST GRANT FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
All Other Revenues	\$ 0	\$ 6,500	\$ 6,573	\$ 73
Total Revenues	<u>0</u>	<u>6,500</u>	<u>6,573</u>	<u>73</u>
<b>Expenditures:</b>				
Public Safety:				
Law Enforcement-Other:				
All Other Expenditures	0	5,620	5,619	1
Total Expenditures	<u>0</u>	<u>5,620</u>	<u>5,619</u>	<u>1</u>
Net Change in Fund Balance	0	880	954	74
Fund Balance at Beginning of Year	1,513	1,513	1,513	0
Fund Balance at End of Year	<u>\$ 1,513</u>	<u>\$ 2,393</u>	<u>\$ 2,467</u>	<u>\$ 74</u>

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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	LAKE COUNTY GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 27,561	\$ 27,561	\$ 27,848	\$ 287
Total Revenues	<u>27,561</u>	<u>27,561</u>	<u>27,848</u>	<u>287</u>
<b>Expenditures:</b>				
Community Environment:				
All Other Expenditures	30,951	31,525	31,524	1
Total Expenditures	<u>30,951</u>	<u>31,525</u>	<u>31,524</u>	<u>1</u>
Net Change in Fund Balance	(3,390)	(3,964)	(3,676)	288
Fund Balance at Beginning of Year	1,598	1,598	1,598	0
Prior Year Encumbrances	3,390	3,390	3,390	0
Fund Balance at End of Year	<u>\$ 1,598</u>	<u>\$ 1,024</u>	<u>\$ 1,312</u>	<u>\$ 288</u>

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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	CARES ACT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Investment Earnings	\$ 0	\$ 2,550	\$ 0	\$ (2,550)
Total Revenues	<u>0</u>	<u>2,550</u>	<u>0</u>	<u>(2,550)</u>
<b>Expenditures:</b>				
Public Safety:				
Personal Services	0	2,530	2,529	1
All Other Expenditures	<u>46,997</u>	<u>46,998</u>	<u>44,468</u>	<u>2,530</u>
Total Expenditures	<u>46,997</u>	<u>49,528</u>	<u>46,997</u>	<u>2,531</u>
Net Change in Fund Balance	(46,997)	(46,978)	(46,997)	(19)
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>46,997</u>	<u>46,997</u>	<u>46,997</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 19</u>	<u>\$ 0</u>	<u>\$ (19)</u>

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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	FIRE FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 10,000	\$ 16,487	\$ 6,487
All Other Revenues	0	2,000	3,433	1,433
Total Revenues	<u>0</u>	<u>12,000</u>	<u>19,920</u>	<u>7,920</u>
<b>Expenditures:</b>				
Public Safety:				
Fire:				
Fire Service - Other:				
All Other Expenditures	1,000	11,000	10,988	12
Total Expenditures	<u>1,000</u>	<u>11,000</u>	<u>10,988</u>	<u>12</u>
Net Change in Fund Balance	(1,000)	1,000	8,932	7,932
Fund Balance at Beginning of Year	9,093	9,093	9,093	0
Prior Year Encumbrances	500	500	500	0
Fund Balance at End of Year	<u>\$ 8,593</u>	<u>\$ 10,593</u>	<u>\$ 18,525</u>	<u>\$ 7,932</u>



**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 25,000	\$ 17,500	\$ 24,608	\$ 7,108
Total Revenues	<u>25,000</u>	<u>17,500</u>	<u>24,608</u>	<u>7,108</u>
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Clerk of Court:				
Personal Services	28,108	28,283	28,062	221
Total Expenditures	<u>28,108</u>	<u>28,283</u>	<u>28,062</u>	<u>221</u>
Net Changes in Fund Balance	(3,108)	(10,783)	(3,454)	7,329
Fund Balance at Beginning of Year	23,345	23,345	23,345	0
Fund Balance at End of Year	<u>\$ 20,237</u>	<u>\$ 12,562</u>	<u>\$ 19,891</u>	<u>\$ 7,329</u>

**CITY OF PAINESVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

<b>EMERGENCY MEDICAL SERVICES FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 450,000	\$ 450,000	\$ 468,161	\$ 18,161
Total Revenues	<u>450,000</u>	<u>450,000</u>	<u>468,161</u>	<u>18,161</u>
<b>Expenditures:</b>				
Public Safety:				
Fire:				
Fire Fighting, Prevention, and Inspection:				
Personal Services	529,540	568,340	547,550	20,790
All Other Expenditures	60,992	62,137	62,134	3
Fire Service - Other:				
Personal Services	61,718	129,058	117,440	11,618
Total Expenditures	<u>652,250</u>	<u>759,535</u>	<u>727,124</u>	<u>32,411</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(202,250)	(309,535)	(258,963)	50,572
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	400,000	400,000	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>400,000</u>	<u>400,000</u>	<u>0</u>
Net Change in Fund Balance	(202,250)	90,465	141,037	50,572
Fund Balance at Beginning of Year	312,798	312,798	312,798	0
Prior Year Encumbrances	26,385	26,385	26,385	0
Fund Balance at End of Year	<u>\$ 136,933</u>	<u>\$ 429,648</u>	<u>\$ 480,220</u>	<u>\$ 50,572</u>

**CITY OF PAINESVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

<b>MUNICIPAL COURT COMPUTERIZATION FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 105,000	\$ 105,000	\$ 113,235	\$ 8,235
Total Revenues	105,000	105,000	113,235	8,235
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Clerk of Court:				
Personal Services	81,553	85,118	81,003	4,115
All Other Expenditures	38,687	38,687	24,267	14,420
Capital Outlay	12,000	12,000	7,258	4,742
Probation:				
Personal Services	12,867	12,992	12,985	7
Total Expenditures	145,107	148,797	125,513	23,284
Net Change in Fund Balance	(40,107)	(43,797)	(12,278)	31,519
Fund Balance at Beginning of Year	175,649	175,649	175,649	0
Prior Year Encumbrances	8,717	8,717	8,717	0
Fund Balance at End of Year	\$ 144,259	\$ 140,569	\$ 172,088	\$ 31,519

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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	PLAN REVIEW FUND			Variance with Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 60,000	\$ 175,000	\$ 180,850	\$ 5,850
Total Revenues	<u>60,000</u>	<u>175,000</u>	<u>180,850</u>	<u>5,850</u>
<b>Expenditures:</b>				
General Government:				
All Other Expenditures	64,180	43,180	42,025	1,155
Total Expenditures	<u>64,180</u>	<u>43,180</u>	<u>42,025</u>	<u>1,155</u>
Net Change in Fund Balance	(4,180)	131,820	138,825	7,005
Fund Balance at Beginning of Year	364,146	364,146	364,146	0
Prior Year Encumbrances	4,180	4,180	4,180	0
Fund Balance at End of Year	<u>\$ 364,146</u>	<u>\$ 500,146</u>	<u>\$ 507,151</u>	<u>\$ 7,005</u>

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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	<b>BROWNFIELD GRANT FUND</b>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>				
General Government:				
All Other Expenditures	<u>301,057</u>	<u>38,057</u>	<u>37,007</u>	<u>1,050</u>
Total Expenditures	<u>301,057</u>	<u>38,057</u>	<u>37,007</u>	<u>1,050</u>
Net Change in Fund Balance	(301,057)	(38,057)	(37,007)	1,050
Fund Balance at Beginning of Year	40,374	40,374	40,374	0
Prior Year Encumbrances	<u>1,057</u>	<u>1,057</u>	<u>1,057</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (259,626)</u>	<u>\$ 3,374</u>	<u>\$ 4,424</u>	<u>\$ 1,050</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, 2021***

<b>ZONING APPLICATION FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 225	\$ 2,225	\$ 2,245	\$ 20
Total Revenues	225	2,225	2,245	20
<b>Expenditures:</b>				
Community Environment:				
Zoning Application:				
All Other Expenditures	225	254	253	1
Total Expenditures	225	254	253	1
Net Change in Fund Balance	0	1,971	1,992	21
Fund Balance at Beginning of Year	15,398	15,398	15,398	0
Fund Balance at End of Year	\$ 15,398	\$ 17,369	\$ 17,390	\$ 21

**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, 2021***

<b>FIRE IMPROVEMENT LEVY FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 302,109	\$ 302,109	\$ 321,188	\$ 19,079
Intergovernmental Revenues	15,000	15,000	17,549	2,549
Total Revenues	<u>317,109</u>	<u>317,109</u>	<u>338,737</u>	<u>21,628</u>
<b>Expenditures:</b>				
Public Safety:				
Fire:				
Fire Grant:				
All Other Expenditures	235	235	0	235
Fire Service - Other:				
All Other Expenditures	170,134	170,134	167,302	2,832
Capital Outlay	70,000	70,000	69,065	935
Debt Service:				
Principal Retirement	53,571	53,571	52,714	857
Interest and Fiscal Charges	17,358	17,358	14,521	2,837
Total Expenditures	<u>311,298</u>	<u>311,298</u>	<u>303,602</u>	<u>7,696</u>
Net Change in Fund Balance	5,811	5,811	35,135	29,324
Fund Balance at Beginning of Year	256,896	256,896	256,896	0
Prior Year Encumbrances	37,369	37,369	37,369	0
Fund Balance at End of Year	<u>\$ 300,076</u>	<u>\$ 300,076</u>	<u>\$ 329,400</u>	<u>\$ 29,324</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, 2021***

<b>ROAD IMPROVEMENT LEVY FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 617,161	\$ 617,161	\$ 655,486	\$ 38,325
Intergovernmental Revenues	30,000	30,000	31,761	1,761
Total Revenues	<u>647,161</u>	<u>647,161</u>	<u>687,247</u>	<u>40,086</u>
<b>Expenditures:</b>				
Highways and Streets:				
Public Works:				
All Other Expenditures	9,000	9,000	7,380	1,620
Capital Outlay	1,582,280	1,582,280	1,523,039	59,241
Total Expenditures	<u>1,591,280</u>	<u>1,591,280</u>	<u>1,530,419</u>	<u>60,861</u>
Net Change in Fund Balance	(944,119)	(944,119)	(843,172)	100,947
Fund Balance at Beginning of Year	542,672	542,672	542,672	0
Prior Year Encumbrances	682,280	682,280	682,280	0
Fund Balance at End of Year	<u>\$ 280,833</u>	<u>\$ 280,833</u>	<u>\$ 381,780</u>	<u>\$ 100,947</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, 2021***

