

CITY OF MENTOR, OHIO

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2010

James G. Zupka, CPA, Inc.
Certified Public Accountants



Dave Yost • Auditor of State

Members of Council
City of Mentor
8500 Civic Center Blvd.
Mentor, Ohio 44060

We have reviewed the *Independent Auditor's Report* of the City of Mentor, Lake County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2010 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Mentor is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

June 22, 2011

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**CITY OF MENTOR, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010**

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JAMES G. ZUPKA, C.P.A., INC.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Members of City Council and
Members of the Audit Committee
City of Mentor, Ohio

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, as of and for the year ended December 31, 2010, which collectively comprise the City of Mentor, Ohio's basic financial statements and have issued our report thereon dated May 18, 2011. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Mentor, Ohio's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Mentor, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Mentor, Ohio's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Mentor, Ohio's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the City of Mentor, Ohio, in a separate letter dated May 18, 2011.

This report is intended solely for the information and use of management, members of the City Council, members of the Audit Committee, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



James G. Zupka, CPA, Inc.
Certified Public Accountants

May 18, 2011

JAMES G. ZUPKA, C.P.A., INC.

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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Members of City Council and
Members of the Audit Committee
City of Mentor, Ohio

Compliance

We have audited the City of Mentor, Lake County, Ohio's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Mentor, Ohio's major federal programs for the year ended December 31, 2010. The City of Mentor, Ohio's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Mentor, Ohio's management. Our responsibility is to express an opinion on the City of Mentor, Ohio's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Mentor, Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Mentor, Ohio's compliance with those requirements.

In our opinion, the City of Mentor, Ohio, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

The management of the City of Mentor, Ohio, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Mentor, Ohio's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Mentor, Ohio's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mentor, Ohio, as of and for the year ended December 31, 2010, and have issued our report thereon dated May 18, 2011, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, members of City Council, members of the Audit Committee, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

James G. Zupka, CPA, Inc.

James G. Zupka, CPA, Inc.
Certified Public Accountants

May 18, 2011

CITY OF MENTOR, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
<i>Passed through the Ohio Department of Development</i>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (State-Administered Small Cities Program) NSP Program 09-13	14.228	A-Z-08-258-1	\$ 457,277
<i>Direct Programs</i>			
<i>Community Development Block Grants/Entitlement Grants Cluster</i>			
Community Development Block Grants/Entitlement Grants	14.218	B-07-MC-39-0033	1,660
Community Development Block Grants/Entitlement Grants	14.218	B-08-MC-39-0033	55,693
Community Development Block Grants/Entitlement Grants	14.218	B-09-MC-39-0033	102,239
Community Development Block Grant ARRA - Entitlement Grants (CDBG-R)(Recovery Act Funded)	14.253	B-09-MY-0033	41,142
<i>Total Community Development Block Grants/Entitlement Grants Cluster</i>			200,734
Total U.S. Department of Housing and Urban Development			658,011
<u>U.S. Department of Justice</u>			
<i>Passed Through the Ohio Office of Criminal Justice Services</i>			
Crime Victims Assistance	16.575	2008VAGENE531	3,115
Edward Byrne Memorial Justice Assistance Grant (JAG) - ARRA	16.804	2009-SB-89-1740	7,013
<i>Direct Program</i>			
Bulletproof Vest Partnership Program	16.607	2006-BUBX-06134411	8,850
Total U.S. Department of Justice			18,978
<u>U.S. Department of Homeland Security</u>			
<i>Direct Program</i>			
Homeland Security Grant	97.067	2007-GE-T7-0030	4,471
Total U.S. Department of Homeland Security			4,471
<u>U.S. Department of Transportation</u>			
<i>Passed Through the Ohio Department of Transportation</i>			
Highway Planning and Construction	20.205	N/A	8,072
Highway Planning and Construction - ARRA	20.205	E090(708)	2,141,680
<i>Total CFDA #20.205</i>			2,149,752
State and Community Highway Safety	20.600	HEVO 2010-43-00-00-00310-00	35,746
State and Community Highway Safety	20.600	HEVO 2011-43-00-00-00355-00	11,945
<i>Total CFDA #20.600</i>			47,691
Total U.S. Department of Transportation			2,197,443
<u>U.S. Department of Energy</u>			
<i>Direct Program</i>			
Energy Efficiency and Conservation Block Grant Program - ARRA	81.128	DE-FOA-0000013	258,901
Total U.S. Department of Energy			258,901
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 3,137,804

CITY OF MENTOR, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of the City's federal award programs. The Schedule has been prepared on the GAAP basis of accounting.

NOTE 2: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The City has a revolving loan program (RLF) to provide low-interest loans to businesses. The U.S. Department of Housing and Urban Development (HUD) grants money for these loans to the City passed through the Ohio Department of Development. There were no loans made during 2010.

NOTE 3: MATCHING REQUIREMENTS

Certain federal programs require the city to contribute non-federal funds (matching funds) to support the federally-funded programs. The City met its matching requirements. The Schedule does not include the expenditures of non-federal matching funds.

**CITY OF MENTOR, OHIO
SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 & §.505
DECEMBER 31, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

2010(i)	Type of Financial Statement Opinion	Unqualified
2010(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2010(ii)	Were there any other significant deficiencies identified not considered to be material weaknesses reported at the financial statement level (GAGAS)?	No
2010(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
2010(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2010(iv)	Were there any other significant internal control weaknesses reported for major federal programs?	No
2010(v)	Type of Major Programs' Compliance Opinions	Unqualified
2010(vi)	Are there any audit findings under .510?	No
2010(vii)	Major Programs (list): Community Development Block Grant - NSP Program - CFDA #14.228 Highway Planning and Construction - CFDA #20.205 Energy Efficiency and Conservation Block Grant Program - CFDA #81.128	
2010(viii)	Dollar Threshold: A/B Programs	Type A: \$300,000 Type B: All Others
2010(ix)	Low Risk Auditee?	No

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

CITY OF MENTOR, OHIO
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010

The prior audit report, as of December 31, 2009, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.



The City of Mentor, Ohio



2010

Comprehensive Annual Financial Report

For the year ended December 31, 2010

CITY OF
MENTOR, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

ISSUED BY THE DEPARTMENT OF FINANCE

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

CITY OF MENTOR, OHIO

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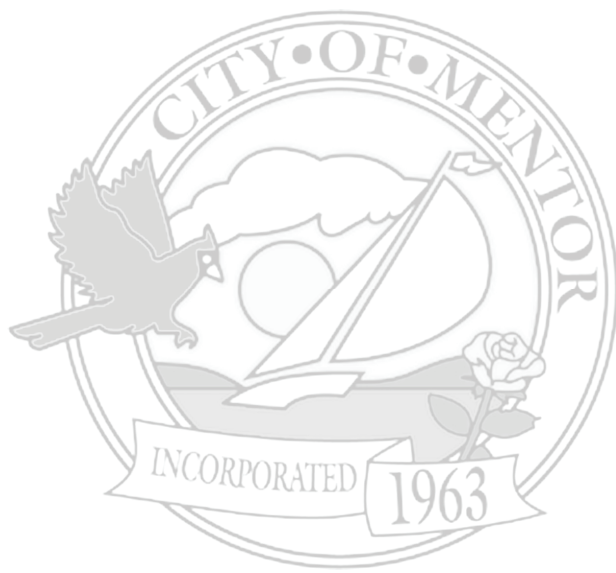
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INTRODUCTORY SECTION







City of Mentor

8500 Civic Center Boulevard
Mentor, Ohio 44060-2499
440-255-1100
www.cityofmentor.com

Council-manager
government since 1963

May 18, 2011

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, 2010. This report, prepared by the Department of Finance, includes the basic financial statements that summarize the various operations related to the City's 2010 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 2010 was performed by James G. Zupka, CPA Inc., a firm of licensed certified public accountants. 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, 2010, 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 Independent auditor 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, 2010 are fairly presented, in all material respects, in conformity with GAAP. The Independent Auditor's Report is presented as the first component of the financial section of this document.

GASB requires 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 Auditor's 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 2009 census of population estimate and is the largest city in Lake County. The 2010 census of population is currently being contested by the City. The City believes that the latest census results understate its population.

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 economic and community 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.

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.

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 2010, its local economic activity began a gradual recovery as reflected in only a slight 0.2% decline in municipal income tax receipts (cash basis) compared to the previous year.

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 9th in manufacturing employment in Ohio according to the 2007 Economic Census of Manufacturing, and 7th in the state in sales volume according to the 2007 Economic Census of Retail Trade.

Current Projects and 2010 Accomplishments

In terms of roadway infrastructure improvements, the City resurfaced over 2.6 miles of asphalt streets using City forces for paving and contract services for the milling, and replaced 57 cubic yards of concrete streets. The City also installed high efficiency lighting units for street and parking lots and LED traffic signal bulbs funded through the American Recovery and Reinvestment Act (ARRA). Capital investment projects included: major reconstruction and resurfacing of Tyler Boulevard from S.R. 306 to S.R. 615 funded through the ARRA; completion of a third lane on S.R. 2 from the Willoughby Corporation line to just east of S.R. 306; planning and engineering and land/right-of-way acquisition for widening Heisley Road between Jackson Street and Mentor Avenue, and for the extension of Plaza Boulevard; resurfacing Plaza Boulevard from U.S. 20 to S.R. 84; and widening Plains Road from Hopkins Road to the Mentor-on-the-Lake Corporation line.

Drainage projects undertaken in 2010 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 1,900 feet of new pipe. In addition, as part of a program to help residents alleviate drainage problems, over 1,519 feet of pipe was installed benefiting approximately 25 properties. The City also dredged the drainage ditch adjacent to S.R. 2 and Trillium/Luoem Trail to improve stormwater flow and capacity.

The Fire Department continued to be one of the highest rated fire departments in the state with an ISO Class 3 public protection classification by the Insurance Services Office. This high rating means that business and commercial concerns within the City can realize savings on insurance premiums.

The Economic and Community Development Department actively promoted the benefits of business location in the City. In May 2010, STERIS Corporation announced plans for an \$11 million expansion which will result in 300 new jobs. US Endoscopy, a manufacturer of flexible and rigid endoscopes, announced a \$4.7 million investment which will result in the creation of 150 jobs. The Mentor Technology Garden, a business incubator, was "launched" which should provide resources for new manufacturing businesses to develop.

The Public Information Office (PIO) is responsible for promoting every City service and department to the residents of Mentor. The City celebrated the 20th anniversary of The Mentor Channel with a month long review of programs aired from 1990 to the present. Staff produced 75 original programs and aired another 202 programs representing 3,179 hours of programming. In 2010, PIO received a number of awards for its communications efforts: the City website received a Silver Award from Lake Communicators, and the community newsletter also received a Silver Award from the same organization. PIO also received an Honorable Mention from The National Association of Telecommunications Officers & Advisors for its series of PSA's promoting Mentor.

The Department of Parks, Recreation and Public Facilities had another very busy year. Construction of a new Practice Center at Black Brook Golf Course started in September, 2010 and will be completed in late spring 2011. The course is home to 43 leagues, with the golf teams from Mentor High School, Lake Catholic and Lakeland Community College playing their home matches there. The Recreation Division stepped into the world of social media, launching Mentor Parks & Recreation on Facebook in February and @MentorRec on Twitter in March. The Recreation Division received a Safe Routes to School two-year grant from the Ohio Department of Transportation in the amount of \$74,740. The Recreation Division had 28,538 people participate in courses and programs offered in 2010. Free online registration was implemented for courses and memberships with the fall registration cycle that began in August, resulting in a 15% increase in online registration. The Civic Arena hosted 13 hockey and figure skating/synchronized events. The Mentor Lagoons Nature Preserve & Marina remodeled its office, rebuilt approximately 4 miles of Marina roads, installed a pavilion at the boat ramp, installed and wired 24 dockside power pedestals, installed 8,400' of waterline on A, D & E docks and replaced 500' of concrete bulkhead. There were 519 boaters docked at the Marina. All new commercial kitchen equipment was installed at the Senior Center. Garfield Park Concession was upgraded and remodeled with complete electrical. Mentor Beach Park received an upgrade of the activity room and preparation area. The Civic Center Pool Waterplay area was overhauled and the installation of a new splashpad was done with supplemental funding through a Nature Works grant. Construction was completed in the fall and the new splashpad is scheduled to open in the summer of 2011. The Civic Center Pool House was also completely remodeled. The summer concert series was a success with 6 concerts featuring acts with regional and national recognition.

The Police Department continued to enhance the Police Chaplains Program with ongoing in-house training of the current chaplains and the addition of a Roman Catholic Priest. New recruits are sent to the chaplains training to be certified. The Police Supervisor's succession plan continues as the City replaces two Senior Supervisors who will retire early in 2011 and provides training for their replacements. One Sergeant will be trained at Northwestern Staff & Command School and one Captain will be trained at the F.B.I. National Academy in Quantico, VA.

For the Future

The City's five-year (2011-2015) capital improvement program contains the following proposed expenditures:

Facility construction and improvements	\$ 6,495,375
Roadway construction and improvements	17,967,400
Traffic control	2,166,000
Sidewalk and bikeway improvements	3,302,900
Storm drainage	4,064,100
Park acquisition, development and improvement	3,829,500
Major capital equipment	8,724,600
Miscellaneous (Waste Collection)	<u>13,713,000</u>
	<u>\$ 60,262,875</u>

Of the proposed \$60,262,875 for the five-year period, \$24,060,000 (40%) is expected to be funded by the City. The remaining \$36,202,875 (60%) is expected to be funded primarily by Federal/State/County assistance.

Projects anticipated in 2011 include the following: continuation of major reconstruction including an additional lane to S.R. 2 between S.R. 306 interchange and S.R. 44 in Painesville; planning and engineering and land/right-of-way acquisition for widening Heisley Road between Jackson

Street and Mentor Avenue, and for the extension of Plaza Boulevard; repair and resurfacing of the concrete curbs, and walls on the S.R. 615 bridge over the NS and CSX railroad tracks; improvements to the bike paths and sidewalks at Shore Middle School and along Hendricks and Hopkins Road; implementation of a City-wide sidewalk replacement program; planning and engineering for the widening and resurfacing of Jordan Drive from Corduroy Road to Rambler Drive, including bike lanes; increased repair and resurfacing of local asphalt and concrete streets; and major facility improvements and system upgrades to reduce energy consumption. Other future improvements include: storm drainage improvements to Newell Creek at Garfield Park and Claridge House Apartments; replacement of culverts under Garfield Road and Stoneybrook Lane; and replacement of the safety forces 800 MHZ radio equipment.

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 bonds and bond anticipation notes of approximately \$4.0 million collectively during 2011 to finance certain capital and infrastructure improvements.

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.

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, 2009. 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-six consecutive years (fiscal years 1984-2009). 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, 2010

Mentor City Council

At-Large----- Ray Kirchner
At-Large----- Scott J. Marn
At-Large (resigned December 3, 2010)----- Louis S. Aliberti
Ward 1, President ----- Robert M. Shiner
Ward 2 ----- Carolyn P. Bucey
Ward 3, Vice President ----- Edward R. Walsh
Ward 4 ----- Ronald L. Micchia

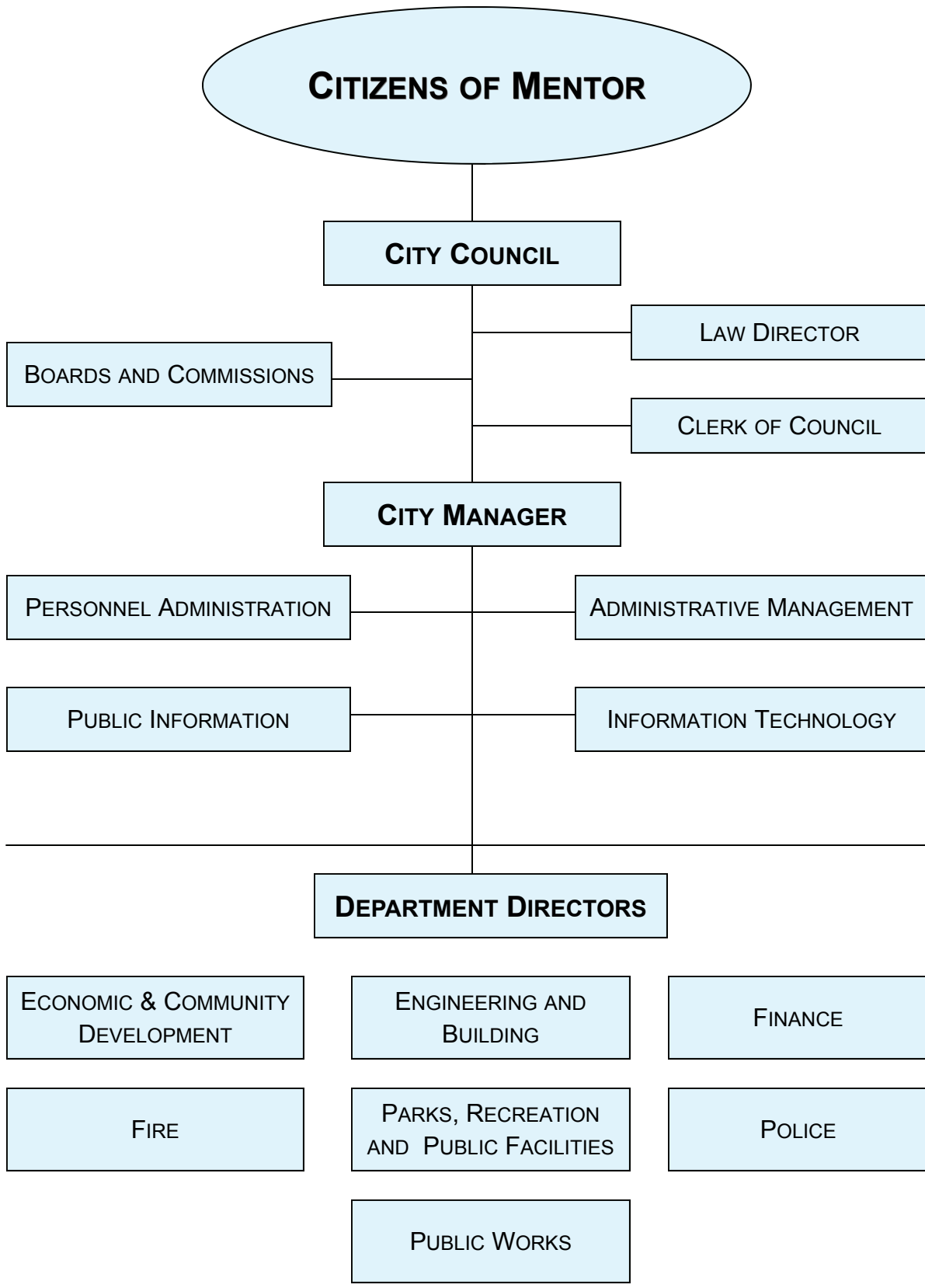
Judge, Mentor Municipal Court ----- John F. Trebets

Law Director ----- Richard A. Hennig
Clerk of Council ----- Elizabeth A. Limestahl
City Manager ----- Kenneth J. Filipiak
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 W. 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, 2010

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 T. LEHNER----- Payroll/Accounting Coordinator
LINDA MARTINC ----- Accounting Assistant
BARBARA YOUNG----- Accounting Assistant
HOLLIE BARTONE----- Accounting Assistant
VERONICA FETSKO ----- Accounting Assistant
DEBRA HALL ----- Accounting Assistant
KRIS HANNAN ----- Office Assistant
MARIE SAMEC----- Office Assistant
BARBARA BROWN ----- Office Assistant



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, 2009

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.

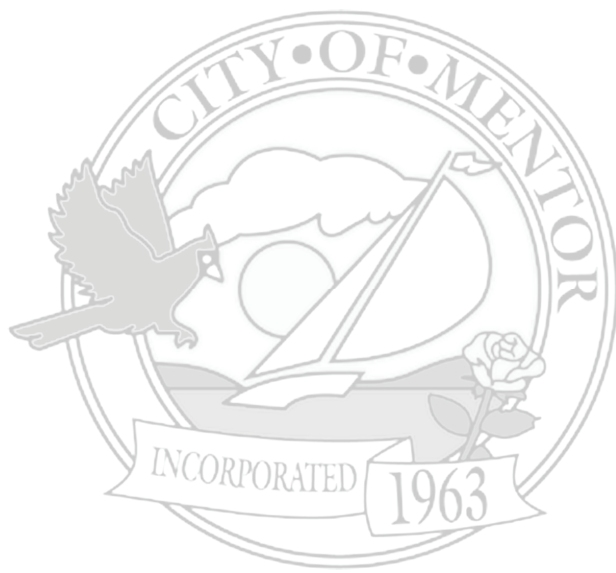


President

Executive Director

FINANCIAL SECTION





JAMES G. ZUPKA, C.P.A., INC.

*Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of City Council
City of Mentor, Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

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, as of and for the year ended December 31, 2010, 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 of Mentor, Ohio'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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that 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, Ohio, as of December 31, 2010, 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 May 18, 2011, on our consideration of the City of Mentor, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 13 through 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mentor, Ohio's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



James G. Zupka, CPA, Inc.
Certified Public Accountants

May 18, 2011

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, 2010. Please read this information in conjunction with the City's basic financial statements and footnotes that begin on page 27.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at December 31, 2010 by approximately \$187.3 million (net assets). All of the net assets are accounted for as governmental activities. Of this amount, \$21.8 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net assets decreased by \$2.4 million during 2010.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$19.2 million and is available for spending at the City's discretion. The unreserved fund balance equals 42.7 percent of total current year general fund expenditures.
- The City's total debt and other long-term obligations decreased by \$1.2 million (3.3 percent) during the current fiscal year. The decrease was primarily related to the issuance of bond anticipation notes (\$2.7 million), offset by payment of debt during the year.

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 27-28 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 57 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 and Special Assessment Bond Retirement Fund, which are considered to be major funds. Data from the other 55 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 29-31 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 33 and 34 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 32 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 35-58 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 2010 compared to 2009.

