

**CITY OF MENTOR  
LAKE COUNTY, OHIO**

**SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2016**

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





# Dave Yost • Auditor of State

Members of City 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, 2016 through December 31, 2016. 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 19, 2017

**This page intentionally left blank.**



**CITY OF MENTOR  
LAKE COUNTY, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2016**

---

---

TABLE OF CONTENTS

	<u>PAGE</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3-5
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8
Schedule of Prior Year Findings and Recommendations	9

**This page intentionally left blank.**

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

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

---

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**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  
City of Mentor  
Mentor, Ohio

The Honorable Dave Yost  
Auditor of State  
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mentor, Lake County, Ohio, (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 12, 2017, wherein we noted the Ohio Police and Fire Pension (OP&F) had made a revision to the total net pension liability based on the census file provided to its actuary. The City has restated its December 31, 2015 net position as a result.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City of Mentor's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Mentor's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City of Mentor's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City of Mentor's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

### ***Purpose of This Report***

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



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

May 12, 2017

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

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

---

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT  
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON  
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Members of City Council  
City of Mentor  
Mentor, Ohio

The Honorable Dave Yost  
Auditor of State  
State of Ohio

***Report on Compliance for Each Major Federal Program***

We have audited the City of Mentor, Lake County, Ohio's (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the City of Mentor's major federal programs for the year ended December 31, 2016. The City of Mentor's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Mentor's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Mentor's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the City of Mentor, Lake County, Ohio, complied, in all material respects, with the types of 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, 2016.

### ***Report on Internal Control over Compliance***

Management of the City of Mentor, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Mentor's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, 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'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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have also 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, 2016, and the related notes to the financial statements, which collectively comprise the City of Mentor's basic financial statements. We issued our report thereon dated May 12, 2017, which contained unmodified opinions on those financial statements, wherein we noted the Ohio Police and Fire Pension (OP&F) had made a revision to the total net pension liability based on the census file provided to its actuary. The City has restated its December 31, 2015 net position as a result. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



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

May 12, 2017

**CITY OF MENTOR, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

<b>Federal Grantor/ Pass Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Grant Number</b>	<b>Federal Expenditures</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
<i>Direct Program:</i>			
Community Development Block Grants/Entitlement Grants	14.218	B-15-MC-39-0033	\$ 164,984
<b>Total U.S. Department of Housing and Urban Development</b>			<u>164,984</u>
<b><u>U.S. Department of Justice</u></b>			
<i>Passed Through the Ohio Office of Criminal Justice Services</i>			
VOCA Victims Assistance Grant	16.575	2009VAGENE531	33,740
Edward Byrne Memorial Justice Assistance Grant	16.804	2015-JG-AO2-6912	16,781
<i>Direct Program</i>			
Bulletproof Vest Partnership Program	16.607	2006-BUBX-06134411	<u>9,436</u>
<b>Total U. S. Department of Justice</b>			<u>59,957</u>
<b><u>U.S. Environmental Protection Agency</u></b>			
<i>Direct Program</i>			
Great Lakes Program GLNPO	66.469	GL-00E01406	<u>250,000</u>
<b>Total U.S. Environment Protection Agency</b>			<u>250,000</u>
<b><u>U.S. Department of Homeland Security</u></b>			
<i>Direct Program</i>			
Assistance to Fire Fighters Grant	97.044	EMW-2014-03524	<u>847,536</u>
<b>Total U.S. Department of Homeland Security</b>			<u>847,536</u>
<b><u>U.S. Department of Transportation</u></b>			
<i>Passed Through the Ohio Department of Transportation</i>			
Heisley Road Phase III	20.205	Agreement No. 24885, 24889	2,563,589
SR 306-5.53 Reynolds Road	20.205	Agreement 27141	1,848,210
US 20-9.47 Safety	20.205	Agreement 26791	<u>458,149</u>
Total Highway Planning and Construction			<u>4,869,948</u>
<b>Total U.S. Department of Transportation</b>			<u>4,869,948</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 6,192,425</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.



**CITY OF MENTOR, OHIO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

---

---

NOTE 1: **SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of the City of Mentor's (the City) federal award programs. The Schedule has been prepared on the cash basis of accounting. The information in this Schedule is presented in accordance with the requirement of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City,

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 2016.

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.

NOTE 4: **INDIRECT COST RATE**

The City did not use the de-minimis rate of 10 percent for indirect costs charged to Federal Programs.

**CITY OF MENTOR, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

---

**1. SUMMARY OF AUDITOR'S RESULTS**

2016(I)	Type of Financial Statement Opinion	Unmodified
2016(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2016(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2016(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2016(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2016(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2016(v)	Type of Major Programs' Compliance Opinions	Unmodified
2016(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2016(vii)	Major Programs (list):  Highway Planning and Construction Grant - CFDA #20.205 Great Lakes Program - CFDA#66.469 Assistance to Fire Fighters Grant - CFDA#97.044	
2016(viii)	Dollar Threshold: A/B Programs	Type A: \$750,000 Type B: All Others
2016(ix)	Low Risk Auditee?	Yes

**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**  
**SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

---

---

The prior audit report, as of December 31, 2015, included no citations. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

**This page intentionally left blank.**



**2016**

**THE CITY OF MENTOR, OHIO  
Comprehensive Annual Financial Report**

**For the Year Ended December 31, 2016**



CITY OF  
MENTOR, OHIO



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

ISSUED BY THE DEPARTMENT OF FINANCE

DAVID W. MALINOWSKI, DIRECTOR  
BONNIE L. LINGAFELTER, ASSISTANT DIRECTOR



**This page intentionally left blank.**



# CITY OF MENTOR, OHIO

## COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED DECEMBER 31, 2016 TABLE OF CONTENTS

---

	Page
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal -----	1
Principal City Officials -----	8
Department of Finance Staff -----	9
Organization Chart -----	10
Certificate of Achievement for Excellence in Financial Reporting -----	11
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report -----	13
Management's Discussion and Analysis -----	17
<b>BASIC FINANCIAL INFORMATION</b>	
<b>Government Wide Financial Statements:</b>	
Statement of Net Position -----	33
Statement of Activities -----	34
<b>Fund Financial Statements:</b>	
Balance Sheet – Governmental Funds -----	35
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position -----	36
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds -----	37
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities -----	38
Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund - Budget and Actual (Non-GAAP Budgetary Basis) -----	39
Statement of Fund Net Position – Proprietary Fund -----	40
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund -----	41
Statement of Cash Flows – Proprietary Fund -----	42
Statement of Fiduciary Net Position – Fiduciary Funds -----	43
Statement of Changes in Fiduciary Net Position – Fiduciary Funds -----	44
Notes to the Basic Financial Statements -----	45
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of the City's Proportionate Share of the Net Pension Liability Ohio Public Employees Retirement System -----	83
Schedule of the City's Proportionate Share of the Net Pension Liability Ohio Police and Fire Pension Fund -----	84
Schedule of City Contributions – Ohio Public Employees Retirement System -----	85
Schedule of City Contributions – Ohio Police and Fire Pension Fund -----	86

# CITY OF MENTOR, OHIO

## COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED DECEMBER 31, 2016 TABLE OF CONTENTS

---

	Page
<b>SUPPLEMENTARY INFORMATION</b>	
<b><i>Individual Fund Schedules of Revenues and Expenditures – Budget and Actual (Non-GAAP Budgetary Basis):</i></b>	
Major Funds	
General Fund-----	87
Special Assessment Bond Retirement Fund-----	89
<b><i>Combining Statements and Individual Fund Schedules:</i></b>	
Description of Nonmajor Governmental Funds -----	91
Combining Statements – Nonmajor Governmental Funds	
Combining Balance Sheet -----	94
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -----	107
Combining Statement of Changes in Assets and Liabilities – Agency Funds -----	120
Schedules of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis) Nonmajor Funds:	
Street Fund -----	121
TIF Fund -----	122
Police Pension Fund -----	123
Fire Pension Fund -----	124
Fire Levy Fund -----	125
Senior Citizens Services Levy Fund -----	126
Community Recreation Facilities Fund -----	127
Cemetery Fund -----	128
Economic Development Fund -----	129
Subdivision Street Tree Fund -----	130
Street Lighting Fund -----	131
Court Computer Fund -----	132
Court Special Projects Fund -----	133
Enforcement and Education Fund -----	134
Court Probation Services Fund -----	135
Indigent Driver Alcohol Treatment Fund -----	136
Indigent Driver Alcohol Monitoring Fund -----	137
Law Enforcement Trust Fund -----	138
Payroll Stabilization Fund -----	139
Police Canine Fund -----	140
Seat Belt Grant Fund -----	141
VOCA Victims Assistance Grant Fund -----	142
CDBG NSP Fund -----	143
Community Development Block Grant Fund -----	144
Forfeited Property – U.S. Department of Justice Fund -----	145
Council Donation Fund -----	146
Police Donation Fund -----	147
Fire Donation Fund -----	148
Parks and Recreation Donation Fund -----	149

# CITY OF MENTOR, OHIO

## COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED DECEMBER 31, 2016 TABLE OF CONTENTS

---

	Page
<b>SUPPLEMENTARY INFORMATION (Continued)</b>	
Senior Citizens Activities Fund -----	150
Cultural Fund -----	151
Beautification Fund -----	152
Local Grant Fund-----	153
General Obligation Bond Retirement Fund -----	154
Plaza Boulevard Extension Fund -----	155
Energy Program Fund -----	156
Amphitheater Fund -----	157
Two-Town Detention Basin Fund -----	158
Roosevelt Culvert Fund -----	159
Rice Detention Basin Fund -----	160
Jackson Street Fund -----	161
Murray Avenue Fund -----	162
State Grants – Other Fund -----	163
Heisley Road Improvement – Phase III Fund -----	164
Corduroy Bikeway Connector Fund -----	165
Newell Creek Bikeway Fund -----	166
I90/SR 615 Interchange Fund -----	167
SR 306 Resurfacing Fund -----	168
US20 Widening/Resurfacing Fund -----	169
SR84 Resurfacing Fund -----	170
Federal Grants – Other Fund -----	171
 <b>STATISTICAL SECTION</b>	
Statistical Section – Contents -----	173
Net Position by Components (Accrual Basis) – Last Ten Fiscal Years -----	174
Changes in Net Position (Accrual Basis) – Last Ten Fiscal Years -----	175
Fund Balances, Governmental Funds (Modified Accrual Basis) – Last Seven Fiscal Years -	177
Fund Balances, Governmental Funds (Modified Accrual Basis) – Prior Three Fiscal Years --	178
Changes in Fund Balances, Governmental Funds (Modified Accrual Basis) – Last Ten Fiscal Years -----	179
Assessed Valuation and Estimated Actual Values of Taxable Property – Last Ten Fiscal Years -----	180
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years-----	181
Principal Property Tax Payers – Current Year and Nine Years Ago-----	182
Property Tax Levies and Collections – Real and Public Utility Property Only – Last Ten Fiscal Years -----	183
Income Tax Revenue Base and Collections (Cash Basis) – Last Ten Fiscal Years and Top Ten Income Tax Withholders – Current Year and Nine Years Ago -----	184
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years -----	185
Ratios of Net General Bonded Debt to Assessed Valuation and Net Bonded Debt per Capita – Last Ten Fiscal Years -----	186

# CITY OF MENTOR, OHIO

## COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED DECEMBER 31, 2016 TABLE OF CONTENTS

---

	<b>Page</b>
<b><i>STATISTICAL SECTION (Continued)</i></b>	
Direct and Overlapping Debt – December 31, 2015 -----	187
Legal Debt Margin – Last Ten Fiscal Years -----	188
Pledged-Revenue Coverage – Last Ten Fiscal Years -----	189
Demographic and Economic Statistics – Last Ten Fiscal Years -----	190
Principal Employers – Current Year and Nine Years Ago -----	191
Full-Time City Government Employees by Function/Program – Last Ten Fiscal Years -----	192
Operating Indicators by Function/Program – Last Ten Fiscal Years -----	193
Capital Assets Statistics by Function/Program – Last Ten Fiscal Years -----	194



**This page intentionally left blank.**





# INTRODUCTION







# City of Mentor

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

Council-manager  
government since 1963

May 12, 2017

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, 2016. This report, prepared by the Department of Finance, includes the basic financial statements that summarize the various operations related to the City’s 2016 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 2016 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, 2016, 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 unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2016 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 47,159 residents according to the 2010 Census of Population and is the largest city in Lake County.

### *City Government*

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

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

### *Financial Reporting Entity*

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

Under these provisions, the City's financial reporting entity acts as a single rather than multi-component unit. The provisions permit the entity to include all funds, agencies, and boards and commissions that, by definition, comprise components within the primary government itself. For the City, these components include police and fire protection services, municipal court, planning and engineering, zoning code enforcements, street maintenance, traffic control, parks and recreation, building inspection and 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 and deferred outflows of resources, liabilities and deferred inflows of resources, 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. A Proprietary Fund is used to record the activity of the City's Internal Service Funds.

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 2016, its local economic activity experienced steady growth as reflected in a modest (0.5%) percent increase in municipal income tax receipts (cash basis) compared to the previous year.

### *Major Industries and Employment*

City officials continue to be 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 continues to strengthen the City's economic base. The City ranks 7<sup>th</sup> in the number of manufacturers and 8<sup>th</sup> in manufacturing employment in Ohio according to the 2012 Economic Census of Manufacturing, and 6<sup>th</sup> in the state in sales volume according to the 2012 Economic Census of Retail Trade.

### *Current Projects and 2016 Accomplishments*

In terms of roadway infrastructure improvements, the City provided for the repair and/or resurfacing of 29 streets. Capital improvement projects included: construction for the widening of Heisley Road between Jackson Street and Mentor Avenue, and construction of the extension of Plaza Boulevard; enhancements at the I90/S.R. 615 interchange; widening and resurfacing S.R. 306 from S.R. 84 to S.R. 283; pavement repairs and overlay for Jackson Street from Mentor Avenue to Heisley Road; bridge repairs on Center Street over the railroad tracks; and obtaining land and right-of-way for the widening of Mentor Avenue (U.S. 20) from S.R. 615 to Murray Avenue by construction of a two-way turn lane. Other improvements included the continuation of the City-wide sidewalk replacement program and the construction of a bike path system north of Norton Parkway for public use. Drainage projects undertaken in 2016 included the necessary field surveying and information mapping to assemble the required base maps as part of the Mentor City Stormwater Drainage Permit application to the Ohio EPA. Other storm drainage improvements included replacement of storm sewer at Murray Avenue, and the Seminole Street drainage project. The City also completed two parking lot improvement projects using bio retention cells and permeable pavers at Park locations,

The Fire Department continued to be one of the highest rated fire departments in the state with an ISO Class 2 public protection classification by the Insurance Services Office. This high rating means that business and commercial concerns within the City can realize savings on insurance premiums. The department responded to and safely managed 7,852 calls for service in 2016. Its main focus is community risk reduction to prevent harm to community and to always serve the public's best interest. In doing so, the department recognizes the importance of Public Education and presented Safety Awareness Programs to over 7,900 members of the community in 2016. The Fire Prevention Bureau continues to work closely with the business community on a daily basis.

The Economic and Community Development Department actively promoted the benefits of business location in the City. In 2016 the Department provided administrative review for the following grant-assisted projects: Libra Industries, Malish Corporation, DeNora Tech, Polychem and Citywide Solutions. The net impact of these grants are anticipated to result in \$43.0 million

in investments, the retention or creation of 353 jobs and approximately \$16.2 million in new payroll. The department continues to actively promote the international trade and export initiative within the City and the attraction of new retail establishments.

The Public Information Office (PIO) is responsible for facilitating the City of Mentor's communication efforts. The department is accountable for resident and press inquiries as well as promotion of the City. PIO develops and manages content for the Mentor Channel, radio station, City websites, City social media accounts, and the City of Mentor app. PIO assists with the marketing of City events including: Mentor CityFest, Headlands BeachFest, Mentor Rocks and more. PIO is also responsible for the development of print and promotional materials.

The Department of Parks, Recreation and Public Facilities had another busy year. Over 190 golfers played in the Chili Open in January. 1,032 pool passes were sold in 2016. Almost 28,000 people signed up for a course or program in 2016. The department offered 161 different camp opportunities, with over 4,000 campers participating in these camps. A total of 704 rentals were booked in Mentor's 12 rental facilities in 2016 with almost 58,000 people attending a rental at one of our facilities. Membership at the Senior Center is over 4,800 members. The fifth year of the community garden in Wildwood Park saw 31 gardening sites used. The department operated the festival titled Mentor CityFest for the fourth year in August, 2016. An estimated 12,000 people attended the event with sponsors contributing \$22,000. 2016 was the fourth year of the Natural Resources Division deer culling program with 148 deer being culled for a total of over 6,845 lbs. of meat being donated to the Cleveland Food Bank.

The Police Department had several officers retire in 2016. One sergeant retired which required a promotion from patrolman to sergeant and the process of hiring new officers began with several new officers expected in 2017. In the Communications Center, the position of Assistant Communications Supervisor was created and filled by a Mentor dispatcher. The department also hired one full-time and two part-time dispatchers. The City also hired a Victim's Advocate to assist crime victims with legal processes. The patrol division remained busy in 2016, with one notable program – the Retail Theft Deterrence Program. This specialized program targets retail theft in the City, particularly with a nexus to drug use. Officers working this detail have been very successful in identifying and apprehending shoplifters as well as educating retailers in the City about the issue and effective means to combat it. Using money seized from drug investigations, the department purchased ballistic armor plates and helmets for each patrol car. These items are designed to protect officers from threats from firearms including high powered rifles. The additional armor is intended to be worn over each officer's existing body armor to give added protection in high risk incidents.

*For the Future*

The City's five-year (2017-2021) capital improvement program contains the following proposed expenditures:

Facility construction and improvements	\$ 6,804,000
Roadway construction and improvements	37,625,100
Traffic control	1,550,000
Sidewalk and bikeway improvemnets	2,975,000
Storm drainage	6,592,900
Park acquisition, development and improvement	7,708,000
Major capital equipment	9,411,200
Miscellaneous	1,750,000
	<u>\$ 74,416,200</u>

Of the proposed \$74,416,200 for the five-year period, \$19,776,500 (27%) is expected to be funded by the City. The remaining \$54,639,700 (73%) is expected to be funded primarily by Federal/State/County assistance.

Projects anticipated in 2017 include the following: final construction of the extension of Plaza Boulevard; resurfacing of S.R. 84 from Garfield Road to S.R. 306; widening Mentor Avenue from S.R. 615 to Murray Avenue by constructing a two-way left turn lane; rehabilitating Marigold Road from Woodridge Lane to Lake Overlook Drive; replacing the wearing surface on the Garfield Road Bridge over I90; installing a waterline from the cul-de-sac at Tin Man Road to the main at Tyler Boulevard; and extending the right turn lane on Diamond Center at Heisley Road eastward to the intersection with Emerald Court. Other improvements include the continuation of the City-wide sidewalk replacement program; upgrades to decorative lighting in the Old Village District; storm drainage improvements with the construction of the two-town detention basin between Jeremy Drive and Bellflower Road; replacement of storm sewer on Midland Road from Mentor Avenue to Crossfield Road; and ditch relocation at the Hunter's Woods subdivision near I90. Major Park improvement projects include: dredging Garfield Park pond; infrastructure development for the future park at the Springbrook Gardens location; and construction of the new amphitheater on the main Civic Center campus.

#### *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 issued Bond Anticipation Notes of approximately \$7.5 million during 2017 to finance certain capital and infrastructure improvements and to reimburse the general fund for the cost of acquiring real estate in prior years. The City anticipates issuing bonds in 2017, for all or a portion of these project costs.

