



**CITY OF MENTOR  
LAKE COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2008**



**Mary Taylor, CPA**  
Auditor of State



CITY OF MENTOR  
LAKE COUNTY

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

City of Mentor  
Lake County  
8500 Civic Center Boulevard  
Mentor, Ohio 44060

To the City Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mentor, Lake County, Ohio (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 19, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the City's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the City's management in a separate letter dated June 19, 2009.

City of Mentor  
Lake County

Independent Accountants' Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Required by *Government Auditing Standards*

### **Compliance and Other Matters**

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

We did note certain noncompliance or other matters that we reported to the City's management in a separate letter dated June 19, 2009.

We intend this report solely for the information and use of the audit committee, management, and the City Council. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

June 19, 2009



THE CITY OF MENTOR, OHIO

2008

*Comprehensive Annual*  
**FINANCIAL REPORT**

*for the year ended December 31, 2008*



*the city of choice!*<sup>SM</sup>

CITY OF  
MENTOR, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008

ISSUED BY THE DEPARTMENT OF FINANCE

DAVID W. MALINOWSKI, DIRECTOR  
DEBORAH J. VANONE, ASSISTANT DIRECTOR



# CITY OF MENTOR, OHIO

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# INTRODUCTORY SECTION



*the city of choice!*<sup>SM</sup>



## City of Mentor

Council-manager  
government since 1963

8500 Civic Center Boulevard  
Mentor, Ohio 44060-2499  
440-255-1100  
[www.cityofmentor.com](http://www.cityofmentor.com)

June 19, 2009

City Manager, Council President  
and members of City Council  
of the City of Mentor, Ohio

### Introduction

We are pleased to present the Comprehensive Annual Financial Report of the City of Mentor (the "City") for the year ended December 31, 2008. This report, prepared by the Department of Finance, includes the basic financial statements that summarize the various operations related to the City's 2008 activities. Our intention is to provide a clear, comprehensive, and materially accurate overview of the City's financial position at the close of last year. The enclosed information has been designed to allow the reader to gain an understanding of the City's finances, including financial trends, financial instruments, and fund performances. The City has complete responsibility for all information contained in this report.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Because the cost of internal controls should not outweigh their benefits, this comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects and presents fairly the financial position and results of operations of the various funds of the City. All necessary disclosures are included in this report to enable the reader to understand the City's financial activities.

The City's financial statements may be audited either by the Auditor of the State of Ohio, or with permission of the Auditor of State, by an independent certified public accountant. The audit of the City's basic financial statements for fiscal year 2008 was performed by the Auditor of the State of Ohio. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall

financial statement presentation. The Auditor of the State of Ohio concluded, based upon its audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2008 are fairly presented, in all material respects, in conformity with GAAP. The Independent Accountants' Report is presented as the first component of the financial section of this document.

GASB 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"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Accountants' Report in the financial section of this document.

## **Profile of the Government**

### *The City*

The City is a municipal corporation and political subdivision of the State of Ohio. It is located on the southern shore of Lake Erie approximately 25 miles east of downtown Cleveland. Mentor has a population of 50,278 residents according to the 2000 census and is the largest city in Lake County.

### *City Government*

The City operates under, and is governed by, a charter, which was first adopted by the voters in 1963 and has been and may be further amended by the voters from time to time. The City is also subject to certain general State laws that are applicable to all cities in the State. In addition, under Article XVIII, Section 3 of the Ohio Constitution, the City may exercise all powers of local self-government and may exercise police powers to the extent not in conflict with applicable general State laws. The charter provides for a city manager/council form of government.

Legislative authority is vested in a seven-member Council. The terms of Council members are four years. Council members are elected from four wards and three at-large representations. The Council fixes compensation of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal functions. The presiding officer is the President of Council, elected by the Council members for a two-year term. The Clerk of Council is appointed by Council. The charter establishes certain administrative departments; the Council may establish divisions within departments or additional departments. The City's chief executive and administrative officer is the City Manager appointed by the Council.

### *Financial Reporting Entity*

The City has applied guidelines established by Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*. Provisions outlined in this statement define the operational, functional and organizational units for which the City "acting as Primary Government" is required to include as part of its reporting entity. The inclusion of a component unit as part of the City's reporting entity requires the appointment of a voting majority of the component unit's board, and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

Under these provisions, the City's financial reporting entity acts as a single rather than multi-component unit. The provisions permit the entity to include all funds, agencies, and boards and

commissions that, by definition, comprise components within the primary government itself. For the City, these components include police and fire protection services, municipal court, planning and engineering, zoning code enforcements, street maintenance, traffic control, parks and recreation, building inspection and community and economic development.

Specifically excluded because they do not meet the established criteria for inclusion in the City's reporting entity are: the Mentor Exempted Village School District and the Mentor Public Library. These entities are operated by boards or commissions separate and independent from City Council's control. The City is not obligated to finance any deficits of the aforementioned entities, nor does it guarantee their indebtedness.

### *Accounting and Financial Reporting*

The City's accounting system is organized and operated on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The types of funds to be used are determined by GASB and the number of individual funds established is determined by sound financial administration. Each fund is a separate accounting entity with its own self-balancing set of accounts, assets, liabilities, and fund balance. The City's governmental funds include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. The City also maintains Fiduciary Funds to account for assets held by the City as an agent or in a trust capacity for individuals, private organizations and other governments.

Except for budgetary purposes, the basis of accounting used by the City conforms to GAAP as applicable to governmental units. All governmental funds are accounted for using a current financial resources-current assets and current liabilities-measurement focus. The modified accrual basis of accounting is utilized for 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 interest on long-term debt which is recorded when due.

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 (measurable and available), and encumbrances are included as expenditures rather than included in fund balances.

This is the sixth year the City has prepared financial statements following new standards. For the year ended December 31, 2003, the City changed its external financial reporting to comply with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, an amendment of GASB Statement Nos. 21 and 34*. Accordingly, in addition to governmental fund financial statements presented under the modified accrual basis of accounting, government-wide financial statements, which include all governmental funds, are presented on the full accrual basis of accounting. As part of the implementation of GASB Statement No. 34 and 37, the City has opted to fully implement retroactive infrastructure reporting. In doing so, the historical cost of infrastructure assets (retroactive to 1980) is included as part of the governmental capital assets. Thus, the depreciated cost of construction of the roadway network including streets, curbs and gutters, guard rails, traffic lights, signals, and bridges is reported in the government-wide statement of net assets. In conjunction with the implementation of GASB Statement Nos. 34 and 37, the City has also adopted GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, which rescinds some and modifies other financial statement disclosure requirements.

## *Budget Control*

Budget control is maintained at the department level by appropriations adopted annually by City Council. Such appropriations are subdivided into expenditure classifications (employee compensation, other expenditures) for each department within each fund. An encumbrance system is utilized, whereby purchase orders reserve portions of applicable appropriations. By such method, overspending of an appropriation is prevented. Open encumbrances are reported as reservations of fund balances at December 31, the close of the City's fiscal year.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is shown on page 34 as part of the basic financial statements. For other governmental funds with appropriated annual budgets, this comparison is presented in the supplementary information subsection of this report along with more detailed information regarding the General Fund, which starts on page 61.

## **Factors Affecting Financial Condition**

### *Local Economic Indicators*

The information presented in the financial statements should be considered in the context of the economic climate within which the City operates. The City's economic condition tends to reflect the broader national economy. During 2008, its local economy was strong as reflected in the growth in municipal income tax receipts over the previous year of 1.83% (cash basis).

Mentor's local economy benefits from its substantial role in the northeast Ohio region. The City continues to attract new commercial and residential development.

### *Major Industries and Employment*

City officials are optimistic regarding future economic growth. Manufacturing activity, which is diverse, includes medical related products, polymers and plastics, and electrical boards and other peripherals that generally service the computer and automation industries. A proliferation of small businesses in diversified industries has strengthened the City's economic base over the past decade. The City ranks 7th in the number of manufacturers and 10th in manufacturing employment in Ohio according to the 2002 Economic Census of Manufacturing, and 6th in the state in sales volume according to the 2002 Economic Census of Retail Trade.

### *Current Projects and 2008 Accomplishments*

In terms of roadway infrastructure improvements, the City resurfaced over 2 miles of asphalt streets using City forces for paving and contract services for the milling, and replaced 400 cubic yards of concrete streets. Capital improvement projects included: expansion and renovation of the Municipal Court; improvements to the golf course clubhouse including refurbishing the snack bar area and sales area; widening and resurfacing Heisley Road to four lanes between S.R. 2 and Hendricks Road; planning and engineering for the extension of Plaza Boulevard; resurfacing of U.S. 20 – Mentor Avenue from the West Corporation Line to Hopkins Road; construction of a right turn lane at the Center Street and Mentor Avenue intersection with Prospect Street; and repairs to concrete pavement on Market Street and Bellflower Road. The City also implemented the single family rental inspection program to ensure Code compliance with property maintenance requirements. Code enforcement officers inspected 246 properties during the year issuing the rental dwelling unit certificates.



Drainage projects undertaken in 2008 included the continued field surveying and information mapping to assemble the required base maps as part of the Mentor City Stormwater Discharge Permit application to the Ohio EPA. The City also continued its roadside ditch improvement program, including installation of over 6,500 feet of new pipe. In addition, as part of a program to help residents alleviate drainage problems, over 4,000 feet of pipe was installed benefiting approximately 20 properties.

The Fire Department continued to be one of the highest rated fire departments in the state with an ISO Class 2 public protection classification by the Insurance Services Office. There are currently no Class 1 departments in Ohio and only 21 of 2,815 communities are rated Class 2. ISO ratings run from 1, representing exemplary public protection, to 10, which indicates that the available fire protection does not meet ISO minimum criteria. This high rating means that business and commercial concerns within the City can realize savings on insurance premiums.

The Economic and Community Development Department serving as staff to the Municipal Planning Commission approved the final site plans for CT Consultants corporate headquarters, McDonald's and Quaker Steak and Lube restaurants. Reimaging was approved for the Prudential Select building, Classic Chevrolet and Volkswagen dealerships and Honda of Mentor dealership.

The Public Information Office oversaw the redesign of the City's web site ([www.cityofmentor.com](http://www.cityofmentor.com)) and produced 162 video programs representing 2,985 hours of reprogramming on The Mentor Channel. This is an increase of more than 15% due to adding the coverage of Municipal Planning Commission meetings and new import programs like Jazz Cardio Strength and The Vintage Vehicle Program. The Office received four awards of recognition for video and print work: First Place honors in the 2008 Philo T. Farnsworth Regional competition for community event coverage (Take Pride in America) and a First Place in the Magazine Program category for Video Journal. Two local Lake County Apex Awards were also received: a Bronze Award for a Summer Camp promotional video, and a Bronze Award for the community newsletter (Special Edition).

The Department of Parks, Recreation and Public Facilities purchased 72 new electric golf carts for Black Brook Golf Course, replaced 8,000 sq. ft. of roof damaged by a winter storm at the Marina, and replaced 200 sq. ft. of wood floor and refinished remaining wood flooring in the Senior Center exercise room and main hall. Point-of-sale programming and on-line program registration were added to better serve the Public. The use of a 360 degree virtual tour allowed persons to view any City rental facility. The City of Mentor was one of six cities statewide to receive the Healthy Ohio Award. Mentor was one of twenty-one cities nationally recognized by the National Alliance for Youth Sports as a Start Smart All-Star program. The City was named Tree City USA for the 21<sup>st</sup> consecutive year.

The Police Department began the planning process and needs assessment for a proposed addition to the police facility. In addition, the department worked with Court personnel to improve security at the Municipal Court. The Department formed an Aggressive Criminal Enforcement Team to work the Interstate 90 corridor on a part-time basis with the goal of interrupting the flow of illegal narcotics to and through our area. An all-terrain vehicle was added to the Department's fleet with the main purpose of addressing patrol and security concerns at the Mentor Lagoons. Advanced management training continued for supervisors with 2 sergeants again attending the Northwestern University School of Police Staff and Command.

### *For the Future*

The City's five-year (2009-2013) capital improvement program contains the following proposed expenditures:

Facility construction and improvements	\$ 6,696,500
Roadway construction and improvements	92,188,000
Traffic control	2,976,000
Sidewalk and bikeway improvements	1,060,000
Storm drainage	4,111,800
Park acquisition, development and improvement	5,372,000
Major capital equipment	9,875,917
Miscellaneous (Waste Collection)	<u>15,437,000</u>
	<u>\$ 137,717,217</u>

Of the proposed \$137,717,217 for the five-year period, \$43,756,982 (32%) is expected to be funded by the City. The remaining \$93,960,235 (68%) is expected to be funded primarily by Federal/State/County assistance.

With a growing population and an extensive commercial and retail district, transportation issues are important to City officials. Projects anticipated in 2009 include the following: major reconstruction including an additional lane to S.R. 2 between S.R. 91 in Willoughby to just east of S.R. 306; major reconstruction and resurfacing of Tyler Boulevard from S.R. 306 to S.R. 615 funded through the American Recovery and Reinvestment Act (ARRA); upgrades to the S.R. 306/I90 traffic signal; improvements to the culvert at Kellogg Creek and King Memorial Road; dredging of the draining ditch adjacent to S.R. 2 and Trillium Lane/Luoem Trail; improvements to the storm sewer outfall at the corner of Corduroy Road and Headlands Road; and planning and engineering and land/right-of-way acquisition for the extension of Plaza Boulevard. Other future improvements include: new software for police mobile equipment; facility upgrades to the Police Department; restroom construction and improvements at the Mentor Lagoons and Marina; and various energy savings projects funded through the ARRA.

### *Long-term financial planning*

The City's long-term financial planning considers maintaining a healthy general fund balance reserve during the preparation of its capital budget and operating budget. The City plans on issuing general obligation bonds of approximately \$3.8 million dollars during 2009 to finance certain capital and infrastructure improvements. Special assessment bond anticipation notes for Center Street improvements of approximately \$0.6 million will also be paid off through a bond issuance in the third quarter of 2009. The City also entered into an infrastructure agreement with CT Sterling, LLC for the construction of a new \$400,000 roadway to be paid for through the use of tax increment financing.

### *Relevant financial policies*

The City's established purchasing and budgeting policies provide a framework for the budget process. All transactions utilizing financial resources require the availability of legally appropriated funds. Budgets are monitored real-time and adjusted legislatively if necessary.

### **Cash Management**

Cash management is a vital part of the City's financial operations. We attempt to earn as much investment income as is consistent with our primary objective of preserving principal.

We strive to invest all available dollars. The City uses a controlled disbursement approach in which only the amount needed to cover checks that are presented for payment each day is transferred from investments to the bank accounts. A money market fund is used to increase yield while maintaining adequate funds to pay bills day-to-day. The City also invests in certain bond mutual funds and in debt securities with maturities of up to five years. All investments are made in accordance with the City's investment ordinance; the Director of Finance may only invest in a debt security if, at the time the investment is made, he reasonably believes that it can be held until its maturity. Additional information regarding the City's cash management, including its investment policy and the security of City deposits can be found in Note 3.

## **Risk Management**

The City contracts the services of an insurance consultant to review coverage and make recommendations. The consultant is strictly an advisor and reviewer of all transactions pertaining to various aspects of the coverage needed in today's governmental operations. Additional information on the City's risk management, including insurance and self-insurance can be found in Note 9.

## **Awards and Acknowledgements**

### *Awards*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mentor for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2007. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

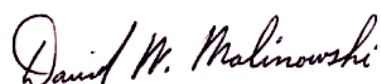
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Mentor has received a Certificate of Achievement for the last twenty-four consecutive years (fiscal years 1984-2007). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

### *Acknowledgements*

Appreciation is extended to the many individuals in the Finance Department who have assisted in preparing this report. Other factors that make this report possible are the cooperation of other City departments and the support and encouragement of the City Manager, the Council President, and members of Council.

Sincerely,



David W. Malinowski  
Director of Finance

# CITY OF MENTOR, OHIO

## PRINCIPAL CITY OFFICIALS DECEMBER 31, 2008

---

### Mentor City Council

At-Large -----Ray Kirchner  
At-Large ----- Scott J. Marn  
At-Large ----- Mark T. Freeman  
Ward 1, President----- Robert M. Shiner  
Ward 2 ----- Carolyn P. Bucey  
Ward 3, Vice President ----- Edward R. Walsh  
Ward 4 ----- Ronald L. Micchia

Judge, Mentor Municipal Court----- John F. Trebets

Law Director-----Richard A. Hennig  
Clerk of Council -----Elizabeth A. Limestahl  
City Manager-----John W. Konrad  
Assistant City Manager-----Anthony J. Zampedro  
Director of Finance -----David W. Malinowski  
Director of Public Works -----Matthew S. Schweikert  
Director of Parks, Recreation and Public Facilities ----- Robert E. Martin, Jr.  
City Engineer ----- Dave Swiger  
Chief of Police ----- Daniel Llewellyn  
Fire Chief ----- Richard L. Harvey  
Director of Economic and Community Development-----Ronald M. Traub

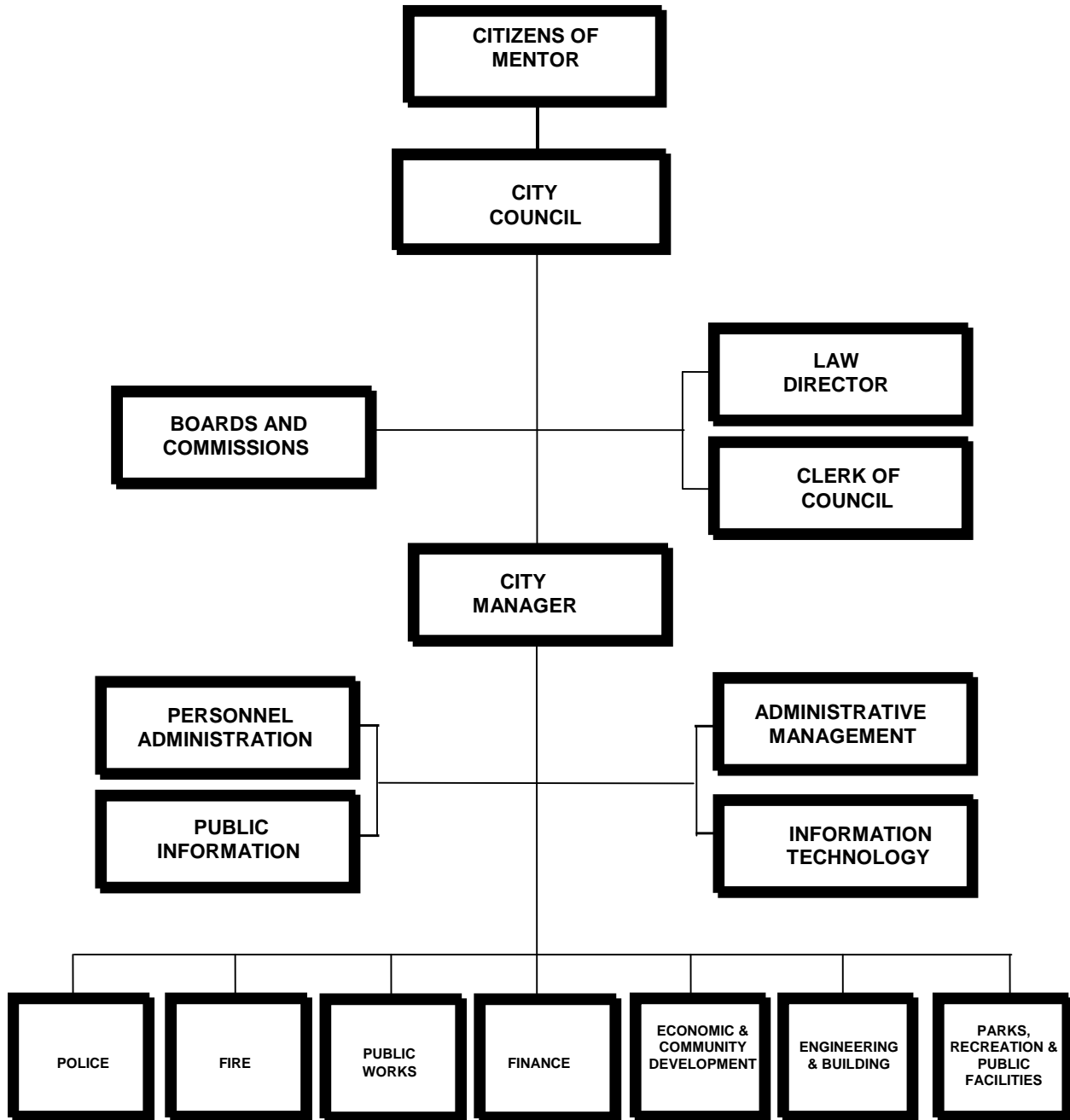
# CITY OF MENTOR, OHIO

## DEPARTMENT OF FINANCE STAFF DECEMBER 31, 2008

---

DAVID W. MALINOWSKI ----- Director of Finance  
DEBORAH J. VANONE ----- Assistant Director  
SHEARIN FERGUSON ----- Assistant Tax Admin./Accounting Project Mgr.  
DIANE L. PAULEY ----- Purchasing/Accounting Coordinator  
JILL LEHNER ----- Payroll/Accounting Coordinator  
LINDA HOVANCE ----- Accounting Assistant  
LINDA MARTINC ----- Accounting Assistant  
BARBARA YOUNG ----- Accounting Assistant  
LINDA WIGHT ----- Accounting Assistant  
VERONICA FETSKO ----- Accounting Assistant  
VACANT ----- Accounting Assistant  
JO-ANN FOHL ----- Office Assistant  
KRIS HANNAN ----- Office Assistant  
MARIE SAMEC ----- Office Assistant

**CITY OF MENTOR, OHIO**  
**Organization Chart**



Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

City of Mentor  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

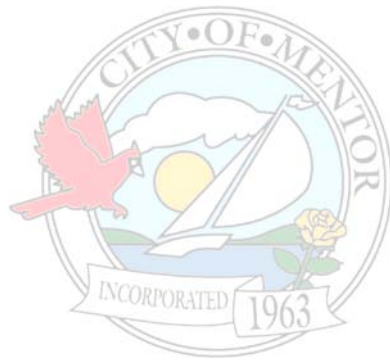


A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director





# FINANCIAL SECTION



*the city of choice!*<sup>SM</sup>

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

City of Mentor  
Lake County  
8500 Civic Center Boulevard  
Mentor, Ohio 44060

To the City Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mentor, Lake County, Ohio (the City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mentor, Lake County, Ohio, as of December 31, 2008, and the respective changes in financial position thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2009, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

June 19, 2009

# CITY OF MENTOR, OHIO

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Mentor (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2008. Please read this information in conjunction with the City's basic financial statements and footnotes that begin on page 29.

### FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at December 31, 2008 by approximately \$191.4 million (net assets). All of the net assets are accounted for as governmental activities. Of this amount, \$21.0 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net assets increased by \$8.1 million during 2008.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$18.2 million and is available for spending at the City's discretion. The unreserved fund balance equals 39.5 percent of total current year general fund expenditures.
- The City's total debt and other long-term obligations increased by \$2.3 million (6.4 percent) during the current fiscal year. The increase was primarily related to the issuance of a short-term note (\$4.1 million) during the year offset against payments to retire bonds during the year (\$1.8 million).

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of five components: 1) government-wide financial statements, 2) fund financial statements, 3) General Fund budget and actual statement, 4) fiduciary fund financial statements, and 5) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statement of activities distinguishes functions of the City that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City principally include: general government; police; fire; streets and highways; parks, recreation and public facilities; economic and community development; and engineering and building.

The government-wide financial statements can be found on pages 29-30 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 50 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Assessment Bond Retirement Fund, and the Norton Parkway Fund, which are considered to be major funds. Data from the other 47 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 31-33 of this report.

**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. The fiduciary funds reporting focuses on net assets and changes in net assets.

The basic fiduciary fund financial statements can be found on pages 35 and 36 of this report.

**General Fund budget and actual statement.** The City adopts an annual appropriated budget for each of its funds. The General Fund budgetary comparison on page 34 of this report has been provided as a separate financial statement to demonstrate compliance with its budget.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-60 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Statement of Net Assets looks at the City as a whole. The table below provides a summary of the City's net assets for 2008 compared to 2007.

	<b>Summary of Net Assets</b>	
	Summary of Net Assets as of <u>December 31, 2008</u>	Summary of Net Assets as of <u>December 31, 2007</u> (Restated)
<b>Assets:</b>		
Cash, investments, receivable and other assets	\$ 60,604,143	\$ 49,636,897
Capital Assets	<u>178,887,847</u>	<u>179,994,004</u>
 Total assets	 <u>239,491,990</u>	 <u>229,630,901</u>
<b>Liabilities:</b>		
Accounts payable, accrued liabilities, deferred revenues and other liabilities	13,835,962	17,889,025
Long-term obligations	<u>34,243,203</u>	<u>28,387,064</u>
 Total liabilities	 <u>48,079,165</u>	 <u>46,276,089</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt	143,782,111	146,853,882
Restricted	26,594,057	16,883,091
Unrestricted	<u>21,036,657</u>	<u>19,617,839</u>
 Total net assets	 <u>\$ 191,412,825</u>	 <u>\$ 183,354,812</u>

Total assets increased \$9,861,089 from 2007 to 2008. The increase was primarily due to an increase in special assessment receivables (\$11.0 million) held in the general fund offset against a decrease in capital assets (\$1.0 million).

Total liabilities increased by \$1,803,076. The increase was primarily in long-term obligations and is primarily attributable to the issuance of a short-term note (\$4.1 million) offset against the retirement of existing bonded debt (\$2.0 million).

The result of increased assets and liabilities is an increase in total net assets of \$8,058,013. A portion of the City's net assets (13.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$21 million or (11 percent) may be used to meet the City's ongoing obligations to citizens and creditors.

In order to further understand what makes up the changes in net assets for the current and previous year, the following table provides details regarding the results of activities for those years.

## Changes in Net Assets

	2008	2007
Revenues		
Program Revenues:		
Charges for Services	\$ 9,326,923	\$ 9,269,921
Operating grants and contributions	1,312,519	942,586
Capital grants and contributions	11,501,159	769,887
General Revenues:		
Municipal income taxes	32,831,801	32,267,383
Property taxes	6,061,109	6,086,882
Other local taxes	424,852	786,290
Shared revenues	7,692,358	8,314,320
Other grants and contributions	79,068	163,737
Unrestricted investment earnings	307,232	1,124,560
Note premium	-	18,851
Other	92,459	504,103
	69,629,480	60,248,520
 Total Revenues	 69,629,480	 60,248,520
 Expenses		
General government	7,889,366	7,300,405
Police	12,274,557	11,680,006
Fire	11,790,289	11,093,519
Streets and highways	16,405,625	13,482,845
Parks, recreation and public facilities	7,763,173	9,225,254
Economic and community development	1,680,361	1,821,134
Engineering and building	2,191,074	2,131,217
Interest and other charges	1,577,022	1,538,100
	61,571,467	58,272,480
 Total Expenses	 61,571,467	 58,272,480
 Increases in net assets	 8,058,013	 1,976,040
 Net assets at beginning of year	 183,354,812	 181,378,772
 Net assets at end of year	 \$ 191,412,825	 \$ 183,354,812

The increase in net assets of \$8.1 million in 2008 is a result of additional program revenues for capital grants and contributions in various programs offset by higher expenses per functional areas, particularly in police, fire, and streets and highways. The \$2.0 million increase in net assets in 2007 was a result of additional program revenues in various programs and general revenues offset by higher expenses in functional areas, particularly in police, fire, and parks, recreation and public facilities.



## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental funds.

The focus of the City's governmental funds is to provide information on inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unreserved fund balance is a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2008, the City's governmental funds reported combined ending fund balances of \$21.2 million, an increase of \$4.2 million from the prior year. The unreserved amount of \$16.9 million is available for spending at the City's discretion. The remainder of the combined fund balances is reserved to indicate that it is not available for general spending because it has already been committed 1) to liquidate contracts and purchase orders outstanding of \$2.3 million, 2) to pay \$1.4 million of debt service, and 3) to hold inventory of \$0.6 million.

The City reported three major funds for the year – the General Fund, the Special Assessment Bond Retirement Fund, and the Norton Parkway Fund. In addition to the detailed analysis of the General Fund that follows, these other changes in fund balances should be noted:

- The City recorded revenues of \$0.8 million and expenditures of \$0.8 million related to special assessments for certain bonds issued in past years. The fund balance increased by approximately \$0.2 million as a result of transfers-in from the close out of the Norton Parkway fund.
- The Norton Parkway fund balance increased by approximately \$6.8 million as a result of the issuance of bonds during 2008.

The General Fund is the chief operating fund of the City. At December 31, 2008, the unreserved fund balance of the General Fund was \$18.2 million. As a measure of the General Fund's liquidity, it is useful to compare the unreserved fund balance to total fund expenditures. The unreserved fund balance represents 39.5 percent of total General Fund expenditures at December 31, 2008.

A two-year comparison of General Fund activity is shown in the following table. The revenues, expenditures and change in fund balance shown in the comparison are presented on the modified accrual basis of accounting applicable to governmental funds.

**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance Information**  
**(Modified Accrual Basis)**

Years Ended December 31, 2008 and December 31, 2007

	<u>2008</u>	<u>2007</u>
Revenues:		
Property taxes	\$ 1,943,949	\$ 1,795,300
Municipal income taxes	32,960,086	31,346,263
Intergovernmental	4,791,206	5,771,518
Charges for services	5,304,468	4,872,367
Fines and forfeitures	1,123,931	1,127,923
Licenses, permits and inspections	1,191,262	1,587,741
Investment income	307,232	1,124,560
Donations and other	<u>275,105</u>	<u>659,471</u>
 Total Revenues	 <u>47,897,239</u>	 <u>48,285,143</u>
 Expenditures:		
General government	7,275,723	6,834,881
Police	11,105,428	10,518,016
Fire	9,262,337	8,766,398
Streets and highways	7,472,596	7,223,806
Parks, recreation and public facilities	6,480,397	7,929,041
Economic and community development	1,452,747	1,487,680
Engineering and building	2,090,630	1,992,617
Capital outlay	977,452	2,074,269
Debt service - principal retirement	<u>21,221</u>	<u>21,221</u>
 Total Expenditures	 <u>46,138,531</u>	 <u>46,847,929</u>
 Excess (deficiency) of revenues over expenditures	 1,758,708	 1,437,214
 Other financing sources (uses):		
Transfers in	-	151,682
Transfers out	<u>(53,396)</u>	<u>(830,178)</u>
 Excess (deficiency) of revenues and other sources over expenditures and other uses	 1,705,312	 758,718
 Fund balance at beginning of year	 17,993,112	 17,195,520
Change in reserve for inventory	<u>(20,294)</u>	<u>38,874</u>
 Fund balance at end of year	 <u>\$ 19,678,130</u>	 <u>\$ 17,993,112</u>

## Analysis of General Fund Revenues

General Fund revenues and other sources totaled \$47.9 million in 2008, a decrease of approximately 1.0% from 2007. A discussion of each of the major types of General Fund revenues follows.

### *Property Taxes*

Taxes collected from real property in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Taxes collected from tangible personal property in one calendar year are levied in the same calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year, and at the rates determined in the preceding year. 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 January 1 of that preceding year, the lien date.

The “assessed valuation” of real property is fixed at 35% of true value and is determined pursuant to rules of the State Tax Commissioner. An exception is that real property devoted exclusively to agricultural use is assessed at not more than 35% of its current agricultural use value. Real property devoted exclusively to forestry or timber growing is taxed at 50% of the local tax rate multiplied by the assessed value.

The assessed values of taxable property in the City for the past two years were as follows:

<u>Tax Collection Year</u>	<u>Real Property</u>	<u>Tangible Personal Property (Other than Public Utility Property)</u>	<u>Public Utility Tangible Personal Property</u>	<u>Total Assessed Valuation</u>
		(in thousands)		
2007	\$ 1,562,461	\$ 93,005	\$ 35,571	\$ 1,691,037
2008	1,579,846	64,709	32,454	1,677,009

Property tax revenues increased by approximately 8.0% in 2008 principally due to reallocating 0.1 mills of available inside millage away from the general obligation bond retirement fund to the general fund.

### *Municipal Income Taxes*

Ohio law authorizes a municipal income tax on both business income (net profits from the operation of a business or profession) and employee wages, salaries, and other compensation at a rate of up to 1% without voter authorization and at a rate above 1% with voter authorization. The charter of the City of Mentor requires voter approval of any tax on income. On November 6, 2007, the voters in the City renewed the two percent income tax for a five year period through December 31, 2012.

The income tax is imposed on gross salaries and wages earned in the City by non-residents of the City and on salaries, wages and other compensation of City residents earned within or outside the City. The income tax liability of a City resident employed outside the City is reduced by a credit equal to 100% of the tax paid to the municipality in which the City resident is

employed. The tax on business profits is imposed on that part of profits attributable to business conducted within the City.

Income tax revenue increased approximately \$1.6 million in 2008 versus the comparable amount in 2007 as a result of stable growth in the local economy. Revenue generated from the municipal income tax is recorded in the General Fund and may be used for any governmental purpose, including debt service on general obligation bonds of the City.

### *Intergovernmental*

Intergovernmental revenues are composed of federal and state grants and other shared revenues including taxes levied and collected by the State of Ohio and Lake County and partially redistributed to the City and other political subdivisions. Shared revenues include state income, sales, corporate franchise, estate, and cigarette taxes as well as liquor fees. Intergovernmental revenues decreased by approximately 17.0% in 2008 primarily due to lower estate tax collections during the year.

The State Local Government Fund ("LGF") and Local Government Revenue Assistance Fund ("LGRAF") are a significant source of non-tax General Fund revenue. Through these funds, Ohio subdivisions share in a portion of the State's collection of the sales tax, use tax, personal income tax, corporate franchise tax and public utilities excise tax. The percentages of the five taxes supporting these funds have varied over the years. At times, the dollar amounts in the funds have been capped at specified levels.

Pursuant to the Ohio Revised Code, State LGF revenues are divided into county and municipal portions. The county portion, the larger of the two, is distributed to each of the State's 88 counties and is allocated based upon a statutory formula utilizing county population and county municipal property values. Once received by a county, the funds can either be distributed to all subdivisions using the statutory formula or the county and its subdivisions may agree upon an alternate method for allocating the funds. Lake County and its recipient communities have chosen the latter method, which is comprised of a base allocation and an excess allocation. The excess allocation takes into account such factors as assessed value per capita, per capita income, population density and the number of individuals receiving public assistance. The municipal portion of the LGF is distributed directly by the State to those municipalities that collect an income tax. A municipality receives its share of the funds based upon its percentage of total municipal income taxes collected throughout the state in a given year. In 2008, the City had LGF revenue of \$3.3 million.

The LGRAF, which was created in 1989, is distributed to all counties based upon population. Either the statutory allocation method or an agreed upon alternative allocation is used to apportion the funds. Lake County allocates LGRAF funds using the same method as is used to distribute LGF monies. In 2008, the City had LGRAF revenue of \$0.3 million. LGRAF funding has fluctuated over the course of the last few years. Distributions from the State of Ohio and Lake County (as a conduit between the State and City) have remained constant or decreased since 2001.

### *Charges for Services*

Revenue from charges for services increased by \$432,101, approximately 9.0% in 2008 primarily due to revenue generated from the benefit of a full year of billing and collecting the cost of providing emergency transport services through the Fire department versus a partial year in 2007, the first year of implementation.

### Licenses, permits and inspections

Revenue from licenses, permits and inspections decreased by \$396,479 during 2008 primarily due to a decreased volume of permits issued during 2008.

### Investment Income

Investment income in 2008 was \$307,232, down from \$1,124,560 in 2007. The City had an average of \$24.6 million invested during 2008 versus \$23.7 million in 2007, which increased investment income by about \$28,000. A lower effective yield on the portfolio of about 2.5% during 2008 caused a decrease of about \$600,000. The loss of fair market value of the City's corporate bond funds caused the remaining decrease of \$245,000.

### Analysis of General Fund Expenditures

General Fund expenditures and other uses totaled \$46.2 million in 2008, a decrease of 3.12% from 2007. The amount of expenditures and other uses by function on a modified accrual basis for the year ended December 31, 2008, including the increases (decreases) over the prior year, are shown in the following table:

Expenditures and Other Uses	2008	Total	2007	Total	Increase (Decrease)	Change
					Over 2007	
(\$ Amounts in 000's)						
Current:						
General Government	\$ 7,276	15.75%	\$ 6,835	14.34%	\$ 441	6.45%
Police	11,105	24.04%	10,518	22.06%	587	5.58%
Fire	9,262	20.05%	8,766	18.39%	496	5.66%
Streets and highways	7,473	16.18%	7,224	15.15%	249	3.45%
Parks, recreation and public facilities	6,480	14.03%	7,929	16.63%	(1,449)	-18.27%
Economic and community development	1,453	3.15%	1,488	3.12%	(35)	-2.36%
Engineering and building	2,091	4.53%	1,993	4.18%	98	4.91%
Capital outlay	977	2.12%	2,074	4.35%	(1,097)	-52.89%
Debt Service - principal retirement	21	0.05%	21	0.04%	-	0.00%
Transfers out	53	0.11%	830	1.74%	(777)	-93.61%
Total expenditures and other financing uses	<u>\$ 46,191</u>	<u>100.00%</u>	<u>\$ 47,678</u>	<u>100.00%</u>	<u>\$ (1,487)</u>	<u>-3.12%</u>

Almost all governmental functions showed minor increases in expenditures. The only function showing a significant decrease in expenditures was Parks, recreation and public facilities because approximately \$1.8 million of expenditures in 2008 was moved to streets and highways. Streets and highways remained relatively flat because \$1.7 million of wages were charged to the Street Fund during 2008.

Capital outlay and transfers out decreased significantly as a result of negligible equipment purchases in the Fire department during 2008 compare to the purchase of two new fire engines and the cost of acquiring Morton property and improving the Marsh Creek Detention requiring general fund monies during 2007.

**Major Functional Expense Categories.** A discussion of the City's major functional expense categories follows:

### *Employee Compensation and Labor Relations*

As of December 31, 2008 and 2007, the City had approximately 376 and 374 full-time employees, respectively. As of December 31, 2008, approximately 235 full-time employees are represented in 5 collective bargaining units. The labor unions, together with the approximate number of employees represented by each, are the Municipal, County and State Employees' Union 1099 – 70, the Ohio Patrolmen's Benevolent Assn. representing three units – 93, and the International Assn. of Firefighters Local 1845 – 72.

There have been no work stoppages in the City within the last 20 years. The current three-year agreements with the labor unions, which represent the full-time employees, all expire in March 2011. The agreement covering the part-time firefighters expires in April 2009. The current agreements have wage increases of generally 3%.

The Council, by ordinance, establishes schedules of salaries, wages and other economic benefits for the City's non-union employees. Generally, the terms of these ordinances have mirrored the wage increases and benefits in the union agreements.

Chapter 4117 of the Ohio Revised Code (the "Collective Bargaining Law"), establishes procedures for, and regulates public employer-employee collective bargaining and labor relations for the City and other state and local governmental units in Ohio. The Collective Bargaining Law creates a three-member State Employment Relations Board, which administers and enforces the Collective Bargaining Law. Among other things, the Collective Bargaining Law: (i) creates rights and obligations of public employers, public employees and public employee organizations with respect to labor relations; (ii) defines the employees it covers; (iii) establishes methods for (a) the recognition of employees and organizations as exclusive representatives for collective bargaining and (b) the determination of bargaining units; (iv) establishes matters for which collective bargaining is either required, prohibited, or optional; (v) establishes procedures for bargaining and the resolution of disputes, including negotiation, mediation and fact finding; and (vi) permits all covered employees to strike, except certain enumerated classes of employees, such as police and fire personnel.

Over the past two years, the total salaries and wages paid to City employees from the General Fund were as follows:

<u>Year</u>	<u>Amount Paid</u>
2008	\$ 24,389,515
2007	25,085,331

### *Employee Retirement Benefits*

City employees (except for certain part-time firefighters who are covered by social security) are members of one of two retirement systems. These retirement systems provide both pension and postretirement health care benefits to participants, were created pursuant to Ohio statutes and are administered by state created boards of trustees. The boards are comprised of a combination of elected members from the respective retirement systems' memberships and ex-officio members from certain state government offices.

These two retirement systems are:

- Ohio Public Employees Retirement System (OPERS), created in 1935, represents state and local government employees not included in one of the other four state-mandated systems. The traditional pension and combined plans had 363,503 active contributing

participants as of December 31, 2008. More data on this pension fund is shown in Notes 13 and 14 to the financial statements.

- Ohio Police and Fire Pension Fund (OP&F), created in 1966, represents sworn personnel, not civilians, employed in police and fire divisions of Ohio's local governments. All of the City's full-time police and fire officers are members of this pension fund. More data on this pension fund is shown in Notes 13 and 14 to the financial statements.

Over the past two years, the City and its employees have paid the following amounts to OPERS and OP&F.

	<u>2008</u>	<u>2007</u>
	(in thousands)	
Paid by City to		
OPERS	\$ 2,053	\$ 1,913
OP&F	<u>2,540</u>	<u>2,413</u>
Total paid by City	<u>4,593</u>	<u>4,326</u>
Paid by Employees to		
OPERS	1,466	1,306
OP&F	<u>1,172</u>	<u>1,121</u>
Total paid by Employees	<u>2,638</u>	<u>2,427</u>
Total	<u>\$ 7,231</u>	<u>\$ 6,753</u>

The increase in amounts paid to OPERS and OP&F during 2008 is primarily due to the rate increase for employer and employee contributions.

The City is current in all of its required contributions to the respective pension funds.

## **GENERAL FUND BUDGETARY ANALYSIS**

The difference between the original and the final amended budget for the City's General Fund expenditures, including transfers and advances out, (see page 34) was an increase of \$3.7 million, a 7.2 percent increase in appropriations. The budget for general fund expenditures was increased as a result of underestimating original appropriations due to the following:

- Budgets for various capital project funds and grant funds were increased by \$3.7 million through temporary cash advances from the General Fund. The General Fund will be reimbursed next year upon revenue received from outside funding sources.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets:** The City's investment in capital assets as of December 31, 2008 equaled \$178.9 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, equipment, infrastructure, and construction in progress. The total decrease in the City's investment in capital assets in 2008 was 0.6 percent. A summary of the City's capital assets at December 31, 2008 and December 31, 2007 is as follows:

	<b>2008</b>	<b>2007</b>
	<b>Capital Assets, Net of Accumulated Depreciation</b>	<b>Capital Assets, Net of Accumulated Depreciation</b>
Land	\$ 63,033,230	\$ 62,991,540
Land improvements	1,188,455	1,374,045
Buildings and improvements	24,178,250	25,251,371
Equipment	8,143,195	8,262,000
Infrastructure	80,942,176	80,785,414
Construction in progress	<u>1,402,541</u>	<u>1,329,634</u>
Total	<u>\$ 178,887,847</u>	<u>\$ 179,994,004</u>

The following were the major transactions during the current fiscal year that affected the City's capital assets:

- Buildings and improvements – normal annual depreciation on existing buildings without new additions and few improvements.

The primary sources for financing the City's capital improvement projects are federal, state (Issue 2), and Lake County funding sources; general obligation bond proceeds; and general fund revenues. Additional information on the City's capital assets can be found in Note 6 to the financial statements starting on page 50.

**Long-term debt.** As of December 31, 2008 the City had total bond and notes outstanding of \$35.1 million. These are backed by the full faith and credit of the City.

The activity affecting the City's debt obligations outstanding during the year ended December 31, 2008 is summarized below.

	<b>Balance January 1, 2008</b>	<b>Debt Issued</b>	<b>Debt Retired</b>	<b>Balance December 31, 2008</b>
		(in thousands)		
General Obligation Bonds	\$ 19,244	\$ -	\$ (1,474)	\$ 17,770
Special Assessment Bonds	5,561	7,505	(491)	12,575
Capital Projects Notes Payable and OWDA/OPWC Loans	<u>8,335</u>	<u>11,948</u>	<u>(15,522)</u>	<u>4,761</u>
Total Government Activities	<u>\$ 33,140</u>	<u>\$ 19,453</u>	<u>\$ (17,487)</u>	<u>\$ 35,106</u>

The funds used to meet the debt service requirements of the City's general obligation bonds are from certain ad valorem taxes and other revenue sources. Ad valorem taxes, the primary source of funds, amounted to \$1.9 million in 2008 which represented 90% of the debt service requirements on the general obligation bonds. Admission tax and hotel/motel tax revenues and



transfers from the general fund were used to pay the remaining 10% of debt service requirements.

The City issues its general obligation bonds within the context of its Capital Improvement Program. Programs which have benefited due to the issuance of general obligation debt include construction of and additions to City buildings (including a maintenance facility, an ice arena, a senior center, a fire station, and a City hall addition), and acquisition of a golf course, marina, and park land.

The City also issues special assessment bonds for various roadway improvements. The debt service on the special assessment bonds is paid from the revenue collected through the special assessment levies.

The City presently has an Aa2 bond rating from Moody's Investors Service that was assigned in October 2005; and reaffirmed in August, 2008; previously the City had an Aa3 rating from Moody's that was assigned initially in August 1997 and was reaffirmed in October 2004.

The ratio of net general bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the City's debt position. Net general bonded debt is total general bonded debt supported by taxes less amounts available in the Debt Service Funds. This data at December 31, 2008 was:

Net General Bonded Debt	\$17,770,131
Ratio of Net Bonded Debt to Assessed Valuation	1.00%
Net General Bonded Debt Per Capita	\$332.30

The Ohio Revised Code provides that the net debt of the municipal corporation, whether or not approved by the electors, shall not exceed 10.5 percent of the assessed value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5 percent of the total assessed value of property. The City's total debt limit (10.5 percent) is \$176,085,944 and unvoted debt limit (5.5 percent) is \$92,235,495. These debt limitations are not expected to affect the financing of any currently planned facilities or services.

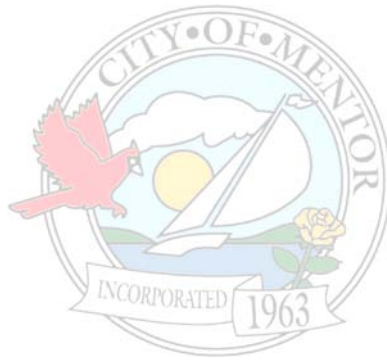
Additional information on the City's long-term debt can be found in Note 7 to the financial statements.

## **FACTORS EXPECTED TO IMPACT THE CITY'S FUTURE FINANCIAL POSITION OR RESULTS OF OPERATIONS**

On a cash basis the City's general fund budget for 2009 projects a year-end unencumbered balance of \$8.2 million. This includes estimated income tax collections of \$31.1 million which is 3.5% less than actual 2008 collections. For the four months through April 30, 2009 income tax collections were up 2.9% from the comparable 2008 period. The general fund unencumbered balance at April 30, 2009 was \$12.0 million.

## **NEED ADDITIONAL INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Finance, City of Mentor, 8500 Civic Center Boulevard, Mentor, Ohio 44060.



# BASIC FINANCIAL STATEMENTS



*the city of choice<sup>SM</sup>!*

# CITY OF MENTOR, OHIO

## STATEMENT OF NET ASSETS

December 31, 2008

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### ASSETS

Cash and investments	\$ 21,381,265
Receivables, net of allowance for doubtful accounts	33,507,560
Due from other governments	4,764,585
Inventory	607,442
Prepaid expenses	24,460
Deferred charges	180,831
Land held for resale	138,000
Nondepreciable capital assets	64,435,771
Depreciable capital assets, net of accumulated depreciation	<u>114,452,076</u>
Total assets	<u><u>239,491,990</u></u>

### LIABILITIES

Accounts payable and accrued liabilities	4,312,033
Deposits	271,463
Unearned revenues	5,132,466
Notes payable	4,120,000
Long-term obligations:	
Due within one year	3,766,200
Due in more than one year	<u>30,477,003</u>
Total liabilities	<u><u>48,079,165</u></u>

### NET ASSETS

Invested in capital assets, net of related debt	143,782,111
Restricted for:	
Debt service	21,055,145
Capital projects	655,800
Streets and public safety	4,883,112
Unrestricted	<u>21,036,657</u>
Total net assets	<u><u>\$ 191,412,825</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF MENTOR, OHIO**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2008**

Functions/Programs:	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
<b>Governmental Activities:</b>					
General Government	\$ 7,889,366	\$2,247,383	\$ 107,462	\$ -	\$ (5,534,521)
Police	12,274,557	59,522	56,516	7,000	(12,151,519)
Fire	11,790,289	1,208,016	43,180	-	(10,539,093)
Streets and highways	16,405,625	1,174,704	601,810	11,149,879	(3,479,232)
Parks, recreation and public facilities	7,763,173	4,050,431	264,543	50,364	(3,397,835)
Economic and community development	1,680,361	51,657	239,008	-	(1,389,696)
Engineering and building	2,191,074	535,210	-	-	(1,655,864)
Interest and other charges	1,577,022	-	-	293,916	(1,283,106)
Total governmental activities	<u>\$61,571,467</u>	<u>\$9,326,923</u>	<u>\$ 1,312,519</u>	<u>\$11,501,159</u>	<u>\$ (39,430,866)</u>
<b>General revenues:</b>					
Municipal income taxes					32,831,801
Property taxes levied for:					
General purpose					1,943,948
Special revenue					2,215,269
Debt service					1,901,892
Other local taxes					424,852
Shared revenues					7,692,358
Grants and contributions					79,068
Unrestricted investment earnings					307,232
Other					92,459
Total general revenues					<u>47,488,879</u>
Changes in net assets					8,058,013
Net assets at beginning of year					<u>183,354,812</u>
Net assets at end of year					<u>\$ 191,412,825</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF MENTOR, OHIO**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**December 31, 2008**

	General	Special Assessment Bond Retirement	Norton Parkway	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 14,231,476	\$ 250,675	\$ -	\$ 6,899,114	\$ 21,381,265
Receivables, net	10,210,379	19,286,747	-	4,010,434	33,507,560
Due from other funds	1,879,908	-	-	-	1,879,908
Due from other governments	2,387,176	-	-	2,377,409	4,764,585
Inventory	607,442	-	-	-	607,442
Land held for resale	-	138,000	-	-	138,000
<b>TOTAL ASSETS</b>	<b>\$ 29,316,381</b>	<b>\$ 19,675,422</b>	<b>\$ -</b>	<b>\$ 13,286,957</b>	<b>\$ 62,278,760</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 481,010	\$ -	\$ -	\$ 556,324	\$ 1,037,334
Accrued payroll and employee benefits	2,196,163	-	-	-	2,196,163
Accrued liabilities	907,179	12,072	-	45,949	965,200
Construction, security and bid deposits	271,463	-	-	-	271,463
Due to other funds	-	-	-	1,879,908	1,879,908
Notes payable	-	-	-	4,120,000	4,120,000
Deferred revenue	5,782,436	19,286,747	-	5,504,984	30,574,167
<b>Total liabilities</b>	<b>9,638,251</b>	<b>19,298,819</b>	<b>-</b>	<b>12,107,165</b>	<b>41,044,235</b>
<b>FUND BALANCES</b>					
Reserved for:					
Inventory	607,442	-	-	-	607,442
Debt Service	-	376,603	-	1,062,796	1,439,399
Encumbrances	855,057	-	-	1,408,664	2,263,721
Unreserved, reported in:					
General fund	18,215,631	-	-	-	18,215,631
Special revenue funds	-	-	-	3,008,409	3,008,409
Capital project funds	-	-	-	(4,300,077)	(4,300,077)
<b>Total fund balances</b>	<b>19,678,130</b>	<b>376,603</b>	<b>-</b>	<b>1,179,792</b>	<b>21,234,525</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 29,316,381</b>	<b>\$ 19,675,422</b>	<b>\$ -</b>	<b>\$ 13,286,957</b>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. (See note 6).	178,887,847
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	25,646,992
Deferred charges for bond refundings in 2004/2005	180,831
Prepaid expenses	24,460
Deferred revenues	25,441,701
Long-term liabilities, including bonds and claims payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds. (See note 7, plus \$113,336 of accrued interest).	(34,356,539)
Net assets of governmental activities	<u>\$191,412,825</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF MENTOR, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2008**

	General	Special Assessment Bond Retirement	Norton Parkway	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 1,943,949	\$ -	\$ -	\$ 4,117,161	\$ 6,061,110
Municipal income taxes	32,960,086	-	-	-	32,960,086
Other local taxes	-	-	-	424,852	424,852
Intergovernmental	4,791,206	-	-	3,907,382	8,698,588
Charges for services	5,304,468	-	-	173,753	5,478,221
Fines and forfeitures	1,123,931	-	-	310,629	1,434,560
Licenses, permits, and inspections	1,191,262	-	-	-	1,191,262
Special assessments	-	771,433	-	1,102,580	1,874,013
Investment income	307,232	21,510	-	57,558	386,300
Donations and other	275,105	-	-	77,839	352,944
Total revenues	<u>47,897,239</u>	<u>792,943</u>	<u>-</u>	<u>10,171,754</u>	<u>58,861,936</u>
<b>EXPENDITURES</b>					
Current:					
General government	7,275,723	-	127,489	339,771	7,742,983
Police	11,105,428	-	-	605,175	11,710,603
Fire	9,262,337	-	-	1,729,174	10,991,511
Streets and highways	7,472,596	-	-	4,664,724	12,137,320
Parks, recreation and public facilities	6,480,397	-	-	75,613	6,556,010
Economic and community development	1,452,747	-	-	265,749	1,718,496
Engineering and building	2,090,630	-	-	36,732	2,127,362
Capital outlay	977,452	-	134,332	4,631,291	5,743,075
Debt service:					
Principal retirement	21,221	496,380	5,543	1,474,245	1,997,389
Interest and other expenditures	-	310,154	254,944	864,392	1,429,490
Total expenditures	<u>46,138,531</u>	<u>806,534</u>	<u>522,308</u>	<u>14,686,866</u>	<u>62,154,239</u>
Excess (deficiency) of revenues over (under) expenditures	1,758,708	(13,591)	(522,308)	(4,515,112)	(3,292,303)
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds issued	-	-	7,505,000	-	7,505,000
Discount on bonds	-	-	(13,083)	-	(13,083)
Premium on notes	-	29,897	-	32,684	62,581
Transfers in	-	191,684	-	471,616	663,300
Transfers out	(53,396)	-	(191,684)	(418,220)	(663,300)
Total other financing sources (uses)	<u>(53,396)</u>	<u>221,581</u>	<u>7,300,233</u>	<u>86,080</u>	<u>7,554,498</u>
NET CHANGE IN FUND BALANCES	1,705,312	207,990	6,777,925	(4,429,032)	4,262,195
FUND BALANCES AT BEGINNING OF YEAR (Restated)	17,993,112	168,613	(6,777,925)	5,608,824	16,992,624
CHANGE IN RESERVE FOR INVENTORY	(20,294)	-	-	-	(20,294)
FUND BALANCES AT END OF YEAR	<u>\$19,678,130</u>	<u>\$ 376,603</u>	<u>\$ -</u>	<u>\$ 1,179,792</u>	<u>\$ 21,234,525</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF MENTOR, OHIO**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES TO THE**  
**STATEMENT OF ACTIVITIES OF GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

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Amount reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 4,262,195

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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital asset additions, net of retired assets	\$ 4,166,990	
Current year depreciation	<u>(5,272,990)</u>	(1,106,000)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Municipal income taxes	(128,285)	
Intergovernmental	465,282	
Special Assessment	<u>10,421,574</u>	10,758,571

The issuance of long-term debt (e.g. bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds an interest expenditure is reported when due.