	<b>POLICE LEVY FUND</b>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 555,366	\$ 555,366	\$ 585,746	\$ 30,380
Intergovernmental Revenues	23,000	23,000	28,462	5,462
Total Revenues	<u>578,366</u>	<u>578,366</u>	<u>614,208</u>	<u>35,842</u>
<b>Expenditures:</b>				
Public Safety:				
Police:				
Law-Enforcement-Sworn Officers:				
Personal Services	462,151	462,151	408,808	53,343
All Other Expenditures	12,466	12,466	8,446	4,020
Capital Outlay	554,519	556,409	556,407	2
Police Department - Other:				
Personal Services	13,601	11,711	318	11,393
All Other Expenditures	8,700	8,700	6,598	2,102
Total Expenditures	<u>1,051,437</u>	<u>1,051,437</u>	<u>980,577</u>	<u>70,860</u>
Net Change in Fund Balance	(473,071)	(473,071)	(366,369)	106,702
Fund Balance at Beginning of Year	48,307	48,307	48,307	0
Prior Year Encumbrances	468,305	468,305	468,305	0
Fund Balance at End of Year	<u>\$ 43,541</u>	<u>\$ 43,541</u>	<u>\$ 150,243</u>	<u>\$ 106,702</u>

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 750	\$ 6,500	\$ 6,676	\$ 176
Total Revenues	<u>750</u>	<u>6,500</u>	<u>6,676</u>	<u>176</u>
<b>Expenditures:</b>				
Public Safety:				
Police:				
Law Enforcement - Other:				
All Other Expenditures	<u>1,185</u>	<u>1,185</u>	<u>1,185</u>	<u>0</u>
Total Expenditures	<u>1,185</u>	<u>1,185</u>	<u>1,185</u>	<u>0</u>
Net Change in Fund Balance	(435)	5,315	5,491	176
Fund Balance at Beginning of Year	14,450	14,450	14,450	0
Prior Year Encumbrances	<u>435</u>	<u>435</u>	<u>435</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 14,450</u>	<u>\$ 20,200</u>	<u>\$ 20,376</u>	<u>\$ 176</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, 2021***

<b>GENERAL BOND RETIREMENT FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 49,758	\$ 49,758	\$ 52,428	\$ 2,670
Intergovernmental Revenues	7,000	7,000	7,979	979
Total Revenues	<u>56,758</u>	<u>56,758</u>	<u>60,407</u>	<u>3,649</u>
<b>Expenditures:</b>				
General Government:				
All Other Expenditures	600	632	631	1
Total Expenditures	<u>600</u>	<u>632</u>	<u>631</u>	<u>1</u>
Net Change in Fund Balance	56,158	56,126	59,776	3,650
Fund Balance at Beginning of Year	213,982	213,982	213,982	0
Fund Balance at End of Year	<u>\$ 270,140</u>	<u>\$ 270,108</u>	<u>\$ 273,758</u>	<u>\$ 3,650</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, 2021***

<b>SPECIAL ASSESSMENT BOND RETIREMENT FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Special Assessments	\$ 66,000	\$ 80,000	\$ 78,424	\$ (1,576)
Total Revenues	<u>66,000</u>	<u>80,000</u>	<u>78,424</u>	<u>(1,576)</u>
<b>Expenditures:</b>				
General Government:				
All Other Expenditures	3,000	15,800	14,191	1,609
Debt Service Function:				
Debt Service - Unvoted:				
Debt Service:				
Principal Retirement	60,000	60,000	60,000	0
Interest and Fiscal Charges	21,200	21,200	21,200	0
Total Expenditures	<u>84,200</u>	<u>97,000</u>	<u>95,391</u>	<u>1,609</u>
Net Change in Fund Balance	(18,200)	(17,000)	(16,967)	33
Fund Balance at Beginning of Year	<u>81,843</u>	<u>81,843</u>	<u>81,843</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 63,643</u>	<u>\$ 64,843</u>	<u>\$ 64,876</u>	<u>\$ 33</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, 2021***

<b>SHAMROCK BUSINESS CENTER TIF FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 800,000	\$ 1,000,000	\$ 1,065,177	\$ 65,177
Total Revenues	<u>800,000</u>	<u>1,000,000</u>	<u>1,065,177</u>	<u>65,177</u>
<b>Expenditures:</b>				
Highways and Streets:				
All Other Expenditures	260,000	289,780	276,440	13,340
Debt Service:				
Principal Retirement	406,533	382,488	382,291	197
Interest and Fiscal Charges	163,616	163,686	163,681	5
Total Expenditures	<u>830,149</u>	<u>835,954</u>	<u>822,412</u>	<u>13,542</u>
Net Change in Fund Balance	(30,149)	164,046	242,765	78,719
Fund Balance at Beginning of Year	1,250,737	1,250,737	1,250,737	0
Prior Year Encumbrances	85,000	85,000	85,000	0
Fund Balance at End of Year	<u>\$ 1,305,588</u>	<u>\$ 1,499,783</u>	<u>\$ 1,578,502</u>	<u>\$ 78,719</u>

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2021***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 55,000	\$ 6,000	\$ 5,407	\$ (593)
Total Revenues	<u>55,000</u>	<u>6,000</u>	<u>5,407</u>	<u>(593)</u>
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
Capital Outlay	18,928	18,928	15,539	3,389
Clerk of Court:				
Capital Outlay	<u>23,969</u>	<u>25,349</u>	<u>21,957</u>	<u>3,392</u>
Total Expenditures	<u>42,897</u>	<u>44,277</u>	<u>37,496</u>	<u>6,781</u>
Net Change in Fund Balance	12,103	(38,277)	(32,089)	6,188
Fund Balance at Beginning of Year	133,524	133,524	133,524	0
Prior Year Encumbrances	<u>12,897</u>	<u>12,897</u>	<u>12,897</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 158,524</u>	<u>\$ 108,144</u>	<u>\$ 114,332</u>	<u>\$ 6,188</u>

**CITY OF PAINESVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2021***

<b>CAPITAL EQUIPMENT RESERVE FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
General Government:				
Executive:				
City Manager:				
Capital Outlay	9,550	5,550	5,542	8
Finance:				
Accounting:				
Capital Outlay	220,172	250,172	247,171	3,001
Total General Government	229,722	255,722	252,713	3,009
Public Safety:				
Police:				
Law Enforcement - Other:				
Capital Outlay	109,336	106,836	106,531	305
Total Public Safety	109,336	106,836	106,531	305
Highways and Streets:				
Public Works:				
Administration:				
Capital Outlay	329,788	332,288	332,288	0
Total Highways and Streets	329,788	332,288	332,288	0
Culture and Recreation:				
Parks:				
Parks Systems:				
Capital Outlay	2,097	2,097	0	2,097
Total Culture and Recreation	2,097	2,097	0	2,097

(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, 2021***

<b>CAPITAL EQUIPMENT RESERVE FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Community Environment:				
Community Planning and Zoning:				
Planning and Development:				
Capital Outlay	3,000	3,000	0	3,000
Housing and Building Code Enforcement:				
Code Enforcement:				
Capital Outlay	6,500	6,500	6,500	0
Total Community Environment	9,500	9,500	6,500	3,000
Total Expenditures	680,443	706,443	698,032	8,411
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(680,443)	(706,443)	(698,032)	8,411
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	700,000	700,000	0
Total Other Financing Sources (Uses)	0	700,000	700,000	0
Net Change in Fund Balance	(680,443)	(6,443)	1,968	8,411
Fund Balance at Beginning of Year	797,634	797,634	797,634	0
Prior Year Encumbrances	428,264	428,264	428,264	0
Fund Balance at End of Year	\$ 545,455	\$ 1,219,455	\$ 1,227,866	\$ 8,411

**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, 2021***

<b>CAPITAL IMPROVEMENT FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 75,000	\$ 76,193	\$ 1,193
Total Revenues	<u>0</u>	<u>75,000</u>	<u>76,193</u>	<u>1,193</u>
<b>Expenditures:</b>				
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	16,070	191,870	191,870	0
Total Highways and Streets	<u>16,070</u>	<u>191,870</u>	<u>191,870</u>	<u>0</u>
Culture and Recreation:				
Parks:				
Administration:				
Capital Outlay	104,584	113,586	113,337	249
Total Culture and Recreation	<u>104,584</u>	<u>113,586</u>	<u>113,337</u>	<u>249</u>
Community Environment:				
Community Planning and Zoning:				
Planning and Development:				
Capital Outlay	154,453	154,453	154,453	0
Total Community Environment	<u>154,453</u>	<u>154,453</u>	<u>154,453</u>	<u>0</u>
Debt Service:				
Principal Retirement	0	18,160	18,159	1
Interest and Fiscal Charges	0	2,090	2,089	1
Total Expenditures	<u>347,070</u>	<u>552,122</u>	<u>551,871</u>	<u>251</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(347,070)	(477,122)	(475,678)	1,444

(Continued)

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2021***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses):</b>				
Sale of General Obligation Notes	0	175,800	175,800	0
Transfers In	0	400,000	400,000	0
Total Other Financing Sources (Uses)	0	575,800	575,800	0
Net Change in Fund Balance	(347,070)	98,678	100,122	1,444
Fund Balance at Beginning of Year	647,537	647,537	647,537	0
Prior Year Encumbrances	235,370	235,370	235,370	0
Fund Balance at End of Year	<u>\$ 535,837</u>	<u>\$ 981,585</u>	<u>\$ 983,029</u>	<u>\$ 1,444</u>

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2021***

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

**CITY OF PAINESVILLE, OHIO**

***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, 2021***

**JACKSON STREET INTERCHANGE PROJECT FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 10,000	\$ 7,000	\$ 7,475	\$ 475
Special Assessments	0	320,000	340,000	20,000
Total Revenues	<u>10,000</u>	<u>327,000</u>	<u>347,475</u>	<u>20,475</u>
<b>Expenditures:</b>				
Highways and Streets:				
Miscellaneous:				
Capital Outlay	1,003,162	68,262	68,164	98
Total Expenditures	<u>1,003,162</u>	<u>68,262</u>	<u>68,164</u>	<u>98</u>
Net Change in Fund Balance	(993,162)	258,738	279,311	20,573
Fund Balance at Beginning of Year	391,078	391,078	391,078	0
Prior Year Encumbrances	3,162	3,162	3,162	0
Fund Balance at End of Year	<u>\$ (598,922)</u>	<u>\$ 652,978</u>	<u>\$ 673,551</u>	<u>\$ 20,573</u>

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2021***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	14,000	14,000	14,000	0
Interest and Fiscal Charges	1,450	1,450	1,450	0
Total Expenditures	15,450	15,450	15,450	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,450)	(15,450)	(15,450)	0
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	5,000	5,000	0
Total Other Financing Sources (Uses)	0	5,000	5,000	0
Net Change in Fund Balance	(15,450)	(10,450)	(10,450)	0
Fund Balance at Beginning of Year	26,656	26,656	26,656	0
Fund Balance at End of Year	\$ 11,206	\$ 16,206	\$ 16,206	\$ 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, 2021***