#### *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*

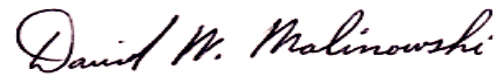
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mentor for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2015. The Certificate of Achievement 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 thirty-two consecutive years (fiscal years 1984-2015). 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,

A handwritten signature in black ink that reads "David W. Malinowski". The signature is written in a cursive style with a large initial 'D'.

David W. Malinowski, Director of Finance

# CITY OF MENTOR, OHIO

## PRINCIPAL CITY OFFICIALS DECEMBER 31, 2016

---

### Mentor City Council

At-Large, President ----- Janet A. Dowling  
At-Large ----- Ray Kirchner  
At-Large ----- Scott J. Marn  
Ward 1 ----- Sean P. Blake  
Ward 2 ----- Matthew E. Donovan  
Ward 3 ----- Bruce R. Landeg  
Ward 4, Vice President ----- John A. Krueger

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

Law Director ----- Richard A. Hennig  
Clerk of Council ----- Julie A. Schiavoni  
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 ----- Kenneth S. Kaminski  
City Engineer ----- Dave Swiger  
Chief of Police ----- Kevin Knight  
Fire Chief ----- Robert M. Searles  
Director of Economic and Community Development ----- Ronald M. Traub

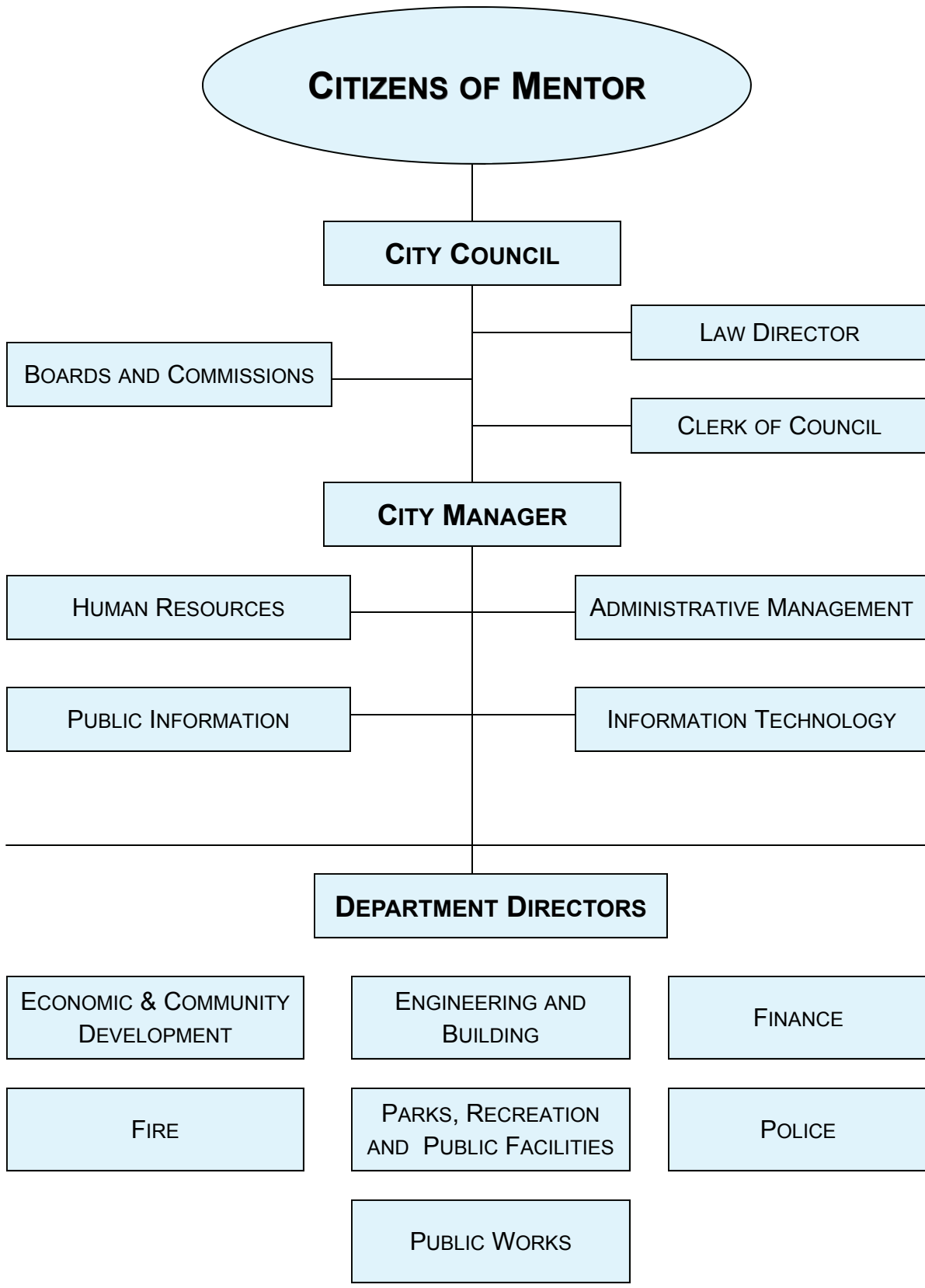


**CITY OF MENTOR, OHIO**

**DEPARTMENT OF FINANCE STAFF  
DECEMBER 31, 2016**

---

David W. Malinowski----- Director of Finance  
Bonnie L. Lingafelter-----Assistant Director  
Billie K. Geyer ----- Accounting Supervisor  
Jill T. Lehner ----- Accounting Coordinator  
Veronica Fetsko-----Sr. Accounting Assistant  
Jennifer Hess -----Sr. Accounting Assistant  
Marie Samec----- Accounting Assistant  
Barbara Young ----- Accounting Assistant  
Debra Hall ----- Accounting Assistant  
Aimee Hunziker ----- Accounting Assistant  
Gina Aliberti ----- Office Assistant





Government Finance Officers Association

**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, 2015**

Executive Director/CEO







# FINANCIAL INFORMATION







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

*Certified Public Accountants  
5240 East 98<sup>th</sup> 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  
Mentor, Ohio

The Honorable Dave Yost  
Auditor of State  
State of Ohio

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mentor, Lake County, Ohio, (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mentor, Lake County, Ohio, as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note 2 to the basic financial statements, the Ohio Police and Fire Pension (OP&F) had made a revision to the total net pension liability based on the census file provided to its actuary. The City has restated its December 31, 2015 net position as a result. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension Liabilities and Pension Contributions, as listed in the table of contents, 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.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mentor's basic financial statements. 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 basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic 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.

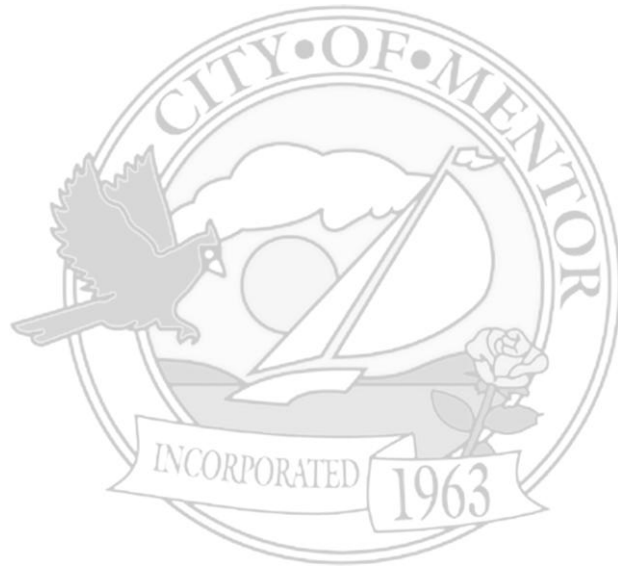
### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2017, on our consideration of the City of Mentor'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* in considering the City of Mentor's internal control over financial reporting and compliance.



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

May 12, 2017



# 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, 2016. Please read this information in conjunction with the City's basic financial statements and footnotes.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2016 by approximately \$146.9 million (net position). All of the net position is accounted for as governmental activities. Of this amount, \$28.6 million (unrestricted net position prior to reporting the net pension liability) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net position (restated for net pension liability) increased by \$2.9 million during 2016.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$20.4 million and is available for spending at the City's discretion. The unassigned fund balance equals 38.2 percent of total current year general fund expenditures.
- The City's total debt and other long-term obligations increased by \$13.0 million (16.2 percent) during the current fiscal year. The increase was primarily related to the net effect of the retirement of bonds during the year (\$3.0 million), reduced workers compensation liabilities (\$0.7 million), notes issued (\$3.0 million) and additional net pension liability (\$13.8 million).

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of six components: 1) government-wide financial statements, 2) fund financial statements, 3) General Fund budget and actual statement, 4) proprietary fund financial statements, 5) fiduciary fund financial statements, and 6) 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 position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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.

**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 three categories: governmental funds, proprietary 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 53 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 the Special Assessment Bond Retirement Fund, which are considered to be major funds. Data from the other 51 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.

**Proprietary funds.** Proprietary funds are used to account for activities that receive significant support from fees and charges. The City established two Proprietary funds known as internal service funds to account for the operation of the retrospective workers' compensation program and also to account for its medical self-insurance program. Proprietary funds are not combined with other governmental funds when reporting the governmental fund financial statements. However, fund activity is reflected in the government-wide financial statements.

**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 position and changes in net position.

**General Fund budget and actual statement.** The City adopts an annual appropriated budget for each of its funds. The General Fund budgetary comparison 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.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The Statement of Net Position looks at the City as a whole. The following table provides a summary of the City's net position for 2016 compared to 2015.

	Summary of Net Position	
	<u>December 31, 2016</u>	<u>Restated December 31, 2015</u>
<b>Assets</b>		
Current and other assets	\$ 66,646,023	\$ 63,213,726
Net Pension Asset	20,861	12,586
Capital Assets	<u>169,916,847</u>	<u>164,659,270</u>
Total Assets	<u>236,583,731</u>	<u>227,885,582</u>
<b>Deferred Outflows of Resources</b>		
Deferral on Refunding	146,425	165,531
Pension	<u>17,474,946</u>	<u>6,549,129</u>
Total Deferred Outflows of Resources	<u>17,621,371</u>	<u>6,714,660</u>
<b>Liabilities</b>		
Current and other liabilities	7,309,516	4,408,767
Long term liabilities:		
Due within one year	3,346,054	3,855,190
Due in more than one year:		
Net Pension Liability	60,457,156	46,689,192
Other Amounts	<u>29,974,490</u>	<u>30,182,614</u>
Total Liabilities	<u>101,087,216</u>	<u>85,135,763</u>
<b>Deferred Inflows of Resources</b>		
Intergovernmental Revenue	127,869	-
Property Taxes	4,699,835	4,677,784
Payment in Lieu of Taxes	837,000	490,000
Pension	<u>503,919</u>	<u>239,378</u>
Total Deferred Inflows of Resources	<u>6,168,623</u>	<u>5,407,162</u>
<b>Net Position</b>		
Net Investment in Capital Assets	140,413,994	137,257,572
Restricted	21,459,302	21,289,843
Unrestricted	<u>(14,924,033)</u>	<u>(14,490,098)</u>
Total Net Position	<u>\$ 146,949,263</u>	<u>\$ 144,057,317</u>

During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net position liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pensions costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps required action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

Net position at December 31, 2015 was decreased by \$800,662. After the City issued its December 31, 2015 Comprehensive Annual Financial Report, one of the pension plans restated its collective net pension liability based on revised information presented to its actuary.

Total assets and deferred outflows of resources increased \$19,604,860 from 2015 to 2016. The increase was due to the net effect of an increase in total deferred outflows of resources (\$10.9 million) primarily caused by recording of deferred outflows related to pension and an increase in capital assets (\$5.3 million) and other assets (\$3.4 million).

Total liabilities and deferred inflows of resources increased by \$16,712,914. The increase was primarily attributable to an increase in the net pension liability by \$13.8 million and a \$0.3 million increase in pension deferred inflows, and a \$2.9 million increase in current and other liabilities, mostly related to bond anticipation notes issued during 2016.

The result of increased assets and deferred outflows of resources and increased liabilities and deferred inflows of revenues is an increase in total net position of \$2,891,946. A portion of the City's net position (14.6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$14.9 million. The deficit is primarily the result of the City's implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pension – an Amendment of GASB Statement 27" (GASB 68).

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

## Changes in Net Position

	2016	2015
Revenues		
Program Revenues:		
Charges for services	\$ 15,922,052	\$ 9,801,411
Operating grants and contributions	4,453,697	855,865
Capital grants and contributions	4,564,468	1,116,596
General Revenues:		
Municipal income taxes	42,014,148	39,118,569
Property taxes	5,185,517	4,976,486
Other local taxes	628,145	602,640
Payments in lieu of taxes	490,529	490,817
Grants and entitlements not restricted to specific programs	4,789,030	5,001,823
Unrestricted investment earnings	488,385	218,794
Other	1,214,899	75,287
Total Revenues	79,750,870	62,258,288
 Expenses		
General government	9,367,082	8,010,257
Police	16,427,987	14,356,357
Fire	15,126,018	11,984,552
Streets and highways	18,817,008	14,300,711
Parks, recreation and public facilities	10,285,152	10,106,430
Economic and community development	3,447,472	3,154,279
Engineering and building	2,356,039	1,895,626
Interest and fiscal charges	1,032,166	1,082,615
Total Expenses	76,858,924	64,890,827
 Increases (Decreases) in net position	2,891,946	(2,632,539)
 Net position at beginning of year, restated	\$ 144,057,317	N/A
 Net position at end of year	\$ 146,949,263	\$ 144,057,317

The increase in net position of \$2.9 million in 2016 is a result of higher expenses in most functional areas, and higher program revenues and general revenues. Charges for services in Program Revenues and all categories in Expenses were higher by approximately \$5 million in 2016 as a result of the City's establishment of a Self Insurance Fund for medical insurance. The decrease in net position of \$2.6 million in 2015 is a result of higher expenses in a few functional areas, primarily in general government and police, and less program revenues for charges for services, and capital grants and contributions, and less general revenues for grants and entitlements not restricted to specific programs and unrestricted investment earnings combined with more revenue from collections of municipal income taxes.



## **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 unassigned 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, 2016, the City's governmental funds reported combined ending fund balances of \$35.9 million, a decrease of \$1.0 million from the prior year. The unassigned amount of \$18.2 million is available for spending at the City's discretion. The remainder of the combined fund balances is not available for general spending because it has already been 1) assigned (\$7.5 million), 2) committed (\$1.6 million), 3) restricted (\$7.7 million), or nonspendable (\$0.9 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, the changes in fund balance of the Special Assessment Bond Retirement Fund should be noted:

- The City recorded revenues of \$1.0 million and expenditures of \$1.0 million related to special assessments for certain bonds issued in past years. The fund balance did not materially change from the previous year.

The General Fund is the chief operating fund of the City. At December 31, 2016, the unassigned fund balance of the General Fund was \$20.4 million. As a measure of the General Fund's liquidity, it is useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents 38.2 percent of total General Fund expenditures at December 31, 2016.

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, 2016 and December 31, 2015

	<u>2016</u>	<u>2015</u>
Revenues:		
Property taxes	\$ 515,495	\$ 747,396
Municipal income taxes	40,647,970	41,221,505
Intergovernmental	1,829,805	1,989,177
Charges for services	6,384,459	5,646,335
Fines and forfeitures	910,878	892,121
Licenses, permits and inspections	1,748,650	1,611,083
Investment income	445,151	184,693
Donations and other	<u>1,000,199</u>	<u>171,593</u>
 Total Revenues	 <u>53,482,607</u>	 <u>52,463,903</u>
 Expenditures:		
General government	7,460,785	6,814,959
Police	13,068,614	12,741,811
Fire	10,491,325	10,336,127
Streets and highways	8,317,221	7,035,955
Parks, recreation and public facilities	7,474,782	8,122,444
Economic and community development	3,056,318	2,898,810
Engineering and building	1,855,919	1,791,590
Capital outlay	1,683,376	973,922
Debt service - principal retirement and other charges	<u>44,153</u>	<u>27,573</u>
 Total Expenditures	 <u>53,452,493</u>	 <u>50,743,191</u>
 Excess of revenues over expenditures	 30,114	 1,720,712
 Other financing (uses):		
Issuance of Notes	2,500,000	-
Transfers in	25,043	-
Transfers out	<u>(1,321,264)</u>	<u>(1,275,412)</u>
 Total other financing (uses)	 <u>1,203,779</u>	 <u>(1,275,412)</u>
 Net change in fund balance	 1,233,893	 445,300
 Fund balance at beginning of year	 29,222,794	 28,479,965
 Change in inventory	 <u>(291,178)</u>	 <u>297,529</u>
 Fund balance at end of year	 <u>\$ 30,165,509</u>	 <u>\$ 29,222,794</u>

## Analysis of General Fund Revenues

General Fund revenues totaled \$53.5 million in 2016, an increase of approximately 1.9% from 2015. A discussion of each of the major types of General Fund revenues follows.

### *Property Taxes*

Taxes collected from real property and public utility tangible personal property in one calendar year are levied in the preceding calendar year on assessed values 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>Collection Year</u>	<u>Real Property</u>	<u>Utility Property</u> (in thousands)	<u>Assessed Valuation</u>
2015	1,335,053	48,479	1,383,532
2016	1,378,653	49,670	1,428,323

Property tax revenues decreased by approximately 31.0% in 2016 principally due to reallocating 0.2 mills of available inside millage to the general obligation bond retirement fund from the general fund.

### *Municipal Income Taxes*

Ohio law authorizes a municipal income tax on both business income (net profits from the operation of a business or profession) and employee wages, salaries, and other compensation at a rate of up to 1% without voter authorization and at a rate above 1% with voter authorization. The charter of the City of Mentor requires voter approval of any tax on income. On March 6, 2012, the voters in the City renewed the 2% income tax for a five year period through December 31, 2017. On March 15, 2016, the 2% income tax was renewed by the voters for an indefinite period, without an expiration date.

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 decreased approximately \$0.6 million in 2016 versus the comparable amount in 2015 as a result of less available delinquent taxes outstanding at year-end. The local economy remains healthy 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 decreased by approximately 8.0% in 2016 primarily due to reductions in state shared revenues as a result of less State Local Government Fund (“LGF”) revenue.

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

Pursuant to the Ohio Revised Code, State LGF revenues are divided into county and municipal portions. The county portion, the larger of the two, is distributed to each of the State’s 88 counties and is allocated based upon a statutory formula utilizing county population and county municipal property values. Once received by a county, the funds can either be distributed to all subdivisions using the statutory formula or the county and its subdivisions may agree upon an alternate method for allocating the funds. Lake County and its recipient communities have chosen the latter method, which is comprised of a base allocation and an excess allocation. The excess allocation takes into account such factors as assessed value per capita, per capita income, population density and the number of individuals receiving public assistance. The municipal portion of the LGF is distributed directly by the State to those municipalities that collect an income tax. A municipality receives its share of the funds based upon its percentage of total municipal income taxes collected throughout the state in a given year. In 2016, the City had LGF revenue of \$1.6 million.

### *Charges for Services*

Revenue from charges for services increased by \$738,124, approximately 13.1% in 2016 mostly due to greater Fire Department emergency medical service transport fee collections and greater collections from marina and golf course operations.

### *Licenses, Permits and Inspections*

Revenue from licenses, permits and inspections increased by \$137,567, approximately 8.5% in 2016 primarily due to more revenue from the increased volume of contractor registrations and new subdivision permit fees.