	Summary of Net Assets	
	Summary of Net Assets as of December 31, 2010	Summary of Net Assets as of December 31, 2009
Assets:		
Cash, Investments, receivables and other assets	\$ 59,917,704	\$ 57,364,281
Capital Assets	<u>173,783,916</u>	<u>176,401,468</u>
Total assets	233,701,620	233,765,749
Liabilities:		
Accounts payable, accrued liabilities, deferred revenues and other liabilities	12,183,672	7,485,555
Long-term obligations	<u>34,209,091</u>	<u>36,557,990</u>
Total liabilities	46,392,763	44,043,545
Net assets:		
Invested in capital assets, net of related debt	140,546,570	143,354,342
Restricted	24,981,189	26,050,013
Unrestricted	<u>21,781,098</u>	<u>20,317,849</u>
Total net assets	<u>\$ 187,308,857</u>	<u>\$ 189,722,204</u>

Total assets decreased \$64,129 from 2009 to 2010. The decrease was primarily due to an increase in cash and receivables (\$2.5 million) held in the general fund and a decrease in capital assets (\$2.6 million).

Total liabilities increased by \$2,349,218. The increase was primarily attributable to an increase in accounts payable and accrued liabilities along with the issuance of a bond anticipation note in 2010 and the effect of annual principal retirements of long-term obligations.

The result of decreased assets and increased liabilities is a decrease in total net assets of \$2,413,347. A portion of the City's net assets (13.3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$21.8 million or (11.6 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

	2010	2009
Revenues		
Program Revenues:		
Charges for Services	\$ 9,993,431	\$ 9,577,077
Operating grants and contributions	4,216,162	899,216
Capital grants and contributions	1,196,464	1,011,284
General Revenues:		
Municipal income taxes	30,895,408	29,690,527
Property taxes	5,926,393	5,968,931
Other local taxes	437,875	443,167
PILOT	230,725	232,416
Shared revenues	7,115,438	6,872,454
Other grants and contributions	-	20,047
Unrestricted investment earnings	982,759	982,064
Other	49,798	23,966
 Total Revenues	 61,044,453	 55,721,149
 Expenses		
General government	7,232,734	7,185,265
Police	12,727,229	12,350,647
Fire	12,012,648	11,842,353
Streets and highways	17,822,415	13,816,327
Parks, recreation and public facilities	7,944,763	7,860,266
Economic and community development	1,953,020	764,306
Engineering and building	2,245,519	2,057,180
Interest and other charges	1,519,472	1,535,426
 Total Expenses	 63,457,800	 57,411,770
 Increases (Decreases) in net assets	 (2,413,347)	 (1,690,621)
 Net assets at beginning of year	 \$ 189,722,204	 191,412,825
 Net assets at end of year	 \$ 187,308,857	 \$ 189,722,204

The decrease in net assets of \$2.4 million in 2010 is a result of higher expenses in functional areas, particularly in streets and highways and economic and community development offset by additional program revenues for operating grants and contributions as a result of the federal stimulus program and more revenue from collections of municipal income taxes. The decrease in net assets of \$1.7 million in 2009 is a result of significantly less program revenues for capital grants and contributions in various programs and less municipal tax revenue offset by lower expense per functional area, particularly in streets and highways and economic and community development.

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, 2010, the City's governmental funds reported combined ending fund balances of \$24.0 million, a decrease of \$1.3 million from the prior year. The unreserved amount of \$18.0 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 \$3.9 million, 2) to pay \$1.3 million of debt service, and 3) to hold inventory and land for resale of \$0.8 million.

The City reported two major funds for the year – the General Fund and the Special Assessment Bond Retirement Fund. In addition to the detailed analysis of the General Fund that follows, this other change in fund balance should be noted:

- The City recorded revenues of \$1.2 million and expenditures of \$1.4 million related to special assessments for certain bonds issued in past years. The fund balance decreased by approximately \$0.2 million as a result of debt service payments in excess of revenue collected.

The General Fund is the chief operating fund of the City. At December 31, 2010, the unreserved fund balance of the General Fund was \$19.2 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 42.7 percent of total General Fund expenditures at December 31, 2010.

A two-year comparison of General Fund activity is shown in the following table. The revenues, expenditures and changes 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, 2010 and December 31, 2009

	<u>2010</u>	<u>2009</u>
Revenues:		
Property taxes	\$ 1,534,314	\$ 1,784,878
Municipal income taxes	31,076,262	29,691,413
Intergovernmental	4,902,102	4,755,627
Charges for services	5,697,180	5,242,236
Fines and forfeitures	1,188,746	1,121,239
Licenses, permits and inspections	1,370,479	1,377,095
Investment income	957,312	982,064
Donations and other	<u>133,873</u>	<u>109,147</u>
 Total Revenues	 <u>46,860,268</u>	 <u>45,063,699</u>
 Expenditures:		
General government	6,846,014	6,753,567
Police	11,539,414	11,276,367
Fire	9,685,504	9,277,727
Streets and highways	7,153,861	7,575,746
Parks, recreation and public facilities	6,078,009	6,315,939
Economic and community development	1,276,071	586,738
Engineering and building	1,905,260	1,979,262
Capital outlay	572,236	983,366
Debt service - principal retirement	<u>22,927</u>	<u>21,221</u>
 Total Expenditures	 <u>45,079,296</u>	 <u>44,769,933</u>
 Excess (deficiency) of revenues over expenditures	 1,780,972	 293,766
 Other financing sources (uses):		
Transfers out	<u>(262,015)</u>	<u>(86,768)</u>
 Excess (deficiency) of revenues and other sources over expenditures and other uses	 1,518,957	 206,998
 Fund balance at beginning of year	 19,944,264	 19,678,130
Change in reserve for inventory	<u>36,866</u>	<u>59,136</u>
 Fund balance at end of year	 <u>\$ 21,500,087</u>	 <u>\$19,944,264</u>

Analysis of General Fund Revenues

General Fund revenues totaled \$46.9 million in 2010, an increase of approximately 4% from 2009. 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)		
2009	\$ 1,603,670	\$ 1,776	\$ 34,261	\$ 1,639,707
2010	1,477,191	888	36,653	1,514,732

Property tax revenues decreased by approximately 14.0% in 2010 principally due to reallocating 0.1 mills of available inside millage to the general obligation bond retirement fund from the general fund and from the effect of the County Auditor’s revaluation of residential property values.

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 2% 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 \$1.4 million in 2010 versus the comparable amount in 2009 as a result of a gradual economic recovery in both the manufacturing and retail sectors. 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 increased by approximately 3.1% in 2010 primarily due to higher state shared revenues as a result of grant collections for Parks, Police and Fire operations.

The State Local Government Fund (“LGF”) and Local Government Revenue Assistance Fund (“LGRA”) 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 2010, the City had LGF revenue of \$3.1 million.

Charges for Services

Revenue from charges for services increased by \$454,944, approximately 8.7% in 2010 due to more revenue generated from collecting the cost of providing emergency transport services through the Fire department.

Licenses, permits and inspections

Revenue from licenses, permits and inspections decreased by \$6,616 during 2010. Increased revenue from building permits and inspections fees (up \$100,000) offset a slight decline in revenue from cable TV franchise fees.

Investment Income

Investment income in 2010 was \$957,312, slightly down from \$982,064 in 2009. The City had an average of \$25.3 million invested during 2010 versus \$24.9 million in 2009, which increased investment income by about \$8,000. A lower effective yield on the portfolio of about 1.5% during 2010 caused a decrease of about \$258,000. The gain of fair market value of the City's corporate bond funds caused the remaining increase of \$225,000.

Analysis of General Fund Expenditures

General Fund expenditures and other uses totaled \$45.3 million in 2010, an increase of 1.08% from 2009. The amount of expenditures and other uses by function on a modified accrual basis for the year ended December 31, 2010, including the increases (decreases) over the prior year, are shown in the following table:

Expenditures and Other Uses	2010	Total	2009	Total	Increase (Decrease) Over 2009	Change
			(\$ Amounts in 000's)			
Current:						
General Government	\$ 6,846	15.10%	\$ 6,754	15.06%	\$ 92	1.36%
Police	11,539	25.45%	11,276	25.14%	263	2.33%
Fire	9,686	21.36%	9,278	20.68%	408	4.40%
Streets and highways	7,154	15.78%	7,576	16.89%	(422)	-5.57%
Parks, recreation and public facilities	6,078	13.41%	6,316	14.08%	(238)	-3.77%
Economic and community development	1,276	2.81%	587	1.31%	689	117.38%
Engineering and building	1,905	4.20%	1,979	4.41%	(74)	-3.74%
Capital outlay	572	1.26%	983	2.19%	(411)	-41.81%
Debt Service - principal retirement	23	0.05%	21	0.05%	2	9.52%
Transfers out	262	0.58%	87	0.19%	175	201.15%
Total expenditures and other financing uses	\$ 45,341	100.00%	\$ 44,857	100.00%	\$ 484	1.08%

Nearly all governmental functions showed minor increases or decreases in expenditures. The only function showing a significant increase in expenditures was the function of economic and community development because of higher recorded expenditures for economic incentive grants during 2010.

Capital outlay decreased significantly as a result of negligible equipment purchases in the Police Department during 2010 compared to the purchase of new technology equipment during 2009.

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

Employee Compensation and Labor Relations

As of December 31, 2010 and 2009, the City had approximately 358 and 366 full-time employees, respectively. As of December 31, 2010, approximately 226 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 – 65, the Ohio Patrolmen's Benevolent Assn., representing three units – 93, and the International Assn. of Firefighters Local 1845 – 68.

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 March 2012. 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>
2010	\$ 25,057,817
2009	25,618,652

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. More data on this pension fund is shown in Notes 14 and 15 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 14 and 15 to the financial statements.

Over the past two years, the City and its employees have made actual payments in the following amounts to OPERS and OP&F:

	<u>2010</u>	<u>2009</u>
	(in thousands)	
Paid by City to		
OPERS	\$ 2,009	\$ 2,178
OP&F	<u>2,601</u>	<u>2,837</u>
Total paid by City	<u>4,610</u>	<u>5,015</u>
Paid by Employees to		
OPERS	1,435	1,555
OP&F	<u>1,201</u>	<u>1,310</u>
Total paid by Employees	<u>2,636</u>	<u>2,865</u>
Total	<u>\$ 7,246</u>	<u>\$ 7,880</u>

The decrease in amounts paid to OPERS and OP&F during 2010 is primarily due to the December 2008 liability being paid in January, 2009.

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 final amended budget for the City's General Fund expenditures, including transfers and advances out, (see page 32) was an increase of \$5.8 million, a 11.1 percent increase in appropriations. The budget for general fund expenditures was increased as a result of underestimating original appropriations due to the following:

- Various capital project funds and grant funds required temporary cash advances from the General Fund. (Federal stimulus awards - \$3,200,000; Roadway infrastructure projects - \$1,500,000; Safety forces radio equipment upgrade - \$1,000,000) The General Fund will be reimbursed next year from revenue to be received from outside funding sources for advances that were not repaid in 2010.
- Senior Citizen programs and trips increased (\$100,000).

The difference between the final amended budget and actual expenditures for the City's General Fund expenditures was a positive \$3.8 million. The following functions reported favorable material variances:

- General government – The Finance Department incurred less expenditures for tax collection agency fees and claims (\$600,000); City Council and the Municipal Court incurred less expenditures for operational costs (\$200,000); City Manager and Information Systems operational costs were less than estimated (\$100,000); Unused general contingency (\$200,000); Other (\$100,000).
- Police – Employee compensation and benefits were under budget primarily because of unfilled positions during the year.
- Streets and Highways – Employee compensation and benefits were under budget primarily because of unfilled positions during the year (\$100,000) and less expenditures for maintenance and repair of certain infrastructure projects (\$500,000).

- Parks, recreation and public facilities – Employee compensation and benefits were under budget primarily because of unfilled positions during the year (\$300,000) and less expenditures for maintenance and repairs on facilities throughout the City.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets: The City's investment in capital assets as of December 31, 2010 equaled \$173.8 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 2010 was 1.5 percent. A summary of the City's capital assets at December 31, 2010 and December 31, 2009 is as follows:

	2010	2009
	Capital Assets, Net of Accumulated Depreciation	Capital Assets, Net of Accumulated Depreciation
Land	\$ 63,033,230	\$ 63,033,230
Land improvements	930,621	1,056,660
Buildings and improvements	23,943,895	24,958,068
Equipment	8,024,344	7,684,549
Infrastructure	76,676,566	78,615,329
Construction in progress	1,175,260	1,053,632
Total	<u>\$ 173,783,916</u>	<u>\$ 176,401,468</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.
- Equipment – acquisition of new equipment and vehicles (\$1.9 million) offset by normal annual depreciation on existing equipment (\$1.5 million).
- Infrastructure – normal annual depreciation on existing roads, bridges, and other infrastructure (\$2.6 million) with some new construction (\$0.6 million).

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 48.

Long-term debt. As of December 31, 2010 the City had total bond and notes outstanding of \$33.2 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, 2010 is summarized below.

	Balance January 1, 2010	Debt Issued	Debt Retired	Balance December 31, 2010
		(in thousands)		
General Obligation Bonds	\$ 19,991	\$ -	\$ (1,699)	\$ 18,292
Special Assessment Bonds	12,414	-	(816)	11,598
Unamortized Premium on Debt	21	-	(2)	19
Capital Projects Notes Payable and OWDA/OPWC Loans	<u>642</u>	<u>2,740</u>	<u>(35)</u>	<u>3,347</u>
Total Government Activities	<u>\$ 33,068</u>	<u>\$ 2,740</u>	<u>\$ (2,552)</u>	<u>\$ 33,256</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 \$2.0 million in 2010 which represented 78% of the debt service requirements on the general obligation bonds. Use of existing fund balances and transfers from the general fund were used to pay the remaining 22% 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 Aa1 bond rating from Moody's Investors Service that was based on a recalibration during 2010; previously the City had an Aa2 rating from Moody's that was assigned in October 2005 and reaffirmed in August of 2008 and again in July 2009; prior to that 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, 2010 was:

Net General Bonded Debt	\$18,310,006
Ratio of Net Bonded Debt to Assessed Valuation	1.12%
Net General Bonded Debt Per Capita	\$ 360.51

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 \$159,046,818 and unvoted debt limit (5.5 percent) is

\$83,310,238. 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 2011 projects a year-end unencumbered balance of \$6.9 million. This includes estimated income tax collections of \$30.0 million which is 2.0% less than actual 2010 collections. For the four months through April 30, 2011, income tax collections were up 2.6% from the comparable 2010 period. The general fund unencumbered balance at April 30, 2011 was \$9.1 million.

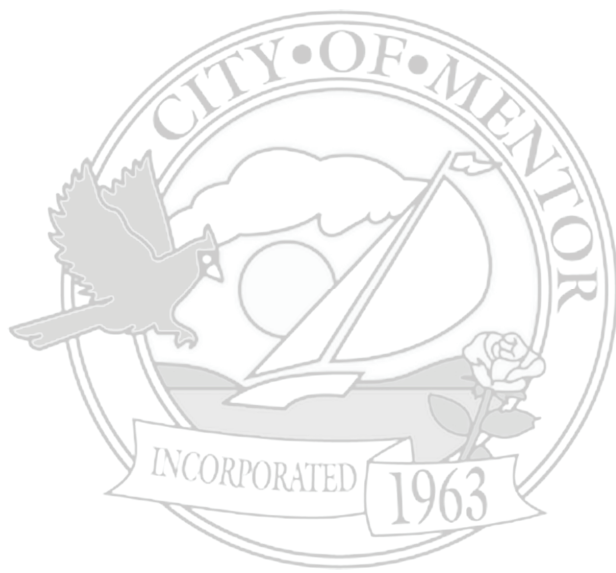
NEED ADDITIONAL INFORMATION

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 INFORMATION



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CITY OF MENTOR, OHIO

STATEMENT OF NET ASSETS December 31, 2010

ASSETS

Cash and investments	\$	22,819,080
Receivables, net of allowance for doubtful accounts		31,346,128
Due from other governments		4,672,960
Inventory		703,444
Prepaid expenses		41,851
Deferred charges		196,241
Land held for resale		138,000
Nondepreciable capital assets		64,208,490
Depreciable capital assets, net of accumulated depreciation		<u>109,575,426</u>
Total assets		<u><u>233,701,620</u></u>

LIABILITIES

Accounts payable and accrued liabilities		5,652,162
Deposits		188,815
Unearned revenues		5,141,188
Notes Payable		2,740,000
Long-term obligations:		
Due within one year		2,696,788
Due in more than one year		<u>29,973,810</u>
Total liabilities		<u><u>46,392,763</u></u>

NET ASSETS

Invested in capital assets, net of related debt		140,546,570
Restricted for:		
Debt service		19,193,569
Capital projects		896,332
Streets and public safety		4,891,288
Unrestricted		<u>21,781,098</u>
Total net assets	\$	<u><u>187,308,857</u></u>

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

CITY OF MENTOR, OHIO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2010

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs:					
Governmental Activities:					
General Government	\$ 7,232,734	\$ 2,473,236	\$ 45,317	\$ -	\$ (4,714,181)
Police	12,727,229	136,909	140,216	986,000	(11,464,104)
Fire	12,012,648	1,442,054	221,667	-	(10,348,927)
Streets and highways	17,822,415	1,080,564	3,416,057	70,464	(13,255,330)
Parks, recreation and public facilities	7,944,763	4,192,731	191,134	140,000	(3,420,898)
Economic and community development	1,953,020	60,462	201,388	-	(1,691,170)
Engineering and building	2,245,519	607,475	383	-	(1,637,661)
Interest and other charges	1,519,472	-	-	-	(1,519,472)
Total governmental activities	<u>\$ 63,457,800</u>	<u>\$ 9,993,431</u>	<u>\$ 4,216,162</u>	<u>\$ 1,196,464</u>	<u>(48,051,743)</u>
General revenues:					
Municipal income taxes					30,895,408
Property taxes levied for:					
General purpose					1,637,370
Special revenue					2,203,325
Debt service					2,085,698
Other local taxes					437,875
Payments in Lieu of Taxes					230,725
Shared revenues					7,115,438
Unrestricted investment earnings					982,759
Other					49,798
Total general revenues					<u>45,638,396</u>
Changes in net assets					(2,413,347)
Net assets at beginning of year					<u>189,722,204</u>
Net assets at end of year					<u>\$ 187,308,857</u>

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

CITY OF MENTOR, OHIO
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2010

	General	Special Assessment Bond Retirement	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 13,695,467	\$ 23,312	\$ 9,100,301	\$ 22,819,080
Receivables, net	10,405,349	17,629,556	3,311,223	31,346,128
Due from other funds	3,924,574	-	346,862	4,271,436
Due from other governments	2,027,564	-	2,645,396	4,672,960
Inventory	703,444	-	-	703,444
Land held for resale	-	138,000	-	138,000
TOTAL ASSETS	<u>\$ 30,756,398</u>	<u>\$ 17,790,868</u>	<u>\$ 15,403,782</u>	<u>\$ 63,951,048</u>
LIABILITIES				
Accounts payable	\$ 448,594	\$ -	\$ 660,656	\$ 1,109,250
Accrued payroll and employee benefits	2,868,031	-	-	2,868,031
Accrued liabilities	3,562	12,072	14,499	30,133
Construction, security and bid deposits	188,815	-	-	188,815
Due to other funds	-	165,000	4,106,436	4,271,436
Notes payable	-	-	2,740,000	2,740,000
Deferred revenue	5,747,309	17,629,556	5,399,083	28,775,948
Total liabilities	<u>9,256,311</u>	<u>17,806,628</u>	<u>12,920,674</u>	<u>39,983,613</u>
FUND BALANCES				
Reserved for:				
Inventory	703,444	-	-	703,444
Debt Service	-	-	1,308,750	1,308,750
Encumbrances	1,554,517	-	2,303,034	3,857,551
Land Held for Resale	-	138,000	-	138,000
Unreserved, reported in:				
General fund	19,242,126	-	-	19,242,126
Special revenue funds	-	-	1,854,713	1,854,713
Debt service funds	-	(153,760)	-	(153,760)
Capital project funds	-	-	(2,983,389)	(2,983,389)
Total fund balances	<u>21,500,087</u>	<u>(15,760)</u>	<u>2,483,108</u>	<u>23,967,435</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 30,756,398</u>	<u>\$ 17,790,868</u>	<u>\$ 15,403,782</u>	

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.) 173,783,916

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Deferred charges for bond refundings in 2004/2005 and 2009 bond issuance costs	196,241	
Prepaid expenses	41,851	
Deferred revenues	<u>23,634,760</u>	23,872,852

Long-term liabilities, including bonds, unamortized premium on debt, compensated absences and accrued interest, are not due and payable in the current period and, therefore are not reported in the funds. (See note 7, plus \$106,255 of accrued interest). (34,315,346)

Net assets of governmental activities \$187,308,857

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
Year Ended December 31, 2010

	General	Special Assessment Bond Retirement	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 1,534,314	\$ -	\$ 4,118,876	\$ 5,653,190
Municipal income taxes	31,076,262	-	-	31,076,262
Other local taxes	-	-	437,902	437,902
Payments in Lieu of Taxes	-	-	230,725	230,725
Intergovernmental	4,902,102	-	6,344,221	11,246,323
Charges for services	5,697,180	-	169,949	5,867,129
Fines and forfeitures	1,188,746	-	463,766	1,652,512
Licenses, permits, and inspections	1,370,479	-	12,010	1,382,489
Special assessments	-	1,196,808	1,010,058	2,206,866
Investment income	957,312	-	25,447	982,759
Donations and other	133,873	-	37,279	171,152
Total revenues	<u>46,860,268</u>	<u>1,196,808</u>	<u>12,850,233</u>	<u>60,907,309</u>
EXPENDITURES				
Current:				
General government	6,846,014	-	199,836	7,045,850
Police	11,539,414	-	536,780	12,076,194
Fire	9,685,504	-	1,644,413	11,329,917
Streets and highways	7,153,861	-	7,426,978	14,580,839
Parks, recreation and public facilities	6,078,009	-	735,557	6,813,566
Economic and community development	1,276,071	-	669,972	1,946,043
Engineering and building	1,905,260	-	309,603	2,214,863
Capital outlay	572,236	-	1,629,285	2,201,521
Debt service:				
Principal retirement	22,927	828,273	1,698,581	2,549,781
Interest and other expenditures	-	589,950	905,055	1,495,005
Total expenditures	<u>45,079,296</u>	<u>1,418,223</u>	<u>15,756,060</u>	<u>62,253,579</u>
Excess (deficiency) of revenues over (under) expenditures	1,780,972	(221,415)	(2,905,827)	(1,346,270)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	711,190	711,190
Transfers out	(262,015)	-	(449,175)	(711,190)
Total other financing sources (uses)	<u>(262,015)</u>	<u>-</u>	<u>262,015</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,518,957	(221,415)	(2,643,812)	(1,346,270)
FUND BALANCES AT BEGINNING OF YEAR	19,944,264	205,655	5,126,920	25,276,839
CHANGE IN RESERVE FOR INVENTORY	<u>36,866</u>	<u>-</u>	<u>-</u>	<u>36,866</u>
FUND BALANCES AT END OF YEAR	<u>\$ 21,500,087</u>	<u>\$ (15,760)</u>	<u>\$ 2,483,108</u>	<u>\$ 23,967,435</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 YEAR ENDED DECEMBER 31, 2010