<b>MUNICIPAL COURT SPECIAL PROJECTS FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 100,000	\$ 190,000	\$ 192,337	\$ 2,337
All Other Revenues	0	50,000	50,527	527
Total Revenues	<u>100,000</u>	<u>240,000</u>	<u>242,864</u>	<u>2,864</u>
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
Personal Services	6,854	6,854	2,147	4,707
All Other Expenditures	48,510	48,510	28,869	19,641
Capital Outlay	10,000	10,000	5,697	4,303
Clerk of Court:				
Personal Services	25,725	25,725	10,011	15,714
All Other Expenditures	73,056	73,056	51,785	21,271
Immobilization Remote Devices:				
All Other Expenditures	7,608	7,608	2,337	5,271
Total Expenditures	<u>171,753</u>	<u>171,753</u>	<u>100,846</u>	<u>70,907</u>
Net Change in Fund Balance	(71,753)	68,247	142,018	73,771
Fund Balance at Beginning of Year	178,542	178,542	178,542	0
Prior Year Encumbrances	30,624	30,624	30,624	0
Fund Balance at End of Year	<u>\$ 137,413</u>	<u>\$ 277,413</u>	<u>\$ 351,184</u>	<u>\$ 73,771</u>

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2021***

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



**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2021***

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

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2021***

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**SHAMROCK BOULEVARD ROAD PROJECT FUND**

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

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2021***

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	CEMETERY TRUST FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Investment Earnings	\$ 8,000	\$ 600	\$ 686	\$ 86
Total Revenues	<u>8,000</u>	<u>600</u>	<u>686</u>	<u>86</u>
<b>Expenditures:</b>				
Public Health and Welfare:				
Cemeteries:				
Evergreen/Riverside Cemeteries:				
All Other Expenditures	<u>2,000</u>	<u>2,000</u>	<u>548</u>	<u>1,452</u>
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>548</u>	<u>1,452</u>
Net Change in Fund Balance	6,000	(1,400)	138	1,538
Fund Balance at Beginning of Year	<u>129,218</u>	<u>129,218</u>	<u>129,218</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 135,218</u>	<u>\$ 127,818</u>	<u>\$ 129,356</u>	<u>\$ 1,538</u>

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2021***

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	<b>SPECIAL ENDOWMENT FUND</b>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Investment Earnings	\$ 3,500	\$ 300	\$ 287	\$ (13)
Total Revenues	<u>3,500</u>	<u>300</u>	<u>287</u>	<u>(13)</u>
<b>Expenditures:</b>				
Public Health and Welfare:				
Cemeteries:				
Evergreen/Riverside Cemeteries:				
All Other Expenditures	100	100	0	100
Total Expenditures	<u>100</u>	<u>100</u>	<u>0</u>	<u>100</u>
Net Change in Fund Balance	3,400	200	287	87
Fund Balance at Beginning of Year	<u>80,752</u>	<u>80,752</u>	<u>80,752</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 84,152</u>	<u>\$ 80,952</u>	<u>\$ 81,039</u>	<u>\$ 87</u>

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2021***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 200	\$ 200	\$ 1,200	\$ 1,000
Total Revenues	<u>200</u>	<u>200</u>	<u>1,200</u>	<u>1,000</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	200	200	1,200	1,000
Fund Balance at Beginning of Year	<u>406,607</u>	<u>406,607</u>	<u>406,607</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 406,807</u>	<u>\$ 406,807</u>	<u>\$ 407,807</u>	<u>\$ 1,000</u>

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2021***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 300	\$ 6,300	\$ 7,050	\$ 750
Total Revenues	<u>300</u>	<u>6,300</u>	<u>7,050</u>	<u>750</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	300	6,300	7,050	750
Fund Balance at Beginning of Year	<u>421,037</u>	<u>421,037</u>	<u>421,037</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 421,337</u>	<u>\$ 427,337</u>	<u>\$ 428,087</u>	<u>\$ 750</u>

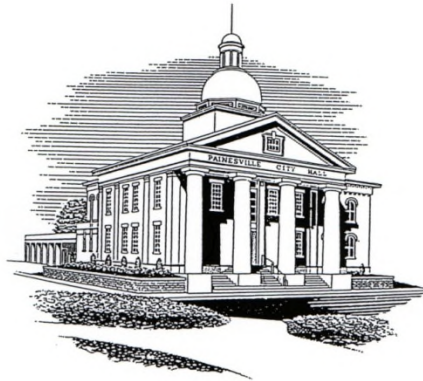
**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2021***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 6,000	\$ 6,000	\$ 13,200	\$ 7,200
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>13,200</u>	<u>7,200</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	6,000	6,000	13,200	7,200
Fund Balance at Beginning of Year	<u>389,961</u>	<u>389,961</u>	<u>389,961</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 395,961</u>	<u>\$ 395,961</u>	<u>\$ 403,161</u>	<u>\$ 7,200</u>





***Nonmajor Enterprise Funds***

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

**Refuse Fund**

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

**Off Street Parking Fund**

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

**Storm Water Utility Fund**

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

**Community Programs Fund**

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

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Net Position  
Nonmajor Enterprise Funds  
December 31, 2021**

	Refuse Fund	Off Street Parking Fund	Storm Water Utility Fund
<b>Assets:</b>			
Current Assets:			
Pooled Cash and Investments	\$ 13,340	\$ 35,626	\$ 1,424,918
Receivables:			
Accounts	0	0	45,925
Total Current Assets	<u>13,340</u>	<u>35,626</u>	<u>1,470,843</u>
Noncurrent Assets:			
Net OPEB Asset	0	0	8,640
Capital Assets:			
Capital Assets Not Being Depreciated	0	731,855	305,617
Capital Assets Being Depreciated, Net	0	0	3,892,220
Total Noncurrent Assets	<u>0</u>	<u>731,855</u>	<u>4,206,477</u>
<b>Total Assets</b>	<u>13,340</u>	<u>767,481</u>	<u>5,677,320</u>
<b>Deferred Outflows of Resources:</b>			
Pension	0	0	9,753
OPEB	0	0	4,249
<b>Total Deferred Outflows of Resources</b>	<u>0</u>	<u>0</u>	<u>14,002</u>
<b>Liabilities:</b>			
Current Liabilities:			
Accounts Payable	0	0	2,193
Accrued Wages and Benefits	0	0	2,429
Intergovernmental Payable	0	0	29
Accrued Interest Payable	0	0	3,875
General Obligation Bonds Payable - Current	0	0	85,000
Compensated Absences Payable - Current	0	0	5,157
Total Current Liabilities	<u>0</u>	<u>0</u>	<u>98,683</u>
Noncurrent Liabilities:			
General Obligation Bonds Payable	0	0	1,395,000
Compensated Absences Payable	0	0	11,564
Net Pension Liability	0	0	72,388
Total Noncurrent Liabilities	<u>0</u>	<u>0</u>	<u>1,478,952</u>
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>1,577,635</u>
<b>Deferred Inflows of Resources:</b>			
Pension	0	0	33,824
OPEB	0	0	27,520
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>61,344</u>
<b>Net Position</b>			
Net Investment in Capital Assets	0	731,855	2,717,837
Unrestricted	13,340	35,626	1,334,506
<b>Total Net Position</b>	<u>\$ 13,340</u>	<u>\$ 767,481</u>	<u>\$ 4,052,343</u>

**CITY OF PAINESVILLE, OHIO**

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Community Programs Fund	Total Nonmajor Enterprise Funds
\$ 28,391	\$ 1,502,275
0	45,925
<u>28,391</u>	<u>1,548,200</u>
668	9,308
0	1,037,472
0	3,892,220
<u>668</u>	<u>4,939,000</u>
<u>29,059</u>	<u>6,487,200</u>
755	10,508
330	4,579
<u>1,085</u>	<u>15,087</u>
0	2,193
0	2,429
0	29
0	3,875
0	85,000
<u>0</u>	<u>5,157</u>
<u>0</u>	<u>98,683</u>
0	1,395,000
0	11,564
<u>5,610</u>	<u>77,998</u>
<u>5,610</u>	<u>1,484,562</u>
<u>5,610</u>	<u>1,583,245</u>
2,611	36,435
2,136	29,656
<u>4,747</u>	<u>66,091</u>
0	3,449,692
19,787	1,403,259
<u>\$ 19,787</u>	<u>\$ 4,852,951</u>

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2021**

	Refuse Fund	Off Street Parking Fund	Storm Water Utility Fund
<b>Operating Revenues:</b>			
Charges for Services	\$ 0	\$ 9,846	\$ 429,873
Other Charges for Services	0	0	2,651
Other Operating Revenues	2,733	0	0
<b>Total Operating Revenues</b>	<u>2,733</u>	<u>9,846</u>	<u>432,524</u>
<b>Operating Expenses:</b>			
Personal Services	0	0	60,779
Contractual Services	1,238	1,679	1,179
Materials and Supplies	0	0	10,816
Utilities	0	2,189	0
Depreciation	0	0	166,851
<b>Total Operating Expenses</b>	<u>1,238</u>	<u>3,868</u>	<u>239,625</u>
<b>Operating Income (Loss)</b>	1,495	5,978	192,899
<b>Non-Operating Revenue (Expenses):</b>			
Interest and Fiscal Charges	0	0	(50,491)
Other Nonoperating Revenue	0	100	13,061
<b>Total Non-Operating Revenues (Expenses)</b>	<u>0</u>	<u>100</u>	<u>(37,430)</u>
<b>Income (Loss) Before Contributions</b>	1,495	6,078	155,469
<b>Contributions:</b>			
Capital Contributions	0	0	292,750
<b>Total Contributions</b>	<u>0</u>	<u>0</u>	<u>292,750</u>
<b>Change in Net Position</b>	1,495	6,078	448,219
<b>Net Position Beginning of Year</b>	11,845	761,403	3,604,124
<b>Net Position End of Year</b>	<u>\$ 13,340</u>	<u>\$ 767,481</u>	<u>\$ 4,052,343</u>

**CITY OF PAINESVILLE, OHIO**

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Community Programs Fund	Total Nonmajor Enterprise Funds
\$ 25,770	\$ 465,489
0	2,651
265	2,998
<u>26,035</u>	<u>471,138</u>
11,771	72,550
6,914	11,010
9,321	20,137
0	2,189
0	166,851
<u>28,006</u>	<u>272,737</u>
(1,971)	198,401
0	(50,491)
0	13,161
<u>0</u>	<u>(37,330)</u>
(1,971)	161,071
0	292,750
<u>0</u>	<u>292,750</u>
(1,971)	453,821
21,758	4,399,130
<u>\$ 19,787</u>	<u>\$ 4,852,951</u>