### *Investment Income*

Investment income in 2016 was \$445,151, up from the \$184,693 in 2015. The change was due to the following three factors. The City had an average of \$37.4 million invested during 2016 versus \$34.3 million in 2015, which increased investment income by about \$36,000. Secondly, a higher effective yield on the portfolio of about 0.12% during 2016 caused an increase of about \$45,000. Finally, the incremental change in the fair market value of the City’s corporate bond funds caused the remaining increase of \$179,000.

## Donations and Other

Revenue from donations and other increased by \$828,606 during 2016, primarily due to greater revenue received from the sale of assets.

## Analysis of General Fund Expenditures

General Fund expenditures and other uses totaled \$54.8 million in 2016, an increase of 5.3% from 2015. The amount of expenditures and other uses by function on a modified accrual basis for the year ended December 31, 2016, including the increases (decreases) over the prior year, are shown in the following table:

<u>Expenditures and Other Uses</u>	<u>2016</u>	<u>Total</u>	<u>2015</u>	<u>Total</u>	<u>Increase (Decrease) Over 2015</u>	<u>Change</u>
	(\$ Amounts in 000's)					
Current:						
General Government	\$ 7,461	13.62%	\$ 6,815	13.12%	\$ 646	9.48%
Police	13,069	23.86%	12,742	24.49%	327	2.57%
Fire	10,491	19.15%	10,336	19.87%	155	1.50%
Streets and highways	8,317	15.19%	7,036	13.53%	1,281	18.21%
Parks, recreation and public facilities	7,475	13.65%	8,122	15.61%	(647)	-7.97%
Economic and community development	3,056	5.58%	2,899	5.57%	157	5.42%
Engineering and building	1,856	3.39%	1,792	3.44%	64	3.57%
Capital outlay	1,684	3.07%	974	1.87%	710	72.90%
Debt Service - principal retirement	44	0.08%	28	0.05%	16	57.14%
Transfers out	1,321	2.41%	1,275	2.45%	46	3.61%
Total expenditures and other financing uses	<u>\$ 54,774</u>	<u>100.00%</u>	<u>\$ 52,019</u>	<u>100.00%</u>	<u>\$ 2,755</u>	<u>5.30%</u>

General government expenditures were higher as a result of major investment in information technology and upgrades to a new financial software system.

Streets and highways expenditures were higher and Parks, recreations and public facilities expenditures were lower as a result of reallocating the cost of utilities, especially telecommunications and electricity from the Parks Department to the Public Works Department in 2016. The streets and highways expenditures were also higher because of more spending on drainage projects in 2016. Expenditures for the function of Economic and community development increased because of higher recorded expenditures for economic incentive grants during 2016.

Capital outlay increased as a result of the purchase of the residential property at Springbrook Gardens and improvements to the chiller at the ice arena.

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

### *Employee Compensation and Labor Relations*

As of December 31, 2016 and 2015, the City had approximately 339 and 347 full-time employees, respectively. As of December 31, 2016, approximately 225 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 – 64, 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 2017. The agreement covering the part-time firefighters expires in March 2018. The current agreements have wage increases of generally 2%.

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>
2016	\$ 27,744,660
2015	\$ 29,055,144

Salaries and wages decreased as a result of an additional bi-weekly payroll processed during 2015.

#### *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 post-retirement 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 13 and 14 of the financial statements.
- Ohio Police and Fire Pension Fund (OP&F), created in 1966, represents sworn personnel, not civilians, employed in police and fire divisions of Ohio's local governments. All of the City's full-time police and fire officers are members of this

pension fund. More data on this pension fund is shown in Notes 13 and 14 of 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>2016</u>	<u>2015</u>
	(in thousands)	
Paid by City to		
OPERS	\$ 2,047	\$ 2,046
OP&F	<u>2,886</u>	<u>2,782</u>
Total paid by City	<u>4,933</u>	<u>4,828</u>
Paid by Employees to		
OPERS	1,463	1,461
OP&F	<u>1,638</u>	<u>1,521</u>
Total paid by Employees	<u>3,101</u>	<u>2,982</u>
Total	<u>\$ 8,034</u>	<u>\$ 7,810</u>

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, was an increase of \$14.02 million, a 21.8 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. (Roadway infrastructure projects - \$8,200,000; various grants and other - \$5,800,000). The General Fund will be reimbursed next year from revenue to be received from outside funding sources for advances that were not repaid in 2016.

The difference between the final amended budget and actual expenditures for the City's General Fund expenditures was a positive \$3.9 million. The following functions reported favorable material variances (rounded to the nearest \$100,000):

- General government – The Finance Department incurred less expenditures for tax collection agency fees and claims (\$200,000); City Council and the Municipal Court incurred less expenditures for operational costs (\$300,000); City Manager and Legal Department operational costs including deferring the purchase for upgrading the city-wide phone system were less than estimated (\$500,000).
- Police – Employee compensation and benefits were under budget primarily because of unfilled positions during the year, (\$100,000); and operational costs were less than budgeted (\$400,000).
- Fire – Employee compensation and benefits were under budget primarily because of unfilled positions during the year, (\$400,000); and operational costs were less than budgeted (\$200,000).

- Streets and Highways – Employee compensation and benefits were under budget primarily because of unfilled positions during the year (\$200,000); and less expenditures for maintenance and repair of certain infrastructure projects (\$400,000).
- 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 (\$300,000).
- Economic and community development – Employee compensation and benefits were under budget primarily because of partially unfilled positions during the year (\$100,000).
- Engineering and Building – Less expenditures for general engineering services and the sidewalk repair program (\$200,000).

### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital assets:** The City’s investment in capital assets as of December 31, 2016 equaled \$169.9 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, equipment, infrastructure, and construction in progress. The total increase in the City’s investment in capital assets in 2016 was 3.2 percent. A summary of the City’s capital assets at December 31, 2016 and December 31, 2015 is as follows:

	<b>2016</b> <b>Capital Assets,</b> <b>Net of Accumulated</b> <b>Depreciation</b>	<b>2015</b> <b>Capital Assets,</b> <b>Net of Accumulated</b> <b>Depreciation</b>
Land	\$ 65,438,720	\$ 65,125,806
Land improvements	1,252,355	594,758
Buildings and improvements	17,828,722	18,659,519
Equipment	7,520,002	6,919,987
Infrastructure	64,001,443	65,402,762
Construction in progress	13,875,606	7,956,438
<b>Total</b>	<b>\$ 169,916,848</b>	<b>\$ 164,659,270</b>

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

- Land – purchased former Dale R. Rice school property and former residential property at Springbrook Gardens location.
- Land improvements – improvements at cemetery and parks, and I90/S.R. 615 interchange.
- Buildings and improvements – normal annual depreciation on existing buildings (\$1.0 million) with acquisition of residential building at former Springbrook Gardens property (\$0.2 million).
- Equipment – acquisition of new equipment and vehicles (\$2.1 million) offset by normal annual depreciation and asset disposals on existing equipment (\$1.5 million).



- Infrastructure – normal annual depreciation on existing roads, bridges, and other infrastructure (\$2.5 million) with \$0.9 million in new construction and improvements.
- Construction in progress - \$4.5 million increase for three major road improvement projects – Plaza Boulevard extension, Heisley Road widening, and U.S. 20 resurfacing. Park building construction and other improvements - \$1.4 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.

**Long-term debt.** As of December 31, 2016 the City had total bond, notes and loans outstanding of \$27.4 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, 2016 is summarized below.

	<u>Balance January 1, 2016</u>	<u>Debt Issued</u>	<u>Debt Retired</u>	<u>Balance December 31, 2016</u>
		(in thousands)		
General Obligation Bonds	\$ 18,476	\$ -	\$ (2,401)	\$ 16,075
Special Assessment Bonds	8,394	-	(634)	7,760
Unamortized Premium on Debt	145	-	(15)	130
OWDA/OPWC Loans	511	-	(42)	469
Notes Payable	<u>-</u>	<u>3,015</u>	<u>-</u>	<u>3,015</u>
Total Government Activities	<u>\$ 27,526</u>	<u>\$ 3,015</u>	<u>\$ (3,092)</u>	<u>\$ 27,449</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 \$2.8 million in 2016 which represented 68% of the debt service requirements on the general obligation and special assessment bonds. Use of existing fund balances and transfers from the general fund were used to pay the remaining 32% 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 and reaffirmed in 2011 and 2015; 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, 2016 was:

Net General Bonded Debt	\$ 18,233,539
Ratio of Net Bonded Debt to Assessed Valuation	1.28%
Net General Bonded Debt Per Capita	\$ 388.76

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 \$149,973,900 and unvoted debt limit (5.5 percent) is \$78,557,757. 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 2017 projects a year-end unencumbered balance of \$3.1 million. This includes estimated income tax collections of \$39.0 million which is less than the record year actual 2016 collections. For the three months through March 31, 2017, income tax collections were up 0.9% from the comparable 2016 period. The general fund unencumbered balance at March 31, 2017 was \$6.0 million.

#### **NEED ADDITIONAL INFORMATION**

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





**A Celebration of Mentor's Bicentennial 1797 - 1997**

In 1797, Charles Foster built a cabin in Mentor establishing the first settlement in what would later become Lake County. Other pioneers followed, traveling here on foot, covered wagon, or by boat, bringing with them all of their worldly possessions.

This sculpture depicts a typical pioneer family, with each figure representing a particular aspect of Mentor's 200 year history. The act is an historical fact symbolizing strength and representing Mentor's industrial, residential and commercial growth. The rose symbolizes beauty and Mentor's historic significance as the former Rose Capital of the Nation. The water represents our harbor beginning as a small settlement on Mentor Marsh and the importance of Mentor's vast natural resources. The cardinal is Mentor's official bird and represents the basic importance of creating a sense of community and maintaining a vision for the future.

This is a gift to the citizens of Mentor from the Mentor Bicentennial Commemorative Mentor Foundation.



**Mayor City Council 1997**

Mayor: [Name]

City Council: [List of names]

# BASIC FINANCIAL INFORMATION







**CITY OF MENTOR, OHIO**  
**STATEMENT OF NET POSITION**  
**December 31, 2016**

**ASSETS**

Cash and investments	\$ 33,021,701
Receivables, net of allowance for doubtful accounts	25,554,576
Due from other governments	6,205,306
Inventory	684,835
Prepaid items	855,905
Pension	20,861
Land held for resale	323,700
Nondepreciable capital assets	79,314,324
Depreciable capital assets, net of accumulated depreciation	90,602,523
Total assets	236,583,731

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred charge on refunding	146,425
Pension	17,474,946
Total deferred outflows of resources	17,621,371

**LIABILITIES**

Accounts payable and accrued liabilities	5,117,434
Deposits	492,082
Notes Payable	1,700,000
Long-term obligations:	
Due within one year	3,346,054
Due in more than one year:	
Net Pension Liability	60,457,156
Other Amounts	29,974,490
Total liabilities	101,087,216

**DEFERRED INFLOWS OF RESOURCES**

Intergovernmental Revenue	127,869
Property tax	4,699,835
PILOT	837,000
Pension	503,919
Total deferred inflows of resources	6,168,623

**NET POSITION**

Net investment in capital assets	140,413,994
Restricted for:	
Debt service	11,953,265
Capital projects	1,845,743
Streets and public safety	7,660,294
Unrestricted	(14,924,033)
Total net position	\$ 146,949,263

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

**CITY OF MENTOR, OHIO**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2016**

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
General Government	\$ 9,367,082	\$ 2,858,271	\$ 185,170	\$ -	\$ (6,323,641)
Police	16,427,987	1,786,625	202,891	8,316	(14,430,155)
Fire	15,126,018	2,778,618	897,547	-	(11,449,853)
Streets and highways	18,817,008	1,984,987	2,425,344	4,556,152	(9,850,525)
Parks, recreation and public facilities	10,285,152	5,093,697	535,252	-	(4,656,203)
Economic and community development	3,447,472	271,767	196,093	-	(2,979,612)
Engineering and building	2,356,039	1,148,087	11,400	-	(1,196,552)
Interest and fiscal charges	1,032,166	-	-	-	(1,032,166)
Total governmental activities	<u>\$ 76,858,924</u>	<u>\$ 15,922,052</u>	<u>\$ 4,453,697</u>	<u>\$ 4,564,468</u>	<u>\$ (51,918,707)</u>
<b>General revenues:</b>					
Municipal income taxes					42,014,148
Property taxes levied for:					
General purpose					570,255
Special revenue					1,860,508
Debt service					2,754,754
Other local taxes					628,145
Payments in Lieu of Taxes					490,529
Grants and Entitlements not Restricted to Specific Programs					4,789,030
Unrestricted investment earnings					488,385
Other					1,214,899
Total general revenues					<u>54,810,653</u>
Changes in net position					2,891,946
Net position at beginning of year - Restated					144,057,317
Net position at end of year					<u>\$ 146,949,263</u>

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

**CITY OF MENTOR, OHIO**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**December 31, 2016**

	General	Special Assessment Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 13,211,259	\$ 73,490	\$ 16,255,855	\$ 29,540,604
Receivables, net	10,832,378	10,860,502	3,861,696	25,554,576
Due from other funds	10,676,455	-	274,835	10,951,290
Due from other governments	882,875	-	5,322,431	6,205,306
Inventory	684,835	-	-	684,835
Prepaid items	252,900	-	-	252,900
Land held for resale	-	323,700	-	323,700
Total Assets	<u>36,540,702</u>	<u>11,257,692</u>	<u>25,714,817</u>	<u>73,513,211</u>
<b>Liabilities</b>				
Accounts payable	\$ 297,806	\$ -	\$ 1,330,562	\$ 1,628,368
Accrued payroll and employee benefits	1,589,496	-	-	1,589,496
Accrued liabilities	14,967	-	62,782	77,749
Construction, security and bid deposits	492,082	-	-	492,082
Due to other funds	-	5,022	10,946,268	10,951,290
Due to other governments	-	49,367	-	49,367
Notes payable	-	-	1,700,000	1,700,000
Total Liabilities	<u>2,394,351</u>	<u>54,389</u>	<u>14,039,612</u>	<u>16,488,352</u>
<b>Deferred Inflows of Resources</b>				
Property tax	985,269	-	3,714,566	4,699,835
PILOT	-	-	837,000	837,000
Unavailable Revenue:				
Delinquent property tax	78,721	-	74,630	153,351
Income tax	2,271,831	-	-	2,271,831
Intergovernmental revenue	-	-	586,018	586,018
Other	125,934	-	-	125,934
Shared revenue	519,087	-	927,930	1,447,017
Special assessments	-	11,003,885	8,054	11,011,939
Total Deferred Inflows of Resources	<u>3,980,842</u>	<u>11,003,885</u>	<u>6,148,198</u>	<u>21,132,925</u>
<b>Fund Balances</b>				
Nonspendable	937,735	-	-	937,735
Restricted	-	199,418	7,533,386	7,732,804
Committed	1,351,244	-	206,037	1,557,281
Assigned	7,464,423	-	-	7,464,423
Unassigned	20,412,107	-	(2,212,416)	18,199,691
Total Fund Balances	<u>30,165,509</u>	<u>199,418</u>	<u>5,527,007</u>	<u>35,891,934</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 36,540,702</u>	<u>\$ 11,257,692</u>	<u>\$ 25,714,817</u>	<u>\$ 73,513,211</u>

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

# CITY OF MENTOR, OHIO

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION DECEMBER 31, 2016

---

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

Total fund balances - governmental funds		\$ 35,891,934
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. (See note 6.)		169,916,847
An internal service fund is used by management to charge the cost of workers' compensation claims to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		(1,006,920)
An internal service fund is used by management to charge the cost of self-funded health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		1,237,078
The net pension liability/asset is not due and payable in the current period: therefore, the liability/asset and related deferred inflows/outflows are not reported in governmentel funds:		
Deferred Outflows - Pension	17,474,946	
Deferred Inflows - Pension	(503,919)	
Net Pension Liability/Asset	<u>(60,436,295)</u>	(43,465,268)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Deferred charges for bond refundings in 2005/2015	146,425	
Unavailable revenues	<u>15,468,221</u>	15,614,646
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds. (See note 7.)		
Long term obligations	(33,320,544)	
Internal service portion	3,713,000	
Accrued vacation	(1,562,961)	
Accrued interest	<u>(68,549)</u>	(31,239,054)
Net position of governmental activities		<u><u>\$ 146,949,263</u></u>

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



**CITY OF MENTOR, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**

	General	Special Assessment Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 515,495	\$ -	\$ 4,568,329	\$ 5,083,824
Municipal income taxes	40,647,970	-	-	40,647,970
Other local taxes	-	-	628,145	628,145
Payments in Lieu of Taxes	-	-	490,529	490,529
Intergovernmental	1,829,805	-	10,247,321	12,077,126
Charges for services	6,384,459	-	92,289	6,476,748
Fines and forfeitures	910,878	-	312,914	1,223,792
Licenses, permits, and inspections	1,748,650	-	43,160	1,791,810
Special assessments	-	1,003,752	1,208,565	2,212,317
Investment income	445,151	-	43,234	488,385
Donations and other	1,000,199	-	110,151	1,110,350
Total revenues	<u>53,482,607</u>	<u>1,003,752</u>	<u>17,744,637</u>	<u>72,230,996</u>
<b>EXPENDITURES</b>				
Current:				
General government	7,460,785	-	323,274	7,784,059
Police	13,068,614	-	497,435	13,566,049
Fire	10,491,325	-	2,244,831	12,736,156
Streets and highways	8,317,221	-	6,545,442	14,862,663
Parks, recreation and public facilities	7,474,782	-	1,192,791	8,667,573
Economic and community development	3,056,318	-	208,005	3,264,323
Engineering and building	1,855,919	-	250,341	2,106,260
Capital outlay	1,683,376	-	7,441,912	9,125,288
Debt service:				
Principal retirement	27,573	648,247	2,400,926	3,076,746
Interest and fiscal charges	16,580	400,184	621,309	1,038,073
Total expenditures	<u>53,452,493</u>	<u>1,048,431</u>	<u>21,726,266</u>	<u>76,227,190</u>
Excess (deficiency) of revenues over (under) expenditures	30,114	(44,679)	(3,981,629)	(3,996,194)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Notes	2,500,000	-	515,000	3,015,000
Transfers in	25,043	-	1,517,793	1,542,836
Transfers out	(1,321,264)	-	(221,572)	(1,542,836)
Total other financing sources (uses)	<u>1,203,779</u>	<u>-</u>	<u>1,811,221</u>	<u>3,015,000</u>
NET CHANGE IN FUND BALANCES	1,233,893	(44,679)	(2,170,408)	(981,194)
FUND BALANCES AT BEGINNING OF YEAR	29,222,794	244,097	7,697,415	37,164,306
CHANGE IN INVENTORY	(291,178)	-	-	(291,178)
FUND BALANCES AT END OF YEAR	<u>\$ 30,165,509</u>	<u>\$ 199,418</u>	<u>\$ 5,527,007</u>	<u>\$ 35,891,934</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, 2016

---

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

Net change in fund balances - total governmental funds \$ (981,194)

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	\$10,408,117	
Current year depreciation	<u>(5,147,540)</u>	5,260,577

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. (3,000)

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

Property and municipal income tax	1,467,871	
Intergovernmental	375,634	
Special Assessment	(1,089,797)	
Other	<u>125,934</u>	879,642

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 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. 67,655

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 4,542,958

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (7,641,371)

The internal service fund used by management to charge the cost of workers' compensation claims to individual funds is not reported in entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. (47,322)