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

Net change in fund balances - total governmental funds \$(1,346,270)

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 depreciation exceeded capital outlays in the current period:

Capital asset additions	\$ 2,790,650	
Current year depreciation	<u>(5,332,810)</u>	(2,542,160)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (75,391)

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

Property, municipal income and other local taxes	92,323	
Intergovernmental	190,786	
Special Assessment	<u>(1,134,964)</u>	(851,855)

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. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 2,525,313

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. (122,984)

Changes in net assets of governmental activities \$(2,413,347)

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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:				
Property taxes	\$ 1,651,400	\$ 1,651,400	\$ 1,534,313	\$ (117,087)
Municipal income tax	30,000,000	30,000,000	30,612,472	612,472
Intergovernmental	4,225,000	4,225,000	4,635,608	410,608
Charges for services	5,220,000	5,220,000	5,697,180	477,180
Fines and forfeitures	1,175,000	1,175,000	1,156,182	(18,818)
Licenses, permits and inspections	1,167,000	1,167,000	1,362,943	195,943
Investment income	500,000	500,000	730,822	230,822
Other	30,600	30,600	133,873	103,273
Total revenues	<u>43,969,000</u>	<u>43,969,000</u>	<u>45,863,393</u>	<u>1,894,393</u>
EXPENDITURES:				
Function:				
General government	8,847,871	8,150,414	6,861,659	1,288,755
Police	11,989,167	11,989,167	11,591,092	398,075
Fire	9,646,317	9,731,317	9,531,841	199,476
Streets and highways	7,862,093	8,060,791	7,391,041	669,750
Parks, recreation and public facilities	7,224,085	7,347,241	6,510,899	836,342
Economic and community development	2,306,119	2,342,619	2,160,262	182,357
Engineering and building	2,135,199	2,135,199	1,950,206	184,993
Total expenditures	<u>50,010,851</u>	<u>49,756,748</u>	<u>45,997,000</u>	<u>3,759,748</u>
Excess (deficiency) of revenues over expenditures	(6,041,851)	(5,787,748)	(133,607)	5,654,141
OTHER FINANCING SOURCES (USES):				
Advances in	1,900,000	1,900,000	4,753,838	2,853,838
Advances out	(1,650,000)	(7,511,045)	(7,511,045)	-
Transfers out	(100,000)	(262,015)	(262,015)	-
Total other financing sources (uses)	<u>150,000</u>	<u>(5,873,060)</u>	<u>(3,019,222)</u>	<u>2,853,838</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(5,891,851)	(11,660,808)	(3,152,829)	8,507,979
Adjustment for prior year encumbrances	1,751,947	1,751,947	1,751,947	-
FUND BALANCES, BEGINNING OF YEAR	<u>11,666,835</u>	<u>11,666,835</u>	<u>11,666,835</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 7,526,931</u>	<u>\$ 1,757,974</u>	<u>\$ 10,265,953</u>	<u>\$ 8,507,979</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, 2010

	CEMETERY BEQUEST and ENDOWMENT PRIVATE-PURPOSE TRUST FUND	MUNICIPAL COURT AGENCY FUND
	<u> </u>	<u> </u>
ASSETS		
Cash	\$ 27,801	\$ 52,880
	<u> </u>	<u> </u>
LIABILITIES		
Deposits held and due to others	-	52,880
Total liabilities	-	\$ 52,880
	<u> </u>	<u> </u>
NET ASSETS		
Held in trust for decoration of specific graves	\$ 27,801	
	<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
Year Ended December 31, 2010

	CEMETERY BEQUEST and ENDOWMENT PRIVATE- PURPOSE TRUST FUND
ADDITIONS	
Investment Income	\$ 570
Total additions	<u>570</u>
DEDUCTIONS	
General expenses	<u>1,189</u>
Total deductions	<u>1,189</u>
Change in net assets	(619)
Net assets - beginning of year	<u>28,420</u>
Net assets - end of year	<u><u>\$ 27,801</u></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, 2010

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, 2010 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, 2010

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 and the Special Assessment Bond Retirement 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 facilities; economic and community development; engineering and building; and debt service. 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, 2010

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.

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** - 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 2010, the City did not utilize any permanent funds.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010

PROPRIETARY FUNDS

1. **Enterprise Funds** - 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 2010, the City did not utilize any enterprise funds.
2. **Internal Service Funds** - 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 2010, 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 2010, 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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010

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 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 and object 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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010

the year ended December 31, 2010, expenditures did not exceed appropriations in any individual department.

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 difference 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 2010 reported on the budget basis versus the GAAP basis is as follows:

<u>Net Change in Fund Balance</u>	
Budget Basis	\$ (3,152,829)
Adjustments:	
Revenue accruals	996,875
Advances in	(4,753,838)
Advances out	7,511,045
Expenditure accruals	(1,035,261)
Encumbrances	<u>1,952,965</u>
GAAP Basis	<u>\$ 1,518,957</u>

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010

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 capital 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, 2010

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 bonds-outstanding method, which approximates 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 expenditures.

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, 2010

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 2010, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. GASB Statement No. 53 establishes accounting and financial reporting requirements for derivative instruments entered into by state and local governments. GASB Statement No. 58 establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code.

The implementation of GASB Statements No. 51, 53, and 58 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, 2010

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, consistent with the City's investment policy, 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, 2010

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 \$4,210,112 and the bank balance was \$5,101,504. Of the bank balance, \$1,000,000 was covered by Federal depository insurance and \$4,101,504 was uninsured. Of the remaining uninsured bank balance, \$4,101,504 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, 2010, the City had the following investments:

	<u>Fair Value</u>	<u>Maturity</u>		
		<u>Less than 1 year</u>	<u>1 to 2 years</u>	<u>Greater than 2 years</u>
Vanguard Short-Term Corporate Bond Fund	\$ 3,061,112	\$ -	\$ 3,061,112	\$ -
Vanguard Intermediate-Term Corporate Bond Fund	4,204,195	-	-	4,204,195
Vanguard GNMA Fund	5,175,176	-	-	5,175,176
STAROhio	<u>6,249,166</u>	<u>6,249,166</u>	<u>-</u>	<u>-</u>
Total Portfolio	<u>\$ 18,689,649</u>	<u>\$ 6,249,166</u>	<u>\$ 3,061,112</u>	<u>\$ 9,379,371</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, 2010

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 credit ratings assigned to the three mutual funds were obtained from Barclays Capital using ratings derived from Moody's Investors Service, Fitch Ratings, and Standard & Poor's. The majority of the portfolios are rated as follows: the Vanguard Short-Term Corporate Bond Fund and the Vanguard Intermediate-Term Corporate Bond Fund were rated A or better. The Vanguard GNMA Fund was rated Aaa. 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. The Treasury Bond is an internal bond issued to the City by itself and is payable over the term of the bond. The City's credit rating is Aa1 by Moody's.

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, 2010; Vanguard Short-Term Corporate Bond Fund – 16.4%, Vanguard Intermediate Term Corporate Bond Fund – 22.5%, Vanguard GNMA Fund – 27.7%, and STAROhio – 33.4%.

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

Government-Wide Financial Statements

Cash and investments	<u>\$ 22,819,080</u>
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Fund Financial Statements

Cash and investments	\$ 22,819,080
Statement of Fiduciary Net Assets:	
Cash	<u>80,681</u>
Total	<u>\$ 22,899,761</u>

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010

NOTE 4 – RECEIVABLES AND DEFERRED REVENUE

Receivables consist of the following at December 31, 2010:

	Income Taxes	Property Taxes	Special Assess- ments	Other	Gross Receivables	Allowance for uncol- lectibles	Net
Governmental Activities							
Governmental Funds							
General Fund	\$ 8,167,358	\$ 2,013,986	\$ -	\$ 320,993	\$ 10,502,337	\$ (96,988)	\$ 10,405,349
Special Assessment Bond Retirement Fund	-	-	17,768,015	-	17,768,015	(138,459)	17,629,556
Other Governmental Funds	<u>-</u>	<u>3,389,305</u>	<u>52,575</u>	<u>74,890</u>	<u>3,516,770</u>	<u>(205,547)</u>	<u>3,311,223</u>
Total Receivables	<u>\$ 8,167,358</u>	<u>\$ 5,403,291</u>	<u>\$ 17,820,590</u>	<u>\$ 395,883</u>	<u>\$ 31,787,122</u>	<u>\$ (440,994)</u>	<u>\$ 31,346,128</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:

	Government-Wide Statement of Net Assets	Governmental Funds Balance Sheet
Governmental Funds:		
General Fund:		
Property tax receivable	\$ 1,813,941	\$ 1,916,998
Income tax receivable	-	2,650,593
State shared revenue receivable	<u>-</u>	<u>1,179,718</u>
Total general fund	<u>1,813,941</u>	<u>5,747,309</u>
Special Assessment Bond Retirement Fund:		
Special assessment receivable	<u>-</u>	<u>17,629,556</u>
Other Governmental Funds:		
Property tax receivable	3,054,015	3,224,162
Special assessment receivable	-	12,171
State shared revenue receivable	-	1,470,650
Intergovernmental revenue receivable	-	418,868
Payments in lieu of taxes receivable	<u>273,232</u>	<u>273,232</u>
Total other governmental funds	<u>3,327,247</u>	<u>5,399,083</u>
Total Unearned Revenue/Deferred Revenue	<u>\$ 5,141,188</u>	<u>\$ 28,775,948</u>

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010

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, 2010 was as follows:

	<u>Balance January 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2010</u>
	(Amounts in 000's)			
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 63,033	\$ -	\$ -	\$ 63,033
Construction in progress	1,054	489	(368)	1,175
Total capital assets, not being depreciated	<u>64,087</u>	<u>489</u>	<u>(368)</u>	<u>64,208</u>
Capital assets, being depreciated:				
Land improvements	6,860	-	-	6,860
Buildings and improvements	42,520	104	-	42,624
Equipment	23,499	1,943	(714)	24,728
Infrastructure	116,630	622	-	117,252
Cost	<u>189,509</u>	<u>2,669</u>	<u>(714)</u>	<u>191,464</u>
Less accumulated depreciation for:				
Land improvements	(5,803)	(126)	-	(5,929)
Buildings and improvements	(17,562)	(1,118)	-	(18,680)
Equipment	(15,815)	(1,528)	639	(16,704)
Infrastructure	(38,015)	(2,560)	-	(40,575)
Total accumulated depreciation	<u>(77,195)</u>	<u>(5,332)</u>	<u>639</u>	<u>(81,888)</u>
Total accumulated assets being depreciated, net	<u>112,314</u>	<u>(2,663)</u>	<u>(75)</u>	<u>109,576</u>
Capital Assets, net	<u>\$ 176,401</u>	<u>\$ (2,174)</u>	<u>\$ (443)</u>	<u>\$ 173,784</u>

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010

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

	<u>(Amounts in 000's)</u>
Governmental Activities:	
General government	\$ 187
Police	559
Fire	582
Streets and highways	2,907
Parks, recreation and public facilities	1,089
Economic and community development	3
Engineering and building	<u>5</u>
 Total depreciation expense charged to governmental activities	 <u>\$ 5,332</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, 2010 is as follows:

	<u>Balance January 1, 2010</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance December 31, 2010</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation Bonds due through 2029, 2% to 5%	\$ 19,991,107	\$ -	\$ (1,698,581)	\$ 18,292,526	\$ 1,793,139
Special Assessment Bonds due through 2029, 2% to 7.15%	12,413,893	-	(816,419)	11,597,474	866,861
Unamortized Premium on Debt	21,485	-	(2,242)	19,243	1,650
Other obligations:					
Compensated absences	3,460,864	345,210	(1,652,065)	2,154,009	-
Claims and judgements	50,000	-	(50,000)	-	-
OWDA and OPWC loans	<u>642,126</u>	<u>-</u>	<u>(34,780)</u>	<u>607,346</u>	<u>35,138</u>
 Total Debt and Long-Term Obligations	 <u>\$ 36,579,475</u>	 <u>\$ 345,210</u>	 <u>\$ (4,254,087)</u>	 <u>\$ 32,670,598</u>	 <u>\$ 2,696,788</u>

During 2007, the City finalized a 20 year, 3.00% interest rate loan through the Ohio Water Development Authority in the amount of \$287,656. The outstanding principal balance at December 31, 2010 is \$236,986. The City also made principal payments on its three existing Ohio Public Works Commission 20 year, 0% loans during 2010. The Chillicothe Road Widening & Resurfacing loan, the Hopkins Road Bridge development loan, and the Kellogg Creek Culvert Improvements loan have outstanding December 31, 2010 principal amounts of \$23,764, \$314,185, and \$32,411, 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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010

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 will be paid from the General Fund.

Bonds payable at December 31, 2010 are comprised of the following issues:

	Amount of Original Issuance	Bonds Outstanding December 31, 2010
Governmental Activities Obligations:		
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	\$ 2,887,526
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	11,775,000
2009 Various Purpose Bonds due in annual installments ranging from \$130,000 to \$260,000 through 2029 plus interest at rates varying between 2.0% and 4.5%	<u>3,745,000</u>	<u>3,630,000</u>
Total general obligation bonds	<u>\$ 24,763,974</u>	<u>\$ 18,292,526</u>
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	\$ 330,000
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	135,000
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	3,470,000
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	47,474
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	7,040,000
2009 Various Purpose Bonds due in annual installments ranging from \$130,000 to \$260,000 through 2029 plus interest at rates varying between 2.0% and 4.5%	<u>590,000</u>	<u>575,000</u>
Total special assessment bonds	<u>\$ 19,183,537</u>	<u>\$ 11,597,474</u>
Total bonds	<u>\$ 43,947,511</u>	<u>\$ 29,890,000</u>

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, 2010

The following is a summary of the City's future debt service requirements as of December 31, 2010:

Year Ending December 31	Governmental Activities							Total
	General Obligation Bonds		Special Assessment Bonds		OWDA and OPWC Loans			
	Principal	Interest	Principal	Interest	Principal	Interest		
2011	\$ 1,793,139	\$ 762,387	\$ 866,861	\$ 497,061	\$ 35,138	\$ 7,019	\$ 3,961,605	
2012	1,852,807	703,397	567,193	453,662	35,508	6,650	3,619,217	
2013	1,927,364	638,932	592,636	432,145	35,888	6,269	3,633,234	
2014	1,706,922	570,537	573,078	409,035	36,280	5,877	3,301,729	
2015	1,796,368	493,527	603,632	386,707	36,684	5,474	3,322,392	
2016-2020	5,155,926	1,375,259	3,449,074	1,546,565	189,913	20,875	11,737,612	
2021-2025	3,225,000	598,286	3,155,000	783,021	201,998	8,790	7,972,095	
2026-2030	835,000	95,094	1,790,000	168,171	35,937	142	2,924,344	
	<u>\$ 18,292,526</u>	<u>\$ 5,237,419</u>	<u>\$ 11,597,474</u>	<u>\$ 4,676,367</u>	<u>\$ 607,346</u>	<u>\$ 61,096</u>	<u>\$ 40,472,228</u>	

Under the Ohio Revised Code, at December 31, 2010, the City legally could issue approximately \$67.8 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, 2010, there were three series of industrial revenue bonds outstanding. The aggregate principal amount payable for the three series was \$3.8 million.

NOTE 8 – SHORT-TERM DEBT

A summary of the changes in the short-term debt of the City during the year ended December 31, 2010 is as follows:

	Balance January 1, 2010	Additions	(Reductions)	Balance December 31, 2010	Due Within One Year
Governmental Activities					
Capital projects notes payable	\$ -	2,740,000	\$ -	2,740,000	2,740,000
Total Short-term Debt	<u>\$ -</u>	<u>\$ 2,740,000</u>	<u>\$ -</u>	<u>\$ 2,740,000</u>	<u>\$ 2,740,000</u>

During August 2010, the City issued \$2,740,000 of Various Purpose Bond Anticipation notes with an interest rate of 1.50% maturing August 26, 2011 for the purpose of financing the costs of

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010

various roadway projects and building improvements. The portion of the notes for completed projects will be bonded in 2011. Costs for projects still in process will be rolled into a new bond anticipation note.

NOTE 9 – COMPLIANCE AND ACCOUNTABILITY

At December 31, 2010, the Debt Service Fund – Special Assessment Bond Retirement Fund, the Special Revenue Funds – ARRA CDBG-R09, ARRA DOE 09, CDBG NSP 09-13, Community Development Block Grant 09-10, Safe Routes to School 10-11, and Capital Project Funds – Plaza Boulevard Extension, Police Renovation & Expansion, Marina Roadway, Muni Center Roof, ODNR Lagoons, Center Street Bridge Repair, Plaza Boulevard Resurfacing, Plains Road Improvement, Heisley Road Improvement - Phase III, and ARRA Tyler Resurfacing had deficit fund balances of \$15,760, \$1,881, \$9,577, \$484,085, \$33, \$8,072, \$62,259, \$37,469, \$422,228, \$129,022, \$202,261, \$25,155, \$376,710, \$475,551, \$254,112, and \$362,774, respectively. All deficits will be eliminated through the receipt of grant and bond proceeds during 2011. No other funds had deficit balances as of December 31, 2010.

NOTE 10 – 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 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 risk is accounted for in the General Fund. Changes in the estimated claims payable for self-insured risk (vehicle collision claims) during the years ended December 31, 2010 and 2009 were as follows:

	<u>2010</u>	<u>2009</u>
Estimated claims payable, January 1	\$ 50,000	\$ 50,000
Current year claims (including IBNRs) and changes in estimates	52,850	23,710
Claim payments	(52,850)	(23,710)
Change to estimated liability	<u>(50,000)</u>	<u>-</u>
Estimated claims payable, December 31	<u>\$ -</u>	<u>\$ 50,000</u>

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010

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 2010. There was no significant decrease in any insurance coverages in 2010. 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 retrospective rating program to provide workers' compensation benefits to its employees.

NOTE 11 – 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 12 – 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.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010

For the year ended December 31, 2010 transfers consisted of the following:

	<u>Transfers Out</u>	<u>Transfers In Other Governmental Funds</u>
	<u>Total</u>	
Governmental Funds:		
General	\$ 262,015	\$ -
Other governmental	<u>449,175</u>	<u>711,190</u>
Total	<u>\$ 711,190</u>	<u>\$ 711,190</u>

Interfund balances: Interfund balances at December 31, 2010 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 with the exception of an interfund loan from the General Obligation Bond Retirement Fund to the TIF Fund. In 2010, the City issued an internal treasury bond in the amount of \$346,862 for the cost of constructing Sterling Court. The interfund loan will be reimbursed through the transfer of available TIF funds over a 20 year period.

Interfund receivable and payable balances as of December 31, 2010 are as follows:

<u>Receivable fund</u>	<u>Total</u>	<u>Payable Fund</u>		
		<u>Special Assessment Bond Retirement Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Governmental Funds:				
General	\$ 3,924,574	\$ 165,000	\$ -	\$ 165,000
Other governmental	<u>346,862</u>	<u>-</u>	<u>4,106,436</u>	<u>4,106,436</u>
Total	<u>\$ 4,271,436</u>	<u>\$ 165,000</u>	<u>\$ 4,106,436</u>	<u>\$ 4,271,436</u>

NOTE 13 – 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.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010

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 2009. 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.

Tangible personal property tax revenue received during calendar year 2010 (other than public utility tax) represents the collection of 2010 taxes levied against local and inter-change telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. 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.

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 2009 levy (collected in 2010) was based was approximately \$1.5 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 14 – 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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010

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 in nature to, but less than the Traditional pension 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 years 2008 through 2010, 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 years 2008 through 2010, the employer pension contribution rate was 14.0 percent 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, 2010, 2009, and 2008 were \$2,009,309, \$2,020,487, \$2,052,539, respectively; 100 percent has been contributed for 2010, 2009, and 2008.

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 \$1,216,198 and \$1,384,715 for the year ended December 31, 2010, \$1,212,756 and \$1,390,390 for the year ended December 31, 2009, and \$1,177,581 and \$1,361,501 for the year ended December 31, 2008, respectively, equal to the required payments for each year. The full amount has been contributed for police and firefighters for years 2010, 2009 and 2008.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System: OPERS maintains a cost-sharing, multiple employer defined benefit post-employment health care 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 health care 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 OPEB 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 2010, 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.

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 2010, the portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010 and 4.23% from March 1 through December 31, 2010. The City's approximated contributions for 2010 which were used to fund post-employment benefits were \$731,424. 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, and it was effective on January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010

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 health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F 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.

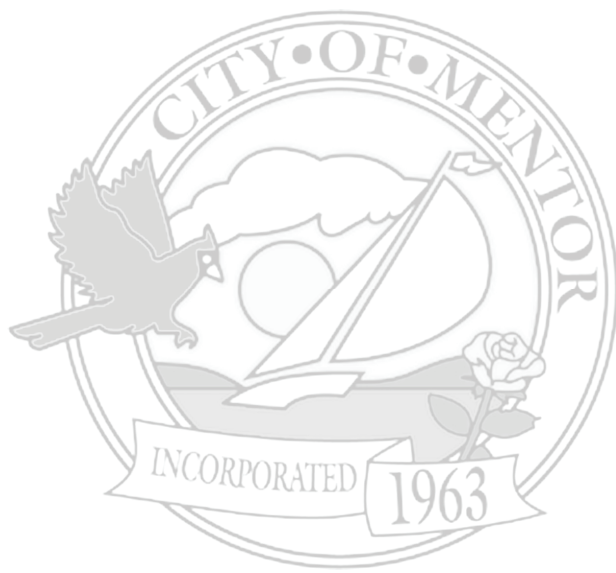
The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution 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 health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The portion of the City's contributions that was used to pay post-employment benefits for 2010, 2009, and 2008 was \$420,991, \$419,800, \$407,625, for police and \$389,451, \$391,047, \$382,923, 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%.