**CITY OF PAINESVILLE, OHIO**

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***Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2021***

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	Refuse Fund	Off-Street Parking Fund	Storm Water Utility Fund
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$2,733	\$9,946	\$461,101
Cash Payments for Goods and Services	(2,438)	(3,868)	(9,773)
Cash Payments to Employees	0	0	(104,993)
Net Cash Provided by Operating Activities	295	6,078	346,335
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Capital Contributions	0	0	292,750
Acquisition and Construction of Assets	0	0	(212,398)
Principal Paid on General Obligation Bonds	0	0	(80,000)
Interest Paid on All Debt	0	0	(50,700)
Net Cash Used by Capital and Related Financing Activities	0	0	(50,348)
Net Increase in Cash and Cash Equivalents	295	6,078	295,987
Cash and Cash Equivalents at Beginning of Year	13,045	29,548	1,128,931
Cash and Cash Equivalents at End of Year	\$13,340	\$35,626	\$1,424,918

**CITY OF PAINESVILLE, OHIO**

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<u>Community Programs Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
\$26,035	\$499,815
(16,235)	(32,314)
(7,852)	(112,845)
<u>1,948</u>	<u>354,656</u>
0	292,750
0	(212,398)
0	(80,000)
<u>0</u>	<u>(50,700)</u>
0	(50,348)
1,948	304,308
26,443	1,197,967
<u>\$28,391</u>	<u>\$1,502,275</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

***Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2021***

	Refuse Fund	Off-Street Parking Fund	Storm Water Utility Fund
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income (Loss)	\$1,495	\$5,978	\$192,899
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	0	0	166,851
Miscellaneous Nonoperating Revenues	0	100	13,061
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
Decrease in Accounts Receivable	0	0	15,516
Increase in Net OPEB Asset	0	0	(8,640)
(Increase) Decrease in Deferred Outflows of Resources	0	0	9,777
Increase (Decrease) in Accounts Payable	(1,200)	0	2,193
Increase in Accrued Wages and Benefits	0	0	593
Increase in Intergovernmental Payable	0	0	29
Increase in Compensated Absences Payable	0	0	4,748
Increase (Decrease) in Net Pension Liability	0	0	(19,488)
Decrease in Net OPEB Liability	0	0	(63,248)
Increase in Deferred Inflows of Resources	0	0	32,044
Total Adjustments	(1,200)	100	153,436
Net Cash Provided by Operating Activities	\$295	\$6,078	\$346,335



**CITY OF PAINESVILLE, OHIO**

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<u>Community Programs Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
(\$1,971)	\$198,401
0	166,851
0	13,161
0	15,516
(668)	(9,308)
(395)	9,382
0	993
0	593
0	29
0	4,748
2,944	(16,544)
(1,839)	(65,087)
3,877	35,921
<u>3,919</u>	<u>156,255</u>
<u>\$1,948</u>	<u>\$354,656</u>

***Nonmajor Internal Service Funds***

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

**Fuel and Oil Rotary Fund**

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

**Supplies Rotary Fund**

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

**Employee Health Insurance Fund**

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

**Workers' Compensation Retrospective Fund**

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

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Net Position  
Nonmajor Internal Service Funds  
December 31, 2021**

	Fuel and Oil Rotary Fund	Supplies Rotary Fund	Employee Health Insurance Fund	Workers' Compensation Retrospective Fund	Total
<b>Assets:</b>					
Current Assets:					
Pooled Cash and Investments	\$ 132,602	\$ 26,942	\$ 253,706	\$ 153,779	\$ 567,029
<b>Total Assets</b>	<u>132,602</u>	<u>26,942</u>	<u>253,706</u>	<u>153,779</u>	<u>567,029</u>
<b>Liabilities:</b>					
Current Liabilities:					
Accounts Payable	0	988	0	0	988
Claims Payable - Current	0	0	364,097	651,538	1,015,635
Total Current Liabilities	<u>0</u>	<u>988</u>	<u>364,097</u>	<u>651,538</u>	<u>1,016,623</u>
Noncurrent Liabilities:					
Claims Payable	0	0	0	453,658	453,658
<b>Total Liabilities</b>	<u>0</u>	<u>988</u>	<u>364,097</u>	<u>1,105,196</u>	<u>1,470,281</u>
<b>Net Position:</b>					
Unrestricted	132,602	25,954	(110,391)	(951,417)	(903,252)
<b>Total Net Position</b>	<u>\$ 132,602</u>	<u>\$ 25,954</u>	<u>\$ (110,391)</u>	<u>\$ (951,417)</u>	<u>\$ (903,252)</u>

**CITY OF PAINESVILLE, OHIO**

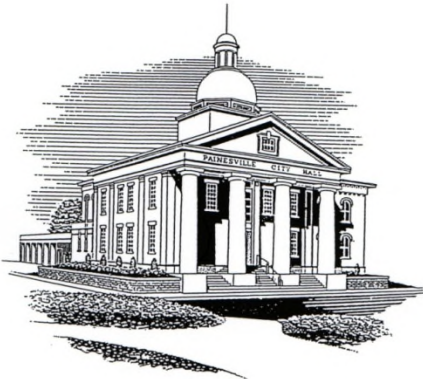
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
Nonmajor Internal Service Funds  
For the Year Ended December 31, 2021**

	Fuel and Oil Rotary Fund	Supplies Rotary Fund	Employee Health Insurance Fund	Workers' Compensation Retrospective Fund	Total
<b>Operating Revenues:</b>					
Charges for Services	\$ 0	\$ 20,853	\$ 4,614,618	\$ 468,972	\$ 5,104,443
<b>Total Operating Revenues</b>	<b>0</b>	<b>20,853</b>	<b>4,614,618</b>	<b>468,972</b>	<b>5,104,443</b>
<b>Operating Expenses:</b>					
Personal Services	0	0	3,763,740	956,226	4,719,966
Contractual Services	0	0	939,743	7,204	946,947
Materials and Supplies	0	20,563	0	0	20,563
<b>Total Operating Expenses</b>	<b>0</b>	<b>20,563</b>	<b>4,703,483</b>	<b>963,430</b>	<b>5,687,476</b>
Income (Loss) Before Transfers	0	290	(88,865)	(494,458)	(583,033)
<b>Transfers:</b>					
Transfers In	0	0	100,000	0	100,000
<b>Total Transfers</b>	<b>0</b>	<b>0</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>
Change in Net Position	0	290	11,135	(494,458)	(483,033)
<b>Net Position Beginning of Year</b>	<b>132,602</b>	<b>25,664</b>	<b>(121,526)</b>	<b>(456,959)</b>	<b>(420,219)</b>
<b>Net Position End of Year</b>	<b>\$ 132,602</b>	<b>\$ 25,954</b>	<b>\$ (110,391)</b>	<b>\$ (951,417)</b>	<b>\$ (903,252)</b>

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Cash Flows  
Nonmajor Internal Service Funds  
For the Year Ended December 31, 2021**

	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	\$20,853	\$4,614,618	\$468,972	\$5,104,443
Cash Payments for Goods and Services	0	(19,575)	(939,743)	(7,204)	(966,522)
Cash Payments to Employees	0	0	0	(461,768)	(461,768)
Cash Payments for Employee Medical Claims	0	0	(3,674,874)	0	(3,674,874)
Net Cash Provided by Operating Activities	0	1,278	1	0	1,279
<u>Cash Flows from Noncapital Financing Activities:</u>					
Transfers In From Other Funds	0	0	100,000	0	100,000
Net Cash Provided by Noncapital Financing Activities	0	0	100,000	0	100,000
Net Increase in Cash and Cash Equivalents	0	1,278	100,001	0	101,279
Cash and Cash Equivalents at Beginning of Year	132,602	25,664	153,705	153,779	465,750
Cash and Cash Equivalents at End of Year	\$132,602	\$26,942	\$253,706	\$153,779	\$567,029
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u>					
Operating Income (Loss)	\$0	\$290	(\$88,865)	(\$494,458)	(\$583,033)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
<u>Changes in Assets and Liabilities:</u>					
Increase in Accounts Payable	0	988	0	0	988
Increase in Claims Liability	0	0	88,866	494,458	583,324
Total Adjustments	0	988	88,866	494,458	584,312
Net Cash Provided by Operating Activities	\$0	\$1,278	\$1	\$0	\$1,279



***Fiduciary Funds***

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

***Custodial Funds***

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**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**

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**Combining Statement of Net Position  
Fiduciary Funds  
December 31, 2021**

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	Municipal Court	Law Library	JEDD	Total Custodial Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 59,590	\$ 21,062	\$ 0	\$ 80,652
Cash and Cash Equivalents in Segregated Accounts	0	1,587	0	1,587
Receivables:				
Taxes	0	0	195,967	195,967
<b>Total Assets</b>	<u>59,590</u>	<u>22,649</u>	<u>195,967</u>	<u>278,206</u>
<b>Liabilities:</b>				
Intergovernmental Payable	0	0	195,967	195,967
Due to Others	59,590	22,649	0	82,239
<b>Total Liabilities</b>	<u>59,590</u>	<u>22,649</u>	<u>195,967</u>	<u>278,206</u>
<b>Net Position:</b>				
Unrestricted	0	0	0	0
<b>Total Net Position</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



**CITY OF PAINESVILLE, OHIO**

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**Combining Statement of Changes in Net Position  
Fiduciary Funds  
For the Year Ended December 31, 2021**

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	Municipal Court	Law Library	JEDD	Total Custodial Funds
<b>Additions:</b>				
Fines and Forfeiture Collections for other Governments	\$ 1,994,514	\$ 32,358	\$ 0	\$ 2,026,872
Income Tax Collections for other Governments	0	0	934,899	934,899
<b>Total Additions</b>	<u>1,994,514</u>	<u>32,358</u>	<u>934,899</u>	<u>2,961,771</u>
<b>Deductions:</b>				
Distribution of Fines and Forfeitures to other Governments	1,994,514	32,358	0	2,026,872
Distribution of Income Taxes to other Governments	0	0	934,899	934,899
<b>Total Deductions</b>	<u>1,994,514</u>	<u>32,358</u>	<u>934,899</u>	<u>2,961,771</u>
Change in Net Position	0	0	0	0
<b>Net Position at Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Position End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



*STATISTICAL SECTION*

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## *STATISTICAL TABLES*

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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*