The internal service fund used by management to charge the cost of self insured health care claims to individual funds is not reported in entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. 1,237,078

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. (423,077)

Changes in net position of governmental activities \$ 2,891,946

**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, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>				
Property taxes	\$ 451,000	\$ 515,554	\$ 515,495	\$ (59)
Municipal income tax	38,000,000	40,000,000	40,689,034	689,034
Intergovernmental	1,804,500	1,819,450	1,769,077	(50,373)
Charges for services	5,945,300	6,007,193	6,341,720	334,527
Fines and forfeitures	862,500	862,500	918,841	56,341
Licenses, permits and inspections	1,688,940	1,746,305	1,880,324	134,019
Investment income	400,000	400,000	483,079	83,079
Other	51,100	953,362	992,955	39,593
Total revenues	<u>49,203,340</u>	<u>52,304,364</u>	<u>53,590,525</u>	<u>1,286,161</u>
<b>EXPENDITURES:</b>				
<b>Function:</b>				
General government	10,303,145	8,493,393	7,360,043	1,133,350
Police	13,946,094	12,245,152	11,730,100	515,052
Fire	11,089,401	9,975,302	9,347,353	627,949
Streets and highways	9,397,873	8,688,713	8,111,669	577,044
Parks, recreation and public facilities	8,505,532	8,859,262	8,262,323	596,939
Economic and community development	6,301,064	5,840,264	5,682,550	157,714
Engineering and building	2,592,578	2,320,393	2,075,566	244,827
Total expenditures	<u>62,135,687</u>	<u>56,422,479</u>	<u>52,569,604</u>	<u>3,852,875</u>
Excess (deficiency) of revenues over expenditures	(12,932,347)	(4,118,115)	1,020,921	5,139,036
<b>OTHER FINANCING SOURCES (USES):</b>				
Advances in	6,500,000	11,852,000	11,852,705	705
Advances out	(1,000,000)	(15,392,261)	(15,366,872)	25,389
Transfers in	-	25,043	25,043	-
Transfers out	(1,277,000)	(6,617,000)	(6,616,770)	230
Note Proceeds	-	2,500,000	2,500,000	-
Total other financing sources (uses)	<u>4,223,000</u>	<u>(7,632,218)</u>	<u>(7,605,894)</u>	<u>26,324</u>
<b>NET CHANGE IN FUND BALANCE</b>	(8,709,347)	(11,750,333)	(6,584,973)	5,165,360
Adjustment for prior year encumbrances	4,304,327	4,304,327	4,304,327	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>8,673,008</u>	<u>8,673,008</u>	<u>8,673,008</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 4,267,988</u>	<u>\$ 1,227,002</u>	<u>\$ 6,392,362</u>	<u>\$ 5,165,360</u>

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

**CITY OF MENTOR, OHIO**  
**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS**  
**WORKERS COMPENSATION FUND AND SELF-INSURANCE FUND**  
**December 31, 2016**

	<b>Workers Compensation Fund</b>	<b>Self-Insurance Fund</b>
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 2,103,075	\$ 1,378,022
Prepaid Items	603,005	-
Total assets	<u>2,706,080</u>	<u>1,378,022</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ -	\$ 140,944
Employee benefits payable	243,902	-
Noncurrent liabilities:		
Employee benefits payable	3,469,098	-
Total liabilities	<u>3,713,000</u>	<u>140,944</u>
<b>NET POSITION</b>		
Nonspendable	603,005	-
Unrestricted	(1,609,925)	1,237,078
Total net position	<u>\$ (1,006,920)</u>	<u>\$ 1,237,078</u>

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

**CITY OF MENTOR, OHIO**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND NET POSITION - PROPRIETARY FUNDS**  
**WORKERS COMPENSATION FUND AND SELF-INSURANCE FUND**  
**Year Ended December 31, 2016**

	<b>Workers Compensation Fund</b>	<b>Self-Insurance Fund</b>
<b>OPERATING REVENUES:</b>		
Charges for services	\$ -	\$ 5,000,000
Donations and other	-	247,320
Total operating revenues	<u>-</u>	<u>5,247,320</u>
<b>OPERATING EXPENSES:</b>		
Employee benefits	47,322	4,010,242
Total operating expenses	<u>47,322</u>	<u>4,010,242</u>
Net income (loss) from operations	(47,322)	1,237,078
CHANGE IN NET POSITION	(47,322)	1,237,078
NET POSITION AT BEGINNING OF YEAR	<u>(959,598)</u>	<u>-</u>
NET POSITION AT END OF YEAR	<u><b>\$ (1,006,920)</b></u>	<u><b>\$ 1,237,078</b></u>

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

**CITY OF MENTOR, OHIO**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**WORKERS COMPENSATION FUND AND SELF-INSURANCE FUND**  
**Year Ended December 31, 2016**

	<b>WORKERS COMPENSATION FUND</b>	<b>SELF-INSURANCE FUND</b>
Cash flows from operating activities:		
Charges for services	\$ -	\$ 5,000,000
Donations and other		\$ 247,320
Payments to vendors	(1,320,327)	(3,869,298)
Net cash provided by (used for) operating activities	<u>(1,320,327)</u>	<u>1,378,022</u>
Net increase (decrease) in cash and cash equivalents	(1,320,327)	1,378,022
Cash and cash equivalents at beginning of year	3,423,402	-
Cash and cash equivalents at end of year	<u>\$ 2,103,075</u>	<u>\$ 1,378,022</u>
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating income (loss)	(\$47,322)	\$1,237,078
Changes in assets and liabilities:		
(Increase) decrease in prepaid assets	(603,005)	
Increase (decrease) in accrued employee benefits	(670,000)	140,944
Total adjustments	<u>(1,273,005)</u>	<u>140,944</u>
Net cash provided by (used for) operating activities	<u>\$ (1,320,327)</u>	<u>\$ 1,378,022</u>

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

**CITY OF MENTOR, OHIO**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**December 31, 2016**

---

	<b>CEMETERY BEQUEST and ENDOWMENT PRIVATE-PURPOSE TRUST FUND</b>	<b>MUNICIPAL COURT AGENCY FUND</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash	\$ 22,452	\$ 112,945
	<u>                    </u>	<u>                    </u>
<b>LIABILITIES</b>		
Deposits held and due to others	-	112,945
Total liabilities	-	112,945
	<u>                    </u>	<u>                    </u>
<b>NET POSITION</b>		
Held in trust for decoration of specific graves	\$ 22,452	\$ -
	<u>                    </u>	<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 POSITION**  
**FIDUCIARY FUNDS**  
**Year Ended December 31, 2016**

---

	<b>CEMETERY BEQUEST and ENDOWMENT PRIVATE- PURPOSE TRUST FUND</b>
	<hr/>
<b>ADDITIONS</b>	
Investment Income	\$ 268
Total additions	<hr/> 268 <hr/>
<b>DEDUCTIONS</b>	
General expenses	647
Total deductions	<hr/> 647 <hr/>
Change in net position	(379)
Net position - beginning of year	<hr/> 22,831 <hr/>
Net position - end of year	<hr/> \$ 22,452 <hr/> <hr/>

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, 2016

---

### 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, 2016 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”).

In evaluating how to define the governmental reporting entity, the City complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and 34*, 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.

#### **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

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

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 position and a statement of activities. These statements report all of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, 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 position. These eliminations minimize the duplicating effect on assets and deferred outflows of resources and liabilities and deferred inflows of resources 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, proprietary 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.

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.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

The City maintains proprietary funds, such as internal service funds, to report any activity that provides goods or services to other funds, departments or agencies or to other governments, on a cost-reimbursement basis. Currently, the City has two proprietary funds which are Internal Service Funds for Workers' Compensation and Self Insurance. Operating revenues within those funds are generated directly from the General Fund as Charges for Services. Operating expenses are the payment of premiums and claims which are the primary purposes of the funds.

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 and deferred outflows of revenues 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 and deferred outflows of resources, liabilities and deferred inflows of resources, fund balance (net position), 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 and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. These funds include most federal and state grants.
3. **Debt Service Funds** - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for 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 and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

5. **Permanent Funds** - Permanent funds are used for the purpose of accounting for and reporting 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 2016, the City did not utilize any permanent funds.

### 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 2016, the City did not utilize any enterprise funds.
2. **Internal Service Funds** - Internal service funds are used to report activity for the financing of goods or services provided by one department to other departments or to other governments on a cost-reimbursement basis. During 2011, the City established, with Resolution No. 11-R-107, an internal service fund known as the Workers' Compensation Fund to account for the operation of the retrospective ratings plan for Workers' Compensation. During 2016, the City established, with Resolution 16-R-102, an internal service fund known as the Self Insurance Fund to account for the operation of a self-insurance program.

### 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 and deferred outflows of resources equal liabilities and deferred inflows of revenues) 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 2016, 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.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

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

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

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 the year ended December 31, 2016, 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 2016 reported on the budget basis versus the GAAP basis is as follows:

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

<u>Net Change in Fund Balance</u>	
Budget Basis	\$ (6,584,973)
Adjustments:	
Revenue accruals	(157,901)
Advances in	(11,852,705)
Advances out	15,366,872
Expenditure accruals	484,091
Funds with separate legally adopted budget	(163,189)
Encumbrances	<u>4,141,698</u>
GAAP Basis	<u>\$ 1,233,893</u>

**Encumbrances:** Encumbrance accounting, under which purchase orders, contracts, and other commitments for the future expenditure of funds are recorded in order to constrain 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 restricted, committed, assigned or unassigned classifications of fund balance since they do not constitute expenditures, liabilities, or deferred inflows of resources.

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.

As of December 31, 2016, the City's commitments for encumbrances in the governmental funds were as follows:

	Encumbrances <u>Outstanding</u>
General	\$ 4,141,698
Nonmajor funds	<u>8,757,542</u>
Total	<u>\$ 12,899,240</u>

### **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).

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

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 nonspendable fund balance which indicates that they do not constitute “available spendable resources” even though they are a component of net position.

**Capital Assets:** Capital assets, which include land, construction in progress, 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 \$5,000. 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.

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	5-20
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



# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

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 position, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts 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 an expense in the period incurred.

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:**

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

*Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are not spendable in form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

*Restricted* – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

*Committed* – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the City’s Council. Those committed amounts cannot be used for any other purpose unless the City’s Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned* – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established by the City’s legislative

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

body, the City Council. State statute authorizes the Finance Director to assign fund balance for purchase orders; provided such amounts have been lawfully appropriated.

*Unassigned* – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In the other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Special Assessment Bond Retirement	Other Governmental Funds	Total
<i>Nonspendable</i>				
Inventories	\$ 684,835	\$ -	\$ -	\$ 684,835
Prepaid items	252,900	-	-	252,900
<i>Total Nonspendable</i>	<u>937,735</u>	<u>-</u>	<u>-</u>	<u>937,735</u>
<i>Restricted for</i>				
Land held for resale	-	199,418	-	199,418
Parks and recreation	-	-	676,852	676,852
Safety forces	-	-	1,485,371	1,485,371
Streets and highways	-	-	2,840,251	2,840,251
Economic development	-	-	1,651,562	1,651,562
Debt service	-	-	808,368	808,368
Issue II	-	-	70,982	70,982
<i>Total Restricted</i>	<u>-</u>	<u>199,418</u>	<u>7,533,386</u>	<u>7,732,804</u>
<i>Committed to</i>				
Payroll stabilization	1,351,244	-	-	1,351,244
Parks and recreation	-	-	150,899	150,899
Street trees	-	-	55,138	55,138
<i>Total Committed</i>	<u>1,351,244</u>	<u>-</u>	<u>206,037</u>	<u>1,557,281</u>
<i>Assigned to</i>				
Parks and recreation	91,211	-	-	91,211
Planned 2016 appropriations	3,457,271	-	-	3,457,271
Other purposes	3,915,941	-	-	3,915,941
<i>Total Assigned</i>	<u>7,464,423</u>	<u>-</u>	<u>-</u>	<u>7,464,423</u>
<i>Unassigned (Deficit)</i>	<u>20,412,107</u>	<u>-</u>	<u>(2,212,416)</u>	<u>18,199,691</u>
Total Fund Balances	<u>\$ 30,165,509</u>	<u>\$ 199,418</u>	<u>\$ 5,527,007</u>	<u>\$ 35,891,934</u>

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

**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.

**Deferred Outflows/Inflows of Resources:** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, pension and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance year 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, intergovernmental grants, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 13)

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

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

### **F. Change in Accounting Principle and Restatement of Net Position**

The City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* for the year ending December 31, 2015. The City participated in two different multi-employer plans and records its share of the net pension liability using a measurement date on a one-year lag. After the City issued its December 31, 2015 Comprehensive Annual Financial Report, one of the pension plans restated its collective net pension liability based on revised information presented to its actuary.

The impact of this change on the government-wide net position as reported December 31, 2015:

Net position, as previously reported	\$	144,857,979
Adjustments:		
Increase in Net Pension Liability		(800,662)
Net position, as restated	\$	144,057,317

### **G. Recently Issued Accounting Pronouncements**

GASB Statement No. 72, *Fair Value Measurement of Application*. The objective of this Statement is to address accounting and financial reporting issues related to fair value measurement. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also clarifies the application of certain provisions of GASB Statements 67 and 68.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP).

GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. These changes were incorporated in the City's 2016 financial statements (see Footnote No. 15) however, there was no effect on beginning net position/fund balance.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools.

These GASB Statements did not have an effect on the City's financial statements.

### 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:

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 and any of its taxing subdivisions;

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

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 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

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

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 \$4,353,277 and the bank balance was \$6,142,105. Of the bank balance, \$850,223 was covered by Federal depository insurance and \$5,291,882 was uninsured. Of the remaining uninsured bank balance, \$5,291,882 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, 2016, 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	\$ 3,021,320	\$ -	\$ 3,021,320	\$ -
Vanguard Intermediate-Term Corporate Bond Fund	4,085,528	-	-	4,085,528
Vanguard GNMA Fund	5,078,804	-	-	5,078,804
STAROhio	<u>16,618,169</u>	<u>16,618,169</u>	<u>-</u>	<u>-</u>
Total Portfolio	<u>\$ 28,803,821</u>	<u>\$ 16,618,169</u>	<u>\$ 3,021,320</u>	<u>\$ 9,164,332</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 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.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

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. Approximately 75% to 77% 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 equal to the U.S. Government or 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.

**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, 2016; Vanguard Short-Term Corporate Bond Fund – 10.5%, Vanguard Intermediate Term Corporate Bond Fund – 14.2%, Vanguard GNMA Fund – 17.6%, and STAROhio – 57.7%.

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

<i>Government-Wide Financial Statements</i>	
Cash and investments	\$ 33,021,701
<i>Fund Financial Statements</i>	
Cash and investments	29,540,604
<i>Proprietary Fund Financial Statements</i>	
Cash and investments	3,481,097
<i>Statement of Fiduciary Net Position</i>	
Cash	135,397
Total	\$ 33,157,098

### NOTE 4 – RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables consist of the following at December 31, 2016:

	Income Taxes	Property Taxes	Special Assess- ments	Other	Gross Receivables	Allowance for uncol- lectibles	Net
Governmental Activities							
Governmental Funds							
General Fund	\$ 9,426,019	\$ 1,087,015	\$ -	\$ 345,152	\$ 10,858,186	\$ (25,808)	\$ 10,832,378
Special Assessment Bond Retirement Fund	-	-	11,126,572	-	11,126,572	(266,070)	10,860,502
Other Governmental Funds	-	3,927,415	24,005	66,685	4,018,105	(156,409)	3,861,696
Total Receivables	\$ 9,426,019	\$ 5,014,430	\$ 11,150,577	\$ 411,837	\$ 26,002,863	\$ (448,287)	\$ 25,554,576



# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

Governmental fund financial statements report deferred inflows of resources 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 deferred inflows of resources.

The various components of deferred inflows of resources reported in the accompanying financial statements were as follows:

	<b>Government-Wide Statement of Net Position</b>	<b>Governmental Funds Balance Sheet</b>
Governmental Funds:		
General Fund:		
Property tax receivable	\$ 985,269	\$ 1,063,990
Income tax receivable	-	2,271,831
Cable TV franchise fees	-	125,934
State shared revenue receivable	-	519,087
Total general fund	<u>985,269</u>	<u>3,980,842</u>
Special Assessment Bond Retirement Fund:		
Special assessment receivable	<u>-</u>	<u>11,003,885</u>
Other Governmental Funds:		
Property tax receivable	3,842,435	3,917,065
Special assessment receivable	-	8,054
State shared revenue receivable	-	927,930
Intergovernmental revenue receivable	-	458,149
Payments in lieu of taxes receivable	<u>837,000</u>	<u>837,000</u>
Total other governmental funds	<u>4,679,435</u>	<u>6,148,198</u>
Total deferred inflows of resources	<u>\$ 5,664,704</u>	<u>\$ 21,132,925</u>

### 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

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

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, 2015 was as follows:

	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
	(Amounts in 000's)			
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 65,125	\$ 313	\$ -	\$ 65,438
Construction in progress	7,957	6,543	(624)	13,876
Total capital assets, not being depreciated	<u>73,082</u>	<u>6,856</u>	<u>(624)</u>	<u>79,314</u>
Capital assets, being depreciated:				
Land improvements	6,963	765	-	7,728
Buildings and improvements	42,587	240	-	42,827
Equipment	22,888	2,079	(235)	24,732
Infrastructure	118,621	1,092	-	119,713
Cost	<u>191,059</u>	<u>4,176</u>	<u>(235)</u>	<u>195,000</u>
Less accumulated depreciation for:				
Land improvements	(6,369)	(107)	-	(6,476)
Buildings and improvements	(23,928)	(1,070)	-	(24,998)
Equipment	(15,967)	(1,476)	232	(17,211)
Infrastructure	(53,218)	(2,494)	-	(55,712)
Total accumulated depreciation	<u>(99,482)</u>	<u>(5,147)</u>	<u>232</u>	<u>(104,397)</u>
Total accumulated assets being depreciated, net	<u>91,577</u>	<u>(971)</u>	<u>(3)</u>	<u>90,603</u>
Capital Assets, net	<u>\$ 164,659</u>	<u>\$ 5,885</u>	<u>\$ (627)</u>	<u>\$ 169,917</u>

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

	<b>(Amounts in 000's)</b>
Governmental Activities:	
General government	\$ 137
Police	532
Fire	626
Streets and highways	2,869
Parks, recreation and public facilities	978
Economic and community development	2
Engineering and building	3
Total depreciation expense charged to governmental activities	<u>\$ 5,147</u>

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

### NOTE 7 – DEBT

#### A. Short Term Obligations

Changes in the City's note activity for the year ended December 31, 2016 were as follows:

	Balance January 1, 2016	Additions	(Reductions)	Balance December 31, 2016
2016 Various Improvement - 2.0%	\$ -	\$ 1,700,000	\$ -	\$ 1,700,000
Total Notes Payable	<u>\$ -</u>	<u>\$ 1,700,000</u>	<u>\$ -</u>	<u>\$ 1,700,000</u>

In April 2016, the City issued \$4,715,000 of Various Purpose Bond Anticipation notes with an interest rate of 2.00% maturing April 28, 2017 for the purpose of financing certain capital and infrastructure improvements and to reimburse the City's general fund for \$2,500,000 expended in prior years for the cost of acquiring the real estate formerly known as Springbrook Gardens. \$1,700,000 of these notes are considered short-term and the remaining \$3,015,000 are considered long term.