(5,655,143)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

(201,610)

Changes in net assets of governmental activities

\$ 8,058,013

The notes to the financial statements are an integral part of this statement.



# CITY OF MENTOR, OHIO

## GENERAL FUND

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<b>REVENUES:</b>				
Property taxes	\$2,101,500	\$ 2,101,500	\$ 1,943,948	\$ (157,552)
Municipal income tax	32,200,000	32,200,000	32,250,399	50,399
Intergovernmental	4,855,550	4,855,550	4,859,653	4,103
Charges for services	4,834,250	4,834,250	5,304,468	470,218
Fines and forfeitures	1,160,000	1,160,000	1,100,432	(59,568)
Licenses, permits and inspections	1,188,700	1,188,700	1,191,262	2,562
Investment income	900,000	900,000	774,793	(125,207)
Other	9,500	9,500	275,105	265,605
Total revenues	<u>47,249,500</u>	<u>47,249,500</u>	<u>47,700,060</u>	<u>450,560</u>
<b>EXPENDITURES:</b>				
Function:				
General government	9,864,055	9,542,096	7,622,789	1,919,307
Police	11,827,122	11,987,406	11,366,259	621,147
Fire	9,816,756	9,876,551	9,329,036	547,515
Streets and highways	7,911,816	8,770,319	7,748,171	1,022,148
Parks, recreation and public facilities	8,418,017	7,659,848	7,010,260	649,588
Economic and community development	1,634,249	1,634,249	1,465,643	168,606
Engineering and building	2,442,810	2,462,810	2,256,320	206,490
Total expenditures	<u>51,914,825</u>	<u>51,933,279</u>	<u>46,798,478</u>	<u>5,134,801</u>
Excess (deficiency) of revenues over expenditures	(4,665,325)	(4,683,779)	901,582	5,585,361
<b>OTHER FINANCING SOURCES (USES):</b>				
Advances in	200,000	1,400,000	2,371,495	971,495
Advances out	(250,000)	(4,031,797)	(4,031,797)	-
Transfers out	(250,000)	(207,000)	(53,396)	153,604
Total other financing sources (uses)	<u>(300,000)</u>	<u>(2,838,797)</u>	<u>(1,713,698)</u>	<u>1,125,099</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(4,965,325)	(7,522,576)	(812,116)	6,710,460
Adjustment for prior year encumbrances	631,099	631,099	631,099	-
FUND BALANCES, BEGINNING OF YEAR	<u>11,030,173</u>	<u>11,030,173</u>	<u>11,030,173</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$6,695,947</u>	<u>\$ 4,138,696</u>	<u>\$10,849,156</u>	<u>\$6,710,460</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF MENTOR, OHIO**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**December 31, 2008**

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	<b>CEMETERY BEQUEST and ENDOWMENT PRIVATE- PURPOSE TRUST FUND</b>	<b>MUNICIPAL COURT AGENCY FUND</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash	\$ 25,716	\$ 62,953
	<u>                    </u>	<u>                    </u>
<b>LIABILITIES</b>		
Accounts payable	-	-
Deposits held and due to others	-	62,953
	<u>                    </u>	<u>                    </u>
Total liabilities	-	\$ 62,953
	<u>                    </u>	<u>                    </u>
<b>NET ASSETS</b>		
Held in trust for decoration of specific graves	\$ 25,716	
	<u>                    </u>	

The notes to the financial statements are an integral part of this statement.

**CITY OF MENTOR, OHIO**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**For the year ended December 31, 2008**

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	<b>CEMETERY BEQUEST and ENDOWMENT PRIVATE- PURPOSE TRUST FUND</b>
<b>ADDITIONS</b>	
Investment Income	\$ 856
Donations and other	78
Total additions	<u>934</u>
<b>DEDUCTIONS</b>	
General expenses	<u>1,018</u>
Total deductions	<u>1,018</u>
Change in net assets	(84)
Net assets - beginning of year	<u>25,800</u>
Net assets - end of year	<u>\$ 25,716</u>

The notes to the financial statements are an integral part of this statement.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

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### NOTE 1 – DESCRIPTION OF CITY OPERATIONS AND REPORTING ENTITY

**The City.** The City of Mentor, Ohio (the “City”) was organized under the present system of government effective January 1, 1963 and was incorporated as a home rule municipal corporation under the laws of the State of Ohio. The City operates under a Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, parks and recreation, public improvements, economic and community development (planning and zoning), and general administrative services.

**Reporting Entity.** The accompanying financial statements as of December 31, 2008 and for the year then ended have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) applicable to local governments. The Governmental Accounting Standards Board (“GASB”) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB’s Codification of Governmental Accounting and Financial Reporting Standards (“GASB Codification”). The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities unless those pronouncements conflict with or contradict GASB pronouncements.

In evaluating how to define the governmental reporting entity, the City complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, under which the financial statements include all the organizations, activities, functions, and component units for which the City (“primary government”) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit’s board, and either (1) the City’s ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

On this basis, the City’s financial reporting entity has no component units but includes the Mentor Municipal Court (the “Court”) as part of the City’s primary government in the determination of the City’s reporting entity. The Court’s operations are not legally separate from the City. In addition, the City is responsible for budgeting and appropriating funds for the operation of the Court and is ultimately responsible for any operating deficits sustained by the Court. The City’s share of the fines collected by the Court, along with its share of the Court’s administrative and operating costs, are recorded in the City’s General Fund. Moneys held by the Court in a fiduciary capacity are included in the agency fund in the accompanying basic financial statements, as further discussed in Note 5. No other organizations are included as part of the City’s reporting entity.

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant policies followed during the preparation of the accompanying financial statements.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

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### ***A. Government-wide and fund financial statements***

GASB Statement No. 34 established new requirements and a new reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions. Financial information of the City is presented in the following format:

Basic Financial Statements:

1. *Government-wide financial statements* consist of a statement of net assets and a statement of activities. These statements report all of the assets, liabilities, revenues, expenses, and gains and losses of the City. Governmental activities are normally supported by taxes and intergovernmental revenues. Fiduciary funds of the City are not included in these government-wide financial statements.

Interfund receivables and payables have been eliminated in the government-wide statement of net assets. These eliminations minimize the duplicating effect on assets and liabilities within the governmental activities total column. Interfund services provided and used are not eliminated in the process of consolidation in the statement of activities. The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions, including special assessments that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. *Fund financial statements* consist of a series of statements focusing on information about the City's major governmental funds. Separate statements are presented for the governmental and fiduciary funds.

The City's major governmental funds are the General Fund, the Special Assessment Bond Retirement Fund, and the Norton Parkway Fund.

The General Fund is the primary operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in other funds. Its revenues consist primarily of income and property taxes, investment income, shared revenues, charges for services, and fines and forfeitures.

General Fund expenditures represent costs of general government; police; fire; streets and highways; parks, recreation and public lands; economic and community development; engineering and building; and interest and other charges. General Fund resources are also transferred annually to support other services which are accounted for in other separate funds.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

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The Special Assessment Bond Retirement Fund is used to account for the accumulation of resources for the payment of special assessment long-term debt principal, interest, and related costs.

The Norton Parkway Fund is a capital projects fund used to account for the construction and financing of a new road known as Norton Parkway.

Also maintained by the City are fiduciary funds, such as private-purpose trust funds and agency funds, used to account for either legal trust arrangements which benefit individuals, private organizations, or other governments or assets held by the City as an agent for individuals, private organizations or other governments.

3. *The City's General Fund budget to actual statement* is presented as part of the basic financial statements.
4. Notes to the financial statements provide information that is essential to a user's understanding of the basic financial statements.

### ***B. Financial reporting presentation***

The accounts of the City are organized 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, fund balance (equity), revenues, and expenditures (expenses). The fund types and classifications that exist under GAAP are as follows:

#### **GOVERNMENTAL FUNDS**

1. **General Fund** - The General Fund is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.
2. **Special Revenue Funds** - Special revenue funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. The uses and limitations of each special revenue fund are specified by legal, regulatory or administrative provisions. These funds include most federal and state grants.
3. **Debt Service Funds** - Debt service funds are used to account for the accumulation of resources for, and the payment of, general obligation and special assessment long-term debt principal, interest, and related costs.
4. **Capital Projects Funds** - The capital projects funds are used to account for financial resources used for the acquisition or construction of major capital projects.
5. **Permanent Funds** - Permanent funds are used for the purpose of accounting for resources that are legally restricted to the extent that earnings, and not principal, may be used for purposes that support the reporting government's programs. During 2008, the City did not utilize any permanent funds.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

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### PROPRIETARY FUNDS

1. **Enterprise Funds** - The enterprise 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 of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. During 2008, the City did not utilize any enterprise funds.
2. **Internal Service Funds** - The internal service funds are used to account for the financing of goods or services provided by one department to other departments or to other governments on a cost-reimbursement basis. During 2008, the City did not utilize any internal service funds.

### FIDUCIARY FUNDS

1. **Private-purpose Trust Funds** - Private-purpose trust funds are used to account for trust arrangements which benefit individuals, private organizations, or other governments. For accounting measurement purposes, the private-purpose trust funds are accounted for in essentially the same manner as proprietary funds. The City accounts for the cost of decorating specific graves as designated by individual donors in a Cemetery Bequest and Endowment Fund.
2. **Agency Funds** - Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The City's agency fund accounts for the Mentor Municipal Court.
3. **Other Fiduciary Funds** - Other fiduciary funds include pension trust funds and investment trust funds. During 2008, the City did not utilize any such trust funds.

Fiduciary Funds are not included in the government-wide statements.

### ***C. Measurement focus and basis of accounting***

Except for budgetary purposes, the basis of accounting used by the City conforms to GAAP as applicable to governmental units. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include income taxes, property taxes, grants, shared revenue, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the taxpayer's liability occurs and revenue from property taxes is recognized in the fiscal year for which the taxes are levied. On an accrual basis, revenue in the form of shared revenue is recognized when the provider government recognizes its liability to the City. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

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been satisfied. 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 specified purpose, and expenditure requirements, in which the resources are provided to the City on a cost reimbursement basis.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The City generally considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are generally recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

In applying the susceptible-to-accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e., collectible within the current year or within sixty days after year-end and available to pay obligations of the current period): income taxes, investment earnings, and shared revenues. Reimbursements due for federal or state funded projects are accrued as revenue at the time the expenditures are made or, when received in advance, deferred until expenditures are made. Property taxes and special assessments, though measurable, are not available to finance current period obligations. Therefore, property tax and special assessment receivables are recorded and deferred until they become available. Other revenues, including licenses, fees, fines and forfeitures and charges for services are recorded as revenue when received in cash because they are generally not measurable until actually received.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

### **D. Budgetary Procedures**

**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 tax budget, the certificate of estimated resources, and the appropriation ordinance. These budgetary documents are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources as certified. The tax budget and appropriation ordinance are prepared under the direction of the City Manager and submitted to City Council for adoption. Budgeted expenditures represent original appropriations as modified by adjustments during the year. The primary level of budgetary control is at the departmental level. Budget revisions within appropriated amounts are subject to the approval of the City Manager. Changes in a department's total appropriation require action by City Council. For the year ended December 31, 2008, expenditures did not exceed appropriations in any individual department.



# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

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**Tax Budget:** A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources: The County Budget Commission certifies its actions to the City by September 1. As part of this process, the City receives the official certificate of estimated resources which states the projected cash receipts of each fund. On or about January 1, this certificate is amended to include actual unencumbered cash balances from the preceding year.

**Appropriations:** A temporary appropriation ordinance to control expenditures (expenses) may be passed on or about January 1 for the period through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance may be amended during the year as new information becomes available, provided that total appropriations do not exceed certified estimated resources, as amended. At the end of the fiscal year, all unexpended and unencumbered balances of operating appropriations revert to the fund from which the original appropriation was made, where they become available for future appropriation. Appropriations are adopted by City Council for all funds except the Municipal Court Fund (Agency Fund); however, the City is only required to report herein on the budget adopted for the General Fund.

**GAAP/Budget Reconciliation:** The City's budgetary process accounts for certain transactions on a basis other than accounting principles generally accepted in the United States of America (GAAP basis). The major differences between the budgetary basis and the GAAP basis is that financial transactions are recorded on a cash and encumbrance basis (budgetary basis) as opposed to when susceptible to accrual (GAAP).

A reconciliation of the General Fund's results of operations for 2008 reported on the budget basis versus the GAAP basis is as follows:

<u>Net Change in Fund Balance</u>	
Budget Basis	\$ (812,116)
Adjustments:	
Revenue accruals	197,179
Advances in	(2,371,495)
Advances out	4,031,797
Expenditure accruals	(328,467)
Encumbrances	<u>988,414</u>
GAAP Basis	<u>\$ 1,705,312</u>

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

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**Encumbrances:** Encumbrance accounting, under which purchase orders, contracts, and other commitments for the future expenditure of funds are recorded in order to reserve a portion of the applicable appropriation, is utilized during the year for budget control purposes. Encumbrances outstanding at year-end are reported as expenditures under the City's budgetary basis of accounting.

The City honors the contracts represented by year-end encumbrances, and the related appropriations are carried forward to the succeeding year. For governmental fund financial statements reporting purposes, encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

The budget and actual expenditures included in the General Fund budgetary statement include all expenditures made during the year under the City's budgetary basis of accounting, including expenditures made in the current year that were encumbered and appropriated in the prior year.

### **E. Other Significant Accounting Policies**

**Cash and Investments:** Cash resources of certain individual funds are combined to form a pool of cash and investments which is managed by the Director of Finance. Interest earned on pooled cash and investments is credited to the General Fund, (except in cases where state law or City ordinances require that the income be allocated to certain specific funds, utilizing a formula based on the month-end balance of each fund).

The City reports its investments at fair value based on quoted market values and recognizes the corresponding change in the fair value of the investments as investment earnings in the year in which the change occurs.

**Inventory:** Inventory is valued at cost using the first-in, first-out (FIFO) method and consists of expendable supplies held for consumption and items held for resale. The cost of inventory items is recorded as an expenditure in the governmental fund financial statements at the time individual inventory items are purchased. Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net assets.

**Capital Assets:** Capital assets, which include land, land improvements, buildings (including renovations and improvements), equipment, and infrastructure assets are reported in the governmental activities column in the government-wide financial statements to the extent the City's capitalization threshold is met. The City defines capital assets as assets with an estimated useful life in excess of five years (except vehicles) and an individual cost of more than \$3,000. Assets are recorded at historical cost or estimated historical cost, if historical cost is not available. Contributed fixed assets are recorded at their estimated fair market value on the date contributed.

As permitted under the implementation provisions of GASB Statement No. 34, the historical cost of infrastructure assets acquired, significantly reconstructed or that received significant improvements prior to January 1, 1980 have not been included as part of governmental capital assets in the government-wide financial statements.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

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Costs for maintenance and repairs are expensed when incurred. However, costs for repairs and upgradings that materially add to the value or life of an asset and meet the above criteria are capitalized.

The City depreciates capital assets on a straight-line basis using the following estimated useful lives:

Land improvements	20
Buildings and improvements	20-40
Equipment	3-20
Infrastructure	25-50

**Compensated Absences:** The City accrues for accumulated, unpaid vacation and sick leave earned using the termination payment method specified under GASB Statement No. 16, Accounting for Compensated Absences. In the government-wide financial statements, the entire amount of unpaid vacation and sick leave is reported as a liability. A liability for accumulated, unpaid vacation and sick leave is accrued in the governmental fund financial statements only if the amount is currently due and payable at year end. These amounts are recorded as accrued payroll and employee benefits in the fund from which the employees who have accumulated leave are paid. The remaining portion of the liability is not reported in the governmental fund financial statements.

Normally, all vacation time is to be taken in the year available unless approval for carryover is obtained. City employees also earn sick leave which, if not taken, accumulates until retirement. Upon retirement, an employee with ten or more years of service is paid one-third of accumulated sick leave, subject to certain limitations, calculated at current wage rates.

**Long-Term Obligations:** In the government-wide statement of net assets, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Losses on advance refundings are deferred and amortized over the life of the new debt, or the life of the advance refunded debt, whichever is shorter. Bonds payable are reported net of the applicable unamortized bond premium, discount or advance refunding losses. Bond issuance costs are reported as other assets and amortized over the term of the related debt.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized as revenues or expenditures during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as other financing uses.

**Fund Balances:** In the governmental fund financial statements, reservations of fund balances are reported for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

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**Grants and Other Intergovernmental Revenues:** Grants and assistance awards made on the basis of entitlement programs are recorded as intergovernmental receivables and revenues when entitlement occurs. Reimbursement-type grants are recorded as intergovernmental receivables and revenues when the related expenditures (expenses) are incurred.

**Interfund Transactions:** During the course of normal operations, the City has numerous transactions between funds, including the allocation of centralized expenses and transfers of resources to provide services, construct assets and service debt. Such transactions are generally reflected as transfers or direct expenses of the fund that is ultimately charged for such costs.

### **F. Recently Issued Accounting Pronouncements**

For fiscal year 2008, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting for Post-employment Benefits other than Pensions", Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations" and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 supersedes GASB Statement No. 12 and established standards for disclosure of information on post-employment benefits other than pension benefits by all state and local government employers. This information can be found in Note 14. GASB Statement No. 49 identifies circumstances under which a government would be required to estimate and record a liability of expected outlays for pollution remediation. GASB Statement No. 50 required employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements.

The implementation of GASB Statements No. 45, No. 49 and No. 50 did not have an effect on the financial statements of the City.

### **NOTE 3 - DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are monies identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies may be deposited or invested in the following securities:

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

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1. 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 and interest by the United States;
2. 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;
3. 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;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that the investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio). No derivative securities or investment "pools" with the exception of STAROhio are permitted. STAROhio is an investment pool professionally managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. The fund follows all state statutes from the Ohio Revised Code under the Uniform Depository Act. The fund is audited by the State of Ohio to ensure compliance with these laws;
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed three million dollars face amount invested in the acceptances of any one bank at any time; and,
8. Under limited circumstances, three mutual funds which invest in corporate and GNMA bonds: Vanguard Short-Term Corporate Fund, Vanguard Intermediate-Term Corporate Fund, and Vanguard GNMA Fund.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

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delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

### **Deposits**

**Custodial credit risk** is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of City funds shall be required to pledge as security for repayment of all public moneys. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the investments of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

At year-end, the carrying amount of the City's deposits including certificates of deposit was \$5,947,176 and the bank balance was \$6,976,516. Of the bank balance \$1,000,000 was covered by Federal depository insurance and \$5,976,516 was uninsured. Of the remaining uninsured bank balance, \$5,976,516 was collateralized with securities held by the pledging institution's agent or trust department, not in the City's name.

### **Investments**

As of December 31, 2008, the City had the following investments:

	Fair Value	Maturity		
		Less than 1 year	1 to 2 years	Greater than 2 years
Vanguard Short-Term Corporate Bond Fund	\$ 459,164	\$ -	\$ 459,164	\$ -
Vanguard Intermediate-Term Corporate Bond Fund	3,665,956	-	-	3,665,956
Vanguard GNMA Fund	3,129,707	-	-	3,129,707
STAROhio	<u>8,267,931</u>	<u>8,267,931</u>	<u>-</u>	<u>-</u>
Total Portfolio	<u>\$ 15,522,758</u>	<u>\$ 8,267,931</u>	<u>\$ 459,164</u>	<u>\$ 6,795,663</u>

**Interest Rate Risk** arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk requiring that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity and

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

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by investing operating funds primarily in short-term investments. The City investment policy also limits security purchases to those that mature five years unless the purchase is in shares of the three Vanguard Corporate and GNMA Funds. The fair value of the STAROhio investment is equal to the value of the pool shares.

**Custodial Credit Risk** for investments is the risk that, in the event of the failure of the counter party to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed.

**Credit Risk** is addressed by the City's general investment policy that the objective of investment activity is to maximize investment income while preserving principal and maintaining sufficient liquidity to meet cash flow requirements without having to sell securities before maturity. Investments in debt securities that mature in the future are not made unless it is reasonable to believe that the investment can be held until maturity.

The City's investment in the three mutual funds were as follows: the Vanguard Short-Term Corporate Bond Fund was rated Aa3 by Moody's; the Vanguard Intermediate-Term Corporate Bond Fund was rated A1 by Moody's; and the Vanguard GNMA Fund was rated Aaa by Moody's. The STAROhio investment was rated AAAM by S&P. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service.

**Concentration of Credit Risk** is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City's allocation as of December 31, 2008; Vanguard Short-Term Corporate Bond Fund – 3.0%, Vanguard Intermediate Term Corporate Bond Fund – 23.6%, Vanguard GNMA Fund – 20.2%, and STAROhio – 53.2%.

**Reconciliation to Financial Statements:** Total cash and investments are reported as follows:

*Government-Wide Financial Statements*

Cash and investments	<u>\$ 21,381,265</u>
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*Fund Financial Statements*

Cash and investments	\$ 21,381,265
Statement of Fiduciary Net Assets:	
Cash	<u>88,669</u>
Total	<u>\$ 21,469,934</u>

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

### NOTE 4 – RECEIVABLES AND DEFERRED REVENUE

Receivables consist of the following at December 31, 2008:

	Income Taxes	Property Taxes	Special Assess- ments	Other	Gross Receivables	Allowance for Uncol- lectibles	Net
Governmental Activities							
Governmental Funds							
General Fund	\$8,860,005	\$1,660,393	\$ -	\$161,100	\$ 10,681,498	\$ (471,119)	\$10,210,379
Special Assessment							
Bond Retirement Fund	-	-	19,511,948	-	19,511,948	(225,201)	\$19,286,747
Other Governmental Funds	-	3,923,254	25,439	67,242	4,015,935	(5,501)	\$ 4,010,434
Total Receivables	<u>\$8,860,005</u>	<u>\$5,583,647</u>	<u>\$ 19,537,387</u>	<u>\$228,342</u>	<u>\$ 34,209,381</u>	<u>\$ (701,821)</u>	<u>\$33,507,560</u>

Governmental fund financial statements report deferred revenue pertaining to receivables that are not considered to be available to liquidate liabilities of the current period. Revenue recognition is also deferred with respect to grant revenues that have been received, but all eligibility requirements have not been met. For purposes of the government-wide financial statements, the availability criteria is not considered in determining unearned revenue.

The various components of unearned revenue/deferred revenue reported in the accompanying financial statements were as follows:

	<b>Government-Wide Statement of Net Assets</b>	<b>Governmental Funds Balance Sheet</b>
Governmental Funds:		
General Fund:		
Property tax receivable	\$ 1,189,274	\$ 1,189,274
Income tax receivable	-	2,832,333
State shared revenue receivable	-	1,655,055
Intergovernmental revenue receivable	-	105,774
Total general fund	<u>1,189,274</u>	<u>5,782,436</u>
Special Assessment Bond Retirement Fund:		
Special assessment receivable	-	19,286,747
Other Governmental Funds:		
Property tax receivable	3,923,254	3,923,254
Special assessment receivable	19,938	19,938
State shared revenue receivable	-	1,522,702
Intergovernmental revenue receivable	-	39,090
Total other governmental funds	<u>3,943,192</u>	<u>5,504,984</u>
Total Unearned Revenue/Deferred Revenue	<u>\$ 5,132,466</u>	<u>\$ 30,574,167</u>



# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

### NOTE 5 – MUNICIPAL COURT

The Mentor Municipal Court was created by Section 1901.2 of the Ohio Revised Code and has territorial jurisdiction over the City of Mentor and the City of Mentor-on-the-Lake. The Mentor Municipal Court has preliminary hearing jurisdiction in felony cases, original jurisdiction in civil cases when the amount in dispute does not exceed \$15,000, original jurisdiction in traffic and non-traffic misdemeanor cases, and exclusive original jurisdiction in small claims cases.

The collection activities of the Municipal Court are accounted for in a separate Agency Fund in the accompanying basic financial statements. Fines and costs collected by the Municipal Court and related to the City of Mentor are recorded as revenue in the General Fund. The costs associated with the operations of the Municipal Court are borne by the City and recorded in the General Fund. Fines and costs collected for the State of Ohio, subdivisions thereof, and individuals, which have not been disbursed as of year-end, are recognized as liabilities in the Municipal Court Agency Fund.