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

## City of Painesville, Ohio

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

	2012	2013	2014	2015
			*	
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$33,102,011	\$31,513,541	\$33,584,837	\$35,636,534
Restricted	3,724,814	5,438,792	6,309,396	7,102,200
Unrestricted	6,862,608	7,096,616	(4,187,406)	(3,309,250)
Total Governmental Activities Net Position	<u>\$43,689,433</u>	<u>\$44,048,949</u>	<u>\$35,706,827</u>	<u>\$39,429,484</u>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$48,090,083	\$53,612,184	\$54,456,010	\$54,770,683
Restricted	0	0	0	0
Unrestricted	32,820,932	28,133,474	20,419,355	19,843,074
Total Business-type Activities Net Position	<u>\$80,911,015</u>	<u>\$81,745,658</u>	<u>\$74,875,365</u>	<u>\$74,613,757</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$81,192,094	\$85,125,725	\$88,040,847	\$90,407,217
Restricted	3,724,814	5,438,792	6,309,396	7,102,200
Unrestricted	39,683,540	35,230,090	16,231,949	16,533,824
Total Primary Government Net Position	<u>\$124,600,448</u>	<u>\$125,794,607</u>	<u>\$110,582,192</u>	<u>\$114,043,241</u>

Source: Finance Director's Office

\* Restated

*City of Painesville, Ohio*

2016	*	*	2019	2020	2021
2016	2017	2018	2019	2020	2021
\$36,810,050	\$38,776,754	\$40,406,142	\$42,435,366	\$45,339,087	\$46,322,916
7,672,865	8,054,202	8,987,437	9,530,977	11,404,072	12,686,989
(3,617,085)	(15,647,961)	(17,105,653)	(9,303,071)	(9,525,400)	(7,923,355)
<u>\$40,865,830</u>	<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>
\$55,073,798	\$57,658,019	\$60,113,342	\$59,735,075	\$60,818,840	\$63,253,313
0	0	0	0	0	0
18,657,959	9,246,793	7,540,927	8,024,933	7,514,332	14,846,412
<u>\$73,731,757</u>	<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>
\$91,883,848	\$96,434,773	\$100,519,484	\$102,170,441	\$106,157,927	\$109,576,229
7,672,865	8,054,202	8,987,437	9,530,977	11,404,072	12,686,989
15,040,874	(6,401,168)	(9,564,726)	(1,278,138)	(2,011,068)	6,923,057
<u>\$114,597,587</u>	<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>

## City of Painesville, Ohio

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

	2012	2013	2014
<b>Expenses</b>			
Governmental Activities:			
General Government	\$4,802,387	\$3,739,730	\$3,921,566
Public Safety	6,830,774	6,887,389	6,752,510
Highways and Streets	3,067,864	2,566,021	2,637,941
Public Health and Welfare	559,347	516,688	488,651
Culture and Recreation	682,194	590,591	618,468
Community Environment	180,433	314,010	105,322
Interest and Fiscal Charges	304,756	313,959	318,637
<i>Total Governmental Activities Expenses</i>	<u>16,427,755</u>	<u>14,928,388</u>	<u>14,843,095</u>
Business-type Activities:			
Water	5,155,459	5,302,197	6,117,078
Sewer	3,930,761	4,295,486	4,387,215
Electric	20,741,060	22,217,456	24,835,860
Other Enterprise	436,918	418,213	409,740
<i>Total Business-type Activities Expenses</i>	<u>30,264,198</u>	<u>32,233,352</u>	<u>35,749,893</u>
<i>Total Primary Government Expenses</i>	<u>\$46,691,953</u>	<u>\$47,161,740</u>	<u>\$50,592,988</u>
<b>Program Revenues</b>			
Governmental Activities:			
Charges for Services			
General Government	\$1,861,207	\$1,720,626	\$1,749,663
Public Safety	670,873	587,466	616,933
Highways and Streets	26,650	19,050	60,591
Public Health and Welfare	124,596	108,261	110,225
Culture and Recreation	14,448	12,580	9,232
Community Environment	665,096	152,640	306,134
Operating Grants and Contributions	1,363,819	802,599	876,783
Capital Grants and Contributions	2,958,673	1,042,448	1,659,154
<i>Total Governmental Activities Program Revenues</i>	<u>7,685,362</u>	<u>4,445,670</u>	<u>5,388,715</u>



*City of Painesville, Ohio*

2015	2016	2017	2018	2019	2020	2021
\$3,848,049	\$4,277,546	\$4,297,312	\$4,243,338	\$5,554,317	\$4,328,561	\$4,229,560
7,172,546	7,886,075	7,960,151	9,101,205	909,829	9,466,839	9,085,789
3,189,101	2,625,969	2,806,601	2,850,216	2,943,684	2,756,670	2,793,314
491,545	522,594	647,437	606,592	682,216	612,715	406,086
666,284	723,245	763,163	750,338	851,330	749,688	374,691
114,791	119,266	140,834	138,948	209,686	115,123	77,695
303,218	290,744	266,554	257,745	234,477	243,052	223,498
<u>15,785,534</u>	<u>16,445,439</u>	<u>16,882,052</u>	<u>17,948,382</u>	<u>11,385,539</u>	<u>18,272,648</u>	<u>17,190,633</u>
5,542,369	5,746,233	5,229,158	5,308,516	5,944,437	6,067,320	4,059,439
4,257,321	4,137,233	4,315,748	4,202,467	4,979,247	4,287,628	2,877,473
24,875,586	27,199,162	27,882,194	30,563,700	30,291,595	30,585,981	25,314,877
363,673	1,323,662	318,883	379,284	385,479	594,980	323,228
<u>35,038,949</u>	<u>38,406,290</u>	<u>37,745,983</u>	<u>40,453,967</u>	<u>41,600,758</u>	<u>41,535,909</u>	<u>32,575,017</u>
<u>\$50,824,483</u>	<u>\$54,851,729</u>	<u>\$54,628,035</u>	<u>\$58,402,349</u>	<u>\$52,986,297</u>	<u>\$59,808,557</u>	<u>\$49,765,650</u>
\$1,446,087	\$1,490,185	\$1,530,658	\$1,645,439	\$1,644,353	\$1,261,515	\$1,509,557
811,277	681,672	620,251	666,103	636,004	607,396	591,208
67,287	22,686	18,892	15,335	10,819	293,419	346,272
133,515	145,531	157,765	180,385	142,265	186,586	169,155
7,580	15,150	22,560	23,277	23,350	13,414	17,087
482,434	331,328	374,365	316,352	481,075	392,211	404,937
921,812	1,046,834	1,057,201	1,185,541	1,100,244	3,455,315	1,550,989
1,542,778	62,266	677,076	1,023,476	2,107,142	261,924	372,679
<u>5,412,770</u>	<u>3,795,652</u>	<u>4,458,768</u>	<u>5,055,908</u>	<u>6,145,252</u>	<u>6,471,780</u>	<u>4,961,884</u>

(continued)

**City of Painesville, Ohio**

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

	2012	2013	2014
<b>Business-type Activities:</b>			
Charges for Services			
Water	6,576,748	6,307,635	6,209,116
Sewer	3,746,854	3,985,434	3,706,993
Electric	26,692,992	23,082,430	26,107,694
Other Enterprise	570,045	479,933	522,492
Operating Grants and Contributions	0	7,154	128,071
Capital Grants and Contributions	1,324,655	584	146
<i>Total Business-type Activities Program Revenues</i>	<u>38,911,294</u>	<u>33,863,170</u>	<u>36,674,512</u>
<i>Total Primary Government Program Revenues</i>	<u>46,596,656</u>	<u>38,308,840</u>	<u>42,063,227</u>
<b>Net (Expense)/Revenue</b>			
Governmental Activities	(8,742,393)	(10,482,718)	(9,454,380)
Business-type Activities	8,647,096	1,629,818	924,619
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$95,297)</u>	<u>(\$8,852,900)</u>	<u>(\$8,529,761)</u>
<b>General Revenues and Other Changes in Net Position</b>			
Governmental Activities:			
Property Taxes	\$1,185,735	\$1,144,755	\$1,966,322
Municipal Income Taxes	7,519,822	7,721,126	7,900,150
Intergovernmental, Unrestricted	1,086,944	875,970	847,630
Investment Earnings	173,022	47,643	177,819
Miscellaneous	144,224	256,805	284,727
Transfers	968,624	795,935	1,118,310
<i>Total Governmental Activities</i>	<u>11,078,371</u>	<u>10,842,234</u>	<u>12,294,958</u>
Business-type Activities:			
Investment Earnings	5,010	760	0
Transfers	(968,624)	(795,935)	(1,118,310)
<i>Total Business-type Activities</i>	<u>(963,614)</u>	<u>(795,175)</u>	<u>(1,118,310)</u>
<i>Total Primary Government</i>	<u>\$10,114,757</u>	<u>\$10,047,059</u>	<u>\$11,176,648</u>
<b>Change in Net Position</b>			
Governmental Activities	\$2,335,978	\$359,516	\$2,840,578
Business-type Activities	7,683,482	834,643	(193,691)
<i>Total Primary Government Change in Net Position</i>	<u>\$10,019,460</u>	<u>\$1,194,159</u>	<u>\$2,646,887</u>

Source: Finance Director's Office

*City of Painesville, Ohio*

2015	2016	2017	2018	2019	2020	2021
5,956,836	6,224,784	6,215,373	6,170,021	6,159,416	7,094,910	7,437,052
3,822,411	3,842,638	4,000,567	4,135,229	4,362,653	4,484,528	4,268,947
25,264,720	27,174,232	27,301,029	31,071,723	30,411,943	30,699,901	30,106,877
510,942	555,030	618,165	618,113	490,033	482,385	484,299
3,136	0	0	0	0	0	0
58,539	294,500	0	0	1,117,761	170,390	930,104
<u>35,616,584</u>	<u>38,091,184</u>	<u>38,135,134</u>	<u>41,995,086</u>	<u>42,541,806</u>	<u>42,932,114</u>	<u>43,227,279</u>
<u>41,029,354</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>
(10,372,764)	(12,649,787)	(12,423,284)	(12,892,474)	(5,240,287)	(11,800,868)	(12,228,749)
577,635	(315,106)	389,151	1,541,119	941,048	1,396,205	10,652,262
<u>(\$9,795,129)</u>	<u>(\$12,964,893)</u>	<u>(\$12,034,133)</u>	<u>(\$11,351,355)</u>	<u>(\$4,299,239)</u>	<u>(\$10,404,663)</u>	<u>(\$1,576,487)</u>
\$2,215,786	\$2,214,980	\$2,318,191	\$2,364,159	\$2,665,543	\$3,038,768	\$3,350,755
9,190,538	9,448,284	9,426,872	8,645,785	9,123,409	9,220,580	10,223,262
881,985	840,902	822,685	952,903	1,073,810	1,019,623	1,213,502
318,260	347,822	488,373	693,122	1,306,600	1,329,394	(284,081)
649,609	667,251	638,094	361,385	610,962	923,949	708,393
839,243	566,894	757,012	791,662	835,309	823,041	885,709
<u>14,095,421</u>	<u>14,086,133</u>	<u>14,451,227</u>	<u>13,809,016</u>	<u>15,615,633</u>	<u>16,355,355</u>	<u>16,097,540</u>
0	0	0	0	0	0	0
(839,243)	(566,894)	(757,012)	(791,662)	(835,309)	(823,041)	(885,709)
<u>(839,243)</u>	<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>\$13,256,178</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>
\$3,722,657	\$1,436,346	\$2,027,943	\$916,542	\$10,375,346	\$4,554,487	\$3,868,791
(261,608)	(882,000)	(367,861)	749,457	105,739	573,164	9,766,553
<u>\$3,461,049</u>	<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>