#### B. 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, 2016 is as follows:

	Balance January 1, 2016	Additions	(Reductions)	Balance December 31, 2016	Due Within One Year
<b>Governmental Activities</b>					
General Obligation Bonds due through 2030 2% to 5%	\$ 18,475,926	\$ -	\$ (2,400,926)	\$ 16,075,000	\$ 2,085,000
Special Assessment Bonds due through 2029, 2% to 7.15%	8,394,074	-	(634,074)	7,760,000	650,000
Unamortized Premium on Debt	144,974	-	(15,140)	129,834	-
Other obligations:					
Compensated absences	2,128,691	104,029	(74,403)	2,158,317	310,672
Claims and judgements	4,383,000	650,327	(1,320,327)	3,713,000	258,207
Notes Payable	-	3,015,000	-	3,015,000	-
OWDA and OPWC loans	511,139	-	(41,746)	469,393	42,175
Net Pension Liability:					
OPERS	13,407,139	7,778,094	(1,687,034)	19,498,199	-
OP&F - Restated	33,282,053	10,408,147	(2,731,243)	40,958,957	-
Total Debt and Long-Term Obligations	<u>\$ 80,726,996</u>	<u>\$ 21,955,597</u>	<u>\$ (8,904,893)</u>	<u>\$ 93,777,700</u>	<u>\$ 3,346,054</u>

During April 2016 the City issued \$4,715,000 of Various Purpose Bond Anticipation Notes dated as of April 28, 2016 with an interest rate of 2.00%. The proceeds were used to finance certain capital and infrastructure improvements and to reimburse the City's general fund for \$2,500,000 expended in prior years for the cost of acquiring the real estate formerly known as Springbrook

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

Gardens. The notes were issued for a one-year period with a due date of April 28, 2017. Although these notes have a term of one year or less, a portion is reported as a long-term obligation as it was refinanced in April 2017 with bond anticipation notes. See Note 16 for additional information.

In a prior year, the City defeased a bond issue by creating a separate irrevocable trust fund. New debt was issued and the proceeds were used to purchase U.S. government securities that were placed in the trust fund. The investments and earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements.

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, 2016 is \$157,947. The City also made principal payments on its five existing Ohio Public Works Commission 20 year, 0% loans during 2016. The Chillicothe Road Widening & Resurfacing loan, the Hopkins Road Bridge development loan, the Kellogg Creek Culvert Improvement loan, the Stoneybrook Culvert Improvement loan, and the SR306 Concrete Repair loan have outstanding December 31, 2016 principal amounts of \$14,259, \$196,365, \$22,176, \$40,000 and \$38,646 respectively.

General obligation bonds will be paid from certain ad valorem taxes and other revenue sources deposited into the debt service fund. The special assessment bonds and loans will be paid from the proceeds of special assessments levied against benefited property owners. In the event property owners would fail to pay the assessment, payment would be made by the City. Compensated absences will be paid from the funds in which the employee is paid.

Bonds payable at December 31, 2016 are comprised of the following issues:

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

<b>Governmental Activities Obligations:</b>	<b>Amount of Original Issuance</b>	<b>Bonds Outstanding December 31, 2016</b>
General unvoted obligations:		
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	1,075,000
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%	3,745,000	2,660,000
2011 Various Purpose Bonds due in annual installments ranging from \$175,000 to \$270,000 through 2030 plus interest rates varying between 2.0% and 3.375%	4,355,000	3,350,000
2015 Various Purpose Bonds due in annual installments ranging from \$85,000 to \$695,000 through 2035 plus interest rates varying between 1.0% and 3.125%	<u>9,690,000</u>	<u>8,990,000</u>
Total general obligation bonds	<u>33,000,000</u>	<u>16,075,000</u>
Special assessment obligations:		
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	1,995,000
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	5,335,000
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>430,000</u>
Total special assessment bonds	<u>12,945,000</u>	<u>7,760,000</u>
 Total bonds	 <u>\$ 45,945,000</u>	 <u>\$ 23,835,000</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 restricted for debt service.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

The following is a summary of the City's future debt service requirements as of December 31, 2016:

Year Ending December 31	Governmental Activities						
	General Obligation Bonds		Special Assessment Bonds		OWDA and OPWC Loans		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2017	\$ 2,085,000	\$ 466,425	\$ 650,000	\$ 337,121	\$ 42,175	\$ 6,777	\$ 3,587,498
2018	1,030,000	389,150	680,000	311,031	42,616	6,335	2,459,132
2019	1,055,000	361,725	725,000	283,056	43,071	5,881	2,473,733
2020	1,070,000	336,150	760,000	252,431	43,539	5,412	2,467,532
2021	1,090,000	309,600	795,000	219,626	44,022	4,930	2,463,178
2022-2026	5,225,000	1,123,905	2,915,000	644,149	216,674	16,884	10,141,612
2027-2031	3,140,000	478,756	1,235,000	87,418	28,352	10,735	4,980,261
2032-2036	1,380,000	107,125	-	-	8,944	6,441	1,502,510
	<u>\$ 16,075,000</u>	<u>\$ 3,572,836</u>	<u>\$ 7,760,000</u>	<u>\$ 2,134,832</u>	<u>\$ 469,393</u>	<u>\$ 63,395</u>	<u>\$ 30,075,456</u>

Under the Ohio Revised Code, at December 31, 2016, the City legally could issue approximately \$62.4 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, 2016, there were two series of industrial revenue bonds outstanding. The aggregate principal amount payable for the two series was \$0.535 million. The City also acts as a conduit for the Lake County Communities Energy Special Improvement District. As of December 31, 2016 there was one special assessed bond series outstanding with an aggregate principal amount payable of \$2.565 million.

### NOTE 8 – COMPLIANCE AND ACCOUNTABILITY

At December 31, 2016, the Internal Service Fund – Workers Compensation, the Special Revenue Funds – Street Lighting, Local Grant, and the Capital Projects Funds – Amphitheater, Two Town Detention Basin, Roosevelt Culvert, Jackson Street, Heisley Road Improvement Phase III, Newell Creek Bikeway, I90/SR615 Interchange, US20 Widening and Resurfacing, SR84 Resurfacing, and Federal Grants – Other had deficit fund balances of \$1,006,920, \$55,265, \$867, \$589,459, \$22,186, \$105,423, \$247,140, \$377,596, \$79,879, \$87,779, \$509,054, \$10,422, and \$127,346, respectively. All deficits will be eliminated through transfers or the receipt of grant and bond proceeds during 2017. No other funds had deficit balances as of December 31, 2016.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

### NOTE 9 – RISK MANAGEMENT

**Self Insurance:** The City is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City is self-insured 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. Claims that meet these criteria are reported as liabilities in the government-wide statement of net position.

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, 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>
Estimated claims payable, January 1	\$ -	\$ -
Current year claims and changes in estimates	38,540	65,900
Claim payments	(38,540)	(65,900)
Change to estimated liability	<u>-</u>	<u>-</u>
Estimated claims payable, December 31	<u>\$ -</u>	<u>\$ -</u>

**Insurance:** The City purchases insurance policies in varying amounts for general liability, property damage, 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 2016. There was no significant decrease in any insurance coverages in 2016. In addition, there were no insurance settlements in excess of insurance coverage during the past three fiscal years.

The City has established a formal self-insurance program for liabilities arising from the City's participation in the Workers' Compensation Retrospective Rating Plan. This exposure is accounted for in the Workers Compensation Internal Service Fund, which is responsible for collecting interfund premiums from other City funds and departments, paying claim settlements, and purchasing other specified insurance policies.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

The claims liability of \$3,713,000 reported in the fund at December 31, 2016, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claim, be reported. Changes in the fund's claims liability amount in 2015 and 2016 were as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2015	\$ 4,704,000	\$ 384,762	\$ 705,762	\$ 4,383,000
2016	4,383,000	47,322	717,322	3,713,000

In 2016, the City established a formal self-insurance program for its employer provided medical coverage to its employees. Previously, coverage was provided through commercial insurance provided by two different insurers. Activity is accounted for in the Self-Insurance Internal Service Fund, which is responsible for collecting all claims and fees, and other transactions affecting net position. Changes in the fund's claims liability amount in 2016 were as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2015	\$ -	\$ -	\$ -	\$ -
2016	-	4,010,242	3,869,298	140,944

### NOTE 10 – CONTINGENCIES

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

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

### NOTE 11 – INTERFUND TRANSACTIONS AND BALANCES

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

1. Nonreciprocal interfund transfers – Flows of assets between funds without equivalent flows of assets in return and without a requirement for repayment. This includes transfers to subsidize various funds.



# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

2. Nonreciprocal interfund reimbursements – Repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

For the year ended December 31, 2016 transfers (\$122,832 related to debt, \$129,598 related to grants, \$240,406 related to fund closeouts, \$50,000 city share of street lighting expenditures, and \$1,000,000 to subsidize Street Fund expenditures) consisted of the following:

	Transfers Out	Transfers In	
		Other Governmental Funds	Total Governmental Funds
	<u>Total</u>		
Governmental Funds:			
General	\$ (1,321,264)	\$ 25,043	\$ 25,043
Other governmental	(221,572)	1,517,793	1,517,793
Total	<u>\$ (1,542,836)</u>	<u>\$ 1,542,836</u>	<u>\$ 1,542,836</u>

**Interfund balances:** Interfund balances at December 31, 2016 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, 2016 are as follows:

Receivable Fund	Total	Payable Fund		
		Special Assessment Bond Retirement Fund	Other Governmental Funds	Total
Governmental Funds:				
General	\$ 10,676,455	\$ -	\$ -	\$ -
Special Assessment Bond Retirement	-	5,022	-	5,022
General Obligation Bond Retirement	272,596	-	-	-
Other governmental	2,239	-	10,946,268	10,946,268
Total	<u>\$ 10,951,290</u>	<u>\$ 5,022</u>	<u>\$ 10,946,268</u>	<u>\$ 10,951,290</u>

### NOTE 12 – TAXES

**Income Taxes** – A two percent City income tax is levied on substantially all income earned within the City. On March 6, 2012, the two percent income tax was renewed by the voters for a five year period through December 31, 2017. On March 15, 2016, the two percent income tax was renewed by the voters for an indefinite period, without an expiration date. In addition, the residents of the City are required to pay City income tax on income they earn outside the City;

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

however, full credit is allowed for all income taxes these residents pay to other municipalities. Employers within the City are required to withhold income tax on employee compensation and remit the tax to an intermediary collection agency (Regional Income Tax Agency) at least quarterly. Corporations and self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the collection agency. The collection agency remits taxes collected for the City each month, net of a charge for the cost of services and a credit for interest earned on amounts collected between remittances.

**Property Taxes** – Property taxes include amounts levied against all real and public utility 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 2015. Real property taxes are payable annually or semi-annually. If paid annually, payment is due February 19; if paid semiannually, the first payment is due January 20, with the remainder payable July 17. In certain instances, State statute permits earlier or later payment dates to be established.

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 2015 levy (collected in 2016) was approximately \$1.4 billion. Ohio law limits unvoted property taxation, combined for all overlapping taxing authorities, to 10 mills. The City's current share of the unvoted property tax is 3 mills of assessed value, and the City's total property tax levy, including all voted levies is 4.50 mills of assessed value.

### NOTE 13 – DEFINED BENEFIT PENSION PLANS

#### ***Net Pension Liability***

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

The net pension liability represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earning on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

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

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information):

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

Final Average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013 COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	<u>State and Local</u>
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	14.0%
Employee	10.0%
<b>2016 Actual Contribution Rates</b>	
Employer:	
Pension	12.0%
Post employment Health Care Benefits	<u>2.0%</u>
Total Employer	<u>14.0%</u>

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions was \$1,698,857 for 2016. Of this amount, \$112,867 is reported as intergovernmental payable.

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

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

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

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

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

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

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

	<u>Police</u>	<u>Firefighters</u>
<b>2016 Statutory Maximum Contribution Rates</b>		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
<b>2016 Actual Contribution Rates</b>		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	<u>0.50%</u>	<u>0.50%</u>
Total Employer	<u>19.50%</u>	<u>24.00%</u>
Employee	12.25%	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$2,844,101 for 2016. Of this amount, \$160,687 is reported as an intergovernmental payable.

### ***Pension Liabilities, Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS Traditional Pension Plan</u>	<u>OPERS Combined Pension Plan</u>	<u>OPF Police</u>	<u>OPF Fire</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability/(Asset)	\$ 19,498,199	\$ (20,861)	\$ 19,970,139	\$ 20,988,818	\$ 60,436,295
Proportion of the Net Position Liability/Asset	0.112568%	0.042870%	0.3142940%	0.3262644%	
Pension Expense	2,739,668	11,000	2,399,058	2,453,110	7,602,836

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OPF Police	OPF Fire	Total
<b>Deferred Outflows of Resources</b>					
Net difference between projected and actual earnings on pension plan investments	\$ 5,731,253	\$ 9,006	\$ 3,250,372	\$ 3,416,174	\$ 12,406,805
Changes in proportion and differences between City contributions and proportionate share of contributions	112,045	-	375,535	37,603	\$ 525,183
City contributions subsequent to the measurement date	<u>1,679,565</u>	<u>19,292</u>	<u>1,371,400</u>	<u>1,472,701</u>	<u>\$ 4,542,958</u>
Total Deferred Outflows of Resources	<u>\$ 7,522,863</u>	<u>\$ 28,298</u>	<u>\$ 4,997,307</u>	<u>\$ 4,926,478</u>	<u>\$ 17,474,946</u>
<b>Deferred Inflows of Resources</b>					
Differences between expected and actual experience	\$ 376,742	\$ 9,520	\$ 56,075	\$ 58,935	\$ 501,272
Changes in proportion and differences between City contributions and proportionate share of contributions	-	2,647	-	-	2,647
Total Deferred Inflows of Resources	<u>\$ 376,742</u>	<u>\$ 12,167</u>	<u>\$ 56,075</u>	<u>\$ 58,935</u>	<u>\$ 503,919</u>

\$4,542,958 reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OPF Police	OPF Fire	Total
Year Ending December 31:					
2017	\$ 1,305,177	\$ 797	\$ 917,464	\$ 895,461	\$ 3,118,899
2018	1,396,819	797	917,464	895,461	3,210,541
2019	1,467,576	796	917,463	895,459	3,281,294
2020	1,296,984	544	744,189	713,349	2,755,066
2021	-	(1,518)	61,552	(4,111)	55,923
Thereafter	-	(4,577)	11,700	(777)	6,346
Total	<u>\$ 5,466,556</u>	<u>\$ (3,161)</u>	<u>\$ 3,569,832</u>	<u>\$ 3,394,842</u>	<u>\$ 12,428,069</u>

### Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

The total pension asset in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 8.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.40 percent for 2015.



# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Long Term Expected Weighted Average Long-Term Expected Rate of Return (Arithmetic)
Fixed Income	23.00%	2.31%
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other Investments	18.00	4.59
Total	<u>100.00%</u>	<u>5.28%</u>

**Discount Rate** - The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – The following table represents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

City's proportionate share of the net pension liability/(asset)	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Traditional Pension Plan	\$ 31,065,391	\$ 19,498,197	\$ 9,741,635
Combined Plan	\$ (429)	\$ (21,623)	\$ (37,297)

### **Actuarial Assumptions – OPF**

OPF's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

plan involve estimated of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2015 are summarized below:

<u>Asset Class</u>	<u>Target</u>	<u>Long Term Expected</u>
Cash and Cash Equivalents	0.00%	(0.25)%
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income*	20.00	1.62
Global Inflation Protected*	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00%</u>	

\* levered 2x

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

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

**Discount Rate** – The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease <u>(7.25%)</u>	Current Discount Rate <u>(8.25%)</u>	1% Increase <u>(9.25%)</u>
City's proportionate share of the net pension liability	\$ 54,019,377	\$ 40,958,957	\$ 29,895,494

### NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS

*Ohio Public Employees Retirement System:* OPERS maintains two cost-sharing, multiple-employer defined benefit post-employment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored 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 20 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. Please see the Plan Statement in the OPERS 2014 CAFR for details.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, State and Local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employers trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined Plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan Members.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans.

The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2016. Effective January 1, 2017, the portion of employer contributions allocated to health care remains at 2.0 percent for both plans, as recommended by the OPERS actuary. The City's approximated contributions which were used to fund health care were \$293,825 for 2016, \$293,376 for 2015, and \$284,478 for 2014. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2016 was 4.5%.

*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 statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

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 is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, OH 43215-5164. That report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

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 percent and 24.00 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50 percent of the covered payroll for police employer units and 24.00 percent 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 an 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. The portion of employer contributions allocated to health care was .5 percent of covered payroll from January 1, 2016 thru December 31, 2016. 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 City's contributions to OP&F's healthcare plan for the years ending December 31, 2016, 2015, and 2014, were \$35,909, \$35,536, and \$33,596, respectively, for police and \$31,125, \$30,018, and \$29,273, respectively, for firefighters.

*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 percent.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

---

### NOTE 15 – TAX ABATEMENT DISCLOSURES

As of December 31, 2016, the City of Mentor provided tax incentives under two programs: The Community Reinvestment Area (CRA) and the Mentor Incentive Tax Credit program.

**Real Estate tax abatements:** Pursuant to Ohio Revised Code Chapter 3735.65-.70, the City established its first Community Reinvestment Area in 1984 with amendments in 1987, 1988 and 2015. A second CRA was created in 1988 encompassing the area of the Great Lakes Mall. Both CRAs provide for administratively-approved applications for a five-year duration at 100%. A third CRA was created in 2010 under ORC 5709 for the Old Village area. City Council authorizes the property tax abatement through passage of a public ordinance, based upon each business' investment criteria, and through a contractual application process with each business including proof that the improvements have been made. The abatement equals an agreed-upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The establishment of the Community Reinvestment area gave the City the ability to maintain and expand businesses located in the City and created new jobs by abating assessed valuation of properties, from new or improved commercial or industrial real estate. The City of Mentor would contract with the Mentor Exempted School District for payments in lieu of taxes when required by Section 5709.82 of the Ohio Revised Code. The total amount of taxes abated (for the five-year period ending December 31, 2016) equals \$170,954.

**Income tax abatement programs:** Pursuant to Ohio Revised Code Chapter 718 and City ordinance, the City provides an incentive to eligible companies based upon their gross annual payroll, the amount of income tax generated annually and the number of jobs created or retained by the business. The abatement is administered as a refundable credit against the municipal income tax liability based upon the company's payroll taxes. Also, the time period of the incentive in years, is determined by how many new jobs are to be created by the company. For the calendar year ended December 31, 2016, the total amount of taxes abated through this program equaled \$688,000.

### NOTE 16 – SUBSEQUENT EVENTS

In April 2017, the City issued \$7,500,000 of Various Purpose Bond Anticipation notes with an interest rate of 2.25% maturing January 26, 2018 for the purpose of financing certain capital and infrastructure improvements and to reimburse the City's general fund for \$2,500,000 expended in prior years for the cost of acquiring the real estate formerly known as Springbrook Gardens. The City anticipates issuing bonds for all or a portion of these project costs in 2017.





# REQUIRED SUPPLEMENTARY INFORMATION







**CITY OF MENTOR, OHIO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**LAST THREE YEARS<sup>1</sup>**

<b>Traditional Plan</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
City's Proportion of the Net Pension Liability	0.112568%	11.116000%	11.116000%
City's Proportionate Share of the Net Pension Liability	\$19,498,199	\$13,407,139	\$13,104,316
City's Covered-Employee Payroll	\$13,953,450	\$13,673,367	\$13,662,131
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	139.74%	98.05%	95.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%
<b>Combined Plan</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
City's Proportion of the Net Pension (Asset)	0.042870%	0.032691%	0.032691%
City's Proportionate Share of the Net Pension (Asset)	(\$20,861)	(\$12,586)	(\$3,430)
City's Covered-Employee Payroll	\$155,375	\$120,400	\$98,846
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Employee Payroll	13.43%	10.45%	3.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	116.90%	114.83%	104.33%

<sup>1</sup>Information prior to 2013 is not available.