### NOTE 6 – CAPITAL ASSETS

**Capital Asset Activity:** Capital asset activity for the year ended December 31, 2008 was as follows:

	<u>Balance January 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2008</u>
		<small>(Amounts in 000's)</small>		
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 62,991	\$ 42	\$ -	\$ 63,033
Construction in progress	1,330	1,207	(1,134)	1,403
Total capital assets, not being depreciated	<u>64,321</u>	<u>1,249</u>	<u>(1,134)</u>	<u>64,436</u>
Capital assets, being depreciated:				
Land improvements	6,860	-	-	6,860
Buildings and improvements	40,631	23	-	40,654
Equipment	22,636	1,435	(1,296)	22,775
Infrastructure	113,749	2,655	-	116,404
Cost	<u>183,876</u>	<u>4,113</u>	<u>(1,296)</u>	<u>186,693</u>
Less accumulated depreciation for:				
Land improvements	(5,485)	(186)	-	(5,671)
Buildings and improvements	(15,380)	(1,096)	-	(16,476)
Equipment	(14,374)	(1,493)	1,235	(14,632)
Infrastructure	(32,964)	(2,498)	-	(35,462)
Total accumulated depreciation	<u>(68,203)</u>	<u>(5,273)</u>	<u>1,235</u>	<u>(72,241)</u>
Total accumulated assets being depreciated, net	<u>115,673</u>	<u>(1,160)</u>	<u>(61)</u>	<u>114,452</u>
Capital Assets, net	<u>\$ 179,994</u>	<u>\$ 89</u>	<u>\$ (1,195)</u>	<u>\$ 178,888</u>

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

**Depreciation:** Depreciation expense was charged to functions/programs of the government as follows:

	<u>(Amounts in 000's)</u>
Governmental Activities:	
General government	\$ 120
Police	427
Fire	664
Streets and highways	2,857
Parks, recreation and public facilities	1,191
Economic and community development	3
Engineering and building	<u>11</u>
 Total depreciation expense charged to governmental activities	 <u>\$ 5,273</u>

### NOTE 7 – DEBT AND OTHER LONG-TERM OBLIGATIONS

A summary of the changes in the debt and other long-term obligations of the City during the year ended December 31, 2008 is as follows:

	<u>Balance January 1, 2008</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance December 31, 2008</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
General Obligation Bonds due through 2017, 2% to 9.125%	\$ 19,244,376	\$ -	\$ (1,474,245)	\$ 17,770,131	\$ 1,524,024
Special Assessment Bonds due through 2022, 2% to 9.625%	5,560,624	7,505,000	(490,755)	12,574,869	750,976
Other obligations:					
Compensated absences	2,859,942	452,339	(104,814)	3,207,467	1,458,474
Claims and judgements	50,000	-	-	50,000	-
Capital projects notes payable	7,663,000	11,948,000	(15,491,000)	4,120,000	4,120,000
OWDA and OPWC loans	<u>672,122</u>	<u>-</u>	<u>(31,386)</u>	<u>640,736</u>	<u>32,726</u>
 Total Debt and Long-Term Obligations	 <u>\$ 36,050,064</u>	 <u>\$ 19,905,339</u>	 <u>\$ (17,592,200)</u>	 <u>\$ 38,363,203</u>	 <u>\$ 7,886,200</u>

During March 2008 the City issued \$7,828,000 of Street Improvement Bond Anticipation notes with an interest rate of 3.00% maturing August 29, 2008 for the purpose of rolling the September 2007 short-term notes and to obtain funds for the anticipated special assessment bond issuance to cover the costs of constructing the Norton Parkway and improving Center Street. During August 2008, the City issued \$7,505,000 of Street Improvement Bonds with interest rates of 3.00% to 4.55% for a 20 year term. The bond is a special assessment bond to cover the costs of constructing Norton Parkway. During August 2008, the City also issued \$4,120,000 of Various Purpose Bond Anticipation notes with an interest rate of 2.75% maturing August 6, 2009 for the purpose of rolling the portion of the March 2008 short-term note attributable to the Center Street improvement project for the anticipated special assessment bond issuance and also for the purpose of renovating and expanding the Mentor Municipal Court and for the purpose of obtaining funds for certain roadway projects. During 2007, the City finalized a 20 year, 3.00% interest rate loan through the Ohio Water Development Authority in

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

the amount of \$287,656. The outstanding principal balance at December 31, 2008 is \$260,347. The City also made principal payments on its two Ohio Public Works Commission 20 year, 0% loans during 2008. The Chillicothe Road Widening & Resurfacing loan and the Hopkins Road Bridge development loan have outstanding December 31, 2008 principal amounts of \$26,933 and \$353,456, respectively.

General obligation bonds will be paid from certain ad valorem taxes and other revenue sources deposited into the debt service fund. The special assessment bonds and loans will be paid from the proceeds of special assessments levied against benefited property owners. In the event property owners would fail to pay the assessment, payment would be made by the City. Compensated absences, claims and judgments, and capital projects notes payable will be paid from the General Fund and the respective capital projects funds. There were no claims and judgments due within one year.

Bonds payable at December 31, 2008 are comprised of the following issues:

	<b>Amount of Original Issuance</b>	<b>Bonds Outstanding December 31, 2008</b>
<b>Governmental Activities Obligations:</b>		
General unvoted obligations:		
2004 Various Purpose Refunding Bonds due in annual installments ranging from \$260,000 to \$622,364 through 2016 plus interest at rates varying between 2% to 5%	\$ 5,808,974	\$ 3,995,131
2005 Various Purpose Improvement and Refunding Bonds due in annual installments ranging from \$200,000 to \$1,410,000 through 2025 plus interest rates varying between 3.5% to 5%	15,210,000	13,775,000
Total general obligation bonds	21,018,974	17,770,131
Special assessment obligations:		
1991 Street Improvement Bonds due in annual installments ranging from \$166,005 to \$493,272 through 2011, plus interest at rates varying between 6.7% to 7.15%	5,582,511	930,000
1993 Various Purpose Improvement Bonds due in annual installments ranging from \$17,136 to \$46,795 through 2013, plus interest at rates varying between 5% to 5.65%	580,000	210,000
2002 Tyler Boulevard Extension Bonds due in annual installments ranging from \$145,000 to \$375,000 through 2022, plus interest at rates varying between 3% to 4.7%	4,850,000	3,870,000
2004 Various Purpose Refunding Bonds due in annual installments ranging from \$260,000 to \$622,364 through 2016 plus interest at rates varying between 2% to 5%	76,026	59,869
2008 Street Improvement Bonds due in annual installments ranging from \$225,000 to \$570,000 through 2028, plus interest at rates varying between 3.0% to 4.55%	7,505,000	7,505,000
Total special assessment bonds	\$ 18,593,537	\$ 12,574,869

All bonds outstanding are backed by the full faith and credit of the City. It is the City's policy to pay debt service on the special assessment bonds from the related special assessment levies and any amounts being held in the Special Assessment Bond Retirement Fund, which are reserved for debt service.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

The following is a summary of the City's future debt service requirements as of December 31, 2008:

Year Ending December 31	Governmental Activities						
	General Obligation Bonds		Special Assessment Bonds		OWDA and OPWC Loans		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2009	\$ 1,524,024	\$ 729,330	\$ 750,976	\$ 630,709	\$ 32,726	\$ 7,725	\$ 3,675,490
2010	1,583,581	680,069	801,419	515,981	33,074	7,377	3,621,501
2011	1,638,139	627,462	846,861	475,451	33,432	7,018	3,628,363
2012	1,697,807	571,573	542,193	432,453	33,801	6,649	3,284,476
2013	1,772,364	510,595	567,636	411,498	34,182	6,269	3,302,544
2014-2018	6,649,216	1,450,348	3,015,784	1,713,462	177,028	25,227	13,031,065
2019-2023	1,985,000	450,181	3,445,000	1,019,305	188,414	13,840	7,101,740
2024-2028	920,000	59,075	2,605,000	363,465	108,079	2,089	4,057,708
	<u>\$ 17,770,131</u>	<u>\$ 5,078,633</u>	<u>\$ 12,574,869</u>	<u>\$ 5,562,324</u>	<u>\$ 640,736</u>	<u>\$ 76,194</u>	<u>\$ 41,702,887</u>

Under the Ohio Revised Code, at December 31, 2008, the City legally could issue approximately \$70.9 million of additional, unvoted, general obligation debt.

**Conduit Debt.** From time to time, the City has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from the payments received by the bond trustee on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The bonds do not constitute a debt or pledge of the faith and credit of the City and, accordingly, have not been reported in the accompanying financial statements.

As of December 31, 2008, there were three series of industrial revenue bonds outstanding. The aggregate principal amount payable for the three series was \$4.8 million.

### NOTE 8 – COMPLIANCE AND ACCOUNTABILITY

At December 31, 2008, the Special Revenue Funds - Community Development Block Grant 07-08, COPS Secure Our Schools Grant – 2007, and Capital Project Funds – Heisley Road Improvement-Phase II, Center Street, Plaza Boulevard Extension, Municipal Court Expansion, US20 Resurfacing and Market Street/Bellflower Concrete Repair had a deficit fund balance of \$32,091, \$6,700, \$1,428,131, \$566,639, \$135,951, \$737,574, \$603,280, and \$31,715, respectively. All deficits will be eliminated through the receipt of grant and bond proceeds during 2009. No other funds had deficit balances as of December 31, 2008.

### NOTE 9 – RISK MANAGEMENT

**Self Insurance:** The City is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is self-insured with respect to dental benefits provided to City employees and their

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

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covered dependents. The City is also self-insured for the cost of collision claims resulting from the use of City vehicles, except for fire and rescue vehicles that remain insured through a private insurance company. In accordance with GASB Statement No. 10, claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported ("IBNRs"). Claims that meet these criteria are reported as liabilities in the government-wide statement of net assets.

The process of estimating claims liabilities depends on many complex factors, such as inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses, regardless of whether allocated to specific claims. Estimated recoveries from subrogation or otherwise, are another component of the claims liability estimate.

The City's financial activity relating to its self-insured risks is accounted for in the General Fund. Changes in the estimated claims payable for self-insured risks (employee dental benefits) during the years ended December 31, 2008 and 2007 were as follows:

	<u>2008</u>	<u>2007</u>
Estimated claims payable, January 1	\$ 72,196	\$ 45,670
Current year claims (including IBNRs) and changes in estimates	291,804	305,026
Claim payments	<u>(312,000)</u>	<u>(278,500)</u>
Estimated claims payable, December 31	<u>\$ 52,000</u>	<u>\$ 72,196</u>

**Insurance:** The City purchases insurance policies in varying amounts for general liability, property damage, employee health care benefits (excluding dental benefits), and law enforcement and public officials' liability, including errors and omissions of the City's safety forces. Otherwise, the City is generally self-insured. Included in the coverage is an excess umbrella liability limit of \$10 million for each occurrence and annual aggregate. The City contracts with several different insurance companies, with either excellent or superior ratings. No material losses, including incurred but not reported losses, occurred in 2008. There was no significant decrease in any insurance coverages in 2008. In addition, there were no insurance settlements in excess of insurance coverage during the past three fiscal years.

The City provides the choice of two separate health insurance plans for its employees. These plans are provided by two different insurers through commercial insurance. Operating funds are charged a monthly rate per employee by type of coverage. The City participates in the State of Ohio Workers' Compensation program to provide workers' compensation benefits to its employees.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

### NOTE 10 – CONTINGENCIES

The City participates in certain federally-assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies should an audit be performed cannot be determined at this time, although the City expects any disallowance would be immaterial.

In addition, there are certain pending lawsuits in which the City is involved. The City's management, after consultation with the City's Law Director, is of the opinion that potential uninsured claims against the City are not material to the City's basic financial statements.

### NOTE 11 – INTERFUND TRANSACTIONS AND BALANCES

**Interfund Transactions:** During the course of normal operations, the City records numerous transactions between funds including expenditures and transfers of resources to provide services, subsidize operations, and service debt. The City has the following types of transactions among funds:

1. Nonreciprocal interfund transfers – Flows of assets between funds without equivalent flows of assets in return and without a requirement for repayment. This includes transfers to subsidize various funds.
2. Nonreciprocal interfund reimbursements – Repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.
3. As a result of grant reprogramming, certain transfers (approved by HUD) were made to close out funds.

For the year ended December 31, 2008 transfers consisted of the following:

	Transfers Out	Transfers In		
		General Fund	Other Governmental Funds	Total Governmental Funds
	<u>Total</u>			
Governmental Funds:				
General	\$ 53,396	\$ -	\$ -	\$ -
Other governmental	<u>609,904</u>	<u>-</u>	<u>663,300</u>	<u>663,300</u>
Total	<u>\$ 663,300</u>	<u>\$ -</u>	<u>\$ 663,300</u>	<u>\$ 663,300</u>

**Interfund balances:** Interfund balances at December 31, 2008 represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting records, and (3) payments between funds are made. All are expected to be paid within one year.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

Interfund receivable and payable balances as of December 31, 2008 are as follows:

Due to	Total	Due From		Total
		General Fund	Other Governmental Funds	
Governmental Funds:				
General	\$ -	\$ 1,879,908	\$ -	\$ 1,879,908
Other governmental	1,879,908	-	-	-

### NOTE 12 – TAXES

**Income Taxes** – A two percent City income tax is levied on substantially all income earned within the City. On November 6, 2007, the two percent income tax was renewed by the voters for a five year period through December 31, 2012. In addition, the residents of the City are required to pay City income tax on income they earn outside the City; however, full credit is allowed for all income taxes these residents pay to other municipalities. Employers within the City are required to withhold income tax on employee compensation and remit the tax to an intermediary collection agency (Regional Income Tax Agency) at least quarterly. Corporations and self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the collection agency. The collection agency remits taxes collected for the City each month, net of a charge for the cost of services and a credit for interest earned on amounts collected between remittances.

**Property Taxes** – Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Taxes collected from real property (other than public utility) in one calendar year are levied in October of the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued by appraisal every six years and, three years after each revaluation, all property values are reviewed and revised, as necessary, as part of a triennial update based on recent sales of properties. The last revaluation was completed in 2006. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semiannually, the first payment is due January 20, with the remainder payable June 20. In certain instances, State statute permits earlier or later payment dates to be established.

Personal property (other than public utility) taxes are levied in October of the preceding calendar year based on tax rates determined in the preceding year and assessed values determined at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year. Tangible personal property used in business (except for public utilities) is currently being phased-out over a three-year period. The listing percentage on all tangible personal property for 2008 is 6.25%. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30 with the remainder payable by September 20. Under Ohio law, personal property taxes do not attach as a lien on the personal property.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

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Public utility real and tangible personal property taxes collected in one calendar year are levied in October of the preceding calendar year on assessed values determined as of December 31 of that preceding year, the lien date.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Mentor. The County Auditor periodically remits to the City its portion of taxes collected with final settlement in June and December for taxes payable in the first and second halves of the year, respectively.

The assessed value upon which the 2007 levy (collected in 2008) was based was approximately \$1.7 billion. Ohio law limits unvoted property taxation, combined for all overlapping taxing authorities, to 10 mills. The City's current share of the unvoted property tax is 3 mills of assessed value, and the City's total property tax levy, including all voted levies is 4.50 mills of assessed value.

### NOTE 13 – DEFINED BENEFIT PENSION PLANS

*Ohio Public Employees Retirement System:* The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2008, member and employer contribution rates were consistent across all three plans. Plan members are required to contribute 10.0 percent of their annual covered salary to fund pension obligations. For calendar year 2008, the employer pension contribution rate was 14.0 percent of covered payroll. For calendar years 2007 and 2006, the employer pension contribution rates for the City were 13.85 and 13.70 percent, respectively, of covered payroll. Contributions are authorized by State statute and the contribution rates are determined actuarially. The City's required contributions (including post-employment benefits) to OPERS for the years ended December 31, 2008, 2007, and 2006 were \$2,052,539, \$2,023,338, \$1,912,859, respectively; 93 percent has been contributed for 2008 and 100 percent for 2007 and 2006.



# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

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*Ohio Police and Fire Pension Fund:* The City contributes to the Ohio Police and Fire Pension Fund ("OP&F"), a cost-sharing, multiple-employer defined benefit pension plan administered by the OP&F's Board of Trustees. OP&F provides retirement and disability 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. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Police and firefighters are required to contribute 10.0 percent of their annual covered salary to fund pension obligations and the City is required to contribute 19.50 percent for police and 24.0 percent for firefighters. Contributions are authorized by State statute. The City's contributions (including post-employment benefits) to the OP&F for police and firefighters were \$1,177,581 and \$1,361,501 for the year ended December 31, 2008, \$1,154,199 and \$1,397,971 for the year ended December 31, 2007, \$1,069,254 and \$1,343,812 for the year ended December 31, 2006, respectively, equal to the required payments for each year. The full amount has been contributed for 2007 and 2006. 90 percent for police and 92 percent for firefighters has been contributed for 2008.

### **NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS**

*Ohio Public Employees Retirement System:* OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan. For qualifying members of the Traditional Pension and Combined Plans, this plan includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement. Those belonging to the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The healthcare coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEN benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

The Ohio Revised Code provides statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, local government employer units contributed at 14.0% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

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OPERS' Post employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits.

For 2008, the employer contribution allocated to the health care plan was 7.0% of covered payroll. The City's actual contributions for 2008 which were used to fund post-employment benefits were \$1,026,770. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and coverage selected.

The OPERS Retirement Board adopted the Health Care Preservation Plan (HCPP) on September 9, 2004, was effective on January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008 which allowed additional funds to be allocated to the healthcare plan.

*Ohio Police and Fire Pension Fund:* The City of Mentor contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple employer defined post-employment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependants.

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

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 are codified in Chapter 742 of the Ohio Revised Code.

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, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of the covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB plan.

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

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2008

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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 the year ended December 31, 2008, the employer contribution allocated to the health care plan was 6.75% 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 Section 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the healthcare 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 portion of the City's contributions that was used to pay post-employment benefits for 2008, 2007 and 2006 was \$407,625, \$399,353, \$533,493, for police and \$382,923, \$392,830, \$434,051, for firefighters, respectively.

*Social Security:* Effective in August of 1992, all newly hired part-time firefighters were no longer eligible to be members of the OPERS retirement system. The part-time firefighters hired after this time contribute to social security, with a contribution rate of 6.2%.

### NOTE 15 – RESTATEMENT OF PRIOR YEAR FUND BALANCE AND NET ASSETS

During fiscal year 2008, it was determined that notes payable was understated at December 31, 2007 in the Norton Parkway (a major fund) and Center Street (a nonmajor capital project fund).

	<u>Norton Parkway</u>	<u>Other Governmental Funds</u>
Fund Balance December 31, 2007	\$ 289,075	\$ 525,409
Notes Payable	<u>(7,067,000)</u>	<u>(596,000)</u>
Adjusted Fund Balance December 31, 2007	<u>\$ (6,777,925)</u>	<u>\$ (70,591)</u>

# SUPPLEMENTARY INFORMATION



*the city of choice!*<sup>SM</sup>

**CITY OF MENTOR, OHIO**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<b>REVENUES:</b>				
Property taxes	\$ 2,101,500	\$ 2,101,500	\$ 1,943,948	\$ (157,552)
Municipal income tax	32,200,000	32,200,000	32,250,399	50,399
Intergovernmental	4,855,550	4,855,550	4,859,653	4,103
Charges for services	4,834,250	4,834,250	5,304,468	470,218
Fines and forfeitures	1,160,000	1,160,000	1,100,432	(59,568)
Licenses, permits and inspections	1,188,700	1,188,700	1,191,262	2,562
Investment income	900,000	900,000	774,793	(125,207)
Other	9,500	9,500	275,105	265,605
Total revenues	<u>47,249,500</u>	<u>47,249,500</u>	<u>47,700,060</u>	<u>450,560</u>
<b>EXPENDITURES:</b>				
<b>GENERAL GOVERNMENT:</b>				
Council:				
Employee compensation	213,810	213,810	198,344	15,466
Other	300,645	300,645	225,043	75,602
Total council	<u>514,455</u>	<u>514,455</u>	<u>423,387</u>	<u>91,068</u>
Court:				
Employee compensation	778,120	778,120	744,549	33,571
Other	430,377	430,377	373,265	57,112
Total court	<u>1,208,497</u>	<u>1,208,497</u>	<u>1,117,814</u>	<u>90,683</u>
City manager:				
Employee compensation	1,124,670	1,124,670	1,027,399	97,271
Other	1,511,435	1,561,435	1,272,394	289,041
Total city manager	<u>2,636,105</u>	<u>2,686,105</u>	<u>2,299,793</u>	<u>386,312</u>
Finance:				
Employee compensation	776,980	776,980	734,601	42,379
Other	2,284,148	2,369,198	1,950,195	419,003
Total finance	<u>3,061,128</u>	<u>3,146,178</u>	<u>2,684,796</u>	<u>461,382</u>
Legal:				
Employee compensation	327,220	327,220	322,788	4,432
Other	329,650	329,650	227,757	101,893
Total legal	<u>656,870</u>	<u>656,870</u>	<u>550,545</u>	<u>106,325</u>
Other	<u>1,787,000</u>	<u>1,329,991</u>	<u>546,454</u>	<u>783,537</u>
Total general government	<u>9,864,055</u>	<u>9,542,096</u>	<u>7,622,789</u>	<u>1,919,307</u>

Continued

**CITY OF MENTOR, OHIO**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>POLICE:</b>				
Employee compensation	\$ 8,186,762	\$ 8,201,827	\$ 7,889,390	\$ 312,437
Other	3,640,360	3,785,579	3,476,869	308,710
Total police	<u>11,827,122</u>	<u>11,987,406</u>	<u>11,366,259</u>	<u>621,147</u>
<b>FIRE:</b>				
Employee compensation	6,445,180	6,460,165	6,145,252	314,913
Other	3,371,576	3,416,386	3,183,784	232,602
Total fire	<u>9,816,756</u>	<u>9,876,551</u>	<u>9,329,036</u>	<u>547,515</u>
<b>STREETS AND HIGHWAYS:</b>				
Employee compensation	2,528,790	2,643,260	2,284,256	359,004
Other	5,383,026	6,127,059	5,463,915	663,144
Total streets and highways	<u>7,911,816</u>	<u>8,770,319</u>	<u>7,748,171</u>	<u>1,022,148</u>
<b>PARKS, RECREATION AND PUBLIC FACILITIES:</b>				
Employee compensation	3,336,360	3,191,839	2,988,438	203,401
Other	5,081,657	4,468,009	4,021,822	446,187
Total parks, recreation and public facilities	<u>8,418,017</u>	<u>7,659,848</u>	<u>7,010,260</u>	<u>649,588</u>
<b>ECONOMIC AND COMMUNITY DEVELOPMENT:</b>				
Employee compensation	634,930	634,930	624,508	10,422
Other	999,319	999,319	841,135	158,184
Total economic and community development	<u>1,634,249</u>	<u>1,634,249</u>	<u>1,465,643</u>	<u>168,606</u>
<b>ENGINEERING AND BUILDING</b>				
Employee compensation	1,469,750	1,469,750	1,429,982	39,768
Other	973,060	993,060	826,338	166,722
Total engineering and building	<u>2,442,810</u>	<u>2,462,810</u>	<u>2,256,320</u>	<u>206,490</u>
Total expenditures	<u>51,914,825</u>	<u>51,933,279</u>	<u>46,798,478</u>	<u>5,134,801</u>
Excess (deficiency) of revenues over expenditures	(4,665,325)	(4,683,779)	901,582	5,585,361
<b>OTHER FINANCING SOURCES (USES):</b>				
Advances in	200,000	1,400,000	2,371,495	971,495
Advances out	(250,000)	(4,031,797)	(4,031,797)	-
Transfers out	(250,000)	(207,000)	(53,396)	153,604
Total other financing sources (uses)	<u>(300,000)</u>	<u>(2,838,797)</u>	<u>(1,713,698)</u>	<u>1,125,099</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(4,965,325)	(7,522,576)	(812,116)	6,710,460
Adjustment for prior year encumbrances	631,099	631,099	631,099	-
FUND BALANCES, BEGINNING OF YEAR	<u>11,030,173</u>	<u>11,030,173</u>	<u>11,030,173</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 6,695,947</u>	<u>\$ 4,138,696</u>	<u>\$ 10,849,156</u>	<u>\$ 6,710,460</u>

## **CITY OF MENTOR, OHIO NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The City's special revenue funds are described below:

Street Fund	Required by the Ohio Revised Code to account for that portion of the motor vehicle registration fees and state gasoline tax designated for the construction, maintenance, and repairs of streets and highways.
Police Pension Fund	To accumulate property taxes levied toward partial payment of the current liability for police disability and pension benefits.
Fire Pension Fund	To accumulate property taxes levied toward partial payment of the current liability for fire fighters' disability and pension benefits.
Fire Levy Fund	To accumulate property taxes levied for the purpose of providing and maintaining fire equipment and for the payment of salaries and expenses of permanent and part-time firefighters.
Senior Citizens Services Levy Fund	To account for property taxes levied by Lake and distributed to the City for the purpose of providing funding for senior citizen projects and operating costs of the City's Senior Citizens Center.
Cemetery Fund	To account for monies received from the sale of cemetery lots and designated for the enlargement, improvement, embellishment, and care of cemetery grounds.
Economic Development Fund	To account for monies paid to the City in conjunction with the Mentor Economic Assistance Corporation, as certified by the Small Business Administration.
Subdivision Street Tree Fund	To accumulate subdivision fees to be used for planting trees to beautify the City.
Community Recreation Facilities Fund	To provide funds for debt service relating to recreational facilities.
Street Lighting Fund	To accumulate street lighting assessment revenues levied for payment of current street lighting operating costs.
Court Computer Fund	To accumulate fees collected for computerization of the Mentor Municipal Court.
Court Special Projects Fund	To accumulate filing fees collected for special projects of the Mentor Municipal Court.

## **SPECIAL REVENUE FUNDS (Continued)**

Enforcement and Education Fund	To account for fines received from the Mentor Municipal Court to be used by the Mentor Police Department to cover costs incurred in enforcing DUI laws and educating the public regarding such laws.
Court Probation Services Fund	To accumulate probation fees collected for the operation of Mentor Municipal Court's Probation Department.
Indigent Driver Alcohol Treatment Fund	To account for fines and fees received from the Mentor Municipal Court and the Ohio Department of Alcohol and Drug Addiction Services for the purpose of providing indigent drivers with alcohol and/or drug treatment.
Indigent Driver Alcohol Monitoring Fund	To account for fines and fees received from the Mentor Municipal Court and the Ohio Department of Alcohol and Drug Addiction Services for the purpose of providing indigent drivers with alcohol and/or drug monitoring devices.
Law Enforcement Trust Fund	To account for monies received from the seizure and sale of contraband and property used in criminal activity.
Police Canine Fund	To account for monies received from the Ortrud Higgins Trust for the Police Department's canine unit.
Seat Belt Grant Fund	To account for monies received from the Ohio Department of Highway Safety for the encouragement of seat belt use.
VOCA Victims Assistance Grant 07-08 Fund	To account for monies received from the Crime Victims Assistance Office to assist victims of crime.
VOCA Victims Assistance Grant 08-09 Fund	To account for monies received from the Crime Victims Assistance Office to assist victims of crime.
Community Development Block Grant 00-01 Fund	To account for monies received from the U.S. Department of Housing and Urban Development for various community development block grant programs.
Community Development Block Grant 01-02 Fund	To account for monies received from the U.S. Department of Housing and Urban Development for various community development block grant programs.
Community Development Block Grant 02-03 Fund	To account for monies received from the U.S. Department of Housing and Urban Development for various community development block grant programs.
Community Development Block Grant 03-04 Fund	To account for monies received from the U.S. Department of Housing and Urban Development for various community development block grant programs.
Community Development Block Grant 04-05 Fund	To account for monies received from the U.S. Department of Housing and Urban Development for various community development block grant programs.