**City of Painesville, Ohio**

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

	2012	2013	2014	2015
<b>General Fund</b>				
Nonspendable	\$1,005,381	\$1,012,204	\$876,065	\$877,739
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	742,007	756,351	923,785	1,091,861
Unassigned	5,698,670	5,950,964	5,764,760	6,216,145
<i>Total General Fund</i>	<u>7,446,058</u>	<u>7,719,519</u>	<u>7,564,610</u>	<u>8,185,745</u>
<b>All Other Governmental Funds</b>				
Nonspendable	1,115,415	1,126,574	1,279,005	1,146,021
Restricted	7,717,818	4,827,946	4,663,014	5,598,192
Committed	1,090,045	1,140,484	1,436,758	1,702,514
Assigned	0	0	0	0
Unassigned	(1,870,841)	(129,977)	(60,716)	(15,740)
<i>Total All Other Governmental Funds</i>	<u>8,052,437</u>	<u>6,965,027</u>	<u>7,318,061</u>	<u>8,430,987</u>
<i>Total Governmental Funds</i>	<u>\$15,498,495</u>	<u>\$14,684,546</u>	<u>\$14,882,671</u>	<u>\$16,616,732</u>

Source: Finance Director's Office

\* Restated

*City of Painesville, Ohio*

2016	2017	*	2018	2019	2020	2021
\$868,584	\$875,763		\$886,154	\$884,051	\$878,996	\$909,380
0	0		7,206	7,206	7,206	7,206
11,931	10,931		10,931	10,931	10,931	200,931
926,069	756,999		1,277,058	1,734,457	1,514,656	1,587,082
5,801,917	5,903,284		5,338,589	5,923,562	7,465,656	6,430,990
<u>7,608,501</u>	<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>
1,175,425	1,170,344		1,193,253	1,206,703	1,228,949	1,249,724
6,192,754	6,564,682		7,547,035	7,910,091	9,783,465	10,812,873
2,081,797	2,635,021		2,414,072	2,296,269	2,431,825	3,063,972
0	0		0	0	0	0
0	0		0	0	0	(212,370)
<u>9,449,976</u>	<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>\$17,058,477</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>

## City of Painesville, Ohio

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

	2012	2013	2014	2015
<b>Revenues:</b>				
Taxes	\$8,705,017	\$8,778,000	\$9,912,425	\$11,411,537
Intergovernmental Revenues	4,200,293	2,694,920	3,369,400	3,363,173
Charges for Services	777,772	672,887	678,643	823,641
Licenses, Permits and Inspection Fees	450,655	337,067	476,660	551,881
Investment Earnings	166,025	49,611	147,622	373,424
Special Assessments	115,843	76,294	91,321	205,700
Fines and Forfeitures	1,377,753	1,416,206	1,428,419	1,314,000
All Other Revenue	519,586	462,724	519,613	649,609
<b>Total Revenue</b>	<b>16,312,944</b>	<b>14,487,709</b>	<b>16,624,103</b>	<b>18,692,965</b>
<b>Expenditures:</b>				
Current:				
General Government	5,777,433	3,558,335	3,785,221	3,788,515
Public Safety	6,694,103	6,660,415	6,591,728	7,115,031
Highways and Streets	3,550,420	5,882,834	4,394,199	4,180,040
Public Health and Welfare	528,871	494,241	480,801	489,786
Culture and Recreation	619,372	538,577	574,406	634,046
Community Environment	201,364	309,105	113,556	112,913
Capital Outlay	616,881	820,402	1,493,091	612,219
Debt Service:				
Principal Retirement	1,796,045	1,336,673	1,292,115	1,753,434
Interest and Fiscal Charges	311,643	268,510	327,143	311,109
<b>Total Expenditures</b>	<b>20,096,132</b>	<b>19,869,092</b>	<b>19,052,260</b>	<b>18,997,093</b>
Excess (Deficiency) of Revenues Over Expenditures	(3,783,188)	(5,381,383)	(2,428,157)	(304,128)

*City of Painesville, Ohio*

2016	2017	2018	2019	2020	2021
\$10,950,272	\$11,203,877	\$10,707,047	\$12,054,906	\$12,270,990	\$13,533,130
1,956,828	2,467,808	2,834,399	4,057,877	4,835,327	2,818,559
731,184	779,986	756,546	869,599	892,055	864,913
502,156	549,998	474,497	439,661	347,121	345,318
308,897	448,358	692,761	1,317,066	1,348,089	(257,382)
112,284	96,820	85,015	98,853	372,165	418,424
1,374,157	1,425,667	1,543,578	1,540,151	1,130,223	1,404,679
669,658	638,744	365,100	613,277	929,549	709,898
<u>16,605,436</u>	<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>
4,211,050	4,012,316	3,926,735	4,479,276	4,982,182	5,209,084
6,971,484	7,367,209	7,789,590	8,681,233	10,790,893	9,012,720
2,703,940	3,045,926	3,079,358	3,355,673	1,737,807	3,349,021
493,012	539,169	534,050	547,858	523,159	561,713
644,296	613,505	643,694	654,457	598,368	625,754
120,000	121,553	127,541	185,362	108,589	115,758
621,855	726,411	945,078	1,288,948	855,594	335,407
1,737,466	1,505,048	1,245,033	1,077,215	783,827	644,531
299,911	278,970	264,282	261,442	248,117	234,763
<u>17,803,014</u>	<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>
(1,197,578)	(598,849)	(1,096,418)	459,926	1,496,983	(251,212)

(continued)

## City of Painesville, Ohio

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

	2012	2013	2014	2015
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	758	30,322	10	19,401
Other Financing Sources - Capital Leases	0	0	147,000	111,000
Ohio Public Works Commission Loan	0	840,030	358,135	8,180
General Obligation Bonds Issued	5,485,000	1,917,000	0	0
Premium on Debt Issuance	156,564	0	0	0
Long Term Note Issuance	1,190,481	1,031,876	1,205,271	1,060,365
Insurance Proceeds	607,425	3,482	0	0
Transfers In	1,734,524	1,628,935	3,218,310	3,015,243
Transfers Out	(845,900)	(883,000)	(2,150,000)	(2,176,000)
<b>Total Other Financing Sources (Uses)</b>	<u>8,328,852</u>	<u>4,568,645</u>	<u>2,778,726</u>	<u>2,038,189</u>
<b>Net Change in Fund Balance</b>	<u>\$4,545,664</u>	<u>(\$812,738)</u>	<u>\$350,569</u>	<u>\$1,734,061</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	13.32%	11.00%	11.13%	12.98%

Source: Finance Director's Office



*City of Painesville, Ohio*

2016	2017	2018	2019	2020	2021
46,487	19,231	646	776	26,663	2,807
125,000	0	0	0	0	0
2,553	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
898,389	696,153	535,917	0	1,000,000	190,800
0	0	337,078	2,961	1,727	0
3,141,894	3,042,012	2,170,222	2,250,309	2,458,041	2,695,709
(2,575,000)	(2,300,000)	(1,378,560)	(1,415,000)	(1,635,000)	(1,910,000)
<u>1,639,323</u>	<u>1,457,396</u>	<u>1,665,303</u>	<u>839,046</u>	<u>1,851,431</u>	<u>979,316</u>
<u>\$441,745</u>	<u>\$858,547</u>	<u>\$568,885</u>	<u>\$1,298,972</u>	<u>\$3,348,414</u>	<u>\$728,104</u>
12.90%	11.74%	9.59%	7.74%	6.64%	5.04%

**City of Painesville, Ohio**

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

<b>Tax year</b>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Income Tax Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Estimated Personal Income	\$788,821,699	\$850,247,106	\$866,328,046	\$873,158,400	\$905,602,368
Total Tax Collected	\$7,230,012	\$6,870,545	\$7,955,171	\$8,737,608	\$8,982,680
Income Tax Receipts					
Withholding	5,899,690	5,606,364	6,491,419	7,129,887	6,476,511
Percentage	81.6%	81.6%	81.6%	66.1%	72.1%
Corporate	657,931	625,220	723,921	795,122	1,338,421
Percentage	9.1%	9.1%	9.1%	21.9%	14.9%
Individuals	672,391	638,961	739,831	812,599	1,167,748
Percentage	9.3%	9.3%	9.3%	12.0%	13.0%

Source: City Income Tax Department

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

*City of Painesville, Ohio*

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2017	2018	2019	2020	2021
2.00%	2.00%	2.00%	2.00%	2.00%
\$840,817,740	\$924,914,752	\$1,021,884,976	\$1,069,848,000	\$1,116,255,264
\$8,460,238	\$8,308,548	\$8,457,798	\$8,870,241	\$9,188,366
6,226,735	6,156,635	6,284,144	6,581,719	6,836,144
73.6%	74.1%	74.3%	74.2%	74.4%
1,285,956	1,204,739	1,243,296	1,295,055	1,332,313
15.2%	14.5%	14.7%	14.6%	14.5%
947,547	947,174	930,358	993,467	1,019,909
11.2%	11.4%	11.0%	11.2%	11.1%

*City of Painesville, Ohio*

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## City of Painesville

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

Calendar Year 2021				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,477	27.24%	\$14,095,054	5.33%
20,000 - 49,999	1,682	31.02%	53,510,769	20.23%
50,000 - 74,999	1,203	22.19%	69,540,865	26.29%
75,000 - 99,999	493	9.09%	41,241,846	15.59%
Over 100,000	567	10.46%	86,110,160	32.56%
Total	5,422	100.00%	\$264,498,694	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to Painesville	\$1,122,736
Taxes Credited to Other Municipalities	446,593
	\$1,569,329

2012				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	2,163	44.67%	\$12,749,352	7.95%
20,000 - 49,999	1,473	30.42%	49,820,089	31.05%
50,000 - 74,999	663	13.69%	40,527,141	25.26%
75,000 - 99,999	324	6.69%	27,769,539	17.31%
Over 100,000	219	4.53%	29,578,228	18.43%
Total	4,842	100.00%	\$160,444,349	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to Painesville	\$707,409
Taxes Credited to Other Municipalities	480,465
	\$1,187,874