Amounts presented as of the City's measurement date  
which is the prior year end.

**CITY OF MENTOR, OHIO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**OHIO POLICE AND FIRE PENSION FUND**  
**LAST THREE YEARS<sup>1</sup>**

<b>Police</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
City's Proportion of the Net Pension Liability	0.3104294%	0.3016210%	0.3016210%
City's Proportionate Share of the Net Pension Liability	\$19,970,139	\$15,625,226	\$14,689,889
City's Covered-Employee Payroll	\$7,135,279	\$6,643,853	\$8,102,149
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	279.88%	235.18%	181.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	71.71%	73.00%
<b>Fire</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
City's Proportion of the Net Pension Liability	0.3262644%	0.3253824%	0.3253824%
City's Proportionate Share of the Net Pension Liability	\$20,988,818	\$16,856,165	\$15,847,144
City's Covered-Employee Payroll	\$5,975,817	\$5,822,255	\$6,798,497
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	351.23%	289.51%	233.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	71.71%	73.00%

(1) Information prior to 2013 is not available.

Amounts presented as of the City's measurement date which is the prior year end.

**CITY OF MENTOR, OHIO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CITY CONTRIBUTIONS**  
**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**LAST FOUR YEARS<sup>1</sup>**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Contractually Required Contributions</u>				
Traditional Plan	1,679,565	\$1,674,414	\$1,640,804	\$1,776,077
Combined Plan	<u>19,292</u>	<u>\$18,645</u>	<u>\$14,448</u>	<u>\$12,850</u>
Total Required Contributions	\$1,698,857	\$1,693,059	\$1,655,252	\$1,788,927
Contributions in Relation to the Contractually Required Contribution	<u>(\$1,698,857)</u>	<u>(\$1,693,059)</u>	<u>(\$1,655,252)</u>	<u>(\$1,788,927)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>City's Covered-Employee Payroll</u>				
Traditional Plan	\$13,996,375	\$13,953,450	\$13,673,367	\$13,662,131
Combined Plan	\$160,767	\$155,375	\$120,400	\$98,846
<u>Pension Contributions as a Percentage of Covered-Employee Payroll</u>				
Traditional Plan	12.00%	12.00%	12.00%	13.00%
Combined Plan	12.00%	12.00%	12.00%	13.00%

(1) – Information prior to 2013 is not available.

**CITY OF MENTOR, OHIO  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CITY CONTRIBUTIONS  
OHIO POLICE AND FIRE PENSION FUND  
LAST TEN YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Contractually Required Contributions</u>										
Police	\$1,371,400	\$ 1,355,703	\$ 1,262,332	\$ 1,274,468	\$ 814,932	\$ 786,098	\$ 795,207	\$ 792,956	\$ 769,956	\$ 754,846
Fire	\$1,472,701	\$ 1,404,317	\$ 1,368,230	\$ 1,375,336	\$ 1,023,405	\$ 970,230	\$ 995,264	\$ 999,343	\$ 978,578	\$ 1,005,141
Total Required Contributions	\$2,844,101	\$2,760,020	\$2,630,562	\$2,649,804	\$1,838,337	\$1,756,328	\$1,790,471	\$1,792,299	\$1,748,534	\$1,759,987
Contributions in Relation to the Contractually Required Contribution	<u>(\$2,844,101)</u>	<u>(\$2,760,020)</u>	<u>(\$2,630,562)</u>	<u>(\$2,649,804)</u>	<u>(\$1,838,337)</u>	<u>(\$1,756,328)</u>	<u>(\$1,790,471)</u>	<u>(\$1,792,299)</u>	<u>(\$1,748,534)</u>	<u>(\$1,759,987)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>City's Covered-Employee Payroll</u>										
Police	\$7,217,895	\$7,135,279	\$6,643,853	\$8,102,149	\$6,391,624	\$6,165,475	\$6,236,918	\$6,219,263	\$6,038,871	\$5,920,361
Fire	\$6,266,813	\$5,975,817	\$5,822,255	\$6,798,497	\$5,932,783	\$5,624,522	\$5,769,646	\$5,793,293	\$5,672,916	\$5,826,904
<u>Pension Contributions as a Percentage of Covered- Employee Payroll</u>										
Police	19.00%	19.00%	19.00%	<sup>1</sup>	12.75%	12.75%	12.75%	12.75%	12.75%	12.75%
Fire	23.50%	23.50%	23.50%	<sup>1</sup>	17.25%	17.25%	17.25%	17.25%	17.25%	17.25%

<sup>1</sup> – The portion of the City's contributions to fund pension obligations from January 1, 2013 thru May 31, 2013, for both police officers and firefighters was 14.81 percent and 19.31 percent, respectively. The portion of the City's contributions to fund pension obligations from June 1, 2013 thru December 31, 2013 for both police officers and firefighters was 16.65 percent and 21.15 percent, respectively.





# SUPPLEMENTARY INFORMATION





**CITY OF MENTOR, OHIO**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Property taxes	\$ 515,554	\$ 515,495	\$ (59)
Municipal income tax	40,000,000	40,689,034	689,034
Intergovernmental	1,819,450	1,769,077	(50,373)
Charges for services	6,007,193	6,341,720	334,527
Fines and forfeitures	862,500	918,841	56,341
Licenses, permits and inspections	1,746,305	1,880,324	134,019
Investment income	400,000	483,079	83,079
Other	953,362	992,955	39,593
Total revenues	<u>52,304,364</u>	<u>53,590,525</u>	<u>1,286,161</u>
<b>EXPENDITURES:</b>			
<b>GENERAL GOVERNMENT:</b>			
<b>Council:</b>			
Employee compensation	173,767	154,892	18,875
Other	199,346	133,770	65,576
Total council	<u>373,113</u>	<u>288,662</u>	<u>84,451</u>
<b>Court:</b>			
Employee compensation	893,818	766,271	127,547
Other	274,131	219,230	54,901
Total court	<u>1,167,949</u>	<u>985,501</u>	<u>182,448</u>
<b>City manager:</b>			
Employee compensation	1,249,301	1,248,805	496
Other	1,876,813	1,442,748	434,065
Total city manager	<u>3,126,114</u>	<u>2,691,553</u>	<u>434,561</u>
<b>Finance:</b>			
Employee compensation	665,374	642,257	23,117
Other	1,903,213	1,667,730	235,483
Total finance	<u>2,568,587</u>	<u>2,309,987</u>	<u>258,600</u>
<b>Legal:</b>			
Employee compensation	412,970	380,700	32,270
Other	234,660	184,389	50,271
Total legal	<u>647,630</u>	<u>565,089</u>	<u>82,541</u>
Other	<u>610,000</u>	<u>519,251</u>	<u>90,749</u>
Total general government	<u>8,493,393</u>	<u>7,360,043</u>	<u>1,133,350</u>

Continued



**CITY OF MENTOR, OHIO**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>POLICE:</b>			
Employee compensation	\$ 9,219,156	\$ 9,071,482	\$ 147,674
Other	3,025,996	2,658,618	367,378
Total police	<u>12,245,152</u>	<u>11,730,100</u>	<u>515,052</u>
<b>FIRE:</b>			
Employee compensation	7,112,087	6,739,668	372,419
Other	2,863,215	2,607,685	255,530
Total fire	<u>9,975,302</u>	<u>9,347,353</u>	<u>627,949</u>
<b>STREETS AND HIGHWAYS:</b>			
Employee compensation	3,508,742	3,310,203	198,539
Other	5,179,971	4,801,466	378,505
Total streets and highways	<u>8,688,713</u>	<u>8,111,669</u>	<u>577,044</u>
<b>PARKS, RECREATION AND PUBLIC FACILITIES:</b>			
Employee compensation	3,778,643	3,514,029	264,614
Other	5,080,619	4,748,294	332,325
Total parks, recreation and public facilities	<u>8,859,262</u>	<u>8,262,323</u>	<u>596,939</u>
<b>ECONOMIC AND COMMUNITY DEVELOPMENT:</b>			
Employee compensation	997,924	880,012	117,912
Other	4,842,340	4,802,538	39,802
Total economic and community development	<u>5,840,264</u>	<u>5,682,550</u>	<u>157,714</u>
<b>ENGINEERING AND BUILDING</b>			
Employee compensation	1,070,122	1,036,333	33,789
Other	1,250,271	1,039,233	211,038
Total engineering and building	<u>2,320,393</u>	<u>2,075,566</u>	<u>244,827</u>
Total expenditures	<u>56,422,479</u>	<u>52,569,604</u>	<u>3,852,875</u>
Excess (deficiency) of revenues over expenditures	(4,118,115)	1,020,921	5,139,036
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	11,852,000	11,852,705	705
Advances out	(15,392,261)	(15,366,872)	25,389
Transfers in	25,043	25,043	-
Transfers out	(6,617,000)	(6,616,770)	230
Note Proceeds	2,500,000	2,500,000	-
Total other financing sources (uses)	<u>(7,632,218)</u>	<u>(7,605,894)</u>	<u>26,324</u>
NET CHANGE IN FUND BALANCE	(11,750,333)	(6,584,973)	5,165,360
Adjustment for prior year encumbrances	4,304,327	4,304,327	-
FUND BALANCES, BEGINNING OF YEAR	<u>8,673,008</u>	<u>8,673,008</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,227,002</u>	<u>\$ 6,392,362</u>	<u>\$ 5,165,360</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Special assessments	\$ 1,027,860	\$ 1,003,752	\$ (24,108)
EXPENDITURES:			
Debt service:			
Principal retirement	648,247	648,247	-
Interest and other charges	442,983	400,184	42,799
Total expenditures	<u>1,091,230</u>	<u>1,048,431</u>	<u>42,799</u>
NET CHANGE IN FUND BALANCE	(63,370)	(44,679)	18,691
FUND BALANCES, BEGINNING OF YEAR	<u>118,169</u>	<u>118,169</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 54,799</u>	<u>\$ 73,490</u>	<u>\$ 18,691</u>

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

### **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for specific revenues that are restricted or committed 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 County 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.

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

Court Computer Fund	To accumulate fees collected for computerization of the Mentor Municipal Court.
Court Special Projects Fund	To accumulate filing fees collected for special projects of the Mentor Municipal Court.
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.
Payroll Stabilization Fund	To account for the accumulation of resources for termination benefits and for the payment of salaries during any fiscal year when the number of pay periods exceeds the usual and customary number of pay periods. This fund is combined with General Fund on a GAAP basis as a result of the implementation of GASB-S54.
Police Canine Fund	To account for monies received for the Police Department's canine unit.
Seat Belt Grant Fund	To account for monies received from the Ohio Department of Highway Safety for the encouragement of seat belt use.
VOCA Victims Assistance Grant Fund	To account for monies received from the Crime Victims Assistance Office to assist victims of crime.
CDBG NSP Fund	To account for monies received from the U.S. Department of Housing and Urban Development for neighborhood stabilization.
Community Development Block Grant Fund	To account for monies received from the U.S. Department of Housing and Urban Development for various community development block grant programs.

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

Forfeited Property–U.S. Department of Justice Fund	To account for shared federally forfeited property proceeds received from the U.S. Department of Justice.
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 Activities Fund	To account for donations and user fees from various sources and individuals to be used to support specific purposes provided by the Mentor Senior Citizens Center. This fund is combined with General Fund on a GAAP basis as a result of the implementation of GASB-S54.
Parks and Recreation Donation Fund	To account for donations from various sources and individuals to be used to support specific purposes or programs provided by the Parks and Recreation Department.
Cultural Fund	To account for donations and user fees from various sources and individuals to be used to support specific purposes or programs provided by the Wildwood Cultural Center. This fund is combined with General Fund on a GAAP basis as a result of the implementation of GASB-S54.
Beautification Fund	To account for donations and user fees from various sources and individuals to be used to support specific purposes or programs provided by the City of Mentor's Beautification Commission. This fund is combined with General Fund on a GAAP basis as a result of the implementation of GASB-S54.
Local Grant Fund	To account for the financing of various small local grants.

## **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.
--------------------------------	--

## **CAPITAL PROJECT FUNDS (Continued)**

Energy Program Fund	To account for the financing of replacing and upgrading of older, inefficient equipment throughout the City to reduce energy usage and costs.
Amphitheater Fund	To account for the financing of construction of a new amphitheater at Civic Center Park.
Two-Town Detention Basin Fund	To account for the financing of the construction of a detention basin to attenuate peak flows in Two-Town Ditch and reduce flooding for residential property downstream.
Roosevelt Culvert Fund	To account for the financing of replacing the existing culvert at Roosevelt Avenue South of Jackson Street.
Rice Detention Basin Fund	To account for the financing of the construction of a detention basin at the former Rice Elementary School property to reduce flooding for residential property.
Jackson Street Resurfacing Fund	To account for the financing of resurfacing of Jackson Street from Heisley Road to Mentor Avenue.
Murray Avenue Storm Sewer Improvement Fund	To account for the financing of storm sewer improvements on Murray Avenue from Forestview Avenue to US20 including a portion of Forestview Avenue.
State Grants – Other Fund	To account for the financing of various small state grants.
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.
Corduroy Bikeway Connector Fund	To account for the financing of the widening and resurfacing of Jordan Drive from Corduroy Road to Rambler Drive along with bike lanes.
Newell Creek Bikeway Fund	To account for the financing of a bike path system north of the Norton Parkway.
I90/SR615 Interchange Fund	To account for the financing of an enhancement of the I90/SR615 interchange as part of the City Gateway project.
SR 306 Resurfacing Fund	To account for the financing of resurfacing SR306 between SR84 and SR283.
US 20 Widening and Resurfacing Fund	To account for the financing of widening and resurfacing US20 from SR615 to just east of the intersection at Hart Street.
SR 84 Resurfacing Fund	To account for the resurfacing of SR84 between SR306 and SR615.
Federal Grants – Other Fund	To account for the financing of various small federal grants.

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2016**

	<u>Special Revenue Funds</u>			
	<u>Street</u>	<u>TIF</u>	<u>Police Pension</u>	<u>Fire Pension</u>
<b>Assets</b>				
Cash and investments	\$ 2,596,231	\$ 1,514,379	\$ 36,869	\$ 36,869
Receivables, net	-	-	376,792	376,792
Due from other funds	-	-	-	-
Due from other governments	<u>1,104,540</u>	<u>837,000</u>	<u>22,509</u>	<u>22,509</u>
Total Assets	<u>3,700,771</u>	<u>2,351,379</u>	<u>436,170</u>	<u>436,170</u>
<b>Liabilities</b>				
Accounts payable	\$ 611,955	\$ 3,783	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	1,213,000	272,596	-	-
Notes payable	-	-	-	-
Total Liabilities	<u>1,824,955</u>	<u>276,379</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Property tax	-	-	368,400	368,400
PILOT	-	837,000	-	-
Unavailable Revenue:				
Delinquent property tax	-	-	8,392	8,392
Intergovernmental revenue	-	-	-	-
Shared revenue	707,595	-	22,509	22,509
Special assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>707,595</u>	<u>837,000</u>	<u>399,301</u>	<u>399,301</u>
<b>Fund Balances</b>				
Restricted	1,168,221	1,238,000	36,869	36,869
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>1,168,221</u>	<u>1,238,000</u>	<u>36,869</u>	<u>36,869</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,700,771</u>	<u>\$ 2,351,379</u>	<u>\$ 436,170</u>	<u>\$ 436,170</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2016**

	<b>Special Revenue Funds</b>			
	<u>Fire Levy</u>	<u>Senior Citizens Services Levy</u>	<u>Community Recreation Facilities</u>	<u>Cemetery</u>
<b>Assets</b>				
Cash and investments	\$ 368,162	\$ 424,361	\$ 496,750	\$ 208,185
Receivables, net	1,033,692	-	47,189	-
Due from other funds	873	-	-	-
Due from other governments	51,801	169,108	-	-
Total Assets	<u>1,454,528</u>	<u>593,469</u>	<u>543,939</u>	<u>208,185</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 10,040	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	383,000	-
Notes payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>393,040</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Property tax	1,012,906	-	-	-
PILOT	-	-	-	-
Unavailable Revenue:				
Delinquent property tax	21,659	-	-	-
Intergovernmental revenue	-	127,869	-	-
Shared revenue	51,801	-	-	-
Special assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>1,086,366</u>	<u>127,869</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Restricted	368,162	465,600	-	208,185
Committed	-	-	150,899	-
Unassigned	-	-	-	-
Total Fund Balances	<u>368,162</u>	<u>465,600</u>	<u>150,899</u>	<u>208,185</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,454,528</u>	<u>\$ 593,469</u>	<u>\$ 543,939</u>	<u>\$ 208,185</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2016**

	<b>Special Revenue Funds</b>			
	Economic Development	Subdivision Street Tree	Street Lighting	Court Computer
<b>Assets</b>				
Cash and investments	\$ 51,414	\$ 55,138	\$ 788,450	\$ 116,653
Receivables, net	-	-	6,688	4,175
Due from other funds	-	-	1,366	-
Due from other governments	-	-	-	-
Total Assets	<u>51,414</u>	<u>55,138</u>	<u>796,504</u>	<u>120,828</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 2,715	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	841,000	-
Notes payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>843,715</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Property tax	-	-	-	-
PILOT	-	-	-	-
Unavailable Revenue:				
Delinquent property tax	-	-	-	-
Intergovernmental revenue	-	-	-	-
Shared revenue	-	-	-	-
Special assessments	-	-	8,054	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>8,054</u>	<u>-</u>
<b>Fund Balances</b>				
Restricted	51,414	-	-	120,828
Committed	-	55,138	-	-
Unassigned	-	-	(55,265)	-
Total Fund Balances	<u>51,414</u>	<u>55,138</u>	<u>(55,265)</u>	<u>120,828</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 51,414</u>	<u>\$ 55,138</u>	<u>\$ 796,504</u>	<u>\$ 120,828</u>

Continued



**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2016**

	<b>Special Revenue Funds</b>			
	<u>Court Special Projects</u>	<u>Enforcement and Education</u>	<u>Court Probation Services</u>	<u>Indigent Driver Alcohol Treatment</u>
<b>Assets</b>				
Cash and investments	\$ 305,171	\$ 18,808	\$ 135,097	\$ 61,402
Receivables, net	8,309	95	4,759	478
Due from other funds	-	-	-	-
Due from other governments	-	-	-	3,500
Total Assets	<u>313,480</u>	<u>18,903</u>	<u>139,856</u>	<u>65,380</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Notes payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Property tax	-	-	-	-
PILOT	-	-	-	-
Unavailable Revenue:				
Delinquent property tax	-	-	-	-
Intergovernmental revenue	-	-	-	-
Shared revenue	-	-	-	3,500
Special assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,500</u>
<b>Fund Balances</b>				
Restricted	313,480	18,903	139,856	61,880
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>313,480</u>	<u>18,903</u>	<u>139,856</u>	<u>61,880</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 313,480</u>	<u>\$ 18,903</u>	<u>\$ 139,856</u>	<u>\$ 65,380</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2016**