## **SPECIAL REVENUE FUNDS (Continued)**

Community Development Block Grant 05-06 Fund	To account for monies received from the U.S. Department of Housing and Urban Development for various community development block grant programs.
Community Development Block Grant 06-07 Fund	To account for monies received from the U.S. Department of Housing and Urban Development for various community development block grant programs.
Community Development Block Grant 07-08 Fund	To account for monies received from the U.S. Department of Housing and Urban Development for various community development block grant programs.
Forfeited Property–U.S. Department of Justice Fund	To account for shared federally forfeited property proceeds received from the U.S. Department of Justice.
COPS Secure Our Schools Grant-2006 Fund	To account for monies received from the U.S. Department of Justice for the security at Mentor High School.
COPS Secure Our Schools Grant-2007 Fund	To account for monies received from the U.S. Department of Justice for the security at Mentor High School.
Council Donation Fund	To account for donations from various sources and individuals to be used to support specific purposes or programs provided by City Council.
Police Donation Fund	To account for donations from various sources and individuals to be used to support specific purposes or programs provided by the Police Department.
Fire Donation Fund	To account for donations from various sources and individuals to be used to support specific purposes or programs provided by the Fire Department.
Senior Citizens Donation Fund	To account for donations from various sources and individuals to be used to support specific purposes provided by the Mentor Senior Citizens Center.
Cultural Donation Fund	To account for donations from various sources and individuals to be used to support specific purposes or programs provided by the Wildwood Cultural Center.
Beautification Donation Fund	To account for donations from various sources and individuals to be used to support specific purposes or programs provided by the City of Mentor's Beautification Commission.
IBIM Festival Fund	To account for revenue received from the It's Better in Mentor Festival to cover the cost of operating the festival.

## **DEBT SERVICE FUNDS**

General Obligation Bond Retirement Fund	To accumulate property taxes levied toward of outstanding general obligation debt.
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**CAPITAL PROJECT FUNDS**

Heisley Road Improvement – Phase II	To account for the financing of the widening and resurfacing of Heisley Road to four lanes between SR2 and Hendricks Road.
Center Street Fund	To account for the financing of the widening of Center Street near Prospect Street, along with the addition of a left turn lane.
Plaza Boulevard Extension Fund	To account for the financing of the extension of Plaza Boulevard between Mentor Avenue and St. Clair Avenue.
Municipal Court Expansion Fund	To account for the financing of the space expansion and renovation of the Mentor Municipal Court.
Marsh Creek Detention Improvement Fund	To account for the financing of the Marsh Creek watershed improvement and storm water detention near the Concord Township line.
US 20 Resurfacing Fund	To account for the financing of the resurfacing of US20 – Mentor Avenue from the West Corporation line to Hopkins Road.
Market Street/Bellflower Concrete Repair Fund	To account for the financing of the reconstruction of damaged pavement along Bellflower Road and Market Street.

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**At December 31, 2008**

	<b>Special Revenue Funds</b>			
	<u>Street</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Fire Levy</u>
<b>ASSETS</b>				
Cash and investments	\$ 795,146	\$ -	\$ -	\$ -
Receivables, net	-	453,603	453,603	1,050,436
Due from other governments	1,141,681	94,506	94,506	317,151
<b>TOTAL ASSETS</b>	<b>\$ 1,936,827</b>	<b>\$ 548,109</b>	<b>\$ 548,109</b>	<b>\$ 1,367,587</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 57,633	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Deferred revenue	749,035	548,109	548,109	1,367,587
<b>Total liabilities</b>	<b>806,668</b>	<b>548,109</b>	<b>548,109</b>	<b>1,367,587</b>
<b>FUND BALANCES</b>				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	244,284	-	-	-
Unreserved, undesignated	885,875	-	-	-
<b>Total fund balances</b>	<b>1,130,159</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,936,827</b>	<b>\$ 548,109</b>	<b>\$ 548,109</b>	<b>\$ 1,367,587</b>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**At December 31, 2008**

	<b>Special Revenue Funds</b>			
	Senior Citizens Service Levy	Community Recreation Facilities	Cemetery	Economic Development
<b>ASSETS</b>				
Cash and investments	\$ 428,921	\$ 71,910	\$ 460,681	\$ 57,340
Receivables, net	-	36,505	-	-
Due from other governments	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 428,921</b>	<b>\$ 108,415</b>	<b>\$ 460,681</b>	<b>\$ 57,340</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	19,436	-	-	-
Unreserved, undesignated	409,485	108,415	460,681	57,340
<b>Total fund balances</b>	<b>428,921</b>	<b>108,415</b>	<b>460,681</b>	<b>57,340</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 428,921</b>	<b>\$ 108,415</b>	<b>\$ 460,681</b>	<b>\$ 57,340</b>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**At December 31, 2008**

	<b>Special Revenue Funds</b>			
	Subdivision Street Tree	Street Lighting	Court Computer	Court Special Projects
<b>ASSETS</b>				
Cash and investments	\$ 51,380	\$ 795,278	\$ 139,199	\$ 229,874
Receivables, net	-	19,938	7,259	14,453
Due from other governments	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 51,380</b>	<b>\$ 815,216</b>	<b>\$ 146,458</b>	<b>\$ 244,327</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 131,203	\$ 14,704	\$ 36,774
Due to other funds	-	-	-	-
Deferred revenue	-	19,938	-	-
<b>Total liabilities</b>	<b>-</b>	<b>151,141</b>	<b>14,704</b>	<b>36,774</b>
<b>FUND BALANCES</b>				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	482	-	63,122	136,283
Unreserved, undesignated	50,898	664,075	68,632	71,270
<b>Total fund balances</b>	<b>51,380</b>	<b>664,075</b>	<b>131,754</b>	<b>207,553</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 51,380</b>	<b>\$ 815,216</b>	<b>\$ 146,458</b>	<b>\$ 244,327</b>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**At December 31, 2008**

	<b>Special Revenue Funds</b>			
	Enforcement & Education	Court Probation Services	Indigent Driver Alcohol Treatment	Indigent Driver Alcohol Monitoring
<b>ASSETS</b>				
Cash and investments	\$ 29,509	\$ 99,517	\$ 19,925	\$ 2,036
Receivables, net	323	6,465	175	955
Due from other governments	-	-	6,000	-
<b>TOTAL ASSETS</b>	<b>\$ 29,832</b>	<b>\$ 105,982</b>	<b>\$ 26,100</b>	<b>\$ 2,991</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 18,387	\$ 7,541	\$ -
Due to other funds	-	-	-	-
Deferred revenue	-	-	6,000	-
<b>Total liabilities</b>	<b>-</b>	<b>18,387</b>	<b>13,541</b>	<b>-</b>
<b>FUND BALANCES</b>				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	-	68,142	-	-
Unreserved, undesignated	29,832	19,453	12,559	2,991
<b>Total fund balances</b>	<b>29,832</b>	<b>87,595</b>	<b>12,559</b>	<b>2,991</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 29,832</b>	<b>\$ 105,982</b>	<b>\$ 26,100</b>	<b>\$ 2,991</b>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**At December 31, 2008**

	<b>Special Revenue Funds</b>			
	Law Enforcement Trust	Police Canine	Seat Belt Grant	VOCA Victims Assistance Grant 07-08
<b>ASSETS</b>				
Cash and investments	\$ 33,559	\$ 44,059	\$ 5,187	\$ -
Receivables, net	1,107	-	-	-
Due from other governments	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 34,666</b>	<b>\$ 44,059</b>	<b>\$ 5,187</b>	<b>\$ -</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	4,900	-	-	-
Unreserved, undesignated	29,766	44,059	5,187	-
<b>Total fund balances</b>	<b>34,666</b>	<b>44,059</b>	<b>5,187</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 34,666</b>	<b>\$ 44,059</b>	<b>\$ 5,187</b>	<b>\$ -</b>

Continued

**CITY OF MENTOR, OHIO  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 At December 31, 2008**

	<b>Special Revenue Funds</b>			
	VOCA Victims Assistance Grant 08-09	Community Development Block Grant 00-01	Community Development Block Grant 01-02	Community Development Block Grant 02-03
<b>ASSETS</b>				
Cash and investments	\$ 708	\$ -	\$ -	\$ -
Receivables, net	-	-	-	-
Due from other governments	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 708</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	-	-	-
<b>FUND BALANCES</b>				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	-	-	-	-
Unreserved, undesignated	708	-	-	-
Total fund balances	708	-	-	-
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 708</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Continued



**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**At December 31, 2008**

	<b>Special Revenue Funds</b>			
	Community Development Block Grant 04-05	Community Development Block Grant 05-06	Community Development Block Grant 06-07	Community Development Block Grant 07-08
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ -	\$ 240,888
Receivables, net	-	-	-	-
Due from other governments	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 240,888</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 22,271
Due to other funds	-	-	-	250,708
Deferred revenue	-	-	-	-
Total liabilities	-	-	-	272,979
<b>FUND BALANCES</b>				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	-	-	-	59,780
Unreserved, undesignated	-	-	-	(91,871)
Total fund balances	-	-	-	(32,091)
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 240,888</b>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**At December 31, 2008**

	<b>Special Revenue Funds</b>			
	Forfeited Property - U.S. Department of Justice	COPS Secure Our Schools Grant-2006	COPS Secure Our Schools Grant-2007	Council Donation
<b>ASSETS</b>				
Cash and investments	\$ 1,504	\$ 2,891	\$ 9,170	\$ 1,796
Receivables, net	-	-	-	-
Due from other governments	-	2,034	7,130	-
<b>TOTAL ASSETS</b>	<b>\$ 1,504</b>	<b>\$ 4,925</b>	<b>\$ 16,300</b>	<b>\$ 1,796</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	23,000	-
Deferred revenue	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>23,000</b>	<b>-</b>
<b>FUND BALANCES</b>				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	-	-	-	-
Unreserved, undesignated	1,504	4,925	(6,700)	1,796
<b>Total fund balances</b>	<b>1,504</b>	<b>4,925</b>	<b>(6,700)</b>	<b>1,796</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,504</b>	<b>\$ 4,925</b>	<b>\$ 16,300</b>	<b>\$ 1,796</b>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**At December 31, 2008**

	<b>Special Revenue Funds</b>			
	Police Donation	Fire Donation	Senior Citizens Donation	Cultural Donation
<b>ASSETS</b>				
Cash and investments	\$ 56,573	\$ 6,134	\$ 16,095	\$ 98,440
Receivables, net	-	-	-	-
Due from other governments	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 56,573</b>	<b>\$ 6,134</b>	<b>\$ 16,095</b>	<b>\$ 98,440</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	-	-	-
<b>FUND BALANCES</b>				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	15,000	-	25	423
Unreserved, undesignated	41,573	6,134	16,070	98,017
Total fund balances	56,573	6,134	16,095	98,440
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 56,573</b>	<b>\$ 6,134</b>	<b>\$ 16,095</b>	<b>\$ 98,440</b>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**At December 31, 2008**

	<u>Special Revenue Funds</u>			<u>Debt Service Fund</u>
	<u>Beautification Donation</u>	<u>IBIM Festival</u>	<u>Total Special Revenue Funds</u>	<u>General Obligation Bond Retirement</u>
<b>ASSETS</b>				
Cash and investments	\$ 2,729	\$ 13,006	\$ 3,713,455	\$ 1,062,796
Receivables, net	-	-	2,044,822	1,965,612
Due from other governments	-	-	1,663,008	261,504
<b>TOTAL ASSETS</b>	<u>\$ 2,729</u>	<u>\$ 13,006</u>	<u>\$ 7,421,285</u>	<u>\$ 3,289,912</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 288,513	\$ -
Due to other funds	-	-	273,708	-
Deferred revenue	-	-	3,238,778	2,227,116
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>3,800,999</u>	<u>2,227,116</u>
<b>FUND BALANCES</b>				
Reserved for:				
Debt Service	-	-	-	1,062,796
Encumbrances	-	-	611,877	-
Unreserved, undesignated	2,729	13,006	3,008,409	-
<b>Total fund balances</b>	<u>2,729</u>	<u>13,006</u>	<u>3,620,286</u>	<u>1,062,796</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,729</u>	<u>\$ 13,006</u>	<u>\$ 7,421,285</u>	<u>\$ 3,289,912</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**At December 31, 2008**

	<b>Capital Project Funds</b>			
	Heisley Road Improvement - Phase II	Center Street	Plaza Boulevard Extension	Municipal Court Expansion
<b>ASSETS</b>				
Cash and investments	\$ 408,491	\$ 44,097	\$ 415,760	\$ 641,890
Receivables, net	-	-	-	-
Due from other governments	441,327	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 849,818</b>	<b>\$ 44,097</b>	<b>\$ 415,760</b>	<b>\$ 641,890</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 150,429	\$ 6,736	\$ 21,711	\$ 129,464
Due to other funds	600,000	-	-	250,000
Notes payable	1,500,000	604,000	530,000	1,000,000
Deferred revenue	27,520	-	-	-
Total liabilities	2,277,949	610,736	551,711	1,379,464
<b>FUND BALANCES</b>				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	195,223	11	144,046	382,994
Unreserved, undesignated	(1,623,354)	(566,650)	(279,997)	(1,120,568)
Total fund balances	(1,428,131)	(566,639)	(135,951)	(737,574)
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 849,818</b>	<b>\$ 44,097</b>	<b>\$ 415,760</b>	<b>\$ 641,890</b>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**At December 31, 2008**

	<b>Capital Project Funds</b>		
	Marsh Creek Detention Improvement	US20 Resurfacing	Market Street / Bellflower Concrete Repair
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 484,340	\$ 128,285
Receivables, net	-	-	-
Due from other governments	-	-	11,570
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 484,340</b>	<b>\$ 139,855</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 5,420	\$ -
Due to other funds	-	596,200	160,000
Notes payable	-	486,000	-
Deferred revenue	-	-	11,570
<b>Total liabilities</b>	<b>-</b>	<b>1,087,620</b>	<b>171,570</b>
<b>FUND BALANCES</b>			
Reserved for:			
Debt Service	-	-	-
Encumbrances	-	-	74,513
Unreserved, undesignated	-	(603,280)	(106,228)
<b>Total fund balances</b>	<b>-</b>	<b>(603,280)</b>	<b>(31,715)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 484,340</b>	<b>\$ 139,855</b>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**At December 31, 2008**

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	Total Capital Project Funds	Total All Nonmajor Funds
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and investments	\$ 2,122,863	\$ 6,899,114
Receivables, net	-	4,010,434
Due from other governments	<u>452,897</u>	<u>2,377,409</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,575,760</u></u>	<u><u>\$ 13,286,957</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 313,760	\$ 602,273
Due to other funds	1,606,200	1,879,908
Notes payable	4,120,000	4,120,000
Deferred revenue	<u>39,090</u>	<u>5,504,984</u>
Total liabilities	<u><u>6,079,050</u></u>	<u><u>12,107,165</u></u>
<b>FUND BALANCES</b>		
Reserved for:		
Debt Service	-	1,062,796
Encumbrances	796,787	1,408,664
Unreserved, undesignated	<u>(4,300,077)</u>	<u>(1,291,668)</u>
Total fund balances	<u><u>(3,503,290)</u></u>	<u><u>1,179,792</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 2,575,760</u></u>	<u><u>\$ 13,286,957</u></u>

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2008**

	<b>Special Revenue Funds</b>			
	Street	Police Pension	Fire Pension	Fire Levy
<b>REVENUES</b>				
Property taxes	\$ -	\$480,763	\$ 480,763	\$1,253,743
Other local taxes	-	-	-	-
Intergovernmental	2,572,796	54,052	54,052	114,677
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	57,507	-	-	-
Donations and other	70,834	-	-	-
Total revenues	<u>2,701,137</u>	<u>534,815</u>	<u>534,815</u>	<u>1,368,420</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Police	-	534,815	-	-
Fire	-	-	534,815	1,193,455
Streets and highways	2,959,177	-	-	-
Parks, recreation and public facilities	-	-	-	-
Economic and community development	-	-	-	-
Engineering and building	26,732	-	-	-
Capital outlay	926,406	-	-	174,965
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>3,912,315</u>	<u>534,815</u>	<u>534,815</u>	<u>1,368,420</u>
Excess (deficiency) of revenues over (under) expenditures	(1,211,178)	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds of notes	-	-	-	-
Premium on notes	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,211,178)	-	-	-
FUND BALANCES AT BEGINNING OF YEAR (Restated)	2,341,337	-	-	-
FUND BALANCES AT END OF YEAR	<u>\$1,130,159</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Continued



**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2008**

	<b>Special Revenue Funds</b>			
	Senior Citizens Service Levy	Community Recreation Facilities	Cemetery	Economic Development
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	424,852	-	-
Intergovernmental	176,032	-	-	-
Charges for services	-	-	36,680	13,073
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>176,032</u>	<u>424,852</u>	<u>36,680</u>	<u>13,073</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks, recreation and public facilities	45,816	-	-	-
Economic and community development	-	-	-	10,137
Engineering and building	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>45,816</u>	<u>-</u>	<u>-</u>	<u>10,137</u>
Excess (deficiency) of revenues over (under) expenditures	130,216	424,852	36,680	2,936
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds of notes	-	-	-	-
Premium on notes	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(400,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(400,000)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	130,216	24,852	36,680	2,936
FUND BALANCES AT BEGINNING OF YEAR (Restated)	298,705	83,563	424,001	54,404
FUND BALANCES AT END OF YEAR	<u>\$ 428,921</u>	<u>\$ 108,415</u>	<u>\$460,681</u>	<u>\$ 57,340</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2008**

	<b>Special Revenue Funds</b>			
	Subdivision Street Tree	Street Lighting	Court Computer	Court Special Projects
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	89,013	128,037
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	1,102,580	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>-</u>	<u>1,102,580</u>	<u>89,013</u>	<u>128,037</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	78,280	64,409
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	-	1,088,292	-	-
Parks, recreation and public facilities	3,045	-	-	-
Economic and community development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay	-	-	55,515	166,467
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>3,045</u>	<u>1,088,292</u>	<u>133,795</u>	<u>230,876</u>
Excess (deficiency) of revenues over (under) expenditures	(3,045)	14,288	(44,782)	(102,839)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds of notes	-	-	-	-
Premium on notes	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(3,045)	14,288	(44,782)	(102,839)
<b>FUND BALANCES AT BEGINNING OF YEAR</b> (Restated)	54,425	649,787	176,536	310,392
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 51,380</u>	<u>\$ 664,075</u>	<u>\$131,754</u>	<u>\$ 207,553</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2008**

	<b>Special Revenue Funds</b>			
	Enforcement & Education	Court Probation Services	Indigent Driver Alcohol Treatment	Indigent Driver Alcohol Monitoring
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Intergovernmental	-	-	12,095	-
Charges for services	-	-	-	-
Fines and forfeitures	4,896	78,402	4,500	2,991
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	4,896	78,402	16,595	2,991
<b>EXPENDITURES</b>				
Current:				
General government	-	67,604	19,251	-
Police	4,777	-	-	-
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks, recreation and public facilities	-	-	-	-
Economic and community development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay	-	83,233	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	4,777	150,837	19,251	-
Excess (deficiency) of revenues over (under) expenditures	119	(72,435)	(2,656)	2,991
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium on notes	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	119	(72,435)	(2,656)	2,991
<b>FUND BALANCES AT BEGINNING OF YEAR</b> (Restated)	29,713	160,030	15,215	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 29,832</b>	<b>\$ 87,595</b>	<b>\$ 12,559</b>	<b>\$ 2,991</b>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2008**

	<b>Special Revenue Funds</b>			
	Law Enforcement Trust	Police Canine	Seat Belt Grant	VOCA Victims Assistance Grant 07-08
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Intergovernmental	-	-	3,148	2,363
Charges for services	-	-	-	-
Fines and forfeitures	2,790	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	4,454	-	-
Total revenues	2,790	4,454	3,148	2,363
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Police	17,218	18,050	3,974	3,152
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks, recreation and public facilities	-	-	-	-
Economic and community development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	17,218	18,050	3,974	3,152
Excess (deficiency) of revenues over (under) expenditures	(14,428)	(13,596)	(826)	(789)
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium on notes	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	(14,428)	(13,596)	(826)	(789)
<b>FUND BALANCES AT BEGINNING OF YEAR</b> (Restated)	49,094	57,655	6,013	789
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 34,666</b>	<b>\$ 44,059</b>	<b>\$ 5,187</b>	<b>\$ -</b>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2008**

	<b>Special Revenue Funds</b>			
	VOCA Victims Assistance Grant 08-09	Community Development Block Grant 00-01	Community Development Block Grant 01-02	Community Development Block Grant 02-03
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Intergovernmental	708	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>708</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks, recreation and public facilities	-	-	-	-
Economic and community development	-	518	2,872	6,367
Engineering and building	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>-</u>	<u>518</u>	<u>2,872</u>	<u>6,367</u>
Excess (deficiency) of revenues over (under) expenditures	708	(518)	(2,872)	(6,367)
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium on notes	-	-	-	-
Transfers in	-	-	-	5,516
Transfers out	-	-	(18,220)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(18,220)</u>	<u>5,516</u>
NET CHANGE IN FUND BALANCES	708	(518)	(21,092)	(851)
FUND BALANCES AT BEGINNING OF YEAR (Restated)	-	518	21,092	851
FUND BALANCES AT END OF YEAR	<u>\$ 708</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2008**

	<b>Special Revenue Funds</b>			
	Community Development Block Grant 04-05	Community Development Block Grant 05-06	Community Development Block Grant 06-07	Community Development Block Grant 07-08
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Intergovernmental	-	21,709	45,576	171,723
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>-</u>	<u>21,709</u>	<u>45,576</u>	<u>171,723</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks, recreation and public facilities	-	-	-	-
Economic and community development	-	19,715	45,576	180,564
Engineering and building	-	-	-	-
Capital outlay	-	-	-	20,000
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>-</u>	<u>19,715</u>	<u>45,576</u>	<u>200,564</u>
Excess (deficiency) of revenues over (under) expenditures	-	1,994	-	(28,841)
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium on notes	-	-	-	-
Transfers in	8,976	3,728	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>8,976</u>	<u>3,728</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	8,976	5,722	-	(28,841)
FUND BALANCES AT BEGINNING OF YEAR (Restated)	(8,976)	(5,722)	-	(3,250)
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (32,091)</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2008**

	<b>Special Revenue Funds</b>			
	Forfeited Property - U.S. Department of Justice	COPS Secure Our Schools Grant-2006	COPS Secure Our Schools Grant-2007	Council Donation
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Intergovernmental	-	3,109	18,951	-
Charges for services	-	-	-	550
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	51	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>51</u>	<u>3,109</u>	<u>18,951</u>	<u>550</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	192
Police	-	2,883	20,222	-
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks, recreation and public facilities	-	-	-	-
Economic and community development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay	-	-	1,200	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>-</u>	<u>2,883</u>	<u>21,422</u>	<u>192</u>
Excess (deficiency) of revenues over (under) expenditures	51	226	(2,471)	358
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium on notes	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	51	226	(2,471)	358
<b>FUND BALANCES AT BEGINNING OF YEAR</b> (Restated)	1,453	4,699	(4,229)	1,438
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 1,504</u>	<u>\$ 4,925</u>	<u>\$ (6,700)</u>	<u>\$ 1,796</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2008**

	<b>Special Revenue Funds</b>			
	Police Donation	Fire Donation	Senior Citizens Donation	Cultural Donation
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	3,167	20,520
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	134	180	-	2,237
Total revenues	<u>134</u>	<u>180</u>	<u>3,167</u>	<u>22,757</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Police	84	-	-	-
Fire	-	904	-	-
Streets and highways	-	-	-	-
Parks, recreation and public facilities	-	-	2,048	18,369
Economic and community development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>84</u>	<u>904</u>	<u>2,048</u>	<u>18,369</u>
Excess (deficiency) of revenues over (under) expenditures	50	(724)	1,119	4,388
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium on notes	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	50	(724)	1,119	4,388
FUND BALANCES AT BEGINNING OF YEAR (Restated)	56,523	6,858	14,976	94,052
FUND BALANCES AT END OF YEAR	<u>\$ 56,573</u>	<u>\$ 6,134</u>	<u>\$ 16,095</u>	<u>\$ 98,440</u>

Continued



**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2008**

	<u>Special Revenue Funds</u>		Total Special Revenue Funds	<u>Debt Service Fund</u>
	Beautification Donation	IBIM Festival		General Obligation Bond Retirement
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ 2,215,269	\$ 1,901,892
Other local taxes	-	-	424,852	-
Intergovernmental	-	-	3,250,991	223,823
Charges for services	5,921	93,842	173,753	-
Fines and forfeitures	-	-	310,629	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	1,102,580	-
Investment income	-	-	57,558	-
Donations and other	-	-	77,839	-
Total revenues	<u>5,921</u>	<u>93,842</u>	<u>7,613,471</u>	<u>2,125,715</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	89,241	318,977	-
Police	-	-	605,175	-
Fire	-	-	1,729,174	-
Streets and highways	-	-	4,047,469	-
Parks, recreation and public facilities	6,335	-	75,613	-
Economic and community development	-	-	265,749	-
Engineering and building	-	-	26,732	-
Capital outlay	-	-	1,427,786	-
Debt service:				
Principal retirement	-	-	-	1,474,245
Interest and other expenditures	-	-	-	797,283
Total expenditures	<u>6,335</u>	<u>89,241</u>	<u>8,496,675</u>	<u>2,271,528</u>
Excess (deficiency) of revenues over (under) expenditures	(414)	4,601	(883,204)	(145,813)
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium on notes	-	-	-	32,684
Transfers in	-	-	18,220	400,000
Transfers out	-	-	(418,220)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(400,000)</u>	<u>432,684</u>
NET CHANGE IN FUND BALANCES	(414)	4,601	(1,283,204)	286,871
FUND BALANCES AT BEGINNING OF YEAR (Restated)	3,143	8,405	4,903,490	775,925
FUND BALANCES AT END OF YEAR	<u>\$ 2,729</u>	<u>\$ 13,006</u>	<u>\$ 3,620,286</u>	<u>\$ 1,062,796</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2008**