Source: Finance Director's Office

## *City of Painesville, Ohio*

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

	2012	2013	2014	2015
<b>Governmental Activities</b> <sup>(1)</sup>				
General Obligation Bonds	\$7,116,564	\$8,930,736	\$8,750,908	\$8,373,080
Special Assessment Bonds	310,000	290,000	270,000	250,000
Ohio Public Works Commission Loan	73,351	908,491	1,261,736	1,265,026
Long-Term Notes	1,065,481	960,876	1,205,271	1,060,365
Construction Loan	265,276	203,139	135,547	69,193
Capital Leases	219,902	201,737	281,980	306,061
<b>Business-type Activities</b> <sup>(1)</sup>				
Mortgage Revenue Bonds	\$1,334,040	\$1,050,236	\$795,089	\$536,294
General Obligation Bonds	1,500,000	1,250,000	0	0
Ohio Water Development Authority Loan	4,072,160	3,853,679	3,708,874	3,882,369
Ohio Public Works Commission Loan	154,706	111,301	67,896	24,587
Long-Term Notes	1,535,519	1,339,124	2,254,729	1,799,635
Capital Leases	3,360,319	3,548,506	3,301,087	3,044,934
Total Primary Government	<u>\$21,007,318</u>	<u>\$22,647,825</u>	<u>\$22,033,117</u>	<u>\$20,611,544</u>
<b>Population</b> <sup>(2)</sup>				
City of Painesville	19,549	19,563	19,933	19,840
Outstanding Debt Per Capita	\$1,075	\$1,158	\$1,105	\$1,039
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	\$788,822	\$850,247	\$866,328	\$873,158
Percentage of Personal Income	2.66%	2.66%	2.54%	2.36%

**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*

2016	2017	2018	2019	2020	2021
\$7,953,252	\$7,526,424	\$7,091,596	\$6,644,768	\$6,179,940	\$5,703,112
230,000	210,000	190,000	165,000	140,000	115,000
1,262,689	1,209,443	1,156,197	1,102,951	1,076,328	1,023,082
898,389	696,153	535,917	0	750,000	869,927
0	0	0	0	0	0
260,043	145,630	96,996	72,944	47,740	21,328
\$275,899	\$0	\$0	\$0	\$0	\$0
1,865,000	1,790,000	1,715,000	1,640,000	1,560,000	1,480,000
3,929,625	5,815,830	7,936,226	16,221,502	17,319,657	16,741,207
22,539	20,491	18,443	16,389	50,097	46,312
1,351,611	903,847	464,083	0	0	0
2,779,149	2,503,526	2,217,666	1,996,863	1,766,341	1,525,692
<u>\$20,828,196</u>	<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>
19,776	19,563	20,192	20,144	20,250	20,334
\$1,053	\$1,064	\$1,061	\$1,383	\$1,427	\$1,354
\$905,602	\$840,818	\$924,915	\$1,021,885	\$1,069,848	\$1,116,255
2.30%	2.48%	2.32%	2.73%	2.70%	2.47%

**City of Painesville, Ohio**

*Ratios of General Bonded Debt Outstanding  
Last Ten Years*

Year	2012	2013	2014	2015
<b>Population</b> <sup>(1)</sup>	19,549	19,563	19,933	19,840
<b>Personal Income</b> <sup>(2)</sup>	\$788,821,699	\$850,247,106	\$866,328,046	\$873,158,400
<b>General Bonded Debt</b>				
General Obligation Bonds	\$8,616,564	\$10,180,736	\$8,750,908	\$8,373,080
<b>Resources Available to Pay Principal</b>	\$102,737	\$161,951	\$121,648	\$182,798
<b>Net General Bonded Debt</b>	\$8,513,827	\$10,018,785	\$8,629,260	\$8,190,282
<b>Ratio of Net Bonded Debt to Personal Income</b>	1.08%	1.18%	1.00%	0.94%
<b>Net Bonded Debt per Capita</b>	\$435.51	\$512.13	\$432.91	\$412.82

**Sources:**

- (1) U.S. Bureau of Census of Population
- (2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2020, for the presentation of 2021 statistics, the City is using the latest information available.
- (a) Per Capita Income is only available by County, Total Personal Income is a calculation.



*City of Painesville, Ohio*

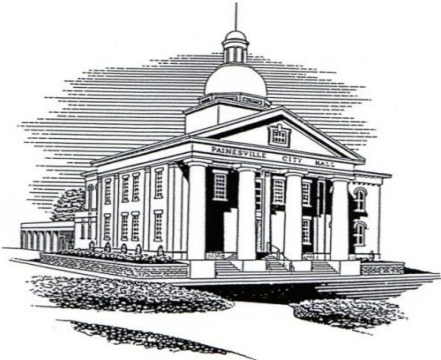
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2016	2017	2018	2019	2020	2021
19,776	19,563	20,192	20,144	20,250	20,334
\$905,602,368	\$840,817,740	\$924,914,752	\$1,021,884,976	\$1,069,848,000	\$1,116,255,264
\$9,818,252	\$9,316,424	\$8,806,596	\$8,284,768	\$7,739,940	\$7,183,112
\$243,667	\$304,935	\$357,923	\$416,514	\$213,982	\$273,758
\$9,574,585	\$9,011,489	\$8,448,673	\$7,868,254	\$7,525,958	\$6,909,354
1.06%	1.07%	0.91%	0.77%	0.70%	0.62%
\$484.15	\$460.64	\$418.42	\$390.60	\$371.65	\$339.79

*City of Painesville, Ohio*

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## *City of Painesville, Ohio*

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2021*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Painesville</u>	<u>Amount Applicable to the City of Painesville</u>
<b>Direct:</b>			
City of Painesville	\$7,732,449	100.00%	\$7,732,449
<b>Overlapping:</b>			
Painesville City School District	20,938,900	100.00%	20,938,900
Auburn Career Center	5,028,000	10.18%	511,850
Lakeland Community College	80,417,323	3.95%	3,176,484
Riverside Local School District	37,368,733	22.21%	8,299,596
Lake County	6,355,000	3.95%	251,023
		Subtotal	<u>33,177,853</u>
		Total	<u>\$40,910,302</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	2012	2013	2014	2015
<b>Total Debt</b>				
Net Assessed Valuation	\$252,866,440	\$218,554,660	\$219,194,440	\$218,983,000
Legal Debt Limitation (%) <sup>(1)</sup>	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) <sup>(1)</sup>	26,550,976	22,948,239	23,015,416	22,993,215
City Debt Outstanding <sup>(2)</sup>	4,955,121	4,939,613	4,612,251	4,311,426
Less: Applicable Debt Service Fund Amounts	(102,737)	(161,951)	(121,648)	(182,798)
Net Indebtedness Subject to Limitation	<u>4,852,384</u>	<u>4,777,662</u>	<u>4,490,603</u>	<u>4,128,628</u>
Overall Legal Debt Margin	<u>\$21,698,592</u>	<u>\$18,170,577</u>	<u>\$18,524,813</u>	<u>\$18,864,587</u>
Debt Margin as a Percentage of Debt Limit	81.72%	79.18%	80.49%	82.04%
<b>Unvoted Debt</b>				
Net Assessed Valuation	\$252,866,440	\$218,554,660	\$219,194,440	\$218,983,000
Legal Debt Limitation (%) <sup>(1)</sup>	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) <sup>(1)</sup>	13,907,654	12,020,506	12,055,694	12,044,065
City Debt Outstanding <sup>(2)</sup>	0	0	0	0
Less: Applicable Debt Service Fund Amounts	(102,737)	(161,951)	(121,648)	(182,798)
Net Indebtedness Subject to Limitation	<u>(102,737)</u>	<u>(161,951)</u>	<u>(121,648)</u>	<u>(182,798)</u>
Overall Legal Debt Margin	<u>\$14,010,391</u>	<u>\$12,182,457</u>	<u>\$12,177,342</u>	<u>\$12,226,863</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*

2016	2017	2018	2019	2020	2021
\$220,674,620	\$221,250,540	\$222,787,360	\$243,528,100	\$251,176,110	\$251,585,440
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
23,170,835	23,231,307	23,392,673	25,570,451	26,373,492	26,416,471
3,916,432	3,405,783	2,994,913	2,508,311	2,681,000	2,571,927
(243,667)	(304,935)	(357,923)	(416,514)	(213,982)	(273,758)
<u>3,672,765</u>	<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>\$19,498,070</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>
84.15%	86.65%	88.73%	91.82%	90.65%	91.30%
\$220,674,620	\$221,250,540	\$222,787,360	\$243,528,100	\$251,176,110	\$251,585,440
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
12,137,104	12,168,780	12,253,305	13,394,046	13,814,686	13,837,199
0	0	0	0	0	0
(243,667)	(304,935)	(357,923)	(416,514)	(213,982)	(273,758)
<u>(243,667)</u>	<u>(304,935)</u>	<u>(357,923)</u>	<u>(416,514)</u>	<u>(213,982)</u>	<u>(273,758)</u>
<u>\$12,380,771</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>

*City of Painesville, Ohio*

*Pledged Revenue Coverage  
Last Ten Years*

	2012	2013	2014	2015
<b>Special Assessment Bonds (1)</b>				
Special Assessment Collections	\$77,616	\$56,832	\$78,213	\$56,770
Debt Service				
Principal	15,000	20,000	20,000	20,000
Interest	16,212	15,500	14,500	13,500
Coverage	2.49	1.60	2.27	1.69

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

Source: Finance Director's Office

*City of Painesville, Ohio*

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2016	2017	2018	2019	2020	2021
\$56,719	\$57,090	\$57,179	\$90,682	\$79,516	\$55,567
20,000	20,000	20,000	25,000	25,000	25,000
12,500	11,500	10,500	9,500	8,250	7,000
1.75	1.81	1.87	2.63	2.39	1.74

## City of Painesville, Ohio

### Demographic and Economic Statistics Last Ten Years

Calendar Year	2012	2013	2014	2015
<b>Population</b> (1)				
City of Painesville	19,549	19,563	19,933	19,840
Lake County	229,582	230,041	229,245	229,245
<b>Income</b> (2) (a)				
Total Personal (in thousands)	\$788,822	\$850,247	\$866,328	\$873,158
Per Capita	\$40,351	\$43,462	\$43,462	\$44,010
<b>Unemployment Rate</b> (3)				
Federal	7.8%	6.7%	5.6%	4.8%
State	6.7%	6.5%	4.8%	4.6%
Lake County	6.4%	7.9%	6.2%	3.7%
<b>Civilian Work Force Estimates</b> (3)				
State	5,740,900	5,765,000	5,738,000	5,693,000
Lake County	126,800	126,500	126,800	121,600