	<b>Special Revenue Funds</b>			
	Indigent Driver Alcohol Monitoring	Law Enforcement Trust	Police Canine	Seat Belt Grant
<b>Assets</b>				
Cash and investments	\$ 115,715	\$ 71,630	\$ 14,715	\$ 6,302
Receivables, net	1,197	483	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	<u>116,912</u>	<u>72,113</u>	<u>14,715</u>	<u>6,302</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Notes payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Property tax	-	-	-	-
PILOT	-	-	-	-
Unavailable Revenue:				
Delinquent property tax	-	-	-	-
Intergovernmental revenue	-	-	-	-
Shared revenue	-	-	-	-
Special assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Restricted	116,912	72,113	14,715	6,302
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>116,912</u>	<u>72,113</u>	<u>14,715</u>	<u>6,302</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 116,912</u>	<u>\$ 72,113</u>	<u>\$ 14,715</u>	<u>\$ 6,302</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2016**

	<b>Special Revenue Funds</b>		
	VOCA Victims Assistance Grant	CDBG NSP	Community Development Block Grant
<b>Assets</b>			
Cash and investments	\$ 4,001	\$ 362,148	\$ 201,760
Receivables, net	-	-	-
Due from other funds	-	-	-
Due from other governments	3,223	-	-
Total Assets	<u>7,224</u>	<u>362,148</u>	<u>201,760</u>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Due to other funds	70	-	201,760
Notes payable	-	-	-
Total Liabilities	<u>70</u>	<u>-</u>	<u>201,760</u>
<b>Deferred Inflows of Resources</b>			
Property tax	-	-	-
PILOT	-	-	-
Unavailable Revenue:			
Delinquent property tax	-	-	-
Intergovernmental revenue	-	-	-
Shared revenue	-	-	-
Special assessments	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>			
Restricted	7,154	362,148	-
Committed	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>7,154</u>	<u>362,148</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,224</u>	<u>\$ 362,148</u>	<u>\$ 201,760</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2016**

	<b>Special Revenue Funds</b>			
	Forfeited Property - U.S. Department of Justice	Council Donation	Police Donation	Fire Donation
<b>Assets</b>				
Cash and investments	\$ 153,362	\$ 426	\$ 16,422	\$ 1,544
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	<u>153,362</u>	<u>426</u>	<u>16,422</u>	<u>1,544</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Notes payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Property tax	-	-	-	-
PILOT	-	-	-	-
Unavailable Revenue:				
Delinquent property tax	-	-	-	-
Intergovernmental revenue	-	-	-	-
Shared revenue	-	-	-	-
Special assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Restricted	153,362	426	16,422	1,544
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>153,362</u>	<u>426</u>	<u>16,422</u>	<u>1,544</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 153,362</u>	<u>\$ 426</u>	<u>\$ 16,422</u>	<u>\$ 1,544</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2016**

	<u>Special Revenue Funds</u>		<u>Total Special Revenue Funds</u>	<u>Debt Service Fund</u>
	<u>Parks and Recreation Donation</u>	<u>Local Grant</u>		<u>General Obligation Bond Retirement</u>
<b>Assets</b>				
Cash and investments	\$ 3,067	\$ 4,633	\$ 8,169,664	\$ 583,865
Receivables, net	-	-	1,860,649	2,001,047
Due from other funds	-	-	2,239	272,596
Due from other governments	-	-	2,214,190	120,016
Total Assets	<u>3,067</u>	<u>4,633</u>	<u>12,246,742</u>	<u>2,977,524</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 628,493	\$ -
Accrued liabilities	-	-	-	48,093
Due to other funds	-	5,500	2,916,926	-
Notes payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>5,500</u>	<u>3,545,419</u>	<u>48,093</u>
<b>Deferred Inflows of Resources</b>				
Property tax	-	-	1,749,706	1,964,860
PILOT	-	-	837,000	-
Unavailable Revenue:				
Delinquent property tax	-	-	38,443	36,187
Intergovernmental revenue	-	-	127,869	-
Shared revenue	-	-	807,914	120,016
Special assessments	-	-	8,054	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>3,568,986</u>	<u>2,121,063</u>
<b>Fund Balances</b>				
Restricted	3,067	-	4,982,432	808,368
Committed	-	-	206,037	-
Unassigned	-	(867)	(56,132)	-
Total Fund Balances	<u>3,067</u>	<u>(867)</u>	<u>5,132,337</u>	<u>808,368</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,067</u>	<u>\$ 4,633</u>	<u>\$ 12,246,742</u>	<u>\$ 2,977,524</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2016**

	<b>Capital Project Funds</b>			
	Plaza Boulevard Extension	Energy Program	Amphitheater	Two Town Detention Basin
<b>Assets</b>				
Cash and investments	\$ 1,480,589	\$ -	\$ 1,777,608	\$ 814
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	1,480,589	-	1,777,608	814
<b>Liabilities</b>				
Accounts payable	\$ 51,991	\$ -	\$ 259,772	\$ -
Accrued liabilities	-	-	7,295	-
Due to other funds	300,000	-	1,000,000	23,000
Notes payable	-	-	1,100,000	-
Total Liabilities	351,991	-	2,367,067	23,000
<b>Deferred Inflows of Resources</b>				
Property tax	-	-	-	-
PILOT	-	-	-	-
Unavailable Revenue:				
Delinquent property tax	-	-	-	-
Intergovernmental revenue	-	-	-	-
Shared revenue	-	-	-	-
Special assessments	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
<b>Fund Balances</b>				
Restricted	1,128,598	-	-	-
Committed	-	-	-	-
Unassigned	-	-	(589,459)	(22,186)
Total Fund Balances	1,128,598	-	(589,459)	(22,186)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,480,589	\$ -	\$ 1,777,608	\$ 814

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2016**

	<b>Capital Project Funds</b>			
	Roosevelt Culvert	Rice Detention Basin	Jackson Street	Murray Avenue Storm
<b>Assets</b>				
Cash and investments	\$ 86,846	\$ 108,581	\$ 516,602	\$ 810,358
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	7,772	44,071
Total Assets	<u>86,846</u>	<u>108,581</u>	<u>524,374</u>	<u>854,429</u>
<b>Liabilities</b>				
Accounts payable	\$ 9,269	\$ 3,052	\$ 233,126	\$ 115,748
Accrued liabilities	-	-	2,288	3,415
Due to other funds	183,000	-	191,100	341,500
Notes payable	-	-	345,000	-
Total Liabilities	<u>192,269</u>	<u>3,052</u>	<u>771,514</u>	<u>460,663</u>
<b>Deferred Inflows of Resources</b>				
Property tax	-	-	-	-
PILOT	-	-	-	-
Unavailable Revenue:				
Delinquent property tax	-	-	-	-
Intergovernmental revenue	-	-	-	-
Shared revenue	-	-	-	-
Special assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Restricted	-	105,529	-	393,766
Committed	-	-	-	-
Unassigned	(105,423)	-	(247,140)	-
Total Fund Balances	<u>(105,423)</u>	<u>105,529</u>	<u>(247,140)</u>	<u>393,766</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 86,846</u>	<u>\$ 108,581</u>	<u>\$ 524,374</u>	<u>\$ 854,429</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2016**

	<b>Capital Project Funds</b>			
	State Grant - Other	Heisley Road Improvement- Phase III	Corduroy Bikeway Connector	Newell Creek Bikeway
<b>Assets</b>				
Cash and investments	\$ 135,506	\$ 900,355	\$ -	\$ 120,121
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	11,110	637,374	-	-
Total Assets	<u>146,616</u>	<u>1,537,729</u>	<u>-</u>	<u>120,121</u>
<b>Liabilities</b>				
Accounts payable	\$ 2,394	\$ 15,325	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	73,666	1,900,000	-	200,000
Notes payable	-	-	-	-
Total Liabilities	<u>76,060</u>	<u>1,915,325</u>	<u>-</u>	<u>200,000</u>
<b>Deferred Inflows of Resources</b>				
Property tax	-	-	-	-
PILOT	-	-	-	-
Unavailable Revenue:				
Delinquent property tax	-	-	-	-
Intergovernmental revenue	-	-	-	-
Shared revenue	-	-	-	-
Special assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Restricted	70,556	-	-	-
Committed	-	-	-	-
Unassigned	-	(377,596)	-	(79,879)
Total Fund Balances	<u>70,556</u>	<u>(377,596)</u>	<u>-</u>	<u>(79,879)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 146,616</u>	<u>\$ 1,537,729</u>	<u>\$ -</u>	<u>\$ 120,121</u>

Continued



**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2016**

	<b>Capital Project Funds</b>		
	<u>I90/SR615 Interchange</u>	<u>SR306 Resurfacing</u>	<u>US20 Widening &amp; Resurfacing</u>
<b>Assets</b>			
Cash and investments	\$ 7,221	\$ 807,905	\$ 122,946
Receivables, net	-	-	-
Due from other funds	-	-	-
Due from other governments	-	1,825,019	458,149
Total Assets	<u>7,221</u>	<u>2,632,924</u>	<u>581,095</u>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 11,392	\$ -
Accrued liabilities	-	-	-
Due to other funds	95,000	2,577,395	632,000
Notes payable	-	-	-
Total Liabilities	<u>95,000</u>	<u>2,588,787</u>	<u>632,000</u>
<b>Deferred Inflows of Resources</b>			
Property tax	-	-	-
PILOT	-	-	-
Unavailable Revenue:			
Delinquent property tax	-	-	-
Intergovernmental revenue	-	-	458,149
Shared revenue	-	-	-
Special assessments	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>458,149</u>
<b>Fund Balances</b>			
Restricted	-	44,137	-
Committed	-	-	-
Unassigned	(87,779)	-	(509,054)
Total Fund Balances	<u>(87,779)</u>	<u>44,137</u>	<u>(509,054)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,221</u>	<u>\$ 2,632,924</u>	<u>\$ 581,095</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2016**

	<u>Capital Project Funds</u>			
	<u>SR84 Resurfacing</u>	<u>Federal Grants- Other</u>	<u>Total Capital Project Funds</u>	<u>Total All Nonmajor Funds</u>
<b>Assets</b>				
Cash and investments	\$ 255,019	\$ 371,855	\$ 7,502,326	\$ 16,255,855
Receivables, net	-	-	-	3,861,696
Due from other funds	-	-	-	274,835
Due from other governments	-	4,730	2,988,225	5,322,431
Total Assets	<u>255,019</u>	<u>376,585</u>	<u>10,490,551</u>	<u>25,714,817</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 702,069	\$ 1,330,562
Accrued liabilities	1,691	-	14,689	62,782
Due to other funds	8,750	503,931	8,029,342	10,946,268
Notes payable	255,000	-	1,700,000	1,700,000
Total Liabilities	<u>265,441</u>	<u>503,931</u>	<u>10,446,100</u>	<u>14,039,612</u>
<b>Deferred Inflows of Resources</b>				
Property tax	-	-	-	3,714,566
PILOT	-	-	-	837,000
Unavailable Revenue:				
Delinquent property tax	-	-	-	74,630
Intergovernmental revenue	-	-	458,149	586,018
Shared revenue	-	-	-	927,930
Special assessments	-	-	-	8,054
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>458,149</u>	<u>6,148,198</u>
<b>Fund Balances</b>				
Restricted	-	-	1,742,586	7,533,386
Committed	-	-	-	206,037
Unassigned	(10,422)	(127,346)	(2,156,284)	(2,212,416)
Total Fund Balances	<u>(10,422)</u>	<u>(127,346)</u>	<u>(413,698)</u>	<u>5,527,007</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 255,019</u>	<u>\$ 376,585</u>	<u>\$ 10,490,551</u>	<u>\$ 25,714,817</u>

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN**  
**FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**

	<u>Special Revenue Funds</u>			
	<u>Street</u>	<u>TIF</u>	<u>Police Pension</u>	<u>Fire Pension</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ 386,308	\$ 386,308
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	490,529	-	-
Intergovernmental	2,617,212	-	47,205	47,205
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	24,950	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>2,642,162</u>	<u>490,529</u>	<u>433,513</u>	<u>433,513</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Police	-	-	397,841	-
Fire	-	-	-	397,841
Streets and highways	2,754,736	504,211	-	-
Parks, recreation and public facilities	-	-	-	-
Economic and community development	-	5,281	-	-
Engineering and building	23,313	20,703	-	-
Capital outlay	363,117	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>3,141,166</u>	<u>530,195</u>	<u>397,841</u>	<u>397,841</u>
Excess (deficiency) of revenues over (under) expenditures	(499,004)	(39,666)	35,672	35,672
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Notes	-	-	-	-
Transfers in	1,000,000	-	-	-
Transfers out	-	(125,406)	-	-
Total other financing sources (uses)	<u>1,000,000</u>	<u>(125,406)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	500,996	(165,072)	35,672	35,672
FUND BALANCES AT BEGINNING OF YEAR	<u>667,225</u>	<u>1,403,072</u>	<u>1,197</u>	<u>1,197</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,168,221</u>	<u>\$ 1,238,000</u>	<u>\$ 36,869</u>	<u>\$ 36,869</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN**  
**FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**

	<b>Special Revenue Funds</b>			
	Fire Levy	Senior Citizens Services Levy	Community Recreation Facilities	Cemetery
<b>REVENUES</b>				
Property taxes	\$ 1,066,090	\$ -	\$ -	\$ -
Other local taxes	-	-	628,145	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	109,136	140,884	-	-
Charges for services	-	-	-	30,800
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	78,000	-
Total revenues	<u>1,175,226</u>	<u>140,884</u>	<u>706,145</u>	<u>30,800</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	921,553	-	-	-
Streets and highways	-	-	-	-
Parks, recreation and public facilities	-	170,060	379,369	155,465
Economic and community development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay	749,839	42,783	726,861	45,162
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>1,671,392</u>	<u>212,843</u>	<u>1,106,230</u>	<u>200,627</u>
Excess (deficiency) of revenues over (under) expenditures	(496,166)	(71,959)	(400,085)	(169,827)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Notes	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(496,166)	(71,959)	(400,085)	(169,827)
FUND BALANCES AT BEGINNING OF YEAR	<u>864,328</u>	<u>537,559</u>	<u>550,984</u>	<u>378,012</u>
FUND BALANCES AT END OF YEAR	<u>\$ 368,162</u>	<u>\$ 465,600</u>	<u>\$ 150,899</u>	<u>\$ 208,185</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN**  
**FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**

	<b>Special Revenue Funds</b>			
	Economic Development	Subdivision Street Tree	Street Lighting	Court Computer
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	60,819	-	-	-
Fines and forfeitures	-	-	-	61,436
Licenses, permits, and inspections	-	43,160	-	-
Special assessments	-	-	1,208,565	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>60,819</u>	<u>43,160</u>	<u>1,208,565</u>	<u>61,436</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	63,319
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	-	14,305	1,146,619	-
Parks, recreation and public facilities	-	-	-	-
Economic and community development	51,546	-	-	-
Engineering and building	-	-	-	-
Capital outlay	-	-	61,656	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>51,546</u>	<u>14,305</u>	<u>1,208,275</u>	<u>63,319</u>
Excess (deficiency) of revenues over (under) expenditures	9,273	28,855	290	(1,883)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Notes	-	-	-	-
Transfers in	-	-	50,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	9,273	28,855	50,290	(1,883)
FUND BALANCES AT BEGINNING OF YEAR	<u>42,141</u>	<u>26,283</u>	<u>(105,555)</u>	<u>122,711</u>
FUND BALANCES AT END OF YEAR	<u>\$ 51,414</u>	<u>\$ 55,138</u>	<u>\$ (55,265)</u>	<u>\$ 120,828</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN**  
**FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**

	<b>Special Revenue Funds</b>			
	Court Special Projects	Enforcement and Education	Court Probation Services	Indigent Driver Alcohol Treatment
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	122,680	3,699	76,521	9,484
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>122,680</u>	<u>3,699</u>	<u>76,521</u>	<u>9,484</u>
<b>EXPENDITURES</b>				
Current:				
General government	39,496	-	106,428	-
Police	-	1,830	-	-
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>39,496</u>	<u>1,830</u>	<u>106,428</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	83,184	1,869	(29,907)	9,484
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Notes	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(96,166)	-	-	-
Total other financing sources (uses)	<u>(96,166)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(12,982)	1,869	(29,907)	9,484
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>326,462</u>	<u>17,034</u>	<u>169,763</u>	<u>52,396</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u><b>\$ 313,480</b></u>	<u><b>\$ 18,903</b></u>	<u><b>\$ 139,856</b></u>	<u><b>\$ 61,880</b></u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN**  
**FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**

	<b>Special Revenue Funds</b>			
	Indigent Driver Alcohol Monitoring	Law Enforcement Trust	Police Canine	Seat Belt Grant
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	22,791	16,303	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	1,967	-
Total revenues	<u>22,791</u>	<u>16,303</u>	<u>1,967</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government	26,081	-	-	-
Police	-	984	2,421	1,871
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>26,081</u>	<u>984</u>	<u>2,421</u>	<u>1,871</u>
Excess (deficiency) of revenues over (under) expenditures	(3,290)	15,319	(454)	(1,871)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Notes	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(3,290)	15,319	(454)	(1,871)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>120,202</u>	<u>56,794</u>	<u>15,169</u>	<u>8,173</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u><b>\$ 116,912</b></u>	<u><b>\$ 72,113</b></u>	<u><b>\$ 14,715</b></u>	<u><b>\$ 6,302</b></u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN**  
**FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**

	<b>Special Revenue Funds</b>		
	VOCA Victims Assistance Grant	CDBG NSP	Community Development Block Grant
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ -
Other local taxes	-	-	-
Payments in Lieu of Taxes	-	-	-
Intergovernmental	33,651	-	164,985
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Licenses, permits, and inspections	-	-	-
Special assessments	-	-	-
Investment income	-	4,342	-
Donations and other	-	-	-
Total revenues	33,651	4,342	164,985
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Police	36,655	-	-
Fire	-	-	-
Streets and highways	-	-	-
Parks, recreation and public facilities	-	-	-
Economic and community development	-	1,193	149,985
Engineering and building	-	-	-
Capital outlay	-	-	15,000
Debt service:			
Principal retirement	-	-	-
Interest and other expenditures	-	-	-
Total expenditures	36,655	1,193	164,985
Excess (deficiency) of revenues over (under) expenditures	(3,004)	3,149	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of Notes	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	(3,004)	3,149	-
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	10,158	358,999	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 7,154</b>	<b>\$ 362,148</b>	<b>\$ -</b>

Continued



**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN**  
**FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**

	<b>Special Revenue Funds</b>			
	Forfeited Property - U.S. Department of Justice	Council Donation	Police Donation	Fire Donation
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	119,088	-	-	-
Charges for services	-	670	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	1,055	-	-	-
Donations and other	1,000	-	7,734	950
Total revenues	<u>121,143</u>	<u>670</u>	<u>7,734</u>	<u>950</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	268	-	-
Police	11,436	-	3,312	-
Fire	-	-	-	1,110
Streets and highways	-	-	-	-
Parks, recreation and public facilities	-	-	-	-
Economic and community development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay	50,924	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>62,360</u>	<u>268</u>	<u>3,312</u>	<u>1,110</u>
Excess (deficiency) of revenues over (under) expenditures	58,783	402	4,422	(160)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Notes	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	58,783	402	4,422	(160)
FUND BALANCES AT BEGINNING OF YEAR	<u>94,579</u>	<u>24</u>	<u>12,000</u>	<u>1,704</u>
FUND BALANCES AT END OF YEAR	<u>\$ 153,362</u>	<u>\$ 426</u>	<u>\$ 16,422</u>	<u>\$ 1,544</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN**  
**FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**