	<b>Capital Project Funds</b>			
	Heisley Road Improvement -Phase II	Center Street	Plaza Boulevard Extension	Municipal Court Expansion
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Intergovernmental	413,806	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>413,806</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government	7,119	4,107	2,496	4,750
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks, recreation and public facilities	-	-	-	-
Economic and community development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay	1,818,089	464,045	127,544	721,671
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	16,729	27,896	5,911	11,153
Total expenditures	<u>1,841,937</u>	<u>496,048</u>	<u>135,951</u>	<u>737,574</u>
Excess (deficiency) of revenues over (under) expenditures	(1,428,131)	(496,048)	(135,951)	(737,574)
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium on notes	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,428,131)	(496,048)	(135,951)	(737,574)
FUND BALANCES AT BEGINNING OF YEAR (Restated)	-	(70,591)	-	-
FUND BALANCES AT END OF YEAR	<u>\$ (1,428,131)</u>	<u>\$ (566,639)</u>	<u>\$ (135,951)</u>	<u>\$ (737,574)</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2008**

	<u>Capital Project Funds</u>		
	Marsh Creek Detention Improvement	US20 Resurfacing	Market Street / Bellflower Concrete Repair
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ -
Other local taxes	-	-	-
Intergovernmental	18,762	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Licenses, permits, and inspections	-	-	-
Special assessments	-	-	-
Investment income	-	-	-
Donations and other	-	-	-
Total revenues	<u>18,762</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
General government	2	2,320	-
Police	-	-	-
Fire	-	-	-
Streets and highways	-	595,540	21,715
Parks, recreation and public facilities	-	-	-
Economic and community development	-	-	-
Engineering and building	-	-	10,000
Capital outlay	72,156	-	-
Debt service:			
Principal retirement	-	-	-
Interest and other expenditures	-	5,420	-
Total expenditures	<u>72,158</u>	<u>603,280</u>	<u>31,715</u>
Excess (deficiency) of revenues over (under) expenditures	(53,396)	(603,280)	(31,715)
<b>OTHER FINANCING SOURCES (USES)</b>			
Premium on notes	-	-	-
Transfers in	53,396	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>53,396</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(603,280)	(31,715)
FUND BALANCES AT BEGINNING OF YEAR (Restated)	-	-	-
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ (603,280)</u>	<u>\$ (31,715)</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2008**

	Total Capital Project Funds	Total All Nonmajor Funds
<b>REVENUES</b>		
Property taxes	\$ -	\$ 4,117,161
Other local taxes	-	424,852
Intergovernmental	432,568	3,907,382
Charges for services	-	173,753
Fines and forfeitures	-	310,629
Special assessments	-	1,102,580
Investment income	-	57,558
Donations and other	-	77,839
Total revenues	<u>432,568</u>	<u>10,171,754</u>
<b>EXPENDITURES</b>		
Current:		
General government	20,794	339,771
Police	-	605,175
Fire	-	1,729,174
Streets and highways	617,255	4,664,724
Parks, recreation and public facilities	-	75,613
Economic and community development	-	265,749
Engineering and building	10,000	36,732
Capital outlay	3,203,505	4,631,291
Debt service:		
Principal retirement	-	1,474,245
Interest and other expenditures	67,109	864,392
Total expenditures	<u>3,918,663</u>	<u>14,686,866</u>
Excess (deficiency) of revenues over (under) expenditures	(3,486,095)	(4,515,112)
<b>OTHER FINANCING SOURCES (USES)</b>		
Premium on notes	-	32,684
Transfers in	53,396	471,616
Transfers out	-	(418,220)
Total other financing sources (uses)	<u>53,396</u>	<u>86,080</u>
NET CHANGE IN FUND BALANCES	(3,432,699)	(4,429,032)
FUND BALANCES AT BEGINNING OF YEAR (Restated)	(70,591)	5,608,824
FUND BALANCES AT END OF YEAR	<u>\$ (3,503,290)</u>	<u>\$ 1,179,792</u>

**CITY OF MENTOR, OHIO**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**Year ended December 31, 2008**

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	<u>Balance January 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2008</u>
<b>Municipal Court Fund:</b>				
<b>ASSETS:</b>				
Cash	<u>\$ 78,736</u>	<u>\$ 2,165,209</u>	<u>\$ 2,180,992</u>	<u>\$ 62,953</u>
<b>LIABILITIES:</b>				
Deposits held and due to others	<u>\$ 78,736</u>	<u>\$ 2,165,209</u>	<u>\$ 2,180,992</u>	<u>\$ 62,953</u>

**CITY OF MENTOR, OHIO**  
**STREET FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 2,120,000	\$ 2,580,276	\$ 460,276
Other local taxes	360,000	-	(360,000)
Investment income	100,000	57,507	(42,493)
Other	-	70,834	70,834
Total revenues	<u>2,580,000</u>	<u>2,708,617</u>	<u>128,617</u>
<b>EXPENDITURES:</b>			
Engineering and building			
Other	123,367	108,766	14,601
Streets and highways			
Employee compensation	1,700,000	1,700,000	-
Other	2,523,630	2,383,739	139,891
	-	-	-
Total expenditures	<u>4,346,997</u>	<u>4,192,505</u>	<u>154,492</u>
Excess (deficiency) of revenues over expenditures	(1,766,997)	(1,483,888)	283,109
Adjustment for prior year encumbrances	764,997	764,997	-
FUND BALANCES, BEGINNING OF YEAR	<u>1,212,124</u>	<u>1,212,124</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 210,124</u>	<u>\$ 493,233</u>	<u>\$ 283,109</u>

**CITY OF MENTOR, OHIO**  
**POLICE PENSION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 57,388	\$ 54,052	\$ (3,336)
Property taxes	<u>477,427</u>	<u>480,763</u>	<u>3,336</u>
Total revenues	<u>534,815</u>	<u>534,815</u>	<u>-</u>
<b>EXPENDITURES:</b>			
Police	<u>534,815</u>	<u>534,815</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF MENTOR, OHIO**  
**FIRE PENSION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 57,388	\$ 54,052	\$ (3,336)
Property taxes	<u>477,427</u>	<u>480,763</u>	<u>3,336</u>
Total revenues	<u>534,815</u>	<u>534,815</u>	<u>-</u>
<b>EXPENDITURES:</b>			
Fire	<u>534,815</u>	<u>534,815</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**CITY OF MENTOR, OHIO**  
**FIRE LEVY FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 105,850	\$ 114,677	\$ 8,827
Property taxes	<u>1,262,571</u>	<u>1,253,743</u>	<u>(8,828)</u>
Total revenues	<u>1,368,421</u>	<u>1,368,420</u>	<u>(1)</u>
<b>EXPENDITURES:</b>			
<b>Fire</b>			
Employee compensation	1,178,988	1,178,988	-
Other	<u>189,432</u>	<u>189,432</u>	<u>-</u>
Total expenditures	<u>1,368,420</u>	<u>1,368,420</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	1	-	(1)
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	175,000	175,000	-
Advances out	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	1	-	(1)
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

**CITY OF MENTOR, OHIO**  
**SENIOR CITIZENS SERVICES LEVY FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 85,000	\$ 176,032	\$ 91,032
EXPENDITURES:			
Parks, recreation and public facilities	85,252	65,251	20,001
Excess (deficiency) of revenues over expenditures	(252)	110,781	111,033
Adjustment for prior year encumbrances	5,252	5,252	-
FUND BALANCES, BEGINNING OF YEAR	<u>293,452</u>	<u>293,452</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 298,452</u>	<u>\$ 409,485</u>	<u>\$ 111,033</u>

**CITY OF MENTOR, OHIO  
COMMUNITY RECREATION FACILITIES FUND  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
(NON-GAAP BUDGETARY BASIS)  
Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	<u>\$ 400,000</u>	<u>\$ 421,906</u>	<u>\$ 21,906</u>
EXPENDITURES:	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	400,000	421,906	21,906
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	21,906	21,906
FUND BALANCES, BEGINNING OF YEAR	<u>50,032</u>	<u>50,032</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 50,032</u>	<u>\$ 71,938</u>	<u>\$ 21,906</u>

**CITY OF MENTOR, OHIO**  
**CEMETERY FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	<u>\$ 38,000</u>	<u>\$ 36,680</u>	<u>\$ (1,320)</u>
EXPENDITURES:	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	38,000	36,680	(1,320)
FUND BALANCES, BEGINNING OF YEAR	<u>424,001</u>	<u>424,001</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 462,001</u></u>	<u><u>\$ 460,681</u></u>	<u><u>\$ (1,320)</u></u>

**CITY OF MENTOR, OHIO  
ECONOMIC DEVELOPMENT FUND  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
(NON-GAAP BUDGETARY BASIS)  
Year Ended December 31, 2008**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	<u>\$ 13,000</u>	<u>\$ 13,073</u>	<u>\$ 73</u>
EXPENDITURES:			
Economic and community development	<u>65,000</u>	<u>10,137</u>	<u>54,863</u>
Excess (deficiency) of revenues over expenditures	(52,000)	2,936	54,936
FUND BALANCES, BEGINNING OF YEAR	<u>54,404</u>	<u>54,404</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,404</u>	<u>\$ 57,340</u>	<u>\$ 54,936</u>

**CITY OF MENTOR, OHIO**  
**SUBDIVISION STREET TREE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Licenses, permits and inspections	\$ 12,000	\$ -	\$ (12,000)
<b>EXPENDITURES:</b>			
Parks, recreation and public facilities	51,482	3,527	47,955
Excess (deficiency) of revenues over expenditures	(39,482)	(3,527)	35,955
Adjustment for prior year encumbrances	482	482	-
FUND BALANCES, BEGINNING OF YEAR	53,943	53,943	-
FUND BALANCES, END OF YEAR	\$ 14,943	\$ 50,898	\$ 35,955

**CITY OF MENTOR, OHIO**  
**STREET LIGHTING FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Special assessments	<u>\$ 1,100,000</u>	<u>\$ 1,102,580</u>	<u>\$ 2,580</u>
<b>EXPENDITURES:</b>			
Streets and highways	<u>1,100,000</u>	<u>1,042,710</u>	<u>57,290</u>
Excess (deficiency) of revenues over expenditures	-	59,870	59,870
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>649,787</u>	<u>649,787</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u><u>\$ 649,787</u></u>	<u><u>\$ 709,657</u></u>	<u><u>\$ 59,870</u></u>

**CITY OF MENTOR, OHIO  
 COURT COMPUTER FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
 (NON-GAAP BUDGETARY BASIS)  
 Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Fines and forfeitures	\$ 98,000	\$ 87,837	\$ (10,163)
<b>EXPENDITURES:</b>			
General government			
Employee compensation	41,000	40,294	706
Other	217,200	155,654	61,546
Total expenditures	<u>258,200</u>	<u>195,948</u>	<u>62,252</u>
Excess (deficiency) of revenues over expenditures	(160,200)	(108,111)	52,089
FUND BALANCES, BEGINNING OF YEAR	<u>170,453</u>	<u>170,453</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 10,253</u>	<u>\$ 62,342</u>	<u>\$ 52,089</u>



**CITY OF MENTOR, OHIO  
 COURT SPECIAL PROJECTS FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
 (NON-GAAP BUDGETARY BASIS)  
 Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Fines and forfeitures	<u>\$ 98,000</u>	<u>\$ 119,659</u>	<u>\$ 21,659</u>
<b>EXPENDITURES:</b>			
General government			
Employee compensation	52,000	45,559	6,441
Other	<u>338,000</u>	<u>318,845</u>	<u>19,155</u>
Total expenditures	<u>390,000</u>	<u>364,404</u>	<u>25,596</u>
Excess (deficiency) of revenues over expenditures	(292,000)	(244,745)	47,255
FUND BALANCES, BEGINNING OF YEAR	<u>304,317</u>	<u>304,317</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 12,317</u></u>	<u><u>\$ 59,572</u></u>	<u><u>\$ 47,255</u></u>

**CITY OF MENTOR, OHIO**  
**ENFORCEMENT AND EDUCATION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Fines and forfeitures	\$ 6,500	\$ 4,760	\$ (1,740)
<b>EXPENDITURES:</b>			
Police	31,000	4,777	26,223
Excess (deficiency) of revenues over expenditures	(24,500)	(17)	24,483
FUND BALANCES, BEGINNING OF YEAR	29,526	29,526	-
FUND BALANCES, END OF YEAR	<u>\$ 5,026</u>	<u>\$ 29,509</u>	<u>\$ 24,483</u>

**CITY OF MENTOR, OHIO**  
**COURT PROBATION SERVICES FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Fines and forfeitures	\$ 93,000	\$ 77,848	\$ (15,152)
<b>EXPENDITURES:</b>			
General government			
Employee compensation	44,000	42,662	1,338
Other	187,900	174,939	12,961
Total expenditures	<u>231,900</u>	<u>217,601</u>	<u>14,299</u>
Excess (deficiency) of revenues over expenditures	(138,900)	(139,753)	(853)
FUND BALANCES, BEGINNING OF YEAR	<u>154,119</u>	<u>154,119</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 15,219</u>	<u>\$ 14,366</u>	<u>\$ (853)</u>

**CITY OF MENTOR, OHIO**  
**INDIGENT DRIVER ALCOHOL TREATMENT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Fines and forfeitures	\$ 6,000	\$ 4,600	\$ (1,400)
Intergovernmental	<u>14,000</u>	<u>12,095</u>	<u>(1,905)</u>
Total revenues	<u>20,000</u>	<u>16,695</u>	<u>(3,305)</u>
<b>EXPENDITURES:</b>			
General government	<u>38,000</u>	<u>24,795</u>	<u>13,205</u>
Excess (deficiency) of revenues over expenditures	(18,000)	(8,100)	9,900
FUND BALANCES, BEGINNING OF YEAR	<u>28,025</u>	<u>28,025</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 10,025</u>	<u>\$ 19,925</u>	<u>\$ 9,900</u>

**CITY OF MENTOR, OHIO**  
**INDIGENT DRIVER ALCOHOL MONITORING FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ -	\$ 2,036	\$ 2,036
EXPENDITURES:			
General government	-	-	-
Excess (deficiency) of revenues over expenditures	-	2,036	2,036
FUND BALANCES, BEGINNING OF YEAR	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 2,036</u>	<u>\$ 2,036</u>

**CITY OF MENTOR, OHIO**  
**LAW ENFORCEMENT TRUST FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Fines and forfeitures	\$ 5,000	\$ 2,948	\$ (2,052)
<b>EXPENDITURES:</b>			
Police	45,000	22,119	22,881
Excess (deficiency) of revenues over expenditures	(40,000)	(19,171)	20,829
FUND BALANCES, BEGINNING OF YEAR	47,830	47,830	-
FUND BALANCES, END OF YEAR	<u>\$ 7,830</u>	<u>\$ 28,659</u>	<u>\$ 20,829</u>

**CITY OF MENTOR, OHIO**  
**POLICE CANINE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Donations and other	\$ -	\$ 4,454	\$ 4,454
<b>EXPENDITURES:</b>			
Police:			
Employee compensation	10,000	8,540	1,460
Other	43,000	9,510	33,490
Total expenditures	<u>53,000</u>	<u>18,050</u>	<u>34,950</u>
Excess (deficiency) of revenues over expenditures	(53,000)	(13,596)	39,404
FUND BALANCES, BEGINNING OF YEAR	<u>57,655</u>	<u>57,655</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 4,655</u>	<u>\$ 44,059</u>	<u>\$ 39,404</u>

**CITY OF MENTOR, OHIO**  
**SEAT BELT GRANT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	<u>\$ 2,440</u>	<u>\$ 3,148</u>	<u>\$ 708</u>
EXPENDITURES:			
Police	<u>8,440</u>	<u>3,974</u>	<u>4,466</u>
Excess (deficiency) of revenues over expenditures	(6,000)	(826)	5,174
FUND BALANCES, BEGINNING OF YEAR	<u>6,013</u>	<u>6,013</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 13</u>	<u>\$ 5,187</u>	<u>\$ 5,174</u>



**CITY OF MENTOR, OHIO**  
**VOCA VICTIMS ASSISTANCE GRANT 07-08 FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	<u>\$ 2,363</u>	<u>\$ 2,363</u>	<u>\$ -</u>
EXPENDITURES:			
Police	<u>3,152</u>	<u>3,152</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(789)</u>	<u>(789)</u>	<u>-</u>
FUND BALANCES, BEGINNING OF YEAR	<u>789</u>	<u>789</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF MENTOR, OHIO**  
**VOCA VICTIMS ASSISTANCE GRANT 08-09 FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ 708	\$ 708
EXPENDITURES:			
Police	-	-	-
Excess (deficiency) of revenues over expenditures	-	708	708
FUND BALANCES, BEGINNING OF YEAR	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 708</u>	<u>\$ 708</u>

**CITY OF MENTOR, OHIO**  
**COMMUNITY DEVELOPMENT BLOCK GRANT 00-01 FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES:			
Economic and community development	<u>518</u>	<u>518</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(518)</u>	<u>(518)</u>	<u>-</u>
FUND BALANCES, BEGINNING OF YEAR	<u>518</u>	<u>518</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF MENTOR, OHIO**  
**COMMUNITY DEVELOPMENT BLOCK GRANT 01-02 FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 19,185	\$ -	\$ (19,185)
<b>EXPENDITURES:</b>			
Economic and community development	2,872	2,872	-
Excess (deficiency) of revenues over expenditures	16,313	(2,872)	(19,185)
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances out	(19,000)	(19,000)	-
Transfers out	-	(18,220)	(18,220)
Total other financing sources (uses)	(19,000)	(37,220)	(18,220)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(2,687)	(40,092)	(37,405)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>40,092</u>	<u>40,092</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 37,405</u>	<u>\$ -</u>	<u>\$ (37,405)</u>

**CITY OF MENTOR, OHIO**  
**COMMUNITY DEVELOPMENT BLOCK GRANT 02-03 FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 9,008	\$ -	\$ (9,008)
<b>EXPENDITURES:</b>			
Economic and community development	6,367	6,367	-
Excess (deficiency) of revenues over expenditures	2,641	(6,367)	(9,008)
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	5,516	5,516
Advances out	(9,000)	(9,000)	-
Total other financing sources (uses)	(9,000)	(3,484)	5,516
Excess (deficiency) of revenues and other sources over expenditures and other uses	(6,359)	(9,851)	(3,492)
FUND BALANCES, BEGINNING OF YEAR	9,851	9,851	-
FUND BALANCES, END OF YEAR	<u>\$ 3,492</u>	<u>\$ -</u>	<u>\$ (3,492)</u>

**CITY OF MENTOR, OHIO**  
**COMMUNITY DEVELOPMENT BLOCK GRANT 03-04 FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 955	\$ -	\$ (955)
EXPENDITURES:	-	-	-
Excess (deficiency) of revenues over expenditures	955	-	(955)
FUND BALANCES, BEGINNING OF YEAR	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ 955</u>	<u>\$ -</u>	<u>\$ (955)</u>

**CITY OF MENTOR, OHIO**  
**COMMUNITY DEVELOPMENT BLOCK GRANT 04-05 FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 3,424	\$ -	\$ (3,424)
EXPENDITURES:	-	-	-
Excess (deficiency) of revenues over expenditures	3,424	-	(3,424)
OTHER FINANCING SOURCES (USES):			
Advances in	50,976	-	(50,976)
Transfers in	-	8,976	8,976
Advances out	(42,000)	(42,000)	-
Total other financing sources (uses)	8,976	(33,024)	(42,000)
Excess (deficiency) of revenues and other sources over expenditures and other uses	12,400	(33,024)	(45,424)
FUND BALANCES, BEGINNING OF YEAR	33,024	33,024	-
FUND BALANCES, END OF YEAR	\$ 45,424	\$ -	\$ (45,424)

**CITY OF MENTOR, OHIO**  
**COMMUNITY DEVELOPMENT BLOCK GRANT 05-06 FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 93,028	\$ 21,709	\$ (71,319)
<b>EXPENDITURES:</b>			
Economic and community development	19,715	19,715	-
Excess (deficiency) of revenues over expenditures	73,313	1,994	(71,319)
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	3,728	3,728
Advances out	(42,000)	(42,000)	-
Total other financing sources (uses)	(42,000)	(38,272)	3,728
Excess (deficiency) of revenues and other sources over expenditures and other uses	31,313	(36,278)	(67,591)
Adjustment for prior year encumbrances	21,755	21,755	-
FUND BALANCES, BEGINNING OF YEAR	14,523	14,523	-
FUND BALANCES, END OF YEAR	\$ 67,591	\$ -	\$ (67,591)



**CITY OF MENTOR, OHIO**  
**COMMUNITY DEVELOPMENT BLOCK GRANT 06-07 FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 123,473	\$ 45,576	\$ (77,897)
<b>EXPENDITURES:</b>			
Economic and community development	45,575	45,576	(1)
Excess (deficiency) of revenues over expenditures	77,898	-	(77,898)
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	33,984	30,577	(3,407)
Advances out	(33,077)	(33,077)	-
Total other financing sources (uses)	907	(2,500)	(3,407)
Excess (deficiency) of revenues and other sources over expenditures and other uses	78,805	(2,500)	(81,305)
Adjustment for prior year encumbrances	906	906	-
FUND BALANCES, BEGINNING OF YEAR	1,594	1,594	-
FUND BALANCES, END OF YEAR	<u>\$ 81,305</u>	<u>\$ -</u>	<u>\$ (81,305)</u>

**CITY OF MENTOR, OHIO**  
**COMMUNITY DEVELOPMENT BLOCK GRANT 07-08 FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 250,708	\$ 171,723	\$ (78,985)
<b>EXPENDITURES:</b>			
Economic and community development			
Employee compensation	3,882	3,882	-
Other	259,713	259,712	1
Total expenditures	<u>263,595</u>	<u>263,594</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	(12,887)	(91,871)	(78,984)
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	250,708	250,708	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>250,708</u>	<u>250,708</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	237,821	158,837	(78,984)
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 237,821</u>	<u>\$ 158,837</u>	<u>\$ (78,984)</u>

**CITY OF MENTOR, OHIO**  
**FORFEITED PROPERTY - U.S. DEPARTMENT OF JUSTICE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Investment income	\$ 200	\$ 51	\$ (149)
EXPENDITURES:			
Police	1,150	-	1,150
Excess (deficiency) of revenues over expenditures	(950)	51	1,001
FUND BALANCES, BEGINNING OF YEAR	<u>1,453</u>	<u>1,453</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 503</u>	<u>\$ 1,504</u>	<u>\$ 1,001</u>

**CITY OF MENTOR, OHIO**  
**COPS SECURE OUR SCHOOLS GRANT- 2006 FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 6,482	\$ 6,065	\$ (417)
<b>EXPENDITURES:</b>			
Police	5,682	2,883	2,799
Excess (deficiency) of revenues over expenditures	800	3,182	2,382
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	9,746	-	(9,746)
Advances out	(9,454)	(9,454)	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>292</u>	<u>(9,454)</u>	<u>(9,746)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,092	(6,272)	(7,364)
FUND BALANCES, BEGINNING OF YEAR	<u>9,163</u>	<u>9,163</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 10,255</u>	<u>\$ 2,891</u>	<u>\$ (7,364)</u>

**CITY OF MENTOR, OHIO**  
**COPS SECURE OUR SCHOOLS GRANT- 2007 FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 51,638	\$ 47,865	\$ (3,773)
<b>EXPENDITURES:</b>			
Police	51,638	47,198	4,440
Excess (deficiency) of revenues over expenditures	-	667	667
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	33,696	23,000	(10,696)
Advances out	(19,200)	(19,200)	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>14,496</u>	<u>3,800</u>	<u>(10,696)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	14,496	4,467	(10,029)
FUND BALANCES, BEGINNING OF YEAR	<u>4,703</u>	<u>4,703</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 19,199</u>	<u>\$ 9,170</u>	<u>\$ (10,029)</u>

**CITY OF MENTOR, OHIO**  
**COUNCIL DONATION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	<u>\$ 1,600</u>	<u>\$ 550</u>	<u>\$ (1,050)</u>
EXPENDITURES:			
General government	<u>1,900</u>	<u>192</u>	<u>1,708</u>
Excess (deficiency) of revenues over expenditures	(300)	358	658
FUND BALANCES, BEGINNING OF YEAR	<u>1,438</u>	<u>1,438</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,138</u>	<u>\$ 1,796</u>	<u>\$ 658</u>

**CITY OF MENTOR, OHIO**  
**POLICE DONATION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	<u>\$ 2,500</u>	<u>\$ 134</u>	<u>\$ (2,366)</u>
EXPENDITURES:			
Police	<u>50,000</u>	<u>15,084</u>	<u>34,916</u>
Excess (deficiency) of revenues over expenditures	(47,500)	(14,950)	32,550
FUND BALANCES, BEGINNING OF YEAR	<u>56,523</u>	<u>56,523</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 9,023</u></u>	<u><u>\$ 41,573</u></u>	<u><u>\$ 32,550</u></u>

**CITY OF MENTOR, OHIO**  
**FIRE DONATION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	<u>\$ 5,000</u>	<u>\$ 180</u>	<u>\$ (4,820)</u>
EXPENDITURES:			
Fire	<u>6,974</u>	<u>905</u>	<u>6,069</u>
Excess (deficiency) of revenues over expenditures	(1,974)	(725)	1,249
Adjustment for prior year encumbrances	374	374	-
FUND BALANCES, BEGINNING OF YEAR	<u>6,484</u>	<u>6,484</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 4,884</u>	<u>\$ 6,133</u>	<u>\$ 1,249</u>



**CITY OF MENTOR, OHIO**  
**SENIOR CITIZENS DONATION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	<u>\$ 3,500</u>	<u>\$ 3,167</u>	<u>\$ (333)</u>
EXPENDITURES:			
Parks, recreation and public facilities	<u>15,411</u>	<u>2,073</u>	<u>13,338</u>
Excess (deficiency) of revenues over expenditures	(11,911)	1,094	13,005
Adjustment for prior year encumbrances	411	411	-
FUND BALANCES, BEGINNING OF YEAR	<u>14,565</u>	<u>14,565</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 3,065</u></u>	<u><u>\$ 16,070</u></u>	<u><u>\$ 13,005</u></u>