SUPPLEMENTARY INFORMATION





CITY OF MENTOR, OHIO
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:				
Property taxes	\$ 1,651,400	\$ 1,651,400	\$ 1,534,313	\$ (117,087)
Municipal income tax	30,000,000	30,000,000	30,612,472	612,472
Intergovernmental	4,225,000	4,225,000	4,635,608	410,608
Charges for services	5,220,000	5,220,000	5,697,180	477,180
Fines and forfeitures	1,175,000	1,175,000	1,156,182	(18,818)
Licenses, permits and inspections	1,167,000	1,167,000	1,362,943	195,943
Investment income	500,000	500,000	730,822	230,822
Other	30,600	30,600	133,873	103,273
Total revenues	<u>43,969,000</u>	<u>43,969,000</u>	<u>45,863,393</u>	<u>1,894,393</u>
EXPENDITURES:				
GENERAL GOVERNMENT:				
Council:				
Employee compensation	215,336	215,336	204,562	10,774
Other	278,302	278,302	209,017	69,285
Total council	<u>493,638</u>	<u>493,638</u>	<u>413,579</u>	<u>80,059</u>
Court:				
Employee compensation	863,625	863,625	811,768	51,857
Other	427,567	427,567	376,107	51,460
Total court	<u>1,291,192</u>	<u>1,291,192</u>	<u>1,187,875</u>	<u>103,317</u>
City manager:				
Employee compensation	1,034,265	1,052,265	1,047,792	4,473
Other	1,049,453	1,182,704	1,101,735	80,969
Total city manager	<u>2,083,718</u>	<u>2,234,969</u>	<u>2,149,527</u>	<u>85,442</u>
Finance:				
Employee compensation	790,528	772,528	735,529	36,999
Other	1,890,111	1,886,861	1,320,543	566,318
Total finance	<u>2,680,639</u>	<u>2,659,389</u>	<u>2,056,072</u>	<u>603,317</u>
Legal:				
Employee compensation	331,736	335,236	334,944	292
Other	333,948	203,948	174,502	29,446
Total legal	<u>665,684</u>	<u>539,184</u>	<u>509,446</u>	<u>29,738</u>
Other	<u>1,633,000</u>	<u>932,042</u>	<u>545,160</u>	<u>386,882</u>
Total general government	<u>8,847,871</u>	<u>8,150,414</u>	<u>6,861,659</u>	<u>1,288,755</u>

Continued

CITY OF MENTOR, OHIO
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
POLICE:				
Employee compensation	\$ 8,441,755	\$ 8,441,755	\$ 8,225,410	\$ 216,345
Other	<u>3,547,412</u>	<u>3,547,412</u>	<u>3,365,682</u>	<u>181,730</u>
Total police	<u>11,989,167</u>	<u>11,989,167</u>	<u>11,591,092</u>	<u>398,075</u>
FIRE:				
Employee compensation	6,417,484	6,502,484	6,423,084	79,400
Other	<u>3,228,833</u>	<u>3,228,833</u>	<u>3,108,757</u>	<u>120,076</u>
Total fire	<u>9,646,317</u>	<u>9,731,317</u>	<u>9,531,841</u>	<u>199,476</u>
STREETS AND HIGHWAYS:				
Employee compensation	2,881,870	2,756,870	2,637,569	119,301
Other	<u>4,980,223</u>	<u>5,303,921</u>	<u>4,753,472</u>	<u>550,449</u>
Total streets and highways	<u>7,862,093</u>	<u>8,060,791</u>	<u>7,391,041</u>	<u>669,750</u>
PARKS, RECREATION AND PUBLIC FACILITIES:				
Employee compensation	3,070,792	3,050,792	2,745,686	305,106
Other	<u>4,153,293</u>	<u>4,296,449</u>	<u>3,765,213</u>	<u>531,236</u>
Total parks, recreation and public facilities	<u>7,224,085</u>	<u>7,347,241</u>	<u>6,510,899</u>	<u>836,342</u>
ECONOMIC AND COMMUNITY DEVELOPMENT:				
Employee compensation	495,542	532,042	531,449	593
Other	<u>1,810,577</u>	<u>1,810,577</u>	<u>1,628,813</u>	<u>181,764</u>
Total economic and community development	<u>2,306,119</u>	<u>2,342,619</u>	<u>2,160,262</u>	<u>182,357</u>
ENGINEERING AND BUILDING				
Employee compensation	1,388,479	1,388,479	1,360,022	28,457
Other	<u>746,720</u>	<u>746,720</u>	<u>590,184</u>	<u>156,536</u>
Total engineering and building	<u>2,135,199</u>	<u>2,135,199</u>	<u>1,950,206</u>	<u>184,993</u>
Total expenditures	<u>50,010,851</u>	<u>49,756,748</u>	<u>45,997,000</u>	<u>3,759,748</u>
Excess (deficiency) of revenues over expenditures	(6,041,851)	(5,787,748)	(133,607)	5,654,141
OTHER FINANCING SOURCES (USES):				
Advances in	1,900,000	1,900,000	4,753,838	2,853,838
Advances out	(1,650,000)	(7,511,045)	(7,511,045)	-
Transfers out	<u>(100,000)</u>	<u>(262,015)</u>	<u>(262,015)</u>	<u>-</u>
Total other financing sources (uses)	<u>150,000</u>	<u>(5,873,060)</u>	<u>(3,019,222)</u>	<u>2,853,838</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(5,891,851)	(11,660,808)	(3,152,829)	8,507,979
Adjustment for prior year encumbrances	1,751,947	1,751,947	1,751,947	-
FUND BALANCES, BEGINNING OF YEAR	<u>11,666,835</u>	<u>11,666,835</u>	<u>11,666,835</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 7,526,931</u>	<u>\$ 1,757,974</u>	<u>\$ 10,265,953</u>	<u>\$ 8,507,979</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Special assessments	\$ 1,546,798	\$ 1,196,808	\$ (349,990)
EXPENDITURES:			
Debt service:			
Principal retirement	832,000	828,273	3,727
Interest and other charges	603,800	589,949	13,851
Total expenditures	<u>1,435,800</u>	<u>1,418,222</u>	<u>17,578</u>
Excess (deficiency) of revenues over expenditures	110,998	(221,414)	(332,412)
OTHER FINANCING SOURCES (USES):			
Advances in	-	165,000	165,000
Total other financing sources (uses)	<u>-</u>	<u>165,000</u>	<u>165,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	110,998	(56,414)	(167,412)
FUND BALANCES, BEGINNING OF YEAR	<u>79,729</u>	<u>79,729</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 190,727</u>	<u>\$ 23,315</u>	<u>\$ (167,412)</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 restricted for the construction, maintenance, and repairs of streets and highways.
TIF Fund	To account for the monies received through tax increment financing to finance the construction of public infrastructure improvements which will benefit new commercial and industrial development.
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.
Community Recreation Facilities Fund	To provide funds for projects relating to recreational facilities.
Cemetery Fund	To account for monies received from the sale of cemetery lots and restricted 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.
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.

SPECIAL REVENUE FUNDS (Continued)

Court Special Projects Fund	To accumulate filing fees collected for special projects of the Mentor Municipal Court.
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.
ARRA JAG Grant 09-13 Fund	To account for monies received as part of the Federal Recovery Act/Stimulus Program to provide for police overtime and equipment.
ARRA CDBG-R 09 Fund	To account for monies received as part of the Federal Recovery Act/Stimulus Program for single family housing rehabilitation/energy improvements, primarily used for furnaces and hot water tanks.
ARRA DOE 09 Fund	To account for monies received as part of the Federal Recovery Act/Stimulus Program to purchase/install energy efficient material and equipment.
VOCA Victims Assistance Grant 09-10 Fund	To account for monies received from the Crime Victims Assistance Office to assist victims of crime.
VOCA Victims Assistance Grant 10-11 Fund	To account for monies received from the Crime Victims Assistance Office to assist victims of crime.
CDBG NSP 09-13 Fund	To account for monies received from the U.S. Department of Housing and Urban Development for neighborhood stabilization.

SPECIAL REVENUE FUNDS (Continued)

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.
Community Development Block Grant 08-09 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 09-10 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 10-11 Fund	To account for monies received from the U.S. Department of Housing and Urban Development for various community development block grant programs. No activity occurred on a budgetary basis during 2010.
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-2007 Fund	To account for monies received from the U.S. Department of Justice for the security at Mentor High School.
Radio Equipment Upgrade Fund	To account for monies received from several regional grants to replace the 800 MHZ radio equipment used by the safety forces.
Safe Routes to School 10-11 Fund	To account for monies received from an ODOT grant for bike path and sidewalk improvements to promote walking and biking to schools.
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.

SPECIAL REVENUE FUNDS (Continued)

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 payment of outstanding general obligation debt.

CAPITAL PROJECT FUNDS

Plaza Boulevard Extension Fund To account for the financing of the extension of Plaza Boulevard between Mentor Avenue and St. Clair Avenue.

Police Renovation and Expansion Fund To account for the financing of the space expansion and renovation of the Police Department.

Sterling Court Fund To account for the financing of the acquisition of a 350 foot cul-de-sac street known as Sterling Court.

Marina Roadway Fund To account for the financing of the repair and resurfacing of the roads and parking areas in the marina.

Muni Center Roof Fund To account for the financing of City Hall structural improvements, including roof repair.

US20 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.

ODNR Lagoons Fund To account for monies received from ODNR for Lagoons shoreline protection maintenance and bulkhead repairs.

Center Street Bridge Repair Fund To account for the financing of the repair and resurfacing of the sidewalks and parapet walls on the SR615 bridge over the railroad tracks.

Plaza Boulevard Resurfacing Fund To account for the financing of the resurfacing of Plaza Boulevard.

Plains Road Improvement Fund To account for the financing of the widening and reconstruction, along with bike lanes, on Plains Road.

Heisley Road Improvement – Phase III Fund To account for the financing of the widening of Heisley Road to four through lanes between Jackson Street and Mentor Avenue.

ARRA Tyler Resurfacing Fund To account for monies received as part of the Federal Recovery Act/Stimulus Program to repair and resurface Tyler Boulevard from SR615 to SR306.

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

Special Revenue Funds

	Street	TIF	Police Pension	Fire Pension
ASSETS				
Cash and investments	\$ 514,108	\$ 460,150	\$ -	\$ -
Receivables, net	-	-	410,598	410,598
Due from other funds	-	-	-	-
Due from other governments	1,148,918	273,232	85,693	85,693
TOTAL ASSETS	\$ 1,663,026	\$ 733,382	\$ 496,291	\$ 496,291
LIABILITIES				
Accounts payable	\$ 90,470	\$ -	\$ -	\$ -
Due to other funds	-	346,862	-	-
Notes payable	-	-	-	-
Deferred revenue	784,246	273,232	496,291	496,291
Total liabilities	874,716	620,094	496,291	496,291
FUND BALANCES				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	140,347	-	-	-
Unreserved, undesignated	647,963	113,288	-	-
Total fund balances	788,310	113,288	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,663,026	\$ 733,382	\$ 496,291	\$ 496,291

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Special Revenue Funds			
	Fire Levy	Senior Citizens Services Levy	Community Recreation Facilities	Cemetery
ASSETS				
Cash and investments	\$ 186,138	\$ 298,808	\$ 459,486	\$ 432,767
Receivables, net	1,035,181	-	38,800	-
Due from other funds	-	-	-	-
Due from other governments	296,847	-	-	-
TOTAL ASSETS	\$ 1,518,166	\$ 298,808	\$ 498,286	\$ 432,767
LIABILITIES				
Accounts payable	\$ -	\$ 6,410	\$ -	\$ -
Due to other funds	-	-	-	-
Notes payable	-	-	-	-
Deferred revenue	1,332,028	-	-	-
Total liabilities	1,332,028	6,410	-	-
FUND BALANCES				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	186,138	35,433	39,000	-
Unreserved, undesignated	-	256,965	459,286	432,767
Total fund balances	186,138	292,398	498,286	432,767
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,518,166	\$ 298,808	\$ 498,286	\$ 432,767

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

Special Revenue Funds

	<u>Economic Development</u>	<u>Subdivision Street Tree</u>	<u>Street Lighting</u>	<u>Court Computer</u>
ASSETS				
Cash and investments	\$ 66,585	\$ 11,820	\$ 590,791	\$ 157,161
Receivables, net	-	-	12,171	5,640
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
TOTAL ASSETS	<u>\$ 66,585</u>	<u>\$ 11,820</u>	<u>\$ 602,962</u>	<u>\$ 162,801</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Notes payable	-	-	-	-
Deferred revenue	-	-	12,171	-
Total liabilities	<u>-</u>	<u>-</u>	<u>12,171</u>	<u>-</u>
FUND BALANCES				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	2,212	-	99,725	-
Unreserved, undesignated	64,373	11,820	491,066	162,801
Total fund balances	<u>66,585</u>	<u>11,820</u>	<u>590,791</u>	<u>162,801</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 66,585</u>	<u>\$ 11,820</u>	<u>\$ 602,962</u>	<u>\$ 162,801</u>

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Special Revenue Funds			
	Court Special Projects	Enforcement and Education	Court Probation Services	Indigent Driver Alcohol Treatment
ASSETS				
Cash and investments	\$ 168,156	\$ 18,651	\$ 154,214	\$ 39,272
Receivables, net	11,234	495	8,095	8,259
Due from other funds	-	-	-	-
Due from other governments	-	-	-	5,000
TOTAL ASSETS	\$ 179,390	\$ 19,146	\$ 162,309	\$ 52,531
LIABILITIES				
Accounts payable	\$ 3,129	\$ -	\$ 2,600	\$ 6,300
Due to other funds	-	-	-	-
Notes payable	-	-	-	-
Deferred revenue	-	-	-	5,000
Total liabilities	3,129	-	2,600	11,300
FUND BALANCES				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	-	179	782	-
Unreserved, undesignated	176,261	18,967	158,927	41,231
Total fund balances	176,261	19,146	159,709	41,231
TOTAL LIABILITIES AND FUND BALANCES	\$ 179,390	\$ 19,146	\$ 162,309	\$ 52,531

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Special Revenue Funds			
	Indigent Driver Alcohol Monitoring	Law Enforcement Trust	Police Canine	Seat Belt Grant
ASSETS				
Cash and investments	\$ 51,572	\$ 34,656	\$ 20,232	\$ 8,235
Receivables, net	1,484	883	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
TOTAL ASSETS	\$ 53,056	\$ 35,539	\$ 20,232	\$ 8,235
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Notes payable	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	-	-	-
FUND BALANCES				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	-	999	-	-
Unreserved, undesignated	53,056	34,540	20,232	8,235
Total fund balances	53,056	35,539	20,232	8,235
TOTAL LIABILITIES AND FUND BALANCES	\$ 53,056	\$ 35,539	\$ 20,232	\$ 8,235

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

Special Revenue Funds

	ARRA JAG Grant 09-13	ARRA CDBG-R 09	ARRA DOE 09	VOCA Victims Assistance Grant 09-10
ASSETS				
Cash and investments	\$ 31,156	\$ 45,980	\$ 324,596	\$ -
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
TOTAL ASSETS	\$ 31,156	\$ 45,980	\$ 324,596	\$ -
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	31,156	47,861	334,173	-
Notes payable	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	31,156	47,861	334,173	-
FUND BALANCES				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	-	6,719	148,221	-
Unreserved, undesignated	-	(8,600)	(157,798)	-
Total fund balances	-	(1,881)	(9,577)	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 31,156	\$ 45,980	\$ 324,596	\$ -

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Special Revenue Funds			
	VOCA Victims Assistance Grant 10-11	CDBG NSP 09-13	Community Development Block Grant 07-08	Community Development Block Grant 08-09
ASSETS				
Cash and investments	\$ 520	\$ 454,031	\$ -	\$ -
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	260	-	-	-
TOTAL ASSETS	\$ 780	\$ 454,031	\$ -	\$ -
LIABILITIES				
Accounts payable	\$ -	\$ 26,808	\$ -	\$ -
Due to other funds	-	911,308	-	-
Notes payable	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	938,116	-	-
FUND BALANCES				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	-	-	-	-
Unreserved, undesignated	780	(484,085)	-	-
Total fund balances	780	(484,085)	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 780	\$ 454,031	\$ -	\$ -

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Special Revenue Funds			
	Community Development Block Grant 09-10	Community Development Block Grant 10-11	Forfeited Property - U.S. Department of Justice	COPS Secure Our Schools Grant-2007
ASSETS				
Cash and investments	\$ 177,585	\$ -	\$ 88,096	\$ -
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	5,214	-	-
TOTAL ASSETS	\$ 177,585	\$ 5,214	\$ 88,096	\$ -
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	177,618	-	-	-
Notes payable	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	177,618	-	-	-
FUND BALANCES				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	6,456	-	-	-
Unreserved, undesignated	(6,489)	5,214	88,096	-
Total fund balances	(33)	5,214	88,096	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 177,585	\$ 5,214	\$ 88,096	\$ -

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

Special Revenue Funds

	Radio Equipment Upgrade	Safe Routes to School 10-11	Council Donation	Police Donation
ASSETS				
Cash and investments	\$ 1,000,000	\$ 66,668	\$ 1,714	\$ 7,374
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	112,500	-	-	-
TOTAL ASSETS	\$ 1,112,500	\$ 66,668	\$ 1,714	\$ 7,374
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	1,000,000	74,740	-	-
Notes payable	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	1,000,000	74,740	-	-
FUND BALANCES				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	1,000,000	22	-	-
Unreserved, undesignated	(887,500)	(8,094)	1,714	7,374
Total fund balances	112,500	(8,072)	1,714	7,374
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,112,500	\$ 66,668	\$ 1,714	\$ 7,374

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Special Revenue Funds			
	<u>Fire Donation</u>	<u>Senior Citizens Donation</u>	<u>Cultural Donation</u>	<u>Beautification Donation</u>
ASSETS				
Cash and investments	\$ 19,435	\$ 17,611	\$ 95,394	\$ 1,216
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
TOTAL ASSETS	<u>\$ 19,435</u>	<u>\$ 17,611</u>	<u>\$ 95,394</u>	<u>\$ 1,216</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Notes payable	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	-	514	439	-
Unreserved, undesignated	19,435	17,097	94,955	1,216
Total fund balances	<u>19,435</u>	<u>17,611</u>	<u>95,394</u>	<u>1,216</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 19,435</u>	<u>\$ 17,611</u>	<u>\$ 95,394</u>	<u>\$ 1,216</u>

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	<u>Special Revenue Fund</u>		<u>Debt Service Fund</u>	<u>Capital Project Fund</u>
	IBIM Festival	Total Special Revenue Funds	General Obligation Bond Retirement	Plaza Boulevard Extension
ASSETS				
Cash and investments	\$ 19,620	\$ 6,023,798	\$ 961,888	\$ 432,628
Receivables, net	-	1,943,438	1,367,785	-
Due from other funds	-	-	346,862	-
Due from other governments	-	2,013,357	213,171	-
TOTAL ASSETS	<u>\$ 19,620</u>	<u>\$ 9,980,593</u>	<u>\$ 2,889,706</u>	<u>\$ 432,628</u>
LIABILITIES				
Accounts payable	\$ -	\$ 135,717	\$ -	\$ 7,138
Due to other funds	-	2,923,718	-	83,749
Notes payable	-	-	-	404,000
Deferred revenue	-	3,399,259	1,580,956	-
Total liabilities	<u>-</u>	<u>6,458,694</u>	<u>1,580,956</u>	<u>494,887</u>
FUND BALANCES				
Reserved for:				
Debt Service	-	-	1,308,750	-
Encumbrances	-	1,667,186	-	42,628
Unreserved, undesignated	19,620	1,854,713	-	(104,887)
Total fund balances	<u>19,620</u>	<u>3,521,899</u>	<u>1,308,750</u>	<u>(62,259)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 19,620</u>	<u>\$ 9,980,593</u>	<u>\$ 2,889,706</u>	<u>\$ 432,628</u>

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	<u>Capital Project Funds</u>			
	<u>Police Renovation and Expansion</u>	<u>Sterling Court</u>	<u>Marina Roadway</u>	<u>Muni Center Roof</u>
ASSETS				
Cash and investments	\$ -	\$ -	\$ 5,021	\$ 141,862
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,021</u>	<u>\$ 141,862</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 2,249	\$ 70,884
Due to other funds	37,469	-	-	-
Notes payable	-	-	425,000	200,000
Deferred revenue	-	-	-	-
Total liabilities	<u>37,469</u>	<u>-</u>	<u>427,249</u>	<u>270,884</u>
FUND BALANCES				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	-	-	-	2,976
Unreserved, undesignated	(37,469)	-	(422,228)	(131,998)
Total fund balances	<u>(37,469)</u>	<u>-</u>	<u>(422,228)</u>	<u>(129,022)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,021</u>	<u>\$ 141,862</u>

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Capital Project Funds			
	US20 Resurfacing	Market Street/ Bellflower Concrete Repair	ODNR Lagoons	Center Street Bridge Repair
ASSETS				
Cash and investments	\$ -	\$ -	\$ -	\$ 301,465
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	11,540
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ 313,005
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 14,620
Due to other funds	-	-	202,261	110,000
Notes payable	-	-	-	202,000
Deferred revenue	-	-	-	11,540
Total liabilities	-	-	202,261	338,160
FUND BALANCES				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	-	-	-	217,354
Unreserved, undesignated	-	-	(202,261)	(242,509)
Total fund balances	-	-	(202,261)	(25,155)
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ -	\$ 313,005