#### Sources:

(1) US Bureau of Census of Population

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2020, for the presentation of 2021 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

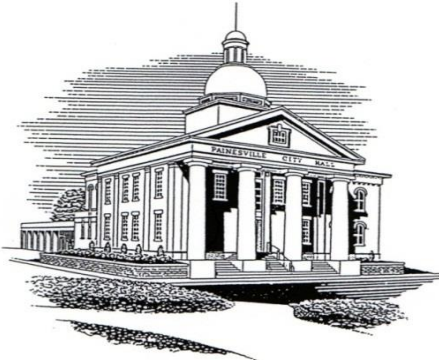


*City of Painesville, Ohio*

2016	2017	2018	2019	2020	2021
19,776	19,563	20,192	20,144	20,250	20,334
228,614	230,041	230,117	230,149	230,051	234,906
\$905,602	\$840,818	\$924,915	\$1,021,885	\$1,069,848	\$1,116,255
\$45,793	\$42,980	\$45,806	\$50,729	\$52,832	\$54,896
4.9%	4.1%	3.9%	3.5%	6.7%	5.3%
4.9%	4.1%	4.6%	4.1%	5.5%	4.5%
4.8%	4.4%	4.6%	4.3%	5.5%	3.4%
5,687,000	5,780,000	5,757,507	5,811,800	5,692,600	5,741,300
122,200	123,935	125,600	126,784	117,500	118,286

*City of Painesville, Ohio*

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## *City of Painesville, Ohio*

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

Employer	Nature of Business	2021		
		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	2012		
		Number of Employees	Rank	Percentage of Total Employment
County of Lake	Government	1,069	1	6.16%
Fasson Division/Avery International Corp.	Manufacturing	556	2	3.20%
Painesville City Schools	Education	383	3	2.21%
Core Systems	Manufacturing	288	4	1.66%
Lake Erie College	Education	275	5	1.58%
The City of Painesville	Government	260	6	1.50%
Aero Fluid Products	Manufacturing	168	7	0.97%
Cintas	Service	117	8	0.67%
Eckart America	Manufacturing	108	9	0.62%
SAS Rubber Co.	Manufacturing	79	10	0.46%
		<u>3,303</u>		
Total Employment within the City		<u><u>17,351</u></u>		

**Source:**

Compiled by City of Painesville Finance Department

## City of Painesville, Ohio

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

	2012	2013	2014	2015	2016
<b>Governmental Activities</b>					
General Government					
Finance	7.00	6.00	6.00	6.00	6.00
Judicial	19.00	19.00	17.00	20.00	20.00
Administration	44.00	43.00	43.00	42.00	42.00
Maintenance	1.00	1.00	1.00	1.00	1.00
Public Safety					
Police	41.00	41.00	42.00	42.00	42.00
Fire	27.00	27.00	26.00	26.00	26.00
Public Works					
Public Works	15.00	15.00	16.00	15.00	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
<b>Business-Type Activities</b>					
Utilities					
Water	19.00	20.00	21.00	20.00	21.00
Sewer	17.00	17.00	17.00	17.00	16.00
Electric	62.00	56.00	56.00	56.00	56.00
Off Street Parking	1.00	1.00	1.00	1.00	0.00
<i>Total Employees</i>	<u>263.00</u>	<u>256.00</u>	<u>256.00</u>	<u>256.00</u>	<u>256.00</u>

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

Source: Finance Director's Office

*City of Painesville, Ohio*

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<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
5.50	5.50	5.50	5.50	5.50
20.00	20.00	20.00	20.00	20.00
42.00	42.00	42.00	42.00	42.00
1.00	1.00	1.00	1.00	1.00
42.00	44.00	44.00	44.00	44.00
26.00	26.00	27.00	27.00	27.00
16.00	17.00	17.00	17.00	17.00
4.00	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	21.00
16.00	14.00	14.00	14.00	14.00
56.00	47.00	45.00	45.00	45.00
0.00	0.00	0.00	0.00	0.00
<u>255.50</u>	<u>248.50</u>	<u>247.50</u>	<u>247.50</u>	<u>247.50</u>

## *City of Painesville, Ohio*

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

	2012	2013	2014
<b>Governmental Activities</b>			
General Government			
Court			
Number of Probation Cases	1,658	1,524	1,349
Number of Traffic Cases	9,573	9,694	9,763
Licenses and Permits			
Number of Building Permits - Residential	329	372	352
Number of Building Permits - Commercial & Industrial	148	115	74
Number of Building Inspections - Residential	1,660	834	819
Number of Building Inspections - Commercial	1,588	1,949	1,233
Public Safety			
Police			
Number of Citations Issued	1,513	1,613	2,025
Number of Arrests	1,378	1,252	650
Number of Accidents	562	442	415
Fire			
Number of Fire Calls	104	76	92
Number of EMS Runs	2,661	2,594	2,630
Number of Inspections	493	606	477
Highways and Streets			
Public Works			
Number of Streets Resurfaced	0	1	3
Public Health and Welfare			
Cemeteries			
Number of Burials	192	188	169
Number of Cemeteries	2	2	2
Culture and Recreation			
Parks - Recreation			
Program Attendance	42,350	41,525	40,500
Number of Park Visitations	142,000	155,000	147,500

*City of Painesville, Ohio*

2015	2016	2017	2018	2019	2020	2021
1,213	1,279	1,164	1,385	1,106	1,048	930
8,787	9,197	10,166	10,612	9,153	6,514	7,177
262	275	399	292	292	296	584
48	29	83	43	43	47	99
1,062	1,547	2,682	1,532	1,532	1,561	1,602
237	247	756	360	360	345	191
1,139	2,002	1,466	1,473	1,933	926	1,808
1,119	2,853	998	1,006	1,198	861	885
487	482	419	454	407	414	406
96	92	69	72	61	83	88
2,736	2,899	2,865	2,764	2,777	2,864	2,834
979	1,002	610	618	530	542	471
4	10	9	4	4	4	1
189	181	212	166	166	166	189
2	2	2	2	2	2	2
48,190	48,500	49,300	50,000	50,000	25,000	35,000
152,000	155,000	160,000	162,000	162,000	210,600	220,000

(Continued)

## City of Painesville, Ohio

### Operating Indicators by Function Last Ten Years

	2012	2013	2014
<b>Business-Type Activities</b>			
Water			
Number of Service Connections	10,380	10,454	10,536
Water Main Breaks	50	44	43
Daily Average Consumption (thousands of gallons)	3,410	3,059	3,100
Peak Daily Consumption (thousands of gallons)	6,098	4,450	4,051
Storage Capacity (thousands of gallons)	4,053	4,053	4,053
Sewer			
Daily Average Sewage Treatment (thousands of gallons)	3.33	3.29	3.30
Electric			
Number of Service Connections	12,032	12,231	12,240
Average Daily Generation in Kilowatt Hours	79,714	41,115	16,983
Peak Load in Kilowatts	57,400	54,500	50,600
Off Street Parking			
Number of Parking Garage Spaces (1)	502	502	502
Number of Vogue Lot Spaces	60	60	60
Number of Sterling Lot Spaces	101	101	101
Storm Water Drainage			
Number of Billings	7,103	7,605	7,631

(1) The parking garage was demolished in 2016.

Source: Finance Director's Office



*City of Painesville, Ohio*

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<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
10,602	10,661	10,767	10,832	10,943	11,239	11,400
42	35	39	44	52	45	54
3,319	3,064	3,093	3,069	2,992	3,117	3,242
6,246	5,140	4,821	4,904	4,428	5,806	6,038
4,053	4,053	4,053	4,053	4,053	4,063	4,226
3.12	3.16	3.27	3.44	3.35	3.33	3.04
12,273	12,305	12,360	12,417	12,442	12,512	12,589
18,939	21,257	10,235	10,469	8,434	5,900	2,947
51,300	54,100	49,000	53,900	50,700	51,200	53,400
475	0	0	0	0	0	0
60	60	60	60	60	60	60
101	101	101	101	101	101	101
7,655	7,727	7,762	7,804	7,804	7,886	7,919

## *City of Painesville, Ohio*

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

	2012	2013	2014	2015
<b>Governmental Activities</b>				
General Government				
Public Land and Buildings				
Land (acres)	0.95	0.95	0.95	0.95
Buildings	7	7	7	7
Public Safety				
Police				
Stations	1	1	1	1
Vehicles	20	21	25	24
Fire				
Stations	1	1	1	1
Vehicles	13	14	13	13
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	27	29
Culture and Recreation				
Recreation/Seniors				
Land (acres)	140.51	140.51	140.51	150.51
Buildings	1	1	1	1
Parks	15	15	15	15
Playgrounds	11	11	11	11
Tennis Courts	2	2	2	2
Baseball/Softball Diamonds	9	9	9	9
Soccer Fields	0	0	0	0

*City of Painesville, Ohio*

2016	2017	2018	2019	2020	2021
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 21	1 31	1 29
1 14	1 14	1 14	1 14	1 14	1 14
59 1,571 116 29	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
150.51 1 15 10 0 9 0	150.10 1 13 10 0 9 0	150.10 1 13 10 0 9 0	150.10 1 13 10 0 9 0	150.10 1 13 10 0 9 0	150.10 1 13 10 0 9 0

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**City of Painesville, Ohio**

*Capital Asset Statistics by Function  
Last Ten Years*

	2012	2013	2014	2015
<b>Business-Type Activities</b>				
Utilities				
Water				
Waterlines (Miles)	132.9	133.1	138.6	139.4
Pump Stations	7	7	7	7
Number of Hydrants	1,813	1,839	1,866	1,875
Sewer				
Sewer lines (Miles)	50	50	50	50
Lift Stations	8	8	8	8
Electric				
Lines (Miles)	220	222	222	222
Off Street Parking				
Buildings and Improvements	1	1	1	1
Storm Water Drainage				
Storm Drains (Miles)	38	38	38	38
Number of Catch Basins	2,902	2,902	2,902	2,904
Treatment Capacity (thousands of gallons)	28,000	28,000	28,000	28,000

Source: Finance Director's Office

*City of Painesville, Ohio*

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<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
140.0	141.1	142.0	142.6	143.4	144.2
7	7	7	7	7	7
1,880	1,900	1,902	1,914	1,924	1,941
50	50	57	57	57	57
8	8	8	8	9	9
222	222	222	222	225	225
0	0	0	0	0	0
38	38	38	38	38	42
2,904	2,904	2,904	2,904	2,904	3,104
28,000	28,000	28,000	28,000	28,000	28,000

*City of Painesville, Ohio*

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# 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 7/7/2022**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)