**CITY OF MENTOR, OHIO**  
**CULTURAL DONATION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Charges for services	\$ 23,000	\$ 20,520	\$ (2,480)
Donations and other	5,000	2,237	(2,763)
Total revenues	<u>28,000</u>	<u>22,757</u>	<u>(5,243)</u>
<b>EXPENDITURES:</b>			
Parks, recreation and public facilities			
Employee compensation	5,000	3,659	1,341
Other	95,000	15,133	79,867
Total expenditures	<u>100,000</u>	<u>18,792</u>	<u>81,208</u>
Excess (deficiency) of revenues over expenditures	(72,000)	3,965	75,965
FUND BALANCES, BEGINNING OF YEAR	<u>94,052</u>	<u>94,052</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 22,052</u>	<u>\$ 98,017</u>	<u>\$ 75,965</u>

**CITY OF MENTOR, OHIO**  
**BEAUTIFICATION DONATION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

---

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ 6,500	\$ 5,921	\$ (579)
EXPENDITURES:			
Parks, recreation and public facilities	8,000	6,335	1,665
Excess (deficiency) of revenues over expenditures	(1,500)	(414)	1,086
FUND BALANCES, BEGINNING OF YEAR	<u>3,143</u>	<u>3,143</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,643</u>	<u>\$ 2,729</u>	<u>\$ 1,086</u>

**CITY OF MENTOR, OHIO**  
**IBIM FESTIVAL FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

---

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	<u>\$ 88,000</u>	<u>\$ 93,842</u>	<u>\$ 5,842</u>
EXPENDITURES:			
Parks, recreation and public facilities	<u>90,001</u>	<u>89,241</u>	<u>760</u>
Excess (deficiency) of revenues over expenditures	(2,001)	4,601	6,602
FUND BALANCES, BEGINNING OF YEAR	<u>8,405</u>	<u>8,405</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 6,404</u>	<u>\$ 13,006</u>	<u>\$ 6,602</u>

**CITY OF MENTOR, OHIO**  
**GENERAL OBLIGATION BOND RETIREMENT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 169,713	\$ 223,823	\$ 54,110
Property taxes	<u>2,004,050</u>	<u>1,901,892</u>	<u>(102,158)</u>
Total revenues	<u>2,173,763</u>	<u>2,125,715</u>	<u>(48,048)</u>
<b>EXPENDITURES:</b>			
Debt service:			
Principal retirement	1,500,000	1,474,245	25,755
Interest and other charges	<u>856,300</u>	<u>797,283</u>	<u>59,017</u>
Total expenditures	<u>2,356,300</u>	<u>2,271,528</u>	<u>84,772</u>
Excess (deficiency) of revenues over expenditures	(182,537)	(145,813)	36,724
<b>OTHER FINANCING SOURCES (USES):</b>			
Note premium	2,000	32,684	30,684
Transfers in	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Total other financing sources (uses)	<u>402,000</u>	<u>432,684</u>	<u>30,684</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	219,463	286,871	67,408
FUND BALANCES, BEGINNING OF YEAR	<u>775,925</u>	<u>775,925</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 995,388</u>	<u>\$ 1,062,796</u>	<u>\$ 67,408</u>

**CITY OF MENTOR, OHIO**  
**SPECIAL ASSESSMENT BOND RETIREMENT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Investment income	\$ -	\$ 21,510	\$ 21,510
Special assessments	<u>902,841</u>	<u>771,433</u>	<u>(131,408)</u>
Total revenues	<u>902,841</u>	<u>792,943</u>	<u>(109,898)</u>
<b>EXPENDITURES:</b>			
Debt service:			
Principal retirement	540,000	496,380	43,620
Interest and other charges	<u>366,395</u>	<u>310,154</u>	<u>56,241</u>
Total expenditures	<u>906,395</u>	<u>806,534</u>	<u>99,861</u>
Excess (deficiency) of revenues over expenditures	(3,554)	(13,591)	(10,037)
<b>OTHER FINANCING SOURCES (USES):</b>			
Note premium	23,000	29,899	6,899
Transfers in	-	191,684	191,684
Advances out	(4,000)	(4,000)	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>19,000</u>	<u>217,583</u>	<u>198,583</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	15,446	203,992	188,546
FUND BALANCES, BEGINNING OF YEAR	<u>46,685</u>	<u>46,685</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 62,131</u>	<u>\$ 250,677</u>	<u>\$ 188,546</u>

**CITY OF MENTOR, OHIO**  
**NORTON PARKWAY FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Debt service:			
Principal retirement	14,291,543	14,291,543	-
Interest and other charges	254,944	254,944	-
General government	127,492	127,493	(1)
Streets and highways	138,366	138,363	3
Engineering and building	32,939	32,939	-
Total expenditures	<u>14,845,284</u>	<u>14,845,282</u>	<u>2</u>
Excess (deficiency) of revenues over expenditures	(14,845,284)	(14,845,282)	2
OTHER FINANCING SOURCES (USES):			
Note proceeds	7,221,842	7,219,000	(2,842)
Bond proceeds	7,505,000	7,505,000	-
Bond discount	(13,083)	(13,083)	-
Transfers out	(191,684)	(191,684)	-
Total other financing sources (uses)	<u>14,522,075</u>	<u>14,519,233</u>	<u>(2,842)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(323,209)	(326,049)	(2,840)
Adjustment for prior year encumbrances	144,373	144,373	-
FUND BALANCES, BEGINNING OF YEAR	<u>181,676</u>	<u>181,676</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,840</u>	<u>\$ -</u>	<u>\$ (2,840)</u>

**CITY OF MENTOR, OHIO**  
**HEISLEY ROAD IMPROVEMENT - PHASE II FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 175,000	\$ 163,977	\$ (11,023)
<b>EXPENDITURES:</b>			
General government	8,000	7,119	881
Streets and highways	1,666,312	1,666,312	-
Engineering and building	350,000	347,000	3,000
Total expenditures	<u>2,024,312</u>	<u>2,020,431</u>	<u>3,881</u>
Excess (deficiency) of revenues over expenditures	(1,849,312)	(1,856,454)	(7,142)
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	2,016,312	2,016,312	-
Note proceeds	1,500,000	1,500,000	-
Advances out	(1,492,000)	(1,416,312)	75,688
Total other financing sources (uses)	<u>2,024,312</u>	<u>2,100,000</u>	<u>75,688</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	175,000	243,546	68,546
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 175,000</u>	<u>\$ 243,546</u>	<u>\$ 68,546</u>



**CITY OF MENTOR, OHIO**  
**CENTER STREET FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Debt service:			
Principal retirement	1,206,000	1,205,000	1,000
Interest and other charges	22,806	21,160	1,646
General government	5,000	4,109	891
Streets and highways	426,082	415,597	10,485
Engineering and building	<u>78,457</u>	<u>48,457</u>	<u>30,000</u>
Total expenditures	<u>1,738,345</u>	<u>1,694,323</u>	<u>44,022</u>
Excess (deficiency) of revenues over expenditures	(1,738,345)	(1,694,323)	44,022
OTHER FINANCING SOURCES (USES):			
Note proceeds	1,299,937	1,213,000	(86,937)
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,299,937</u>	<u>1,213,000</u>	<u>(86,937)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(438,408)	(481,323)	(42,915)
Adjustment for prior year encumbrances	466,539	466,539	-
FUND BALANCES, BEGINNING OF YEAR	<u>58,870</u>	<u>58,870</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 87,001</u>	<u>\$ 44,086</u>	<u>\$ (42,915)</u>

**CITY OF MENTOR, OHIO**  
**PLAZA BOULEVARD EXTENSION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
General government	2,500	2,496	4
Engineering and building	<u>527,500</u>	<u>271,590</u>	<u>255,910</u>
Total expenditures	<u>530,000</u>	<u>274,086</u>	<u>255,914</u>
Excess (deficiency) of revenues over expenditures	(530,000)	(274,086)	255,914
OTHER FINANCING SOURCES (USES):			
Advances in	530,000	530,000	-
Note proceeds	530,000	530,000	-
Advances out	<u>(530,000)</u>	<u>(530,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>530,000</u>	<u>530,000</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	255,914	255,914
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 255,914</u>	<u>\$ 255,914</u>

**CITY OF MENTOR, OHIO**  
**MUNICIPAL COURT EXPANSION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
General government	862,000	861,687	313
Engineering and building	<u>240,000</u>	<u>240,000</u>	<u>-</u>
Total expenditures	<u>1,102,000</u>	<u>1,101,687</u>	<u>313</u>
Excess (deficiency) of revenues over expenditures	(1,102,000)	(1,101,687)	313
OTHER FINANCING SOURCES (USES):			
Advances in	250,000	250,000	-
Note proceeds	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Total other financing sources (uses)	<u>1,250,000</u>	<u>1,250,000</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	148,000	148,313	313
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 148,000</u>	<u>\$ 148,313</u>	<u>\$ 313</u>

**CITY OF MENTOR, OHIO**  
**MARSH CREEK STORMWATER DETENTION IMPROVEMENT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ -	\$ 18,762	\$ 18,762
<b>EXPENDITURES:</b>			
Streets and highways	48,162	48,164	(2)
Engineering and building	23,994	23,994	-
Total expenditures	<u>72,156</u>	<u>72,158</u>	<u>(2)</u>
Excess (deficiency) of revenues over expenditures	(72,156)	(53,396)	18,760
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	72,451	-	(72,451)
Note proceeds	18,837	-	(18,837)
Transfers in	53,614	53,396	(218)
Advances out	<u>(72,451)</u>	<u>(72,451)</u>	<u>-</u>
Total other financing sources (uses)	<u>72,451</u>	<u>(19,055)</u>	<u>(91,506)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	295	(72,451)	(72,746)
Adjustment for prior year encumbrances	72,451	72,451	-
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 72,746</u>	<u>\$ -</u>	<u>\$ (72,746)</u>

**CITY OF MENTOR, OHIO**  
**US20 RESURFACING FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
General government	2,500	2,320	180
Streets and highways	<u>596,000</u>	<u>595,540</u>	<u>460</u>
Total expenditures	<u>598,500</u>	<u>597,860</u>	<u>640</u>
Excess (deficiency) of revenues over expenditures	(598,500)	(597,860)	640
OTHER FINANCING SOURCES (USES):			
Advances in	596,200	596,200	-
Note proceeds	486,200	486,000	(200)
Advances out	<u>(483,700)</u>	<u>-</u>	<u>483,700</u>
Total other financing sources (uses)	<u>598,700</u>	<u>1,082,200</u>	<u>483,500</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	200	484,340	484,140
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 200</u>	<u>\$ 484,340</u>	<u>\$ 484,140</u>

**CITY OF MENTOR, OHIO**  
**MARKET ST/BELLFLOWER CONCRETE REPAIR FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Streets and highways	150,000	96,227	53,773
Engineering and building	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total expenditures	<u>160,000</u>	<u>106,227</u>	<u>53,773</u>
Excess (deficiency) of revenues over expenditures	(160,000)	(106,227)	53,773
OTHER FINANCING SOURCES (USES):			
Advances in	160,000	160,000	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>160,000</u>	<u>160,000</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	53,773	53,773
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 53,773</u>	<u>\$ 53,773</u>

# STATISTICAL SECTION



*the city of choice!*<sup>SM</sup>

## Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b><i>Financial Trends</i></b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	144 - 148
<b><i>Revenue Capacity</i></b> These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	149 - 153
<b><i>Debt Capacity</i></b> 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.	154 - 158
<b><i>Demographic and Economic Information</i></b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	159 - 160
<b><i>Operating Information</i></b> The schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the city provides and the activities it performs.	161 - 163

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.



**CITY OF MENTOR, OHIO**  
*Net Assets By Components*  
*Last Five Fiscal Years*  
*(Accrual Basis of Accounting)*

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>GOVERNMENTAL ACTIVITIES</b>					
Invested in Capital Assets, Net of Related Debt	\$ 143,782,111	\$ 146,853,882	\$ 146,106,516	\$ 144,331,191	\$ 142,321,257
<b>Restricted -</b>					
Debt Service	21,055,145	10,061,284	10,308,462	8,416,626	9,440,732
Capital Projects	655,800	814,484	1,045,244	608,301	580,697
Streets and Public Safety	4,883,112	6,007,323	5,681,478	5,202,402	4,081,130
<b>Unrestricted (Deficit)</b>	<u>21,036,657</u>	<u>19,617,839</u>	<u>18,237,072</u>	<u>19,891,696</u>	<u>19,705,506</u>
<b>Total Governmental Net Assets</b>	<u>\$ 191,412,825</u>	<u>\$ 183,354,812</u>	<u>\$ 181,378,772</u>	<u>\$ 178,450,216</u>	<u>\$ 176,129,322</u>

*Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.*

**CITY OF MENTOR, OHIO**  
*Changes in Net Assets*  
*Last Five Fiscal Years*  
*(Accrual Basis of Accounting)*

	2008	2007	2006	2005	2004
<b>Program Revenues</b>					
Governmental Activities:					
Charges for Services:					
General Government	\$2,247,383	\$2,583,475	\$2,083,099	\$1,953,882	\$1,898,955
Police	59,522	67,362	56,520	65,584	76,841
Fire	1,208,016	920,458	8,050	5,683	6,756
Streets & Highways	1,174,704	1,166,350	1,043,860	1,157,879	1,066,234
Parks, Recreation & Public Facilities	4,050,431	3,952,388	4,001,727	3,734,490	2,782,247
Economic & Community Development	51,657	55,100	49,475	56,716	38,722
Engineering & Building	535,210	524,788	597,664	546,780	670,619
<i>Subtotal - Charges for Services</i>	<u>9,326,923</u>	<u>9,269,921</u>	<u>7,840,395</u>	<u>7,521,014</u>	<u>6,540,374</u>
Operating Grants and Contributions:					
General Government	107,462	78,008	54,788	47,636	58,818
Police	56,516	165,507	57,709	6,657	84,477
Fire	43,180	37,335	64,437	102,094	37,262
Streets & Highways	601,810	225,653	687,388	220,387	367,239
Parks, Recreation & Public Facilities	264,543	88,085	35,710	251,235	88,050
Economic & Community Development	239,008	347,998	97,492	128,553	186,515
Engineering & Building	-	-	-	-	-
<i>Subtotal - Operating Grants and Contributions</i>	<u>1,312,519</u>	<u>942,586</u>	<u>997,524</u>	<u>756,562</u>	<u>822,361</u>
Capital Grants and Contributions:					
General Government	-	-	-	-	-
Police	7,000	65,725	24,925	38,303	41,122
Fire	-	8,314	-	-	-
Streets & Highways	11,149,879	223,566	3,387,422	2,543,371	8,809,265
Parks, Recreation & Public Facilities	50,364	154,830	1,860,118	1,450,489	55,000
Economic & Community Development	-	-	-	51,839	44,581
Engineering & Building	-	-	-	-	45,943
Interest and Other Charges	293,916	317,452	370,755	481,875	524,071
<i>Subtotal - Capital Grants and Contributions</i>	<u>11,501,159</u>	<u>769,887</u>	<u>5,643,220</u>	<u>4,565,877</u>	<u>9,519,982</u>
<i>Total Governmental Program Revenues</i>	<u>22,140,601</u>	<u>10,982,394</u>	<u>14,481,139</u>	<u>12,843,453</u>	<u>16,882,717</u>

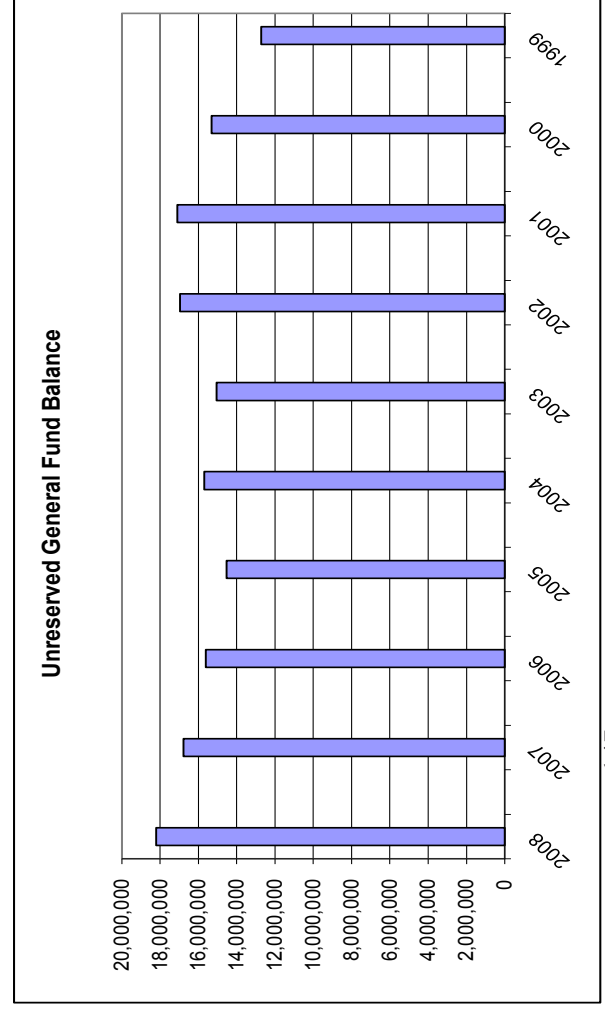
**CITY OF MENTOR, OHIO**  
*Changes in Net Assets (continued)*  
*Last Five Fiscal Years*  
*(Accrual Basis of Accounting)*

	2008	2007	2006	2005	2004
<b>Expenses</b>					
Governmental Activities:					
General Government	7,889,366	7,300,405	7,550,150	7,201,492	6,998,884
Police	12,274,557	11,680,006	11,276,837	10,759,750	10,604,664
Fire	11,790,289	11,093,519	10,674,056	10,251,159	9,502,396
Streets and Highways	16,405,625	13,482,845	14,120,600	12,062,550	13,880,008
Parks, Recreation & Public Facilities	7,763,173	9,225,254	8,406,060	8,382,989	7,641,284
Economic & Community Development	1,680,361	1,821,134	1,336,892	1,247,418	1,336,548
Engineering & Building	2,191,074	2,131,217	1,748,986	1,678,511	1,833,510
Interest and Other Charges	1,577,022	1,538,100	1,636,342	1,285,841	1,583,354
<b>Total Governmental Activities Expenses</b>	<b>61,571,467</b>	<b>58,272,480</b>	<b>56,749,923</b>	<b>52,869,710</b>	<b>53,380,648</b>
<b>Net (Expense)/Revenue</b>					
<b>Total Governmental Net Expense</b>	<b>\$ (39,430,866)</b>	<b>\$ (47,290,086)</b>	<b>\$ (42,268,784)</b>	<b>\$ (40,026,257)</b>	<b>\$ (36,497,931)</b>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental Activities					
Taxes:					
Municipal Income Taxes Levied	32,831,801	32,267,383	29,885,930	28,019,315	27,729,472
Property Taxes Levied					
General Purposes	1,943,948	1,795,300	2,111,122	2,011,037	1,569,225
Special Revenue	2,215,269	2,219,417	2,179,159	2,062,913	2,041,450
Debt Service	1,901,892	2,072,165	1,508,048	1,436,550	1,854,132
Other Local Taxes	424,852	786,290	754,113	733,874	775,571
Shared Revenues	7,692,358	8,314,320	7,272,144	7,402,225	7,093,817
Other Grants and Contributions	79,068	163,737	298,564	55,458	63,216
Unrestricted Investment Income	307,232	1,124,560	920,404	583,428	510,565
Note Premium	-	-	86,954	-	-
Other	92,459	522,954	180,902	42,351	44,351
<b>Total Governmental General Revenues and Other Changes in Net Assets</b>	<b>47,488,879</b>	<b>49,266,126</b>	<b>45,197,340</b>	<b>42,347,151</b>	<b>41,681,799</b>
<b>Change in Net Assets</b>					
<b>Total Governmental Change in Net Assets</b>	<b>\$ 8,058,013</b>	<b>\$ 1,976,040</b>	<b>\$ 2,928,556</b>	<b>\$ 2,320,894</b>	<b>\$ 5,183,868</b>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

**CITY OF MENTOR, OHIO**  
*Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*(Modified Accrual Basis of Accounting)*

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>General Fund</b>										
Reserved	\$1,462,499	\$1,215,466	\$1,582,283	\$1,351,276	\$1,973,554	\$3,031,581	\$3,995,269	\$4,566,809	\$5,394,453	\$4,797,373
Unreserved	18,215,631	16,777,646	15,613,237	14,530,983	15,707,167	15,057,255	16,965,404	17,110,887	15,307,940	12,729,103
<b>Total General Fund</b>	<b>19,678,130</b>	<b>17,993,112</b>	<b>17,195,520</b>	<b>15,882,259</b>	<b>17,680,721</b>	<b>18,088,836</b>	<b>20,960,673</b>	<b>21,677,696</b>	<b>20,702,393</b>	<b>17,526,476</b>
<b>All Other Governmental Funds</b>										
Reserved	2,848,063	2,349,192	2,125,908	1,330,417	1,249,201	1,129,438	2,331,255	2,990,162	2,792,115	4,015,597
Unreserved, Reported in:										
Special Revenue Funds	3,008,409	4,145,223	4,455,878	4,137,732	3,222,412	2,830,931	2,276,450	1,915,661	1,843,501	1,472,289
Capital Projects Funds	(4,300,077)	168,097	(753,927)	(705,498)	(515,057)	(369,719)	(998,715)	(5,176,304)	(4,375,631)	(4,238,844)
<b>Total All Other Governmental Funds</b>	<b>1,556,395</b>	<b>6,662,512</b>	<b>5,827,859</b>	<b>4,762,651</b>	<b>3,956,556</b>	<b>3,590,650</b>	<b>3,608,990</b>	<b>(270,481)</b>	<b>259,985</b>	<b>1,249,042</b>
<b>Total Governmental Funds</b>	<b>\$21,234,525</b>	<b>\$24,655,624</b>	<b>\$23,023,379</b>	<b>\$20,644,910</b>	<b>\$21,637,277</b>	<b>\$21,679,486</b>	<b>\$24,569,663</b>	<b>\$21,407,215</b>	<b>\$20,962,378</b>	<b>\$18,775,518</b>



**CITY OF MENTOR, OHIO**  
*Changes in Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*(Modified Accrual Basis of Accounting)*

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Revenues</b>										
Property Taxes	\$6,061,110	\$6,086,882	\$5,798,328	\$5,510,500	\$5,464,463	\$4,962,416	\$4,900,827	\$4,822,373	\$4,510,628	\$4,942,438
Municipal Income Taxes	32,960,086	31,346,263	29,944,652	28,735,602	26,813,889	26,435,708	26,686,076	26,595,125	26,698,790	25,482,261
Other Local Taxes	424,852	786,290	754,522	733,464	775,571	732,210	739,099	723,702	698,842	591,378
Intergovernmental	8,698,588	9,117,427	10,330,679	11,009,784	14,808,365	13,042,588	10,139,016	8,712,200	7,486,071	8,122,126
Charges for Services	5,478,221	5,040,814	4,049,658	3,796,645	2,793,584	2,835,243	2,740,706	2,644,028	2,497,616	2,419,661
Fines and Forfeitures	1,434,560	1,455,174	1,435,683	1,430,104	1,460,402	1,457,235	1,360,790	1,064,279	1,016,581	1,128,764
Licenses, Permits and Inspections	1,191,262	1,594,216	1,253,441	1,076,848	1,169,226	1,110,261	1,082,882	1,151,675	1,100,063	1,367,601
Special Assessments	1,874,013	2,114,952	2,136,312	3,004,125	2,336,570	2,337,359	1,958,849	1,983,894	2,179,302	2,249,799
Investment Income	386,300	1,288,297	1,218,968	647,026	576,607	758,196	1,580,682	2,149,937	2,108,268	917,794
Donations and Other	352,944	726,317	293,426	292,745	1,796,499	763,324	186,451	532,973	228,782	367,905
<b>Total Revenues</b>	<b>58,861,936</b>	<b>59,556,632</b>	<b>57,215,669</b>	<b>56,236,843</b>	<b>57,995,176</b>	<b>54,434,520</b>	<b>51,375,378</b>	<b>50,380,186</b>	<b>48,524,943</b>	<b>47,589,727</b>
<b>Expenditures</b>										
Current:										
General Government	7,742,983	7,181,507	7,058,856	7,089,759	6,848,689	7,387,217	6,620,824	6,111,342	5,814,140	5,609,142
Security of Persons and Property:										
Police	11,710,603	11,200,112	10,535,879	10,278,880	9,967,486	9,499,252	8,951,538	8,266,679	7,797,590	-
Fire	10,991,511	10,487,605	9,961,438	9,617,904	8,917,993	8,584,765	8,159,466	7,830,587	7,420,286	-
Streets & Highways	12,137,320	9,577,178	9,217,664	9,516,798	9,716,845	9,201,015	7,846,277	8,204,890	6,999,226	6,344,865
Parks, Recreation and Public Facilities	6,556,010	8,054,630	7,771,902	7,187,975	6,428,368	6,016,077	6,412,685	6,150,922	5,681,331	5,240,349
Economic & Community Development	1,718,496	1,824,162	1,312,148	1,238,926	1,309,906	1,217,252	1,213,590	1,041,438	1,006,737	899,587
Engineering and Building	2,127,362	2,104,396	1,650,631	1,596,813	1,791,941	1,807,059	1,920,058	1,916,517	1,700,348	1,680,656
Capital Outlay	5,743,075	5,020,964	10,406,978	12,913,502	9,739,603	10,201,726	8,454,079	7,739,863	6,341,720	7,493,598
Other	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal Retirement	1,997,389	8,971,061	8,816,885	9,400,000	2,010,000	1,930,000	1,700,000	1,740,000	1,682,000	1,680,000
Interest and Other Expenditures	1,429,490	1,510,150	1,609,446	1,488,260	1,684,862	1,719,536	1,899,233	1,946,039	2,024,097	2,087,369
<b>Total Expenditures</b>	<b>62,154,239</b>	<b>65,931,765</b>	<b>68,341,827</b>	<b>70,328,817</b>	<b>58,415,693</b>	<b>57,563,899</b>	<b>53,077,750</b>	<b>50,948,277</b>	<b>46,467,475</b>	<b>46,458,106</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(3,292,303)</b>	<b>(6,375,133)</b>	<b>(11,126,158)</b>	<b>(14,091,974)</b>	<b>(420,517)</b>	<b>(3,129,379)</b>	<b>(1,702,372)</b>	<b>(568,091)</b>	<b>2,057,468</b>	<b>1,131,621</b>
<b>Other Financing Sources (Uses)</b>										
Issuance of Bonds	7,505,000	-	-	15,541,714	5,948,605	-	4,850,738	-	-	-
Payment to Refunded Bonds Escrow Agent	-	-	-	(9,009,278)	(5,850,913)	-	-	-	-	-
Issuance of Notes	0	7,949,653	13,473,842	6,496,148	188,111	-	-	22,402	59,105	-
Transfers In	663,300	1,381,859	859,454	1,586,576	1,134,349	500,181	1,367,547	714,612	672,809	1,999,430
Transfers Out	(663,300)	(1,381,859)	(859,454)	(1,586,576)	(1,134,349)	(500,181)	(1,367,547)	(714,612)	(672,809)	(1,999,430)
Other	49,498	18,851	86,954	-	-	-	-	-	-	38
<b>Total Other Financing Sources (Uses)</b>	<b>7,554,498</b>	<b>7,968,504</b>	<b>13,560,796</b>	<b>13,028,584</b>	<b>285,803</b>	<b>-</b>	<b>4,850,738</b>	<b>22,402</b>	<b>59,105</b>	<b>38</b>
<b>Net Change in Fund Balances</b>	<b>\$4,262,195</b>	<b>\$1,593,371</b>	<b>\$2,434,638</b>	<b>(\$1,063,390)</b>	<b>(\$134,714)</b>	<b>(\$3,129,379)</b>	<b>\$3,148,366</b>	<b>(\$545,689)</b>	<b>\$2,116,573</b>	<b>\$1,131,659</b>
Debt Service as a Percentage of Noncapital Expenditures	5.9%	17.2%	17.9%	19.1%	7.3%	7.7%	8.1%	8.5%	9.2%	9.7%

**CITY OF MENTOR, OHIO**  
**Assessed Valuation and Estimated Actual Values of Taxable Property**  
**Last Ten Fiscal Years**

Tax Year/ Collection Year	Assessed Value						Total Direct Tax Rate	Total Estimated Actual Real Property Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Other Real Estate & Public Utility Property	Tangible Personal Property	Total Taxable Assessed Value	Total Taxable Assessed Value	Total Direct Tax Rate			
1998/1999	\$ 999,347,400	\$ 49,949,560	\$ 150,599,739	\$ 1,199,896,699	\$ 1,199,896,699	4.50	\$ 2,855,278,286	42.02%	
1999/2000	1,016,927,670	46,721,270	166,636,682	1,230,285,622	1,230,285,622	4.50	2,905,507,629	42.34%	
2000/2001	1,155,168,000	44,297,170	170,222,816	1,369,687,986	1,369,687,986	4.50	3,300,480,000	41.50%	
2001/2002	1,169,553,690	38,507,980	177,900,785	1,385,962,455	1,385,962,455	4.50	3,341,581,971	41.48%	
2002/2003	1,189,075,230	36,151,460	170,313,459	1,395,540,149	1,395,540,149	4.50	3,397,357,800	41.08%	
2003/2004	1,390,301,500	36,951,470	158,265,924	1,585,518,894	1,585,518,894	4.50	3,972,290,000	39.91%	
2004/2005	1,405,566,960	36,934,900	152,470,740	1,594,972,600	1,594,972,600	4.50	4,015,905,600	39.72%	
2005/2006	1,422,713,440	35,045,410	122,792,273	1,580,551,123	1,580,551,123	4.50	4,064,895,543	38.88%	
2006/2007	1,562,461,290	35,571,190	93,005,399	1,691,037,879	1,691,037,879	4.50	4,464,175,114	37.88%	
2007/2008	1,579,845,340	32,454,480	64,709,171	1,677,008,991	1,677,008,991	4.50	4,513,843,829	37.15%	

Note: The current assessed valuation is computed at approximately the following percentages of estimated true value: real property - 35%, public utility personal property - 100%, 88%, or 25%, and tangible personal property - 18.75%.