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	<u>Capital Project Funds</u>			
	Plaza Boulevard Resurfacing	Plains Road Improvement	Heisley Road Improvement- Phase III	ARRA Tyler Resurfacing
ASSETS				
Cash and investments	\$ 364,772	\$ 221,206	\$ 259,962	\$ 387,699
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	37,700	5,286	-	364,342
TOTAL ASSETS	<u>\$ 402,472</u>	<u>\$ 226,492</u>	<u>\$ 259,962</u>	<u>\$ 752,041</u>
LIABILITIES				
Accounts payable	\$ 30,982	\$ 33,757	\$ 18,074	\$ 361,734
Due to other funds	335,500	25,000	-	388,739
Notes payable	375,000	638,000	496,000	-
Deferred revenue	37,700	5,286	-	364,342
Total liabilities	<u>779,182</u>	<u>702,043</u>	<u>514,074</u>	<u>1,114,815</u>
FUND BALANCES				
Reserved for:				
Debt Service	-	-	-	-
Encumbrances	26,427	136,353	209,852	258
Unreserved, undesignated	(403,137)	(611,904)	(463,964)	(363,032)
Total fund balances	<u>(376,710)</u>	<u>(475,551)</u>	<u>(254,112)</u>	<u>(362,774)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 402,472</u>	<u>\$ 226,492</u>	<u>\$ 259,962</u>	<u>\$ 752,041</u>

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Total Capital Project Funds	Total All Nonmajor Funds
ASSETS		
Cash and investments	\$ 2,114,615	\$ 9,100,301
Receivables, net	-	3,311,223
Due from other funds	-	346,862
Due from other governments	418,868	2,645,396
TOTAL ASSETS	<u>\$ 2,533,483</u>	<u>\$ 15,403,782</u>
LIABILITIES		
Accounts payable	\$ 539,438	\$ 675,155
Due to other funds	1,182,718	4,106,436
Notes payable	2,740,000	2,740,000
Deferred revenue	418,868	5,399,083
Total liabilities	<u>4,881,024</u>	<u>12,920,674</u>
FUND BALANCES		
Reserved for:		
Debt Service	-	1,308,750
Encumbrances	635,848	2,303,034
Unreserved, undesignated	<u>(2,983,389)</u>	<u>(1,128,676)</u>
Total fund balances	<u>(2,347,541)</u>	<u>2,483,108</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,533,483</u>	<u>\$ 15,403,782</u>

CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2010

	<u>Special Revenue Funds</u>			
	<u>Street</u>	<u>TIF</u>	<u>Police Pension</u>	<u>Fire Pension</u>
REVENUES				
Property taxes	\$ -	\$ -	\$ 443,489	\$ 443,489
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	230,725	-	-
Intergovernmental	2,561,854	-	50,764	50,764
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	21,905	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>2,583,759</u>	<u>230,725</u>	<u>494,253</u>	<u>494,253</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Police	-	-	494,253	-
Fire	-	-	-	494,253
Streets and highways	2,728,828	-	-	-
Parks, recreation and public facilities	-	-	-	-
Economic and community development	-	-	-	-
Engineering and building	36,598	-	-	-
Capital outlay	357,858	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>3,123,284</u>	<u>-</u>	<u>494,253</u>	<u>494,253</u>
Excess (deficiency) of revenues over (under) expenditures	(539,525)	230,725	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(349,853)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(349,853)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(539,525)	(119,128)	-	-
FUND BALANCES AT BEGINNING OF YEAR	<u>1,327,835</u>	<u>232,416</u>	<u>-</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 788,310</u>	<u>\$ 113,288</u>	<u>\$ -</u>	<u>\$ -</u>

Continued

CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2010

	Special Revenue Funds			
	Fire Levy	Senior Citizens Services Levy	Community Recreation Facilities	Cemetery
REVENUES				
Property taxes	\$ 1,218,314	\$ -	\$ -	\$ -
Other local taxes	-	-	437,902	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	117,491	170,960	-	-
Charges for services	-	-	-	40,075
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>1,335,805</u>	<u>170,960</u>	<u>437,902</u>	<u>40,075</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	1,149,667	-	-	-
Streets and highways	-	-	-	-
Parks, recreation and public facilities	-	310,410	20,520	222
Economic and community development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay	-	15,922	70,648	40,501
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>1,149,667</u>	<u>326,332</u>	<u>91,168</u>	<u>40,723</u>
Excess (deficiency) of revenues over (under) expenditures	186,138	(155,372)	346,734	(648)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	186,138	(155,372)	346,734	(648)
FUND BALANCES AT BEGINNING OF YEAR	<u>-</u>	<u>447,770</u>	<u>151,552</u>	<u>433,415</u>
FUND BALANCES AT END OF YEAR	<u>\$ 186,138</u>	<u>\$ 292,398</u>	<u>\$ 498,286</u>	<u>\$ 432,767</u>

Continued

CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2010

	<u>Special Revenue Funds</u>			
	<u>Economic Development</u>	<u>Subdivision Street Tree</u>	<u>Street Lighting</u>	<u>Court Computer</u>
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	15,688	-	-	-
Fines and forfeitures	-	-	-	89,366
Licenses, permits, and inspections	-	12,010	-	-
Special assessments	-	-	1,010,058	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>15,688</u>	<u>12,010</u>	<u>1,010,058</u>	<u>89,366</u>
EXPENDITURES				
Current:				
General government	-	-	-	65,009
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	-	20,000	1,176,433	-
Parks, recreation and public facilities	-	-	-	-
Economic and community development	3,197	-	-	-
Engineering and building	-	-	-	-
Capital outlay	-	-	-	13,947
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>3,197</u>	<u>20,000</u>	<u>1,176,433</u>	<u>78,956</u>
Excess (deficiency) of revenues over (under) expenditures	12,491	(7,990)	(166,375)	10,410
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	12,491	(7,990)	(166,375)	10,410
FUND BALANCES AT BEGINNING OF YEAR	<u>54,094</u>	<u>19,810</u>	<u>757,166</u>	<u>152,391</u>
FUND BALANCES AT END OF YEAR	<u>\$ 66,585</u>	<u>\$ 11,820</u>	<u>\$ 590,791</u>	<u>\$ 162,801</u>

Continued

CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2010

	Special Revenue Funds			
	Court Special Projects	Enforcement and Education	Court Probation Services	Indigent Driver Alcohol Treatment
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	-	-	-	6,999
Charges for services	-	-	-	-
Fines and forfeitures	178,326	6,795	124,915	27,628
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>178,326</u>	<u>6,795</u>	<u>124,915</u>	<u>34,627</u>
EXPENDITURES				
Current:				
General government	10,019	-	12,859	10,991
Police	-	11,799	-	-
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks, recreation and public facilities	-	-	-	-
Economic and community development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay	3,800	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>13,819</u>	<u>11,799</u>	<u>12,859</u>	<u>10,991</u>
Excess (deficiency) of revenues over (under) expenditures	164,507	(5,004)	112,056	23,636
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(99,322)	-	-	-
Total other financing sources (uses)	<u>(99,322)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	65,185	(5,004)	112,056	23,636
FUND BALANCES AT BEGINNING OF YEAR	<u>111,076</u>	<u>24,150</u>	<u>47,653</u>	<u>17,595</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 176,261</u></u>	<u><u>\$ 19,146</u></u>	<u><u>\$ 159,709</u></u>	<u><u>\$ 41,231</u></u>

Continued

CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2010

	Special Revenue Funds			
	Indigent Driver Alcohol Monitoring	Law Enforcement Trust	Police Canine	Seat Belt Grant
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	-	-	-	2,308
Charges for services	-	-	-	-
Fines and forfeitures	31,547	5,189	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>31,547</u>	<u>5,189</u>	<u>-</u>	<u>2,308</u>
EXPENDITURES				
Current:				
General government	3,712	-	-	-
Police	-	1,287	11,062	1,463
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	<u>3,712</u>	<u>1,287</u>	<u>11,062</u>	<u>1,463</u>
Excess (deficiency) of revenues over (under) expenditures	27,835	3,902	(11,062)	845
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	27,835	3,902	(11,062)	845
FUND BALANCES AT BEGINNING OF YEAR	<u>25,221</u>	<u>31,637</u>	<u>31,294</u>	<u>7,390</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 53,056</u></u>	<u><u>\$ 35,539</u></u>	<u><u>\$ 20,232</u></u>	<u><u>\$ 8,235</u></u>

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CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2010

	Special Revenue Funds			
	ARRA JAG Grant 09-13	ARRA CDBG-R 09	ARRA DOE 09	VOCA Victims Assistance Grant 09-10
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	7,013	39,261	249,324	2,335
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>7,013</u>	<u>39,261</u>	<u>249,324</u>	<u>2,335</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Police	7,013	-	-	3,115
Fire	-	-	-	-
Streets and highways	-	-	131,633	-
Parks, recreation and public facilities	-	-	127,268	-
Economic and community development	-	41,142	-	-
Engineering and building	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>7,013</u>	<u>41,142</u>	<u>258,901</u>	<u>3,115</u>
Excess (deficiency) of revenues over (under) expenditures	-	(1,881)	(9,577)	(780)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(1,881)	(9,577)	(780)
FUND BALANCES AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>780</u>
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ (1,881)</u>	<u>\$ (9,577)</u>	<u>\$ -</u>

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CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2010

	Special Revenue Funds			
	VOCA Victims Assistance Grant 10-11	CDBG NSP 09-13	Community Development Block Grant 07-08	Community Development Block Grant 08-09
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	780	-	3,019	51,688
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>780</u>	<u>-</u>	<u>3,019</u>	<u>51,688</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks, recreation and public facilities	-	-	-	-
Economic and community development	-	484,085	1,660	37,649
Engineering and building	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>-</u>	<u>484,085</u>	<u>1,660</u>	<u>37,649</u>
Excess (deficiency) of revenues over (under) expenditures	780	(484,085)	1,359	14,039
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	12,494	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>12,494</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	780	(484,085)	13,853	14,039
FUND BALANCES AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>(13,853)</u>	<u>(14,039)</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 780</u></u>	<u><u>\$ (484,085)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2010

	Special Revenue Funds			
	Community Development Block Grant 09-10	Community Development Block Grant 10-11	Forfeited Property - U.S. Department of Justice	COPS Secure Our Schools Grant-2007
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	102,206	5,214	79,432	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	550	-
Donations and other	-	-	-	-
Total revenues	<u>102,206</u>	<u>5,214</u>	<u>79,982</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Police	-	-	-	5,223
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks, recreation and public facilities	-	-	-	-
Economic and community development	102,239	-	-	-
Engineering and building	-	-	-	-
Capital outlay	-	-	-	2,500
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>102,239</u>	<u>-</u>	<u>-</u>	<u>7,723</u>
Excess (deficiency) of revenues over (under) expenditures	(33)	5,214	79,982	(7,723)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	13,262
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,262</u>
NET CHANGE IN FUND BALANCES	(33)	5,214	79,982	5,539
FUND BALANCES AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>8,114</u>	<u>(5,539)</u>
FUND BALANCES AT END OF YEAR	<u>\$ (33)</u>	<u>\$ 5,214</u>	<u>\$ 88,096</u>	<u>\$ -</u>

Continued

CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2010

	Special Revenue Funds			
	Radio Equipment Upgrade	Safe Routes to School 10-11	Council Donation	Police Donation
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	112,500	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	750
Total revenues	<u>112,500</u>	<u>-</u>	<u>-</u>	<u>750</u>
EXPENDITURES				
Current:				
General government	-	-	82	-
Police	-	-	-	1,565
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks, recreation and public facilities	-	8,072	-	-
Economic and community development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay	-	-	-	49,030
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>-</u>	<u>8,072</u>	<u>82</u>	<u>50,595</u>
Excess (deficiency) of revenues over (under) expenditures	112,500	(8,072)	(82)	(49,845)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	112,500	(8,072)	(82)	(49,845)
FUND BALANCES AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>1,796</u>	<u>57,219</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 112,500</u></u>	<u><u>\$ (8,072)</u></u>	<u><u>\$ 1,714</u></u>	<u><u>\$ 7,374</u></u>

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CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2010

	Special Revenue Funds			
	Fire Donation	Senior Citizens Donation	Cultural Donation	Beautification Donation
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	2,653	19,569	1,089
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	9,300	-	12,871	-
Total revenues	<u>9,300</u>	<u>2,653</u>	<u>32,440</u>	<u>1,089</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	493	-	-	-
Streets and highways	-	-	-	-
Parks, recreation and public facilities	-	2,253	23,869	2,323
Economic and community development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>493</u>	<u>2,253</u>	<u>23,869</u>	<u>2,323</u>
Excess (deficiency) of revenues over (under) expenditures	8,807	400	8,571	(1,234)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	8,807	400	8,571	(1,234)
FUND BALANCES AT BEGINNING OF YEAR	<u>10,628</u>	<u>17,211</u>	<u>86,823</u>	<u>2,450</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 19,435</u></u>	<u><u>\$ 17,611</u></u>	<u><u>\$ 95,394</u></u>	<u><u>\$ 1,216</u></u>

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CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2010

	<u>Special Revenue Fund</u>		<u>Debt Service Fund</u>	<u>Capital Project Fund</u>
	IBIM Festival	Total Special Revenue Funds	General Obligation Bond Retirement	Plaza Boulevard Extension
REVENUES				
Property taxes	\$ -	\$ 2,105,292	\$ 2,013,584	\$ -
Other local taxes	-	437,902	-	-
Payments in Lieu of Taxes	-	230,725	-	-
Intergovernmental	-	3,613,912	242,857	-
Charges for services	90,875	169,949	-	-
Fines and forfeitures	-	463,766	-	-
Licenses, permits, and inspections	-	12,010	-	-
Special assessments	-	1,010,058	-	-
Investment income	-	22,455	2,992	-
Donations and other	-	22,921	14,358	-
Total revenues	<u>90,875</u>	<u>8,088,990</u>	<u>2,273,791</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	89,765	192,437	-	1,091
Police	-	536,780	-	-
Fire	-	1,644,413	-	-
Streets and highways	-	4,056,894	-	-
Parks, recreation and public facilities	-	494,937	-	-
Economic and community development	-	669,972	-	-
Engineering and building	-	36,598	-	-
Capital outlay	-	554,206	-	66,776
Debt service:				
Principal retirement	-	-	1,698,581	-
Interest and other expenditures	-	-	890,556	2,138
Total expenditures	<u>89,765</u>	<u>8,186,237</u>	<u>2,589,137</u>	<u>70,005</u>
Excess (deficiency) of revenues over (under) expenditures	1,110	(97,247)	(315,346)	(70,005)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	25,756	102,314	-
Transfers out	-	(449,175)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(423,419)</u>	<u>102,314</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,110	(520,666)	(213,032)	(70,005)
FUND BALANCES AT BEGINNING OF YEAR	<u>18,510</u>	<u>4,042,565</u>	<u>1,521,782</u>	<u>7,746</u>
FUND BALANCES AT END OF YEAR	<u>\$ 19,620</u>	<u>\$ 3,521,899</u>	<u>\$ 1,308,750</u>	<u>\$ (62,259)</u>

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CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2010

	Capital Project Funds			
	Police Renovation and Expansion	Sterling Court	Marina Roadway	Muni Center Roof
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	1,147	540
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	-	-	418,832	-
Parks, recreation and public facilities	-	-	-	127,424
Economic and community development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay	8,163	346,862	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	2,249	1,058
Total expenditures	<u>8,163</u>	<u>346,862</u>	<u>422,228</u>	<u>129,022</u>
Excess (deficiency) of revenues over (under) expenditures	(8,163)	(346,862)	(422,228)	(129,022)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	346,862	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>346,862</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(8,163)	-	(422,228)	(129,022)
FUND BALANCES AT BEGINNING OF YEAR	<u>(29,306)</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ (37,469)</u>	<u>\$ -</u>	<u>\$ (422,228)</u>	<u>\$ (129,022)</u>

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CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2010

	Capital Project Funds			
	US20 Resurfacing	Market Street/ Bellflower Concrete Repair	ODNR Lagoons	Center Street Bridge Repair
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	49,900	1,476	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>49,900</u>	<u>1,476</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	544
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	49,900	13,416	-	13,551
Parks, recreation and public facilities	-	-	113,196	-
Economic and community development	-	-	-	-
Engineering and building	-	-	-	9,991
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	1,069
Total expenditures	<u>49,900</u>	<u>13,416</u>	<u>113,196</u>	<u>25,155</u>
Excess (deficiency) of revenues over (under) expenditures	-	(11,940)	(113,196)	(25,155)
OTHER FINANCING SOURCES (USES)				
Transfers in	3,272	232,986	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>3,272</u>	<u>232,986</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	3,272	221,046	(113,196)	(25,155)
FUND BALANCES AT BEGINNING OF YEAR	<u>(3,272)</u>	<u>(221,046)</u>	<u>(89,065)</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (202,261)</u>	<u>\$ (25,155)</u>

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CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2010

	Capital Project Funds			
	Plaza Boulevard Resurfacing	Plains Road Improvement	Heisley Road Improvement- Phase III	ARRA Tyler Resurfacing
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	260,273	35,163	-	2,140,640
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>260,273</u>	<u>35,163</u>	<u>-</u>	<u>2,140,640</u>
EXPENDITURES				
Current:				
General government	1,014	1,724	1,339	-
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	576,031	-	-	2,298,354
Parks, recreation and public facilities	-	-	-	-
Economic and community development	-	-	-	-
Engineering and building	57,954	-	-	205,060
Capital outlay	-	505,614	147,664	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	1,984	3,376	2,625	-
Total expenditures	<u>636,983</u>	<u>510,714</u>	<u>151,628</u>	<u>2,503,414</u>
Excess (deficiency) of revenues over (under) expenditures	(376,710)	(475,551)	(151,628)	(362,774)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(376,710)	(475,551)	(151,628)	(362,774)
FUND BALANCES AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>(102,484)</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ (376,710)</u></u>	<u><u>\$ (475,551)</u></u>	<u><u>\$ (254,112)</u></u>	<u><u>\$ (362,774)</u></u>

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CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2010

	Total Capital Project Funds	Total All Nonmajor Funds
REVENUES		
Property taxes	\$ -	\$ 4,118,876
Other local taxes	-	437,902
Payments in Lieu of Taxes	-	230,725
Intergovernmental	2,487,452	6,344,221
Charges for services	-	169,949
Fines and forfeitures	-	463,766
Licenses, permits, and inspections	-	12,010
Special assessments	-	1,010,058
Investment income	-	25,447
Donations and other	-	37,279
Total revenues	<u>2,487,452</u>	<u>12,850,233</u>
EXPENDITURES		
Current:		
General government	7,399	199,836
Police	-	536,780
Fire	-	1,644,413
Streets and highways	3,370,084	7,426,978
Parks, recreation and public facilities	240,620	735,557
Economic and community development	-	669,972
Engineering and building	273,005	309,603
Capital outlay	1,075,079	1,629,285
Debt service:		
Principal retirement	-	1,698,581
Interest and other expenditures	14,499	905,055
Total expenditures	<u>4,980,686</u>	<u>15,756,060</u>
Excess (deficiency) of revenues over (under) expenditures	(2,493,234)	(2,905,827)
OTHER FINANCING SOURCES (USES)		
Transfers in	583,120	711,190
Transfers out	-	(449,175)
Total other financing sources (uses)	<u>583,120</u>	<u>262,015</u>
NET CHANGE IN FUND BALANCES	(1,910,114)	(2,643,812)
FUND BALANCES AT BEGINNING OF YEAR	<u>(437,427)</u>	<u>5,126,920</u>
FUND BALANCES AT END OF YEAR	<u>\$ (2,347,541)</u>	<u>\$ 2,483,108</u>

CITY OF MENTOR, OHIO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended December 31, 2010

	<u>Balance</u> <u>January 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 2010</u>
<u>Municipal Court Fund:</u>				
ASSETS:				
Cash	\$ 49,681	\$ 1,508,051	\$ 1,504,852	\$ 52,880
LIABILITIES:				
Deposits held and due to others	\$ 49,681	\$ 1,508,051	\$ 1,504,852	\$ 52,880

CITY OF MENTOR, OHIO
STREET FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 2,528,000	\$ 2,591,770	\$ 63,770
Investment income	15,000	21,905	6,905
Total revenues	<u>2,543,000</u>	<u>2,613,675</u>	<u>70,675</u>
EXPENDITURES:			
Engineering and building	72,867	39,868	32,999
Streets and highways			
Employee compensation	1,136,000	1,136,000	-
Other	2,228,356	2,073,823	154,533
Total expenditures	<u>3,437,223</u>	<u>3,249,691</u>	<u>187,532</u>
Excess (deficiency) of revenues over expenditures	(894,223)	(636,016)	258,207
Adjustment for prior year encumbrances	189,223	189,223	-
FUND BALANCES, BEGINNING OF YEAR	<u>748,162</u>	<u>748,162</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 43,162</u>	<u>\$ 301,369</u>	<u>\$ 258,207</u>

CITY OF MENTOR, OHIO**TIF FUND****SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL****(NON-GAAP BUDGETARY BASIS)****Year Ended December 31, 2010**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Payments in Lieu of Taxes	<u>\$ 230,000</u>	<u>\$ 230,725</u>	<u>\$ 725</u>
EXPENDITURES:			
Economic and community development	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	230,000	230,725	725
OTHER FINANCING SOURCES (USES):			
Advances in	-	346,862	346,862
Transfers out	<u>(200,000)</u>	<u>(349,854)</u>	<u>(149,854)</u>
Total other financing sources (uses)	<u>(200,000)</u>	<u>(2,992)</u>	<u>197,008</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	30,000	227,733	197,733
FUND BALANCES, BEGINNING OF YEAR	<u>232,416</u>	<u>232,416</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 262,416</u>	<u>\$ 460,149</u>	<u>\$ 197,733</u>