Source:  
Lake County Auditor Schedule A - Estimate of Property Tax Revenue

**CITY OF MENTOR, OHIO**  
*Property Tax Rates - Direct and Overlapping Governments*  
*(Per \$1,000 of Assessed Valuations)*  
*Last Ten Fiscal Years*

Tax Year/ Collection Year	City of Mentor Direct Rates				Mentor Exempted Village School District <sup>1</sup>		Total
	General Fund	Special Revenue Funds	Debt Service Funds	Total	Lake County	Total	
1998/1999	\$ 0.60	2.10	\$ 1.80	\$ 4.50	\$ 67.84	\$ 15.60	\$ 87.94
1999/2000	0.80	2.10	1.60	4.50	67.50	15.70	87.70
2000/2001	1.10	2.10	1.30	4.50	67.47	15.70	87.67
2001/2002	1.10	2.10	1.30	4.50	67.42	15.70	87.62
2002/2003	1.10	2.10	1.30	4.50	67.40	15.70	87.60
2003/2004	1.10	2.10	1.30	4.50	70.25	15.70	90.45
2004/2005	1.40	2.10	1.00	4.50	78.09	15.70	98.29
2005/2006	1.40	2.10	1.00	4.50	77.905	15.70	98.105
2006/2007	1.10	2.10	1.30	4.50	77.305	15.70	97.505
2007/2008	1.20	2.10	1.20	4.50	77.325	15.80	97.625

<sup>1</sup>Includes Mentor Public Library

SOURCE: Office of the Lake County Auditor

**CITY OF MENTOR, OHIO**  
*Principal Property Tax Payers*  
*Current Year and Nine Years Ago*

Taxpayer	2008		1999	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Simon Property Group Ltd Partnership	\$ 27,595,230	1.71%	\$ -	0.00%
Cleveland Electric Illuminating Co	18,361,200	1.14%	28,065,870	2.67%
Aqua Ohio/Consumers Ohio Water	11,526,230	0.71%	6,408,720	0.61%
Steris Corporation	10,703,340	0.66%	3,261,210	0.31%
Cleveland Cuyahoga	7,339,250	0.46%	-	0.00%
Points East	7,223,610	0.45%	-	0.00%
First Interstate	4,861,210	0.30%	-	0.00%
FI Mentor Commons LTD	4,603,940	0.29%	-	0.00%
Deepwood North Co.	3,785,250	0.23%	3,233,370	0.31%
Michaels, Inc.	3,466,810	0.22%	3,769,400	0.36%
FI Mentor II Ltd	3,444,680	0.21%	-	0.00%
Sears Roebuck Co	3,269,560	0.20%	-	0.00%
Ohio Bell Telephone Company	-	0.00%	11,085,290	1.06%
Lake Hospital Systems Inc.	-	0.00%	4,085,400	0.39%
De Bartolo Realty Partnership	-	0.00%	18,203,360	1.73%
Fashion Square Associates	-	0.00%	5,037,240	0.48%
Euclid Clinic Foundation	-	0.00%	3,611,960	0.34%
Mentor City	-	0.00%	3,493,880	0.33%
<b>Total Principal Taxpayers</b>	<b>\$ 106,180,310</b>		<b>\$ 90,255,700</b>	
<b>Total Real City Property</b> (including other real estate and public utility property)	<b>\$ 1,612,299,820</b>		<b>\$ 1,049,296,960</b>	

SOURCE: Office of the Lake County Auditor



**CITY OF MENTOR, OHIO**  
*Property Tax Levies and Collections*  
*Real and Public Utility Property Only*  
*Last Ten Fiscal Years*

<u>Tax Year/ Collection Year</u>	<u>Current Levy</u>	<u>Current Collections</u>	<u>Current Levy Collected</u>	<u>Outstanding Accumulated Delinquent Taxes</u>	<u>Collections Including Delinquencies</u>	<u>Total Collections as Percent of Current Levy</u>
1998/1999	\$ 4,154,785	\$ 4,070,505	98.0%	\$ 61,816	\$ 4,134,128	99.5%
1999/2000	4,214,185	4,136,392	98.2%	66,378	4,231,557	100.4%
2000/2001	4,634,608	4,522,876	97.6%	111,732	4,601,515	99.3%
2001/2002	4,678,297	4,545,230	97.2%	147,110	4,647,946	99.4%
2002/2003	4,723,775	4,610,929	97.6%	107,612	4,785,800	101.3%
2003/2004	5,347,501	5,234,725	97.9%	78,982	5,333,773	99.7%
2004/2005	5,425,592	5,276,946	97.3%	99,690	5,385,319	99.3%
2005/2006	5,482,289	5,339,406	97.4%	130,219	5,453,739	99.5%
2006/2007	5,877,893	5,752,493	97.9%	140,003	5,803,632	98.7%
2007/2008	5,948,522	5,815,383	97.8%	213,030	5,976,631	100.5%

SOURCE: Office of the Lake County Auditor

**CITY OF MENTOR, OHIO**  
*Income Tax Revenue Base and Collections*  
*Last Ten Fiscal Years*  
*(Cash Basis)*

<u>Tax Year</u>	<u>Total Tax Collected</u>	<u>Tax from Withholding</u>	<u>Tax from Net Profit</u>	<u>Tax from Individuals</u>	<u>Tax Rate</u>
2008	\$ 32,250,399	\$ 24,971,625	\$ 3,636,082	\$ 3,642,692	2.0%
2007	32,543,861	24,292,274	4,491,647	3,759,940	2.0%
2006	29,365,084	22,249,149	3,936,038	3,179,897	2.0%
2005	28,106,051	21,728,282	3,278,374	3,099,395	2.0%
2004	26,935,407	20,527,930	3,261,179	3,146,298	2.0%
2003	26,725,365	20,781,998	2,905,964	3,037,403	2.0%
2002	26,476,937	20,067,463	3,303,399	3,106,075	2.0%
2001	27,080,132	20,475,588	3,303,589	3,300,955	2.0%
2000	26,261,410	19,737,206	3,449,985	3,074,219	2.0%
1999	25,086,074	N/A	N/A	N/A	2.0%

**CITY OF MENTOR, OHIO**

*Top Ten Income Tax Withholders*  
*Current Year and Ten Years Ago*

<u>2008</u>		<u>1999</u>	
<u>Rank</u>	<u>Name</u>	<u>Rank</u>	<u>Name</u>
1	Mentor Exempted School District	1	Mentor Exempted School District
2	Steris Corporation	2	Steris Corporation
3	Avery Dennison Corporation	3	Lincoln Electric Company
4	Lake County Auditor	4	Lake County Auditor
5	City of Mentor	5	City of Mentor
6	PCC Airfoils Inc.	6	Jim Brown
7	Classic	7	Avery Dennison Corporation
8	Lincoln Electric Company	8	Tridelta Industries
9	Parker Hannifan Corporation	9	Wiseco Pistons
10	Component Repair Technologies	10	Component Repair Technologies

**CITY OF MENTOR, OHIO**  
*Ratios of Outstanding Debt by Type*  
*Last Ten Fiscal Years*

Year	Governmental Activities				Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Special Assessment Bonds	Bond Anticipation and Notes Payable				
1999	\$ 22,563,664	\$ 7,208,336	\$ 4,025,000	\$ 33,797,000	4.27%	714	
2000	21,531,765	6,558,235	4,475,000	32,565,000	2.63%	648	
2001	20,455,634	5,904,366	40,000	26,400,000	2.14%	525	
2002	19,335,015	10,184,985	30,000	29,550,000	2.39%	588	
2003	18,160,824	9,439,176	20,000	27,620,000	2.23%	549	
2004	17,147,894	8,657,106	198,111	26,003,111	2.10%	517	
2005	22,103,974	6,996,026	404,572	29,504,572	2.39%	587	
2006	20,684,064	6,235,935	7,246,830	34,166,829	2.76%	680	
2007	19,244,376	5,560,624	8,335,122	33,140,122	2.68%	659	
2008	17,770,131	12,574,869	4,760,736	35,105,736	2.84%	698	

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.  
<sup>1</sup> See the schedule of Demographic and Economic Statistics on page 137 for personal income and population data.

**CITY OF MENTOR, OHIO**  
*Ratios of Net General Bonded Debt to Assessed Valuation and Net Bonded Debt per Capita*  
*Last Ten Fiscal Years*

Year	Population <sup>1</sup>	Assessed Value <sup>2</sup>	Gross General Bond Debt	Less Balance in General Bond Retirement Fund	Total	Percentage of Net General Bonded Debt to Assessed Value	Net General Bonded Debt Per Capita
1999	47,358	\$ 1,199,896,699	\$ 22,563,664	\$ 428,953	\$ 22,134,711	1.84%	467.39
2000	50,278	1,230,285,622	21,531,765	516,913	21,014,852	1.71%	417.97
2001	50,278	1,369,687,986	20,455,634	320,040	20,135,594	1.47%	400.49
2002	50,278	1,385,962,455	19,335,015	222,000	19,113,015	1.38%	380.15
2003	50,278	1,395,540,149	18,160,824	173,787	17,987,037	1.29%	357.75
2004	50,278	1,585,518,894	17,147,894	441,048	16,706,846	1.05%	332.29
2005	50,278	1,594,972,600	22,103,974	318,116	21,785,858	1.37%	433.31
2006	50,278	1,580,551,123	20,684,064	390,167	20,293,897	1.28%	403.63
2007	50,278	1,691,037,879	19,244,376	775,925	18,468,451	1.09%	367.33
2008	50,278	1,677,008,991	17,770,131	1,062,796	16,707,335	1.00%	332.30

SOURCES: <sup>1</sup> U.S. Bureau of Census 1990 and 2000  
<sup>2</sup> Office of the Lake County Auditor

**CITY OF MENTOR, OHIO**  
*Direct and Overlapping Debt*  
*December 31, 2008*

	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of Mentor</u>	<u>Amount Applicable to Taxpayers of City of Mentor</u>
Direct: City of Mentor	\$ 17,770,131	100.00%	\$ 17,770,131
Overlapping: Mentor Exempted Village School District and Mentor Public Library	9,323,322	82.65%	7,705,726
Lake County	<u>21,685,000</u>	24.39%	5,288,972
Total Overlapping	<u>31,008,322</u>		<u>12,994,698</u>
<b>TOTAL</b>	<b>\$ 48,778,453</b>		<b>\$ 30,764,829</b>

SOURCES  
City of Mentor, Finance Department  
Mentor Exempted Village School District  
Office of the Lake County Auditor

**CITY OF MENTOR, OHIO**  
*Legal Debt Margin*  
*Last 10 Fiscal Years*

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	\$ 176,085,944	\$ 177,558,977	\$ 165,957,868	\$ 167,472,123	\$ 166,479,484	\$ 146,531,716	\$ 145,526,058	\$ 143,817,239	\$ 129,179,990	\$ 125,989,153
Net Debt Within 10.5% Limitations	21,286,131	19,244,376	20,684,065	22,190,430	16,904,957	18,007,037	19,143,015	20,175,594	21,064,852	22,134,711
Legal Debt Margin Within 10.5% Limitation	\$ 154,799,813	\$ 158,314,601	\$ 145,273,803	\$ 145,281,693	\$ 149,574,527	\$ 128,524,679	\$ 126,383,043	\$ 123,641,645	\$ 108,115,138	\$ 103,854,442
Total Net Debt Applicable to the 10.5% Limit as a Percentage of the Debt Limit	13.75%	12.16%	14.24%	15.27%	11.30%	14.01%	15.15%	16.32%	19.48%	21.31%
Unvoted Debt Limitation - 5.5% of Assessed Valuation	92,235,495	93,007,083	86,930,312	\$ 87,723,493	87,203,539	76,754,708	76,227,935	75,332,839	67,665,709	65,994,318
Debt Within 5.5% Limitations	21,286,131	19,244,376	20,684,065	22,190,430	16,904,957	18,007,037	19,143,015	20,495,634	21,581,765	22,134,711
Legal Debt Margin Within 5.5% Limitations	\$ 70,949,364	\$ 73,762,707	\$ 66,246,247	\$ 65,533,063	\$ 70,298,582	\$ 58,747,671	\$ 57,084,920	\$ 54,837,205	\$ 46,083,944	\$ 43,859,607
Total Debt Applicable to the 5.5% Limit as a Percentage of the Debt Limit	23.08%	20.69%	23.79%	25.30%	19.39%	23.46%	25.11%	27.21%	31.89%	33.54%

**LEGAL DEBT MARGIN CALCULATION FOR 2008**

Assessed Valuation	\$ 1,677,008,991
Overall Debt Limitation - 10.5% of Assessed Valuation	176,085,944
Gross Indebtedness	35,105,736
Less: OWDA/OPWC	640,736
Special Assessment Bonds & Notes	13,178,869
Net Debt Within 10.5% Limitations-General Obligation Bonds	21,286,131
Legal Debt Margin Within 10.5% Limitation	\$ 154,799,813
Unvoted Debt Limitation - 5.5% of Assessed Valuation	\$ 92,235,495
Gross Indebtedness Authorized by Council	21,286,131
Less Debt Outside Limitations-Voted	-
Debt Within 5.5% Limitations	21,286,131
Legal Debt Margin Within 5.5% Limitation	\$ 70,949,364

**CITY OF MENTOR, OHIO**  
*Pledged-Revenue Coverage*  
*Last Ten Fiscal Years*

**SPECIAL ASSESSMENT BONDS**

Year	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest	
1999	\$ 1,335,506	\$ 687,992	\$ 637,698	1.01
2000	1,251,624	650,101	568,259	1.03
2001	1,076,875	653,869	518,238	0.92
2002	933,375	569,381	461,534	0.91
2003	1,283,958	745,809	635,123	0.93
2004	1,270,784	781,320	587,907	0.93
2005	1,886,609	1,661,080	414,421	0.91
2006	1,117,069	760,091	412,086	0.95
2007	1,032,323	680,772	357,849	0.99
2008	771,433	490,755	310,154	0.96

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**CITY OF MENTOR, OHIO**  
*Demographic and Economic Statistics*  
*Last Ten Fiscal Years*

<b>Year</b>	<b>Population<sup>1</sup></b>	<b>Total Personal Income<sup>2</sup></b>	<b>Per Capita Personal Income<sup>1</sup></b>	<b>Median Household Income<sup>1</sup></b>	<b>Unemployment Rate<sup>3</sup></b>
1999	47,358	\$ 791,683,686	\$ 16,717	\$ 46,589	3.1%
2000	50,278	1,236,436,576	24,592	65,322	2.7%
2001	50,278	1,236,436,576	24,592	65,322	3.2%
2002	50,278	1,236,436,576	24,592	65,322	4.0%
2003	50,278	1,236,436,576	24,592	65,322	4.9%
2004	50,278	1,236,436,576	24,592	65,322	4.7%
2005	50,278	1,236,436,576	24,592	65,322	4.5%
2006	50,278	1,236,436,576	24,592	65,322	4.2%
2007	50,278	1,236,436,576	24,592	65,322	4.6%
2008	50,278	1,236,436,576	24,592	65,322	7.1%

SOURCES:

<sup>1</sup> U.S. Bureau of Census 1990 and 2000

<sup>2</sup> Computation of per capita personal income multiplied by population

<sup>3</sup> Local Area Employment Statistics



**CITY OF MENTOR, OHIO**  
*Principal Employers*  
*Current Year and Nine Years Ago*

<u>Employer</u>	<u>2008</u>			<u>1999</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Mentor Public Schools	1,045	1	3.10%	1,160	1	3.69%
City of Mentor <sup>1</sup>	928	2	2.75%	745	2	2.37%
Steris Corp.	809	3	2.40%	700	3	2.23%
PCC Airfoil	484	4	1.44%	-	-	-
Avery Dennison	400	5	1.19%	-	-	-
Lincoln Electric	354	6	1.05%	529	4	1.68%
Deepwood/Lake County MRDD	340	7	1.01%	500	5	1.59%
Component Repair Technologies	285	8	0.85%	-	-	-
Super K-Mart	236	9	0.70%	450	7	1.43%
JC Penney Co.	210	10	0.62%	310	10	0.99%
Tridelta	-	-	-	470	6	1.49%
Sear's Roebuck & Co.	-	-	-	375	8	1.19%
Mag-Nif, Co.	-	-	-	350	9	1.11%
<b>Total Employees within the City:</b>			<u>33,696</u>			<u>31,460</u>

<sup>1</sup>Includes Part-time and Seasonal Employees

SOURCE:  
City of Mentor, Department of Economic Development  
US Census Data from 2004 and 1997

**CITY OF MENTOR, OHIO**

*Full-Time City Government Employees by Function/Program*

*Last Nine Fiscal Years*

<b>Function/Program</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
General Government										
Council	2	2	2	2	2	2	2	2	2	2
Finance	13	12	13	12	14	14	14	14	14	14
City Manager/Personnel	15	14	16	16	15	15	14	14	13	11
Law	2	2	2	2	2	2	2	2	2	2
Engineering/Building*	21	21	17	17	18	19	21	21	18	20
Court	22	22	21	20	21	21	18	16	16	15
Security of Persons and Property										
Police	112	111	112	109	112	108	108	106	106	105
Fire	79	79	79	79	78	71	73	76	79	74
Public Health Services										
Cemetery	5	5	4	5	5	5	5	5	5	5
Parks, Recreation & Public Facilities	23	35	37	37	34	36	38	39	37	36
Economic & Community Development										
Economic Development/Planning*	7	9	12	12	11	12	12	12	12	12
Streets & Highways	75	62	64	62	65	63	65	62	60	60
<b>Totals:</b>	<b>376</b>	<b>374</b>	<b>379</b>	<b>373</b>	<b>377</b>	<b>368</b>	<b>372</b>	<b>369</b>	<b>364</b>	<b>356</b>

Note: Planning moved to the Engineering & Building Department in 2007. Parks employees moved to the Public Works Department in 2008.

Source: City of Mentor Finance Department

**CITY OF MENTOR, OHIO**  
*Operating Indicators by Function/Program*  
*Last Ten Fiscal Years*

Function/Program	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Governmental</b>										
General Government										
Council - Ordinances & Resolutions	149	160	174	139	140	203	144	145	147	158
Personnel - Civil Service Exams (taken)	-	312	38	415	19	576	-	415	213	105
Court - Number of Cases	11,515	10,364	10,410	11,427	11,821	11,168	11,283	10,734	9,851	10,153
Finance										
Number of A/P Checks Processed	9,976	9,918	11,963	12,119	12,103	12,236	11,887	12,070	11,949	10,703
Number of Purchase Orders Issued	4,477	4,394	4,322	4,764	4,704	5,005	5,605	5,501	5,224	5,654
Security of Persons and Property										
Police										
Criminal Arrests	2,417	2,516	2,890	2,366	2,400	2,175	2,275	2,098	1,921	N/A
Traffic Citations	6,525	7,161	7,557	8,659	8,960	8,851	9,120	8,544	7,743	8,084
Parking Citations	1,083	1,082	1,425	998	1,276	1,452	1,748	1,562	1,196	981
Fire - Total Number of Calls	6,467	6,423	6,063	6,190	5,827	5,925	6,036	5,825	5,633	5,838
Building & Engineering										
Building Permits Issued	2,558	2,613	2,966	2,845	3,013	3,072	2,946	2,936	2,773	2,180
Inspections - Residential	4,235	5,688	6,299	6,577	6,575	7,358	7,474	6,885	7,328	8,961
Inspections - Industrial	4,154	4,478	4,960	4,259	4,512	3,545	3,281	3,024	4,060	2,571
Parks, Recreation & Public Facilities										
Pools - Attendance	101,133	92,588	101,653	112,449	100,017	109,995	125,293	133,250	109,781	134,060
Senior Center - Program Participants	5,189	4,808	4,210	3,876	3,528	3,598	3,532	3,730	3,743	N/A
Golf Course - Rounds of Golf	41,019	41,284	41,361	35,562	N/A	N/A	N/A	N/A	N/A	N/A
Marina - Dock Rentals	510	521	503	510	494	484	470	442	423	393
Arena - Tournaments/Special Events	9	9	10	6	6	6	4	4	3	3
Arena - Number of Admissions	13,736	20,099	25,010	20,400	20,600	20,660	20,565	21,331	20,891	17,599
Cemetery - Number of Internments	239	227	238	238	233	244	250	271	230	277
Streets and Highways										
Streets Resurfaced (miles)	2.1	8.0	4.3	5.8	7.0	8.0	6.7	7.0	6.0	5.0
Concrete Pavement Replacements (cu yd)	526	400	410	400	300	700	200	116	330	330
Hazardous Ditch Enclosures (ln ft)	6,551	2,580	9,200	10,200	8,000	10,000	12,000	10,200	13,000	8,000
Drainage Assistance Projects (ln ft)	4,224	7,948	4,753	10,300	7,800	4,500	2,500	10,000	10,000	5,500

**CITY OF MENTOR, OHIO**  
*Capital Assets Statistics by Function/Program*  
*Last Ten Fiscal Years*

Function/Program	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>General Government</b>										
Square Footage of Municipal Center	52,465	45,313	45,313	45,313	45,313	45,313	45,313	45,313	45,313	45,313
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Buildings	35,997	35,997	35,997	35,997	35,997	35,997	35,997	35,997	35,997	35,997
Vehicles	50	47	45	45	44	44	46	45	43	N/A
<b>Fire</b>										
Stations	5	5	5	5	5	5	5	5	5	5
Square Footage of Buildings	56,308	56,308	56,308	56,308	56,308	56,308	54,308	54,308	47,669	47,669
Vehicles	41	39	38	39	39	38	35	36	34	N/A
<b>Recreation</b>										
Number of Parks	11	11	11	11	11	11	11	11	11	11
Number of Dog Parks	1	1	1	1	1	1	1	-	-	-
Number of Spray Parks	2	2	2	2	2	2	1	-	-	-
Number of Pools	3	3	3	3	3	3	3	3	3	3
Number of Ice Rinks	2	2	2	2	2	2	2	2	2	2
Number of Community Centers	6	6	6	6	7	7	7	7	7	7
Number of Tennis Courts	17	17	17	17	17	17	17	17	17	17
Number of Skateboarding Areas	2	2	2	2	2	2	2	2	1	1
Number of Baseball Diamonds	19	19	19	19	19	19	19	18	17	17
Number of Soccer Fields	12	12	12	12	12	10	10	9	9	8
Number of Basketball Courts	5	5	5	5	5	5	5	5	5	5
Number of Golf Courses	1	1	1	1	-	-	-	-	-	-
Number of Marinas	1	1	1	1	1	1	1	1	1	1
Vehicles	49	49	48	45	43	46	46	N/A	N/A	N/A
Square Footage of PRPF Facilities	261,502	261,502	261,502	269,032	259,370	258,046	258,046	258,046	258,046	256,048
<b>Streets &amp; Highways</b>										
Streets (miles)	241.0	241.0	240.0	228.3	227.6	227.0	226.3	226.3	225.0	215.3
Number of Streetlights (per light bill)	5,254	5,254	5,247	5,209	5,209	5,209	5,179	5,035	4,346	4,807
Number of Traffic Signals	707	707	860	851	846	832	823	823	823	823
Number of Pedestrian Signals	470	470	366	362	360	356	350	350	350	350
Number of Signalized Intersections	85	85	83	81	80	79	78	78	78	78
Service Vehicles	70	70	67	64	66	68	67	N/A	N/A	N/A
Square Footage Buildings	72,053	72,053	72,053	72,053	72,053	72,053	99,840	99,840	99,840	99,840

SOURCE: Various Mentor Departments



**Mary Taylor, CPA**  
Auditor of State

**CITY OF MENTOR**

**LAKE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 14, 2009**