CITY OF MENTOR, OHIO
POLICE PENSION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 49,800	\$ 50,764	\$ 964
Property taxes	<u>444,453</u>	<u>443,489</u>	<u>(964)</u>
Total revenues	<u>494,253</u>	<u>494,253</u>	<u>-</u>
EXPENDITURES:			
Police	<u>494,252</u>	<u>494,253</u>	<u>(1)</u>
Excess (deficiency) of revenues over expenditures	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
FIRE PENSION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 49,800	\$ 50,764	\$ 964
Property taxes	<u>444,453</u>	<u>443,489</u>	<u>(964)</u>
Total revenues	<u>494,253</u>	<u>494,253</u>	<u>-</u>
EXPENDITURES:			
Fire	<u>494,252</u>	<u>494,253</u>	<u>(1)</u>
Excess (deficiency) of revenues over expenditures	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
FIRE LEVY FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 113,925	\$ 117,491	\$ 3,566
Property taxes	<u>1,221,879</u>	<u>1,218,314</u>	<u>(3,565)</u>
Total revenues	<u>1,335,804</u>	<u>1,335,805</u>	<u>1</u>
EXPENDITURES:			
Fire			
Employee compensation	1,135,469	1,135,469	-
Other	<u>200,335</u>	<u>200,336</u>	<u>(1)</u>
Total expenditures	<u>1,335,804</u>	<u>1,335,805</u>	<u>(1)</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
SENIOR CITIZENS SERVICES LEVY FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 170,000	\$ 173,461	\$ 3,461
EXPENDITURES:			
Parks, recreation and public facilities			
Employee compensation	158,000	151,738	6,262
Other	340,525	214,725	125,800
Total expenditures	<u>498,525</u>	<u>366,463</u>	<u>132,062</u>
Excess (deficiency) of revenues over expenditures	(328,525)	(193,002)	135,523
Adjustment for prior year encumbrances	37,525	37,525	-
FUND BALANCES, BEGINNING OF YEAR	<u>412,444</u>	<u>412,444</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 121,444</u>	<u>\$ 256,967</u>	<u>\$ 135,523</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	\$ 420,000	\$ 436,015	\$ 16,015
EXPENDITURES:			
Parks, recreation and public facilities	425,000	130,170	294,830
Excess (deficiency) of revenues and other sources over expenditures and other uses	(5,000)	305,845	310,845
FUND BALANCES, BEGINNING OF YEAR	114,641	114,641	-
FUND BALANCES, END OF YEAR	<u>\$ 109,641</u>	<u>\$ 420,486</u>	<u>\$ 310,845</u>

CITY OF MENTOR, OHIO
CEMETERY FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	\$ 40,000	\$ 40,075	\$ 75
EXPENDITURES:			
Parks, recreation and public facilities			
Employee compensation	22,000	-	22,000
Other	184,999	40,723	144,276
Total expenditures	<u>206,999</u>	<u>40,723</u>	<u>166,276</u>
Excess (deficiency) of revenues over expenditures	(166,999)	(648)	166,351
Adjustment for prior year encumbrances	24,999	24,999	-
FUND BALANCES, BEGINNING OF YEAR	<u>408,416</u>	<u>408,416</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 266,416</u>	<u>\$ 432,767</u>	<u>\$ 166,351</u>

CITY OF MENTOR, OHIO
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	\$ 15,600	\$ 15,688	\$ 88
EXPENDITURES:			
Economic and community development	71,970	8,284	63,686
Excess (deficiency) of revenues over expenditures	(56,370)	7,404	63,774
Adjustment for prior year encumbrances	3,970	3,970	-
FUND BALANCES, BEGINNING OF YEAR	52,999	52,999	-
FUND BALANCES, END OF YEAR	<u>\$ 599</u>	<u>\$ 64,373</u>	<u>\$ 63,774</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Licenses, permits and inspections	\$ 500	\$ 12,010	\$ 11,510
EXPENDITURES:			
Parks, recreation and public facilities	300	-	300
Streets and highways	20,000	20,000	-
Total expenditures	<u>20,300</u>	<u>20,000</u>	<u>300</u>
Excess (deficiency) of revenues over expenditures	(19,800)	(7,990)	11,810
Adjustment for prior year encumbrances	300	300	-
FUND BALANCES, BEGINNING OF YEAR	<u>19,510</u>	<u>19,510</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 10</u>	<u>\$ 11,820</u>	<u>\$ 11,810</u>

CITY OF MENTOR, OHIO
STREET LIGHTING FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Special assessments	\$ 950,000	\$ 1,010,058	\$ 60,058
EXPENDITURES:			
Streets and highways	1,311,752	1,276,158	35,594
Excess (deficiency) of revenues over expenditures	(361,752)	(266,100)	95,652
Adjustment for prior year encumbrances	77,252	77,252	-
FUND BALANCES, BEGINNING OF YEAR	679,914	679,914	-
FUND BALANCES, END OF YEAR	<u>\$ 395,414</u>	<u>\$ 491,066</u>	<u>\$ 95,652</u>

CITY OF MENTOR, OHIO
COURT COMPUTER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 90,000	\$ 90,396	\$ 396
EXPENDITURES:			
General government			
Employee compensation	46,350	43,151	3,199
Other	90,620	35,805	54,815
Total expenditures	<u>136,970</u>	<u>78,956</u>	<u>58,014</u>
Excess (deficiency) of revenues over expenditures	(46,970)	11,440	58,410
Adjustment for prior year encumbrances	5,555	5,555	-
FUND BALANCES, BEGINNING OF YEAR	<u>140,166</u>	<u>140,166</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 98,751</u>	<u>\$ 157,161</u>	<u>\$ 58,410</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 180,000	\$ 180,384	\$ 384
EXPENDITURES:			
General government	70,008	13,819	56,189
Excess (deficiency) of revenues over expenditures	109,992	166,565	56,573
OTHER FINANCING SOURCES (USES):			
Transfers out	(100,000)	(99,322)	678
Total other financing sources (uses)	(100,000)	(99,322)	678
Excess (deficiency) of revenues and other sources over expenditures and other uses	9,992	67,243	57,251
Adjustment for prior year encumbrances	4,708	4,708	-
FUND BALANCES, BEGINNING OF YEAR	93,076	93,076	-
FUND BALANCES, END OF YEAR	<u>\$ 107,776</u>	<u>\$ 165,027</u>	<u>\$ 57,251</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 5,000	\$ 6,704	\$ 1,704
EXPENDITURES:			
Police	24,000	11,977	12,023
Excess (deficiency) of revenues over expenditures	(19,000)	(5,273)	13,727
FUND BALANCES, BEGINNING OF YEAR	23,746	23,746	-
FUND BALANCES, END OF YEAR	<u>\$ 4,746</u>	<u>\$ 18,473</u>	<u>\$ 13,727</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 100,000	\$ 127,690	\$ 27,690
EXPENDITURES:			
General government	65,082	11,041	54,041
Excess (deficiency) of revenues over expenditures	34,918	116,649	81,731
Adjustment for prior year encumbrances	82	82	-
FUND BALANCES, BEGINNING OF YEAR	<u>36,701</u>	<u>36,701</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 71,701</u>	<u>\$ 153,432</u>	<u>\$ 81,731</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 14,000	\$ 20,393	\$ 6,393
Intergovernmental	<u>12,000</u>	<u>6,999</u>	<u>(5,001)</u>
Total revenues	<u>26,000</u>	<u>27,392</u>	<u>1,392</u>
EXPENDITURES:			
General government	<u>30,000</u>	<u>7,098</u>	<u>22,902</u>
Excess (deficiency) of revenues over expenditures	(4,000)	20,294	24,294
FUND BALANCES, BEGINNING OF YEAR	<u>18,978</u>	<u>18,978</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 14,978</u>	<u>\$ 39,272</u>	<u>\$ 24,294</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 20,000	\$ 32,088	\$ 12,088
EXPENDITURES:			
General government	20,000	3,712	16,288
Excess (deficiency) of revenues over expenditures	-	28,376	28,376
FUND BALANCES, BEGINNING OF YEAR	23,196	23,196	-
FUND BALANCES, END OF YEAR	<u>\$ 23,196</u>	<u>\$ 51,572</u>	<u>\$ 28,376</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 3,000	\$ 4,576	\$ 1,576
EXPENDITURES:			
Police	14,287	2,286	12,001
Excess (deficiency) of revenues over expenditures	(11,287)	2,290	13,577
Adjustment for prior year encumbrances	1,287	1,287	-
FUND BALANCES, BEGINNING OF YEAR	<u>30,080</u>	<u>30,080</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 20,080</u>	<u>\$ 33,657</u>	<u>\$ 13,577</u>

CITY OF MENTOR, OHIO
POLICE CANINE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Police:			
Employee compensation	10,000	9,060	940
Other	18,000	2,002	15,998
Total expenditures	<u>28,000</u>	<u>11,062</u>	<u>16,938</u>
Excess (deficiency) of revenues over expenditures	(28,000)	(11,062)	16,938
FUND BALANCES, BEGINNING OF YEAR	<u>31,294</u>	<u>31,294</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,294</u>	<u>\$ 20,232</u>	<u>\$ 16,938</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 2,600	\$ 2,308	\$ (292)
EXPENDITURES:			
Police	2,600	1,463	1,137
Excess (deficiency) of revenues over expenditures	-	845	845
FUND BALANCES, BEGINNING OF YEAR	<u>7,390</u>	<u>7,390</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 7,390</u>	<u>\$ 8,235</u>	<u>\$ 845</u>

CITY OF MENTOR, OHIO
ARRA JAG GRANT 09-13 FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 73,500	\$ 19,013	\$ (54,487)
EXPENDITURES:			
Police			
Employee compensation	14,129	5,743	8,386
Other	15,356	1,269	14,087
Total expenditures	<u>29,485</u>	<u>7,012</u>	<u>22,473</u>
Excess (deficiency) of revenues over expenditures	44,015	12,001	(32,014)
OTHER FINANCING SOURCES (USES):			
Advances in	-	31,156	31,156
Advances out	<u>(31,156)</u>	<u>(31,156)</u>	<u>-</u>
Total other financing sources (uses)	<u>(31,156)</u>	<u>-</u>	<u>31,156</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	12,859	12,001	(858)
FUND BALANCES, BEGINNING OF YEAR	<u>19,156</u>	<u>19,156</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 32,015</u>	<u>\$ 31,157</u>	<u>\$ (858)</u>

CITY OF MENTOR, OHIO
ARRA CDBG-R 09 FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ 39,261	\$ 39,261
EXPENDITURES:			
Economic and community development	47,861	47,861	-
Excess (deficiency) of revenues over expenditures	(47,861)	(8,600)	39,261
OTHER FINANCING SOURCES (USES):			
Advances in	47,861	47,861	-
Total other financing sources (uses)	47,861	47,861	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	39,261	39,261
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 39,261</u>	<u>\$ 39,261</u>

CITY OF MENTOR, OHIO
ARRA DOE 09 FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ 249,324	\$ 249,324
EXPENDITURES:			
Parks, recreation and public facilities	371,100	275,489	95,611
Streets and highways	141,100	131,633	9,467
Total expenditures	<u>512,200</u>	<u>407,122</u>	<u>105,078</u>
Excess (deficiency) of revenues over expenditures	(512,200)	(157,798)	354,402
OTHER FINANCING SOURCES (USES):			
Advances in	512,200	334,173	(178,027)
Total other financing sources (uses)	<u>512,200</u>	<u>334,173</u>	<u>(178,027)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	176,375	176,375
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 176,375</u>	<u>\$ 176,375</u>

CITY OF MENTOR, OHIO
VOCA VICTIMS ASSISTANCE GRANT 09-10 FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 2,340	\$ 2,335	\$ (5)
EXPENDITURES:			
Police	3,115	3,115	-
Excess (deficiency) of revenues over expenditures	(775)	(780)	(5)
OTHER FINANCING SOURCES (USES):			
Advances in	1,560	1,560	-
Advances out	(1,560)	(1,560)	-
Total other financing sources (uses)	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(775)	(780)	(5)
FUND BALANCES, BEGINNING OF YEAR	780	780	-
FUND BALANCES, END OF YEAR	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ (5)</u>

CITY OF MENTOR, OHIO
VOCA VICTIMS ASSISTANCE GRANT 10-11 FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ 520	\$ 520
EXPENDITURES:			
Police	-	-	-
Excess (deficiency) of revenues over expenditures	-	520	520
FUND BALANCES, BEGINNING OF YEAR	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 520</u>	<u>\$ 520</u>

CITY OF MENTOR, OHIO
CDBG NSP 09-13 FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 686,308	\$ -	\$ (686,308)
EXPENDITURES:			
Economic and community development			
Employee compensation	62,100	-	62,100
Other	849,208	457,277	391,931
Total expenditures	<u>911,308</u>	<u>457,277</u>	<u>454,031</u>
Excess (deficiency) of revenues over expenditures	(225,000)	(457,277)	(232,277)
OTHER FINANCING SOURCES (USES):			
Advances in	911,308	911,308	-
Total other financing sources (uses)	<u>911,308</u>	<u>911,308</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	686,308	454,031	(232,277)
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 686,308</u>	<u>\$ 454,031</u>	<u>\$ (232,277)</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 199,513	\$ 3,019	\$ (196,494)
EXPENDITURES:			
Economic and community development			
Employee compensation	1,317	1,317	-
Other	342	343	(1)
Total expenditures	<u>1,659</u>	<u>1,660</u>	<u>(1)</u>
Excess (deficiency) of revenues over expenditures	197,854	1,359	(196,495)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	12,494	12,494
Advances out	(15,000)	(15,000)	-
Total other financing sources (uses)	<u>(15,000)</u>	<u>(2,506)</u>	<u>12,494</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	182,854	(1,147)	(184,001)
Adjustment for prior year encumbrances	1,002	1,002	-
FUND BALANCES, BEGINNING OF YEAR	<u>145</u>	<u>145</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 184,001</u>	<u>\$ -</u>	<u>\$ (184,001)</u>

CITY OF MENTOR, OHIO
COMMUNITY DEVELOPMENT BLOCK GRANT 08-09 FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 287,057	\$ 51,688	\$ (235,369)
EXPENDITURES:			
Economic and community development			
Employee compensation	568	568	-
Other	55,125	55,127	(2)
Total expenditures	<u>55,693</u>	<u>55,695</u>	<u>(2)</u>
Excess (deficiency) of revenues over expenditures	231,364	(4,007)	(235,371)
OTHER FINANCING SOURCES (USES):			
Advances out	(176,210)	(176,210)	-
Total other financing sources (uses)	<u>(176,210)</u>	<u>(176,210)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	55,154	(180,217)	(235,371)
Adjustment for prior year encumbrances	83,753	83,753	-
FUND BALANCES, BEGINNING OF YEAR	<u>96,464</u>	<u>96,464</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 235,371</u>	<u>\$ -</u>	<u>\$ (235,371)</u>

CITY OF MENTOR, OHIO
COMMUNITY DEVELOPMENT BLOCK GRANT 09-10 FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 22,500	\$ 102,206	\$ 79,706
EXPENDITURES:			
Economic and community development			
Employee compensation	5,319	5,319	-
Other	194,694	103,377	91,317
Total expenditures	<u>200,013</u>	<u>108,696</u>	<u>91,317</u>
Excess (deficiency) of revenues over expenditures	(177,513)	(6,490)	171,023
OTHER FINANCING SOURCES (USES):			
Advances in	177,618	177,618	-
Total other financing sources (uses)	<u>177,618</u>	<u>177,618</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	105	171,128	171,023
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 105</u>	<u>\$ 171,128</u>	<u>\$ 171,023</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ 86,010	\$ 86,010
Investment income	-	550	550
Total revenues	<u>-</u>	<u>86,560</u>	<u>86,560</u>
EXPENDITURES:			
Police	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Excess (deficiency) of revenues over expenditures	(1,000)	86,560	87,560
FUND BALANCES, BEGINNING OF YEAR	<u>1,536</u>	<u>1,536</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 536</u>	<u>\$ 88,096</u>	<u>\$ 87,560</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 8,809	\$ 1,147	\$ (7,662)
EXPENDITURES:			
Police	7,722	7,723	(1)
Excess (deficiency) of revenues over expenditures	1,087	(6,576)	(7,663)
OTHER FINANCING SOURCES (USES):			
Transfers in	13,200	13,262	62
Advances out	(7,000)	(7,000)	-
Total other financing sources (uses)	6,200	6,262	62
Excess (deficiency) of revenues and other sources over expenditures and other uses	7,287	(314)	(7,601)
FUND BALANCES, BEGINNING OF YEAR	314	314	-
FUND BALANCES, END OF YEAR	<u>\$ 7,601</u>	<u>\$ -</u>	<u>\$ (7,601)</u>

CITY OF MENTOR, OHIO
RADIO EQUIPMENT UPGRADE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ -	\$ -
EXPENDITURES:			
Fire	1,000,000	1,000,000	-
Excess (deficiency) of revenues over expenditures	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Advances in	1,000,000	1,000,000	-
Total other financing sources (uses)	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-
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
SAFE ROUTES TO SCHOOL 10-11 FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ -	\$ -
EXPENDITURES:			
Parks, recreation and public facilities			
Employee compensation	36,810	5,837	30,973
Other	37,930	2,256	35,674
Total expenditures	<u>74,740</u>	<u>8,093</u>	<u>66,647</u>
Excess (deficiency) of revenues over expenditures	<u>(74,740)</u>	<u>(8,093)</u>	<u>66,647</u>
OTHER FINANCING SOURCES (USES):			
Advances in	74,740	74,740	-
Total other financing sources (uses)	<u>74,740</u>	<u>74,740</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	66,647	66,647
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 66,647</u>	<u>\$ 66,647</u>

CITY OF MENTOR, OHIO
COUNCIL DONATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	\$ -	\$ -	\$ -
EXPENDITURES:			
General government	1,600	82	1,518
Excess (deficiency) of revenues over expenditures	(1,600)	(82)	1,518
FUND BALANCES, BEGINNING OF YEAR	1,796	1,796	-
FUND BALANCES, END OF YEAR	<u>\$ 196</u>	<u>\$ 1,714</u>	<u>\$ 1,518</u>

CITY OF MENTOR, OHIO
POLICE DONATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ -	\$ 750	\$ 750
EXPENDITURES:			
Police	53,030	50,595	2,435
Excess (deficiency) of revenues over expenditures	(53,030)	(49,845)	3,185
Adjustment for prior year encumbrances	49,030	49,030	-
FUND BALANCES, BEGINNING OF YEAR	8,189	8,189	-
FUND BALANCES, END OF YEAR	<u>\$ 4,189</u>	<u>\$ 7,374</u>	<u>\$ 3,185</u>

CITY OF MENTOR, OHIO
FIRE DONATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ 4,000	\$ 9,300	\$ 5,300
EXPENDITURES:			
Fire	5,000	493	4,507
Excess (deficiency) of revenues over expenditures	(1,000)	8,807	9,807
FUND BALANCES, BEGINNING OF YEAR	<u>10,628</u>	<u>10,628</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 9,628</u>	<u>\$ 19,435</u>	<u>\$ 9,807</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	\$ -	\$ 2,653	\$ 2,653
EXPENDITURES:			
Parks, recreation and public facilities	4,200	2,767	1,433
Excess (deficiency) of revenues over expenditures	(4,200)	(114)	4,086
Adjustment for prior year encumbrances	200	200	-
FUND BALANCES, BEGINNING OF YEAR	<u>17,011</u>	<u>17,011</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 13,011</u>	<u>\$ 17,097</u>	<u>\$ 4,086</u>

CITY OF MENTOR, OHIO
CULTURAL DONATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	\$ 21,000	\$ 19,569	\$ (1,431)
Donations and other	<u>2,000</u>	<u>12,871</u>	<u>10,871</u>
Total revenues	<u>23,000</u>	<u>32,440</u>	<u>9,440</u>
EXPENDITURES:			
Parks, recreation and public facilities			
Employee compensation	5,000	3,401	1,599
Other	<u>74,876</u>	<u>20,907</u>	<u>53,969</u>
Total expenditures	<u>79,876</u>	<u>24,308</u>	<u>55,568</u>
Excess (deficiency) of revenues over expenditures	(56,876)	8,132	65,008
Adjustment for prior year encumbrances	426	426	-
FUND BALANCES, BEGINNING OF YEAR	<u>86,397</u>	<u>86,397</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 29,947</u>	<u>\$ 94,955</u>	<u>\$ 65,008</u>

CITY OF MENTOR, OHIO
BEAUTIFICATION DONATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ 4,000	\$ 1,089	\$ (2,911)
EXPENDITURES:			
Parks, recreation and public facilities	3,539	2,323	1,216
Excess (deficiency) of revenues over expenditures	461	(1,234)	(1,695)
Adjustment for prior year encumbrances	152	152	-
FUND BALANCES, BEGINNING OF YEAR	2,298	2,298	-
FUND BALANCES, END OF YEAR	<u>\$ 2,911</u>	<u>\$ 1,216</u>	<u>\$ (1,695)</u>

CITY OF MENTOR, OHIO
IBIM FESTIVAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	\$ 90,000	\$ 90,875	\$ 875
EXPENDITURES:			
Parks, recreation and public facilities	93,681	89,766	3,915
Excess (deficiency) of revenues and other sources over expenditures and other uses	(3,681)	1,109	4,790
Adjustment for prior year encumbrances	1,179	1,179	-
FUND BALANCES, BEGINNING OF YEAR	<u>17,331</u>	<u>17,331</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 14,829</u>	<u>\$ 19,619</u>	<u>\$ 4,790</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 317,556	\$ 242,857	\$ (74,699)
Investment income	-	2,992	2,992
Property taxes	<u>1,829,444</u>	<u>2,013,584</u>	<u>184,140</u>
Total revenues	<u>2,147,000</u>	<u>2,259,433</u>	<u>112,433</u>
EXPENDITURES:			
Debt service:			
Principal retirement	1,798,581	1,698,581	100,000
Interest and other charges	<u>948,273</u>	<u>890,556</u>	<u>57,717</u>
Total expenditures	<u>2,746,854</u>	<u>2,589,137</u>	<u>157,717</u>
Excess (deficiency) of revenues over expenditures	(599,854)	(329,704)	270,150
OTHER FINANCING SOURCES (USES):			
Note premium	-	14,358	14,358
Bond proceeds	-	346,862	346,862
Transfers in	400,000	102,314	(297,686)
Advances out	<u>-</u>	<u>(346,862)</u>	<u>(346,862)</u>
Total other financing sources (uses)	<u>400,000</u>	<u>116,672</u>	<u>(283,328)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(199,854)	(213,032)	(13,178)
FUND BALANCES, BEGINNING OF YEAR	<u>1,521,782</u>	<u>1,521,782</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,321,928</u>	<u>\$ 1,308,750</u>	<u>\$ (13,178)</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
General government	2,000	1,092	908
Streets and highways	350,518	517	350,001
Engineering and building	139,673	139,673	-
Total expenditures	<u>492,191</u>	<u>141,282</u>	<u>350,909</u>
Excess (deficiency) of revenues over expenditures	(492,191)	(141,282)	350,909
OTHER FINANCING SOURCES (USES):			
Advances in	564,000	83,749	(480,251)
Note proceeds	-	404,000	404,000
Advances out	(104,000)	(104,000)	-
Total other financing sources (uses)	<u>460,000</u>	<u>383,749</u>	<u>(76,251)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(32,191)	242,467	274,658
Adjustment for prior year encumbrances	140,191	140,191	-
FUND BALANCES, BEGINNING OF YEAR	<u>2,342</u>	<u>2,342</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 110,342</u>	<u>\$ 385,000</u>	<u>\$ 274,658</u>

CITY OF MENTOR, OHIO
POLICE RENOVATION AND EXPANSION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Engineering and building	<u>8,163</u>	<u>8,163</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(8,163)	(8,163)	-
OTHER FINANCING SOURCES (USES):			
Advances in	314,000	37,469	(276,531)
Advances out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>214,000</u>	<u>(62,531)</u>	<u>(276,531)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	205,837	(70,694)	(276,531)
Adjustment for prior year encumbrances	70,694	70,694	-
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 276,531</u>	<u>\$ -</u>	<u>\$ (276,531)</u>

CITY OF MENTOR, OHIO
STERLING COURT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ -	\$ -
EXPENDITURES:			
Streets and highways	346,862	346,862	-
Excess (deficiency) of revenues over expenditures	<u>(346,862)</u>	<u>(346,862)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Advances in	400,000	400,000	-
Bond proceeds	400,000	-	(400,000)
Transfers in	-	346,862	346,862
Advances out	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>400,000</u>	<u>346,862</u>	<u>(53,138)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	53,138	-	(53,138)
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 53,138</u>	<u>\$ -</u>	<u>\$ (53,138)</u>

CITY OF MENTOR, OHIO
MARINA ROADWAY FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ -	\$ -
EXPENDITURES:			
General government	2,000	1,147	853
Streets and highways	423,000	418,832	4,168
Total expenditures	<u>425,000</u>	<u>419,979</u>	<u>5,021</u>
Excess (deficiency) of revenues over expenditures	<u>(425,000)</u>	<u>(419,979)</u>	<u>5,021</u>
OTHER FINANCING SOURCES (USES):			
Note proceeds	425,000	425,000	-
Total other financing sources (uses)	<u>425,000</u>	<u>425,000</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	5,021	5,021
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 5,021</u>	<u>\$ 5,021</u>

CITY OF MENTOR, OHIO
MUNI CENTER ROOF FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ -	\$ -
EXPENDITURES:			
General government	1,000	540	460
Parks, recreation and public facilities	199,000	130,400	68,600
Total expenditures	<u>200,000</u>	<u>130,940</u>	<u>69,060</u>
Excess (deficiency) of revenues over expenditures	<u>(200,000)</u>	<u>(130,940)</u>	<u>69,060</u>
OTHER FINANCING SOURCES (USES):			
Note proceeds	200,000	200,000	-
Total other financing sources (uses)	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	69,060	69,060
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 69,060</u>	<u>\$ 69,060</u>

CITY OF MENTOR, OHIO
US20 RESURFACING FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 49,900	\$ 49,900	\$ -
EXPENDITURES:			
Streets and highways	49,900	49,900	-
Excess (deficiency) of revenues over expenditures	-	-	-
OTHER FINANCING SOURCES (USES):			
Advances in	20,000	-	(20,000)
Transfers in	3,272	3,272	-
Advances out	(20,000)	(20,000)	-
Total other financing sources (uses)	<u>3,272</u>	<u>(16,728)</u>	<u>(20,000)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	3,272	(16,728)	(20,000)
FUND BALANCES, BEGINNING OF YEAR	<u>16,728</u>	<u>16,728</u>	-
FUND BALANCES, END OF YEAR	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ (20,000)</u>

CITY OF MENTOR, OHIO
MARKET STREET/BELLFLOWER CONCRETE REPAIR FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 1,476	\$ 1,476	\$ -
EXPENDITURES:			
Streets and highways	13,416	13,415	1
Excess (deficiency) of revenues over expenditures	(11,940)	(11,939)	1
OTHER FINANCING SOURCES (USES):			
Transfers in	707,986	232,986	(475,000)
Advances out	(250,000)	(250,000)	-
Total other financing sources (uses)	457,986	(17,014)	(475,000)
Excess (deficiency) of revenues and other sources over expenditures and other uses	446,046	(28,953)	(474,999)
FUND BALANCES, BEGINNING OF YEAR	28,953	28,953	-
FUND BALANCES, END OF YEAR	\$ 474,999	\$ -	\$ (474,999)

CITY OF MENTOR, OHIO
ODNR LAGOONS FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 538,000	\$ -	\$ (538,000)
EXPENDITURES:			
Parks, recreation and public facilities	115,099	115,099	-
Excess (deficiency) of revenues over expenditures	422,901	(115,099)	(538,000)
OTHER FINANCING SOURCES (USES):			
Advances in	-	202,261	202,261
Advances out	(264,000)	(264,000)	-
Total other financing sources (uses)	(264,000)	(61,739)	202,261
Excess (deficiency) of revenues and other sources over expenditures and other uses	158,901	(176,838)	(335,739)
Adjustment for prior year encumbrances	2,600	2,600	-
FUND BALANCES, BEGINNING OF YEAR	174,238	174,238	-
FUND BALANCES, END OF YEAR	<u>\$ 335,739</u>	<u>\$ -</u>	<u>\$ (335,739)</u>

CITY OF MENTOR, OHIO
CENTER STREET BRIDGE REPAIR FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ -	\$ -
EXPENDITURES:			
General government	1,000	544	456
Streets and highways	230,896	230,896	-
Engineering and building	10,000	10,000	-
Total expenditures	<u>241,896</u>	<u>241,440</u>	<u>456</u>
Excess (deficiency) of revenues over expenditures	<u>(241,896)</u>	<u>(241,440)</u>	<u>456</u>
OTHER FINANCING SOURCES (USES):			
Advances in	110,000	110,000	-
Note proceeds	202,000	202,000	-
Total other financing sources (uses)	<u>312,000</u>	<u>312,000</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	70,104	70,560	456
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 70,104</u>	<u>\$ 70,560</u>	<u>\$ 456</u>

CITY OF MENTOR, OHIO
PLAZA BOULEVARD RESURFACING FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ 260,273	\$ 260,273
EXPENDITURES:			
General government	2,000	1,014	986
Streets and highways	585,412	585,412	-
Engineering and building	75,000	75,000	-
Total expenditures	<u>662,412</u>	<u>661,426</u>	<u>986</u>
Excess (deficiency) of revenues over expenditures	<u>(662,412)</u>	<u>(401,153)</u>	<u>261,259</u>
OTHER FINANCING SOURCES (USES):			
Advances in	660,412	660,412	-
Note proceeds	375,000	375,000	-
Advances out	<u>(325,000)</u>	<u>(324,912)</u>	<u>88</u>
Total other financing sources (uses)	<u>710,412</u>	<u>710,500</u>	<u>88</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	48,000	309,347	261,347
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 48,000</u>	<u>\$ 309,347</u>	<u>\$ 261,347</u>

CITY OF MENTOR, OHIO
PLAINS ROAD IMPROVEMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ 35,163	\$ 35,163
EXPENDITURES:			
General government	3,000	1,724	1,276
Streets and highways	640,163	586,967	53,196
Engineering and building	55,000	55,000	-
Total expenditures	<u>698,163</u>	<u>643,691</u>	<u>54,472</u>
Excess (deficiency) of revenues over expenditures	<u>(698,163)</u>	<u>(608,528)</u>	<u>89,635</u>
OTHER FINANCING SOURCES (USES):			
Advances in	745,000	745,000	-
Note proceeds	723,000	638,000	(85,000)
Advances out	<u>(720,000)</u>	<u>(720,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>748,000</u>	<u>663,000</u>	<u>(85,000)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	49,837	54,472	4,635
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 49,837</u>	<u>\$ 54,472</u>	<u>\$ 4,635</u>

CITY OF MENTOR, OHIO
HEISLEY ROAD IMPROVEMENT - PHASE III FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

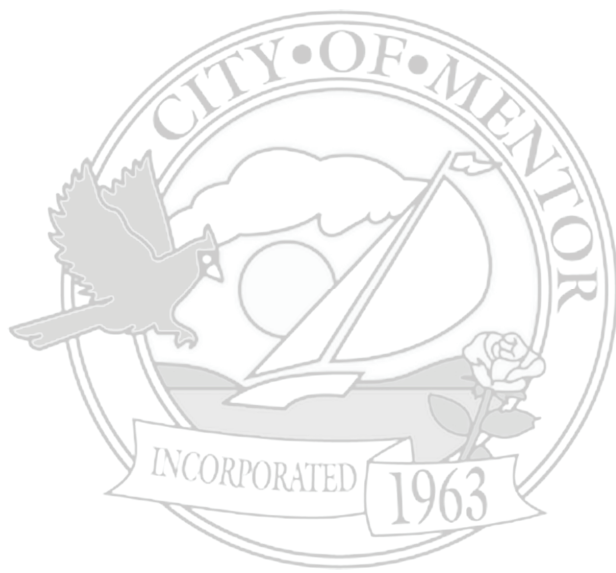
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
General government	2,000	1,339	661
Streets and highways	34,000	-	34,000
Engineering and building	370,276	370,276	-
Total expenditures	<u>406,276</u>	<u>371,615</u>	<u>34,661</u>
Excess (deficiency) of revenues over expenditures	(406,276)	(371,615)	34,661
OTHER FINANCING SOURCES (USES):			
Advances in	202,000	-	(202,000)
Note proceeds	660,000	496,000	(164,000)
Advances out	(200,000)	(200,000)	-
Total other financing sources (uses)	<u>662,000</u>	<u>296,000</u>	<u>(366,000)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	255,724	(75,615)	(331,339)
Adjustment for prior year encumbrances	110,276	110,276	-
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 366,000</u>	<u>\$ 34,661</u>	<u>\$ (331,339)</u>

CITY OF MENTOR, OHIO
ARRA TYLER RESURFACING FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 2,528,739	\$ 2,140,640	\$ (388,099)
EXPENDITURES:			
Streets and highways	2,298,353	2,298,353	-
Engineering and building			
Employee compensation	13,500	10,448	3,052
Other	217,525	194,871	22,654
Total expenditures	<u>2,529,378</u>	<u>2,503,672</u>	<u>25,706</u>
Excess (deficiency) of revenues over expenditures	<u>(639)</u>	<u>(363,032)</u>	<u>(362,393)</u>
OTHER FINANCING SOURCES (USES):			
Advances in	3,000,000	2,528,739	(471,261)
Advances out	<u>(2,140,000)</u>	<u>(2,140,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>860,000</u>	<u>388,739</u>	<u>(471,261)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	859,361	25,707	(833,654)
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 859,361</u>	<u>\$ 25,707</u>	<u>\$ (833,654)</u>

STATISTICAL SECTION





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.

<u>Contents</u>	<u>Page</u>
<i>Financial Trends</i> These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	152 – 156
<i>Revenue Capacity</i> These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.	157 – 161
<i>Debt Capacity</i> 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.	162 – 166
<i>Demographic and Economic Information</i> 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.	167 – 168
<i>Operating Information</i> 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.	169 - 171

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 Eight Fiscal Years
(Accrual Basis of Accounting)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
GOVERNMENTAL ACTIVITIES								
Invested in Capital Assets, Net of Related Debt	\$ 140,546,570	\$ 143,332,857	\$ 143,782,111	\$ 146,853,882	\$ 146,106,516	\$ 144,331,191	\$ 142,321,257	\$ 137,537,568
Restricted -								
Debt Service	19,193,569	20,799,179	21,055,145	10,061,284	10,308,462	8,416,626	9,440,732	9,869,233
Capital Projects	896,332	-	655,800	814,484	1,045,244	608,301	580,697	526,096
Streets and Public Safety	4,891,288	5,272,319	4,883,112	6,007,323	5,681,478	5,202,402	4,081,130	4,304,140
Unrestricted (Deficit)	<u>21,781,098</u>	<u>20,317,849</u>	<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>	<u>18,708,417</u>
<i>Total Governmental Net Assets</i>	<u>\$ 187,308,857</u>	<u>\$ 189,722,204</u>	<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>	<u>\$ 170,945,454</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 Eight Fiscal Years
(Accrual Basis of Accounting)

	2010	2009	2008	2007	2006	2005	2004	2003
Program Revenues								
Governmental Activities:								
Charges for Services:								
General Government	\$2,473,236	\$2,518,135	\$2,247,383	\$2,583,475	\$2,083,099	\$1,953,882	\$1,898,955	\$1,887,632
Police	136,909	201,537	59,522	67,362	56,520	65,584	76,841	89,162
Fire	1,442,054	1,002,270	1,208,016	920,458	8,050	5,683	6,756	43,782
Streets & Highways	1,080,564	1,094,893	1,174,704	1,166,350	1,043,860	1,157,879	1,066,234	1,143,244
Parks, Recreation & Public Facilities	4,192,731	4,202,393	4,050,431	3,952,388	4,001,727	3,734,490	2,782,247	2,686,242
Economic & Community Development	60,462	64,594	51,657	55,100	49,475	56,716	38,722	49,142
Engineering & Building	607,475	493,255	535,210	524,788	597,664	546,780	670,619	660,744
<i>Subtotal - Charges for Services</i>	<u>9,993,431</u>	<u>9,577,077</u>	<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>	<u>6,559,948</u>
Operating Grants and Contributions:								
General Government	45,317	43,077	107,462	78,008	54,788	47,636	58,818	49,124
Police	140,216	71,067	56,516	165,507	57,709	6,657	84,477	100,731
Fire	221,667	48,748	43,180	37,335	64,437	102,094	37,262	88,218
Streets & Highways	3,416,057	281,441	601,810	225,653	687,388	220,387	367,239	341,133
Parks, Recreation & Public Facilities	191,134	299,751	264,543	88,085	35,710	251,235	88,050	71,606
Economic & Community Development	201,388	155,132	239,008	347,998	97,492	128,553	186,515	162,339
Engineering & Building	383	-	-	-	-	-	-	275,111
<i>Subtotal - Operating Grants and Contributions</i>	<u>4,216,162</u>	<u>899,216</u>	<u>1,312,519</u>	<u>942,586</u>	<u>997,524</u>	<u>756,562</u>	<u>822,361</u>	<u>1,088,262</u>
Capital Grants and Contributions:								
General Government	-	-	-	-	-	-	-	-
Police	986,000	6,640	7,000	65,725	24,925	38,303	41,122	55,420
Fire	-	-	-	8,314	-	-	-	100,000
Streets & Highways	70,464	352,618	11,149,879	223,566	3,387,422	2,543,371	8,809,265	5,430,713
Parks, Recreation & Public Facilities	140,000	69,432	50,364	154,830	1,860,118	1,450,489	55,000	1,974,932
Economic & Community Development	-	-	-	-	-	51,839	44,581	180,374
Engineering & Building	-	-	-	-	-	-	45,943	0
Interest and Other Charges	-	582,594	293,916	317,452	370,755	481,875	524,071	542,586
<i>Subtotal - Capital Grants and Contributions</i>	<u>1,196,464</u>	<u>1,011,284</u>	<u>11,501,159</u>	<u>769,887</u>	<u>5,643,220</u>	<u>4,565,877</u>	<u>9,519,982</u>	<u>8,284,025</u>
<i>Total Governmental Program Revenues</i>	<u>15,406,057</u>	<u>11,487,577</u>	<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>	<u>15,932,235</u>

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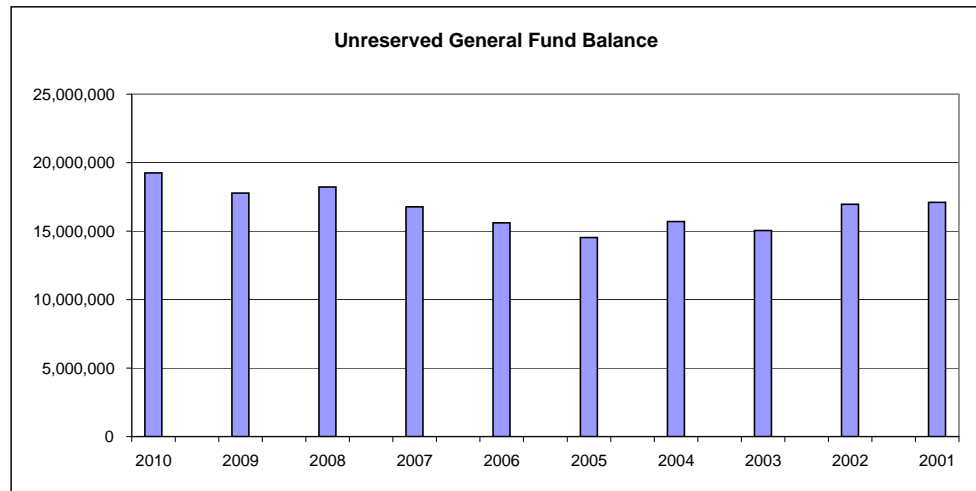
CITY OF MENTOR, OHIO
Changes in Net Assets (continued)
Last Eight Fiscal Years
(Accrual Basis of Accounting)

	2010	2009	2008	2007	2006	2005	2004	2003
Expenses								
Governmental Activities:								
General Government	7,232,734	7,185,265	7,889,366	7,300,405	7,550,150	7,201,492	6,998,884	7,545,494
Police	12,727,229	12,350,647	12,274,557	11,680,006	11,276,837	10,759,750	10,604,664	10,013,387
Fire	12,012,648	11,842,353	11,790,289	11,093,519	10,674,056	10,251,159	9,502,396	9,070,349
Streets and Highways	17,822,415	13,816,327	16,405,625	13,482,845	14,120,600	12,062,550	13,880,008	12,170,074
Parks, Recreation & Public Facilities	7,944,763	7,860,266	7,763,173	9,225,254	8,406,060	8,382,989	7,641,284	7,187,899
Economic & Community Development	1,953,020	764,306	1,680,361	1,821,134	1,336,892	1,247,418	1,336,548	1,229,646
Engineering & Building	2,245,519	2,057,180	2,191,074	2,131,217	1,748,986	1,678,511	1,833,510	1,882,276
Interest and Other Charges	1,519,472	1,535,426	1,577,022	1,538,100	1,636,342	1,285,841	1,583,354	1,710,007
<i>Total Governmental Activities Expenses</i>	<u>63,457,800</u>	<u>57,411,770</u>	<u>61,571,467</u>	<u>58,272,480</u>	<u>56,749,923</u>	<u>52,869,710</u>	<u>53,380,648</u>	<u>50,809,132</u>
Net (Expense)/Revenue								
<i>Total Governmental Net Expense</i>	<u>\$ (48,051,743)</u>	<u>\$ (45,924,193)</u>	<u>\$ (39,430,866)</u>	<u>\$ (47,290,086)</u>	<u>\$ (42,268,784)</u>	<u>\$ (40,026,257)</u>	<u>\$ (36,497,931)</u>	<u>\$ (34,876,897)</u>
General Revenues and Other Changes in Net Assets								
Governmental Activities								
Taxes:								
Municipal Income Taxes Levied	30,895,408	29,690,527	32,831,801	32,267,383	29,885,930	28,019,315	27,729,472	26,338,127
Property Taxes Levied								
<i>General Purposes</i>	1,637,370	1,784,878	1,943,948	1,795,300	2,111,122	2,011,037	1,569,225	1,306,313
<i>Special Revenue</i>	2,203,325	2,165,635	2,215,269	2,219,417	2,179,159	2,062,913	2,041,450	1,941,861
<i>Debt Service</i>	2,085,698	2,018,418	1,901,892	2,072,165	1,508,048	1,436,550	1,854,132	1,634,249
Other Local Taxes	437,875	443,167	424,852	786,290	754,113	733,874	775,571	732,210
PILOT	230,725	232,416	-	-	-	-	-	-
Shared Revenues	7,115,438	6,872,454	7,692,358	8,314,320	7,272,144	7,402,225	7,093,817	6,914,549
Other Grants and Contributions	-	20,047	79,068	163,737	298,564	55,458	63,216	59,612
Unrestricted Investment Income	982,759	982,064	307,232	1,124,560	920,404	583,428	510,565	680,325
Note Premium	-	-	-	-	86,954	-	-	-
Other	49,798	23,966	92,459	522,954	180,902	42,351	44,351	412,295
<i>Total Governmental General Revenues and Other Changes in Net Assets</i>	<u>45,638,396</u>	<u>44,233,572</u>	<u>47,488,879</u>	<u>49,266,126</u>	<u>45,197,340</u>	<u>42,347,151</u>	<u>41,681,799</u>	<u>40,019,541</u>
Change in Net Assets								
<i>Total Governmental Change in Net Assets</i>	<u>\$ (2,413,347)</u>	<u>\$ (1,690,621)</u>	<u>\$ 8,058,013</u>	<u>\$ 1,976,040</u>	<u>\$ 2,928,556</u>	<u>\$ 2,320,894</u>	<u>\$ 5,183,868</u>	<u>\$ 5,142,644</u>

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)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Fund										
Reserved	\$2,257,961	\$2,162,956	\$1,462,499	\$1,215,466	\$1,582,283	\$1,351,276	\$1,973,554	\$3,031,581	\$3,995,269	\$4,566,809
Unreserved	19,242,126	17,781,308	18,215,631	16,777,646	15,613,237	14,530,983	15,707,167	15,057,255	16,965,404	17,110,887
Total General Fund	21,500,087	19,944,264	19,678,130	17,993,112	17,195,520	15,882,259	17,680,721	18,088,836	20,960,673	21,677,696
All Other Governmental Funds										
Reserved	3,749,784	2,460,771	2,848,063	2,349,192	2,125,908	1,330,417	1,249,201	1,129,438	2,331,255	2,990,162
Unreserved, Reported in:										
Special Revenue Funds	1,854,713	3,587,542	3,008,409	4,145,223	4,455,878	4,137,732	3,222,412	2,830,931	2,276,450	1,915,661
Debt Service Fund	(153,760)									
Capital Projects Funds	(2,983,389)	(715,738)	(4,300,077)	168,097	(753,927)	(705,498)	(515,057)	(369,719)	(998,715)	(5,176,304)
Total All Other Governmental Funds	2,467,348	5,332,575	1,556,395	6,662,512	5,827,859	4,762,651	3,956,556	3,590,650	3,608,990	(270,481)
Total Governmental Funds	\$23,967,435	\$25,276,839	\$21,234,525	\$24,655,624	\$23,023,379	\$20,644,910	\$21,637,277	\$21,679,486	\$24,569,663	\$21,407,215



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

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenues										
Property Taxes	\$5,653,190	\$5,968,931	\$6,061,110	\$6,086,882	\$5,798,328	\$5,510,500	\$5,464,463	\$4,962,416	\$4,900,827	\$4,822,373
Municipal Income Taxes	31,076,262	29,691,413	32,960,086	31,346,263	29,944,652	28,735,602	26,813,889	26,435,708	26,686,076	26,595,125
Other Local Taxes	437,902	443,137	424,852	786,290	754,522	733,464	775,571	732,210	739,099	723,702
PILOT	230,725	232,416	-	-	-	-	-	-	-	-
Intergovernmental	11,246,323	8,454,989	8,698,588	9,117,427	10,330,679	11,009,784	14,808,365	13,042,568	10,139,016	8,712,200
Charges for Services	5,867,129	5,418,323	5,478,221	5,040,814	4,049,658	3,796,645	2,793,584	2,835,243	2,740,706	2,644,028
Fines and Forfeitures	1,652,512	1,521,951	1,434,560	1,455,174	1,435,683	1,430,104	1,460,402	1,457,235	1,360,790	1,064,279
Licenses, Permits and Inspections	1,382,489	1,380,055	1,191,262	1,594,216	1,253,441	1,076,848	1,169,226	1,110,261	1,082,882	1,151,675
Special Assessments	2,206,866	2,314,723	1,874,013	2,114,952	2,136,312	3,004,125	2,336,570	2,337,359	1,958,849	1,983,894
Investment Income	982,759	1,002,111	386,300	1,288,297	1,218,968	647,026	576,607	758,196	1,580,682	2,149,937
Donations and Other	171,152	143,618	352,944	726,317	293,426	292,745	1,796,499	763,324	186,451	532,973
Total Revenues	60,907,309	56,571,667	58,861,936	59,556,632	57,215,669	56,236,843	57,995,176	54,434,520	51,375,378	50,380,186
Expenditures										
Current:										
General Government	7,045,850	7,111,144	7,742,983	7,181,507	7,058,856	7,089,759	6,848,689	7,387,217	6,620,824	6,111,342
Security of Persons and Property:										
Police	12,076,194	11,847,987	11,710,603	11,200,112	10,535,879	10,278,880	9,967,486	9,499,252	8,851,538	8,266,679
Fire	11,329,917	11,141,863	10,991,511	10,487,605	9,961,438	9,617,904	8,917,993	8,584,765	8,159,466	7,830,587
Streets & Highways	14,580,839	10,618,043	12,137,320	9,577,178	9,217,664	9,516,798	9,716,845	9,201,015	7,846,277	8,204,890
Parks, Recreation and Public Facilities	6,813,566	6,786,499	6,556,010	8,054,630	7,771,902	7,187,975	6,428,368	6,016,077	6,412,685	6,150,922
Economic & Community Development	1,946,043	754,252	1,718,496	1,824,162	1,312,148	1,238,926	1,309,906	1,217,252	1,213,590	1,041,438
Engineering and Building	2,214,863	2,030,867	2,127,362	2,104,396	1,650,631	1,596,813	1,791,941	1,807,059	1,920,058	1,916,517
Capital Outlay	2,201,521	2,881,089	5,743,075	5,020,964	10,406,978	12,913,502	9,739,603	10,201,726	8,454,079	7,739,863
Other	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal Retirement	2,549,781	2,307,726	1,997,389	8,971,061	8,816,885	9,400,000	2,010,000	1,930,000	1,700,000	1,740,000
Interest and Other Expenditures	1,495,005	1,499,620	1,429,490	1,510,150	1,609,446	1,488,260	1,684,862	1,719,536	1,899,233	1,946,039
Total Expenditures	62,253,579	56,979,090	62,154,239	65,931,765	68,341,827	70,328,817	58,415,693	57,563,899	53,077,750	50,948,277
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	(1,346,270)	(407,423)	(3,292,303)	(6,375,133)	(11,126,158)	(14,091,974)	(420,517)	(3,129,379)	(1,702,372)	(568,091)
Other Financing Sources (Uses)										
Issuance of Bonds	-	4,335,000	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/OPWC Loans	-	34,116	-	7,949,653	13,473,842	6,496,148	188,111	-	-	22,402
Transfers In	711,190	543,863	663,300	1,381,859	859,454	1,586,576	1,134,349	500,181	1,367,547	714,612
Transfers Out	(711,190)	(543,863)	(663,300)	(1,381,859)	(859,454)	(1,586,576)	(1,134,349)	(500,181)	(1,367,547)	(714,612)
Other	-	21,485	49,498	18,851	86,954	-	-	-	-	-
Total Other Financing Sources (Uses)	-	4,390,601	7,554,498	7,968,504	13,560,796	13,028,584	285,803	-	4,850,738	22,402
Net Change in Fund Balances	(\$1,346,270)	\$3,983,178	\$4,262,195	\$1,593,371	\$2,434,638	(\$1,063,390)	(\$134,714)	(\$3,129,379)	\$3,148,366	(\$545,689)
Debt Service as a Percentage of Noncapital Expenditures	6.8%	7.0%	5.9%	17.2%	17.9%	19.1%	7.3%	7.7%	8.1%	8.5%

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

Tax Year/ Collection Year	Assessed Value			Total Taxable 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				
2000/2001	1,155,168,000	44,297,170	170,222,816	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	4.50	3,341,581,971	41.48%
2002/2003	1,189,075,230	36,151,460	170,313,459	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	4.50	3,972,290,000	39.91%
2004/2005	1,405,566,960	36,934,900	152,470,740	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	4.50	4,064,895,543	38.88%
2006/2007	1,562,461,290	35,571,190	93,005,399	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	4.50	4,513,843,829	37.15%
2008/2009	1,603,670,200	34,261,250	1,776,147	1,639,707,597	4.50	4,581,914,857	35.79%
2009/2010	1,477,190,810	36,652,720	888,073	1,514,731,603	4.50	4,220,545,171	35.89%

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

<u>Tax Year/ Collection Year</u>	<u>City of Mentor Direct Rates</u>				<u>Mentor Exempted Village School District ¹</u>	<u>Lake County</u>	<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>			
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
2008/2009	1.10	2.10	1.30	4.50	77.990	15.80	98.290
2009/2010	1.00	2.10	1.40	4.50	78.740	15.80	99.040

¹Includes Mentor Public Library

SOURCE: Office of the Lake County Auditor

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

<u>Taxpayer</u>	<u>2010</u>		<u>2001</u>	
	<u>Taxable Assessed Value</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Simon Property Group Ltd Partnership	\$ 27,595,230	1.82%	\$ -	0.00%
Cleveland Electric Illuminating Co	20,439,780	1.35%	26,197,440	2.18%
Aqua Ohio/Consumers Ohio Water	13,118,760	0.87%	6,297,350	0.53%
Steris Corporation	10,703,340	0.71%	5,654,880	0.47%
Points East	7,307,240	0.48%	6,151,250	0.51%
First Interstate	4,882,590	0.32%	3,446,690	0.29%
FI Mentor Commons LTD	4,603,940	0.30%	3,343,650	0.28%
Deepwood North Co.	3,785,250	0.25%	3,584,460	0.30%
Michaels, Inc.	3,466,810	0.23%	-	0.00%
FI Mentor II LTD	3,447,440	0.23%	-	0.00%
De Bartolo Realty Partnership	-	0.00%	20,163,060	1.68%
Ohio Bell Telephone Company	-	0.00%	7,097,920	0.59%
Euclid Clinic Foundation	-	0.00%	4,005,170	0.33%
James A. Brown	-	0.00%	3,430,730	0.29%
Total Principal Taxpayers	<u>\$ 99,350,380</u>		<u>\$ 89,372,600</u>	
Total Real City Property (including other real estate and public utility property)	<u>\$ 1,513,843,530</u>		<u>\$ 1,199,465,170</u>	

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>Net Tax Levy</u>	<u>Current Collections</u>	<u>Percentage of Current Collection to Net Levy</u>	<u>Outstanding Accumulated Delinquent Taxes</u>	<u>Collections Including Delinquencies</u>	<u>Percentage of Total Collections to Net Levy*</u>
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%	194,089	5,803,632	98.7%
2007/2008	5,948,522	5,815,383	97.8%	213,030	5,976,631	100.5%
2008/2009	6,054,841	5,837,249	96.4%	315,279	5,972,604	98.6%
2009/2010	5,700,055	5,500,109	96.5%	366,748	5,660,057	99.3%

* Total Collections, including delinquencies, includes penalty and interest, since by Ohio law they become part of the tax obligation as assessment occurs.

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>
2010	\$ 30,612,474	\$ 23,214,076	\$ 4,252,395	\$ 3,146,003	2.0%
2009	30,666,110	23,605,928	3,515,344	3,544,838	2.0%
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%

CITY OF MENTOR, OHIO
Top Ten Income Tax Withholders
Current Year and Nine Years Ago

<u>2010</u>		<u>2001</u>	
<u>Rank</u>	<u>Name</u>	<u>Rank</u>	<u>Name</u>
1	Steris Corporation	1	Mentor Exempted Village Schools
2	Avery Dennison	2	City Of Mentor
3	Mentor Exempted Village Schools	3	Steris Corporation
4	Lake County Auditor	4	Lincoln Electric Co.
5	City of Mentor	5	Deepwood Industries
6	PCC Airfoils Inc.	6	PCC Airfoils Inc.
7	Classic	7	Super K-Mart
8	Lincoln Electric Co.	8	Sears, Roebuck & Co.
9	Component Repair Technologies	9	Mag-nif, Co.
10	U.S. Endoscopy Group	10	J.C. Penney Co.

Source: City of Mentor, Finance Department

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

Year	Governmental Activities			Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Special Assessment Bonds	Bond Anticipation Notes and Other Loans Payable			
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
2009	19,991,107	12,413,893	642,126	33,047,126	2.67%	657
2010	18,310,006	11,599,237	3,347,346	33,256,589	2.87%	705

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

¹ See the schedule of Demographic and Economic Statistics on page 167 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 ¹	Assessed Value ²	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
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
2009	50,278	1,639,707,597	19,991,107	1,521,782	18,469,325	1.13%	367.34
2010	47,159	1,514,731,603	18,310,006	1,308,750	17,001,256	1.12%	360.51

SOURCES: ¹ U.S. Bureau of Census 1990, 2000 and 2010

² Office of the Lake County Auditor

CITY OF MENTOR, OHIO

Direct and Overlapping Debt

December 31, 2010

	<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	\$ <u>18,310,006</u>	100.00%	\$ <u>18,310,006</u>
Overlapping:			
Mentor Exempted Village School District and Mentor Public Library	4,603,667	82.84%	3,813,678
Lake County	<u>16,425,000</u>	23.90%	<u>3,925,575</u>
Total Overlapping	<u>21,028,667</u>		<u>7,739,253</u>
 TOTAL	 <u>\$ 39,338,673</u>		 <u>\$ 26,049,259</u>

Note: The method to calculate the overlap is determined, on a percentage basis, by dividing the amount of assessed valuation of the political subdivision's territory that is within the boundaries of the City by the total assessed valuation of the political subdivision.

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 Ten Fiscal Years

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Overall Legal Debt Limit (10.5 % of Assessed Valuation)	\$ 159,046,818	\$ 172,169,298	\$ 176,085,944	\$ 177,558,977	\$ 165,957,868	\$ 167,472,123	\$ 166,479,484	\$ 146,531,716	\$ 145,526,058	\$ 143,817,239
Net Debt Within 10.5% Limitations	<u>15,552,526</u>	<u>19,991,107</u>	<u>21,286,131</u>	<u>19,244,376</u>	<u>20,684,065</u>	<u>22,190,430</u>	<u>16,904,957</u>	<u>18,007,037</u>	<u>19,143,015</u>	<u>20,175,594</u>
Legal Debt Margin Within 10.5% Limitation	<u>\$ 143,494,292</u>	<u>\$ 152,178,191</u>	<u>\$ 154,799,813</u>	<u>\$ 158,314,601</u>	<u>\$ 145,273,803</u>	<u>\$ 145,281,693</u>	<u>\$ 149,574,527</u>	<u>\$ 128,524,679</u>	<u>\$ 126,383,043</u>	<u>\$ 123,641,645</u>
Total Net Debt Applicable to the 10.5% Limit as a Percentage of the Debt Limit	10.84%	13.14%	13.75%	12.16%	14.24%	15.27%	11.30%	14.01%	15.15%	16.32%
Unvoted Debt Limitation - 5.5% of Assessed Valuation	83,310,238	90,183,918	92,235,495	93,007,083	86,930,312	\$ 87,723,493	87,203,539	76,754,708	76,227,935	75,332,839
Debt Within 5.5% Limitations	<u>15,552,526</u>	<u>19,991,107</u>	<u>21,286,131</u>	<u>19,244,376</u>	<u>20,684,065</u>	<u>22,190,430</u>	<u>16,904,957</u>	<u>18,007,037</u>	<u>19,143,015</u>	<u>20,495,634</u>
Legal Debt Margin Within 5.5% Limitations	<u>\$ 67,757,712</u>	<u>\$ 70,192,811</u>	<u>\$ 70,949,364</u>	<u>\$ 73,762,707</u>	<u>\$ 66,246,247</u>	<u>\$ 65,533,063</u>	<u>\$ 70,298,582</u>	<u>\$ 58,747,671</u>	<u>\$ 57,084,920</u>	<u>\$ 54,837,205</u>
Total Debt Applicable to the 5.5% Limit as a Percentage of the Debt Limit	18.67%	22.17%	23.08%	20.69%	23.79%	25.30%	19.39%	23.46%	25.11%	27.21%

LEGAL DEBT MARGIN CALCULATION FOR 2010

Assessed Valuation	\$ 1,514,731,603
Overall Debt Limitation - 10.5% of Assessed Valuation	159,046,818
Gross Indebtedness	30,497,346
Less: OWDA/OPWC	607,346
Special Assessment Bonds & Notes	<u>14,337,474</u>
Net Debt Within 10.5% Limitations-General Obligation Bonds	<u>15,552,526</u>
Legal Debt Margin Within 10.5% Limitation	<u>\$ 143,494,292</u>
Unvoted Debt Limitation - 5.5% of Assessed Valuation	83,310,238
Gross Indebtedness Authorized by Council	15,552,526
Less Debt Outside Limitations-Voted	<u>-</u>
Debt Within 5.5% Limitations	<u>15,552,526</u>
Legal Debt Margin Within 5.5% Limitation	<u>\$ 67,757,712</u>

CITY OF MENTOR, OHIO

Pledged-Revenue Coverage

Last Ten Fiscal Years

SPECIAL ASSESSMENT BONDS

<u>Year</u>	<u>Special Assessment Collections</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
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
2009	1,266,401	750,976	680,205	0.88
2010	1,196,808	816,419	545,253	0.88

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

Year	Population¹	Total Personal Income²	Per Capita Personal Income¹	Median Household Income¹	Unemployment Rate³
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%
2009	50,278	1,236,436,576	24,592	65,322	7.8%
2010	47,159	1,159,734,128	24,592	65,322	6.9%

SOURCES:

¹ U.S. Bureau of Census 1990, 2000 and 2010

² Computation of per capita personal income multiplied by population

³ Local Area Employment Statistics

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

<u>Employer</u>	<u>2010</u>			<u>2001</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	1,018	1	3.02%	1,202	1	4.27%
Steris Corp.	857	2	2.54%	700	3	2.48%
City of Mentor ¹	837	3	2.48%	788	2	2.80%
Deepwood/Lake County MRDD	460	4	1.37%	500	5	-
Avery Dennison	450	5	1.34%	-	-	0.00%
PCC Airfoil	425	6	1.26%	480	6	-
Component Repair Technologies	365	7	1.08%	-	-	-
U.S. Endoscopy	360	8	1.07%	-	-	-
Lincoln Electric	345	9	1.02%	515	4	1.83%
JC Penney Co.	275	10	0.82%	310	10	1.10%
Mag-Nif, Co.	-	-	-	350	9	1.24%
Sear's Roebuck & Co.	-	-	-	375	8	1.33%
Super K-Mart	-	-	-	400	7	1.42%
Total Employees within the City:			<u>33,696</u>			<u>28,173</u>

¹Includes Part-time and Seasonal Employees

SOURCE:

City of Mentor, Department of Economic Development
 US Census Data from 2004 and 2000

CITY OF MENTOR, OHIO

Full-Time City Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Government										
Council	2	2	2	2	2	2	2	2	2	2
Finance	10	11	13	12	13	12	14	14	14	14
City Manager/Personnel	14	15	15	14	16	16	15	15	14	14
Law	2	2	2	2	2	2	2	2	2	2
Engineering/Building*	19	20	21	21	17	17	18	19	21	21
Court	21	21	22	22	21	20	21	21	18	16
Security of Persons and Property										
Police	110	112	112	111	112	109	112	108	108	106
Fire	76	76	79	79	79	79	78	71	73	76
Public Health Services										
Cemetery	3	4	5	5	4	5	5	5	5	5
Parks, Recreation & Public Facilities	24	23	23	35	37	37	34	36	38	39
Economic & Community Development										
Economic Development/Planning*	8	8	7	9	12	12	11	12	12	12
Streets & Highways	69	72	75	62	64	62	65	63	65	62
Totals:	358	366	376	374	379	373	377	368	372	369

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	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Governmental										
General Government										
Council - Ordinances & Resolutions	138	143	149	160	174	139	140	203	144	145
Personnel - Civil Service Exams (taken)	29	421	0	312	38	415	19	576	0	415
Court - Number of Cases	12,506	12,069	11,515	10,364	10,410	11,427	11,821	11,168	11,283	10,734
Finance										
Number of A/P Checks Processed	9,593	9,002	9,976	9,918	11,963	12,119	12,103	12,236	11,887	12,070
Number of Purchase Orders Issued	4,074	4,215	4,477	4,394	4,322	4,764	4,704	5,005	5,605	5,501
Security of Persons and Property										
Police										
Criminal Arrests	2,433	2,390	2,417	2,516	2,890	2,366	2,400	2,175	2,275	2,098
Traffic Citations	7,974	7,319	6,525	7,161	7,557	8,659	8,960	8,851	9,120	8,544
Parking Citations	1,718	1,588	1,083	1,082	1,425	998	1,276	1,452	1,748	1,562
Fire - Total Number of Calls	6,579	6,513	6,467	6,423	6,063	6,190	5,827	5,925	6,036	5,825
Building & Engineering										
Building Permits Issued	2,576	2,296	2,558	2,613	2,966	2,845	3,013	3,072	2,946	2,936
Inspections - Residential	4,211	4,691	4,235	5,688	6,299	6,577	6,575	7,358	7,474	6,885
Inspections - Commercial	4,220	3,957	4,154	4,478	4,960	4,259	4,512	3,545	3,281	3,024
Parks, Recreation & Public Facilities										
Pools - Attendance	102,570	83,426	101,133	92,588	101,653	112,449	100,017	109,995	125,293	133,250
Senior Center - Program Participants	5,583	5,439	5,189	4,808	4,210	3,876	3,528	3,598	3,532	3,730
Golf Course - Rounds of Golf	40,168	40,897	41,019	41,284	41,361	35,562	N/A	N/A	N/A	N/A
Marina - Dock Rentals	519	500	510	521	503	510	494	484	470	442
Arena - Tournaments/Special Events	13	9	9	9	10	6	6	6	4	4
Arena - Number of Admissions	12,291	12,609	13,736	20,099	25,010	20,400	20,600	20,660	20,565	21,331
Cemetery - Number of Internments	227	211	239	227	238	238	233	244	250	271
Streets and Highways										
Streets Resurfaced (miles)	2.6	3.9	2.1	8.0	4.3	5.8	7.0	8.0	6.7	7.0
Concrete Pavement Replacements (cu yd)	57	596	526	400	410	400	300	700	200	116
Hazardous Ditch Enclosures (ln ft)	1,900	2,385	6,551	2,580	9,200	10,200	8,000	10,000	12,000	10,200
Drainage Assistance Projects (ln ft)	1,519	5,407	4,224	7,948	4,753	10,300	7,800	4,500	2,500	10,000

SOURCE: Various Mentor Departments

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

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Government										
Square Footage of Municipal Center	52,465	52,465	52,465	45,313	45,313	45,313	45,313	45,313	45,313	45,313
Police										
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	46	46	50	47	45	45	44	44	46	45
ATV	1	1	0	0	0	0	0	0	0	0
Fire										
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	56,308	56,308	54,308	54,308
Vehicles	41	41	41	39	38	39	39	38	35	36
Recreation										
Number of Parks	11	11	11	11	11	11	11	11	11	11
Number of Dog Parks	1	1	1	1	1	1	1	1	1	0
Number of Spray Parks	2	2	2	2	2	2	2	2	1	0
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	6	6	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	2	2
Number of Baseball Diamonds	19	19	19	19	19	19	19	19	19	18
Number of Soccer Fields	12	12	12	12	12	12	12	10	10	9
Number of Basketball Courts	5	5	5	5	5	5	5	5	5	5
Number of Golf Courses	1	1	1	1	1	1	0	0	0	0
Number of Marinas	1	1	1	1	1	1	1	1	1	1
Vehicles	15	15	49	49	48	45	43	46	46	N/A
Square Footage of PRPF Facilities	261,502	261,502	261,502	261,502	261,502	269,032	259,370	258,046	258,046	258,046
Streets & Highways										
Streets (miles)	241.0	241.0	241.0	241.0	240.0	228.3	227.6	227.0	226.3	226.3
Number of Streetlights (per light bill)	5,254	5,254	5,254	5,254	5,247	5,209	5,209	5,209	5,179	5,035
Number of Traffic Signals	707	707	707	707	860	851	846	832	823	823
Number of Pedestrian Signals	470	470	470	470	366	362	360	356	350	350
Number of Signalized Intersections	85	85	85	85	83	81	80	79	78	78
Service Vehicles	70	70	70	70	67	64	66	68	67	N/A
Square Footage Buildings	72,053	72,053	72,053	72,053	72,053	72,053	72,053	72,053	99,840	99,840

SOURCE: Various Mentor Departments

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Dave Yost • 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 05, 2011