	<u>Special Revenue Funds</u>		<u>Total Special Revenue Funds</u>	<u>Debt Service Fund</u>
	<u>Parks and Recreation Donation</u>	<u>Local Grant</u>		<u>General Obligation Bond Retirement</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ 1,838,706	\$ 2,729,623
Other local taxes	-	-	628,145	-
Payments in Lieu of Taxes	-	-	490,529	-
Intergovernmental	-	-	3,279,366	314,703
Charges for services	-	-	92,289	-
Fines and forfeitures	-	-	312,914	-
Licenses, permits, and inspections	-	-	43,160	-
Special assessments	-	-	1,208,565	-
Investment income	-	-	30,347	12,887
Donations and other	1,100	19,400	110,151	-
Total revenues	<u>1,100</u>	<u>19,400</u>	<u>8,034,172</u>	<u>3,057,213</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	235,592	2,448
Police	-	662	457,012	-
Fire	-	-	1,320,504	-
Streets and highways	-	8,531	4,428,402	-
Parks, recreation and public facilities	864	39	705,797	-
Economic and community development	-	-	208,005	-
Engineering and building	-	11,400	55,416	-
Capital outlay	-	5,000	2,060,342	-
Debt service:				
Principal retirement	-	-	-	2,400,926
Interest and other expenditures	-	-	-	606,620
Total expenditures	<u>864</u>	<u>25,632</u>	<u>9,471,070</u>	<u>3,009,994</u>
Excess (deficiency) of revenues over (under) expenditures	236	(6,232)	(1,436,898)	47,219
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Notes	-	-	-	-
Transfers in	-	-	1,050,000	122,832
Transfers out	-	-	(221,572)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>828,428</u>	<u>122,832</u>
NET CHANGE IN FUND BALANCES	236	(6,232)	(608,470)	170,051
FUND BALANCES AT BEGINNING OF YEAR	<u>2,831</u>	<u>5,365</u>	<u>5,740,807</u>	<u>638,317</u>
FUND BALANCES AT END OF YEAR	<u>\$ 3,067</u>	<u>\$ (867)</u>	<u>\$ 5,132,337</u>	<u>\$ 808,368</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN**  
**FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**

	<b>Capital Project Funds</b>			
	Plaza Boulevard Extension	Energy Program	Amphitheater	Two Town Detention Basin
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	38,483	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>38,483</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,040	-	3,168	-
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks, recreation and public facilities	-	13,771	-	-
Economic and community development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay	361,370	-	578,996	24,680
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	7,295	-
Total expenditures	<u>363,410</u>	<u>13,771</u>	<u>589,459</u>	<u>24,680</u>
Excess (deficiency) of revenues over (under) expenditures	(324,927)	(13,771)	(589,459)	(24,680)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Notes	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(324,927)	(13,771)	(589,459)	(24,680)
FUND BALANCES AT BEGINNING OF YEAR	<u>1,453,525</u>	<u>13,771</u>	<u>-</u>	<u>2,494</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,128,598</u>	<u>\$ -</u>	<u>\$ (589,459)</u>	<u>\$ (22,186)</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN**  
**FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**

	<b>Capital Project Funds</b>			
	Roosevelt Culvert	Rice Detention Basin	Jackson Street	Murray Ave Storm
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	-	-	7,772	55,684
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>7,772</u>	<u>55,684</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	994	1,483
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	9,270	-	230,726	125,110
Parks, recreation and public facilities	-	-	-	-
Economic and community development	-	-	-	-
Engineering and building	31	-	20,904	46,910
Capital outlay	-	244,471	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	2,288	3,415
Total expenditures	<u>9,301</u>	<u>244,471</u>	<u>254,912</u>	<u>176,918</u>
Excess (deficiency) of revenues over (under) expenditures	(9,301)	(244,471)	(247,140)	(121,234)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Notes	-	-	-	515,000
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>515,000</u>
NET CHANGE IN FUND BALANCES	(9,301)	(244,471)	(247,140)	393,766
FUND BALANCES AT BEGINNING OF YEAR	<u>(96,122)</u>	<u>350,000</u>	<u>-</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ (105,423)</u>	<u>\$ 105,529</u>	<u>\$ (247,140)</u>	<u>\$ 393,766</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN**  
**FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**

	<b>Capital Project Funds</b>			
	State Grant - Other	Heisley Road Improvement- Phase III	Corduroy Bikeway Connector	Newell Creek Bikeway
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	280,700	3,191,937	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>280,700</u>	<u>3,191,937</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government	75,554	1,261	-	-
Police	3,838	-	-	-
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks, recreation and public facilities	137,637	-	-	-
Economic and community development	-	-	-	-
Engineering and building	3,900	-	-	-
Capital outlay	-	3,637,042	1	5,000
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>220,929</u>	<u>3,638,303</u>	<u>1</u>	<u>5,000</u>
Excess (deficiency) of revenues over (under) expenditures	59,771	(446,366)	(1)	(5,000)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Notes	-	-	-	-
Transfers in	89,572	-	240,406	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>89,572</u>	<u>-</u>	<u>240,406</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	149,343	(446,366)	240,405	(5,000)
FUND BALANCES AT BEGINNING OF YEAR	<u>(78,787)</u>	<u>68,770</u>	<u>(240,405)</u>	<u>(74,879)</u>
FUND BALANCES AT END OF YEAR	<u>\$ 70,556</u>	<u>\$ (377,596)</u>	<u>\$ -</u>	<u>\$ (79,879)</u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN**  
**FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**

	<b>Capital Project Funds</b>		
	I90/SR615 Interchange	SR306 Resurfacing	US20 Widening & Resurfacing
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ -
Other local taxes	-	-	-
Payments in Lieu of Taxes	-	-	-
Intergovernmental	-	1,903,739	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Licenses, permits, and inspections	-	-	-
Special assessments	-	-	-
Investment income	-	-	-
Donations and other	-	-	-
Total revenues	<u>-</u>	<u>1,903,739</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Police	-	-	-
Fire	-	-	-
Streets and highways	-	1,751,934	-
Parks, recreation and public facilities	-	-	-
Economic and community development	-	-	-
Engineering and building	-	107,668	-
Capital outlay	3,576	-	509,054
Debt service:			
Principal retirement	-	-	-
Interest and other expenditures	-	-	-
Total expenditures	<u>3,576</u>	<u>1,859,602</u>	<u>509,054</u>
Excess (deficiency) of revenues over (under) expenditures	(3,576)	44,137	(509,054)
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of Notes	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(3,576)	44,137	(509,054)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>(84,203)</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u><b>\$ (87,779)</b></u>	<u><b>\$ 44,137</b></u>	<u><b>\$ (509,054)</b></u>

Continued

**CITY OF MENTOR, OHIO**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN**  
**FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**

	<u>Capital Project Funds</u>			
	SR84 Resurfacing	Federal Grants- Other	Total Capital Project Funds	Total All Nonmajor Funds
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ 4,568,329
Other local taxes	-	-	-	628,145
Payments in Lieu of Taxes	-	-	-	490,529
Intergovernmental	-	1,174,937	6,653,252	10,247,321
Charges for services	-	-	-	92,289
Fines and forfeitures	-	-	-	312,914
Licenses, permits, and inspections	-	-	-	43,160
Special assessments	-	-	-	1,208,565
Investment income	-	-	-	43,234
Donations and other	-	-	-	110,151
Total revenues	<u>-</u>	<u>1,174,937</u>	<u>6,653,252</u>	<u>17,744,637</u>
<b>EXPENDITURES</b>				
Current:				
General government	734	-	85,234	323,274
Police	-	36,585	40,423	497,435
Fire	-	924,327	924,327	2,244,831
Streets and highways	-	-	2,117,040	6,545,442
Parks, recreation and public facilities	-	335,586	486,994	1,192,791
Economic and community development	-	-	-	208,005
Engineering and building	7,997	7,515	194,925	250,341
Capital outlay	-	17,380	5,381,570	7,441,912
Debt service:				
Principal retirement	-	-	-	2,400,926
Interest and other expenditures	1,691	-	14,689	621,309
Total expenditures	<u>10,422</u>	<u>1,321,393</u>	<u>9,245,202</u>	<u>21,726,266</u>
Excess (deficiency) of revenues over (under) expenditures	(10,422)	(146,456)	(2,591,950)	(3,981,629)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Notes	-	-	515,000	515,000
Transfers in	-	14,983	344,961	1,517,793
Transfers out	-	-	-	(221,572)
Total other financing sources (uses)	<u>-</u>	<u>14,983</u>	<u>859,961</u>	<u>1,811,221</u>
NET CHANGE IN FUND BALANCES	(10,422)	(131,473)	(1,731,989)	(2,170,408)
FUND BALANCES AT BEGINNING OF YEAR	<u>-</u>	<u>4,127</u>	<u>1,318,291</u>	<u>7,697,415</u>
FUND BALANCES AT END OF YEAR	<u>\$ (10,422)</u>	<u>\$ (127,346)</u>	<u>\$ (413,698)</u>	<u>\$ 5,527,007</u>

**CITY OF MENTOR, OHIO**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**Year Ended December 31, 2016**

---

	<u>Balance</u> <u>1, 2016</u>	<u>January</u> <u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 2016</u>
<b>Municipal Court Fund:</b>				
ASSETS:				
Cash	\$ 116,747	\$ 1,087,086	\$ 1,090,888	\$ 112,945
LIABILITIES:				
Deposits held and due to others	\$ 116,747	\$ 1,087,086	\$ 1,090,888	\$ 112,945



**CITY OF MENTOR, OHIO**  
**STREET FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 2,515,000	\$ 2,610,828	\$ 95,828
Investment income	10,000	24,950	14,950
Total revenues	<u>2,525,000</u>	<u>2,635,778</u>	<u>110,778</u>
<b>EXPENDITURES:</b>			
Engineering and building	92,943	92,943	-
Streets and highways	4,325,719	4,131,500	194,219
Total expenditures	<u>4,418,662</u>	<u>4,224,443</u>	<u>194,219</u>
Excess (deficiency) of revenues over expenditures	(1,893,662)	(1,588,665)	304,997
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	1,213,000	1,213,000	-
Transfers in	1,000,000	1,000,000	-
Advances out	(500,000)	(500,000)	-
Total other financing sources (uses)	<u>1,713,000</u>	<u>1,713,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(180,662)	124,335	304,997
Adjustment for prior year encumbrances	365,331	365,331	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>441,763</u>	<u>441,763</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 626,432</u>	<u>\$ 931,429</u>	<u>\$ 304,997</u>

**CITY OF MENTOR, OHIO****TIF FUND****SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL****(NON-GAAP BUDGETARY BASIS)****Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Payments in Lieu of Taxes	\$ 500,000	\$ 490,529	\$ (9,471)
EXPENDITURES:			
Economic and community development	5,281	5,281	-
Streets and highways	664,565	664,564	1
Engineering and building	52,120	52,120	-
Total expenditures	<u>721,966</u>	<u>721,965</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	(221,966)	(231,436)	(9,470)
OTHER FINANCING SOURCES (USES):			
Advances in	60,000	60,000	-
Advances out	(13,779)	(13,779)	-
Transfers out	(125,406)	(125,406)	-
Total other financing sources (uses)	<u>(79,185)</u>	<u>(79,185)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(301,151)	(310,621)	(9,470)
Adjustment for prior year encumbrances	1,720	1,720	-
FUND BALANCES, BEGINNING OF YEAR	<u>1,627,727</u>	<u>1,627,727</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,328,296</u>	<u>\$ 1,318,826</u>	<u>\$ (9,470)</u>

**CITY OF MENTOR, OHIO**  
**POLICE PENSION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 45,331	\$ 47,205	\$ 1,874
Property taxes	366,026	386,308	20,282
Total revenues	<u>411,357</u>	<u>433,513</u>	<u>22,156</u>
EXPENDITURES:			
Police	<u>399,458</u>	<u>397,841</u>	<u>1,617</u>
NET CHANGE IN FUND BALANCE	11,899	35,672	23,773
FUND BALANCES, BEGINNING OF YEAR	<u>1,197</u>	<u>1,197</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 13,096</u>	<u>\$ 36,869</u>	<u>\$ 23,773</u>

**CITY OF MENTOR, OHIO**  
**FIRE PENSION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 45,331	\$ 47,205	\$ 1,874
Property taxes	<u>366,026</u>	<u>386,308</u>	<u>20,282</u>
Total revenues	<u>411,357</u>	<u>433,513</u>	<u>22,156</u>
EXPENDITURES:			
Fire	<u>399,458</u>	<u>397,841</u>	<u>1,617</u>
NET CHANGE IN FUND BALANCE	11,899	35,672	23,773
FUND BALANCES, BEGINNING OF YEAR	<u>1,197</u>	<u>1,197</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 13,096</u>	<u>\$ 36,869</u>	<u>\$ 23,773</u>

**CITY OF MENTOR, OHIO**  
**FIRE LEVY FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 108,000	\$ 109,136	\$ 1,136
Property taxes	1,065,375	1,066,090	715
Total revenues	<u>1,173,375</u>	<u>1,175,226</u>	<u>1,851</u>
<b>EXPENDITURES:</b>			
Fire:			
Employee compensation	906,500	906,500	-
Other	1,045,645	1,039,813	5,832
Total expenditures	<u>1,952,145</u>	<u>1,946,313</u>	<u>5,832</u>
<b>NET CHANGE IN FUND BALANCE</b>	(778,770)	(771,087)	7,683
Adjustment for prior year encumbrances	745,645	745,645	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>118,683</u>	<u>118,683</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 85,558</u>	<u>\$ 93,241</u>	<u>\$ 7,683</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 275,000	\$ 105,892	\$ (169,108)
EXPENDITURES:			
Parks, recreation and public facilities:			
Employee compensation	15,000	15,000	-
Other	747,631	309,173	438,458
Total expenditures	<u>762,631</u>	<u>324,173</u>	<u>438,458</u>
NET CHANGE IN FUND BALANCE	(487,631)	(218,281)	269,350
Adjustment for prior year encumbrances	97,482	97,482	-
FUND BALANCES, BEGINNING OF YEAR	<u>451,750</u>	<u>451,750</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 61,601</u>	<u>\$ 330,951</u>	<u>\$ 269,350</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Donations and other	\$ 100,000	\$ 78,000	\$ (22,000)
Other local taxes	554,000	623,129	69,129
Total revenues	<u>654,000</u>	<u>701,129</u>	<u>47,129</u>
<b>EXPENDITURES:</b>			
Parks, recreation and public facilities	<u>1,207,848</u>	<u>1,146,241</u>	<u>61,607</u>
Excess (deficiency) of revenues over expenditures	(553,848)	(445,112)	108,736
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	383,000	383,000	-
Total other financing sources (uses)	<u>383,000</u>	<u>383,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(170,848)	(62,112)	108,736
Adjustment for prior year encumbrances	71,848	71,848	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>437,273</u>	<u>437,273</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 338,273</u>	<u>\$ 447,009</u>	<u>\$ 108,736</u>

**CITY OF MENTOR, OHIO**  
**CEMETERY FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Charges for services	\$ 28,000	\$ 30,800	\$ 2,800
<b>EXPENDITURES:</b>			
Parks, recreation and public facilities			
Employee compensation	25,000	25,000	-
Other	185,627	175,627	10,000
Total expenditures	<u>210,627</u>	<u>200,627</u>	<u>10,000</u>
Excess (deficiency) of revenues over expenditures	(182,627)	(169,827)	12,800
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	47,000	-	(47,000)
Total other financing sources (uses)	<u>47,000</u>	<u>-</u>	<u>(47,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(135,627)	(169,827)	(34,200)
Adjustment for prior year encumbrances	167,095	167,095	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>210,917</u>	<u>210,917</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 242,385</u>	<u>\$ 208,185</u>	<u>\$ (34,200)</u>



**CITY OF MENTOR, OHIO**  
**ECONOMIC DEVELOPMENT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	\$ 69,100	\$ 60,819	\$ (8,281)
EXPENDITURES:			
Economic and community development	86,104	70,338	15,766
NET CHANGE IN FUND BALANCE	(17,004)	(9,519)	7,485
Adjustment for prior year encumbrances	10,105	10,105	-
FUND BALANCES, BEGINNING OF YEAR	36,977	36,977	-
FUND BALANCES, END OF YEAR	<u>\$ 30,078</u>	<u>\$ 37,563</u>	<u>\$ 7,485</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Licenses, permits and inspections	\$ 15,000	\$ 43,160	\$ 28,160
EXPENDITURES:			
Streets and highways	15,000	14,305	695
NET CHANGE IN FUND BALANCE	-	28,855	28,855
FUND BALANCES, BEGINNING OF YEAR	26,283	26,283	-
FUND BALANCES, END OF YEAR	<u>\$ 26,283</u>	<u>\$ 55,138</u>	<u>\$ 28,855</u>

**CITY OF MENTOR, OHIO**  
**STREET LIGHTING FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Special assessments	\$ 1,194,000	\$ 1,208,565	\$ 14,565
EXPENDITURES:			
Streets and highways	1,896,200	1,783,924	112,276
Excess (deficiency) of revenues over expenditures	(702,200)	(575,359)	126,841
OTHER FINANCING SOURCES (USES):			
Advances in	838,000	841,000	3,000
Transfers in	50,000	50,000	-
Advances out	(180,000)	(180,000)	-
Total other financing sources (uses)	<u>708,000</u>	<u>711,000</u>	<u>3,000</u>
NET CHANGE IN FUND BALANCE	5,800	135,641	129,841
Adjustment for prior year encumbrances	41,043	41,043	-
FUND BALANCES, BEGINNING OF YEAR	<u>132,237</u>	<u>132,237</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 179,080</u>	<u>\$ 308,921</u>	<u>\$ 129,841</u>

**CITY OF MENTOR, OHIO**  
**COURT COMPUTER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 65,000	\$ 62,006	\$ (2,994)
EXPENDITURES:			
General government			
Employee compensation	50,000	43,102	6,898
Other	130,383	23,236	107,147
Total expenditures	<u>180,383</u>	<u>66,338</u>	<u>114,045</u>
NET CHANGE IN FUND BALANCE	(115,383)	(4,332)	111,051
Adjustment for prior year encumbrances	55	55	-
FUND BALANCES, BEGINNING OF YEAR	<u>117,911</u>	<u>117,911</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,583</u>	<u>\$ 113,634</u>	<u>\$ 111,051</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Fines and forfeitures	\$ 130,000	\$ 123,827	\$ (6,173)
<b>EXPENDITURES:</b>			
General government	320,878	39,102	281,776
Excess (deficiency) of revenues over expenditures	(190,878)	84,725	275,603
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	(100,000)	(96,166)	3,834
Total other financing sources (uses)	(100,000)	(96,166)	3,834
<b>NET CHANGE IN FUND BALANCE</b>	(290,878)	(11,441)	279,437
Adjustment for prior year encumbrances	378	378	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	315,814	315,814	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 25,314</u>	<u>\$ 304,751</u>	<u>\$ 279,437</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 4,000	\$ 4,274	\$ 274
EXPENDITURES:			
Police	14,000	1,830	12,170
NET CHANGE IN FUND BALANCE	(10,000)	2,444	12,444
FUND BALANCES, BEGINNING OF YEAR	16,364	16,364	-
FUND BALANCES, END OF YEAR	<u>\$ 6,364</u>	<u>\$ 18,808</u>	<u>\$ 12,444</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 82,000	\$ 79,590	\$ (2,410)
EXPENDITURES:			
General government:			
Employee compensation	59,630	59,630	-
Other	172,204	47,165	125,039
Total expenditures	<u>231,834</u>	<u>106,795</u>	<u>125,039</u>
NET CHANGE IN FUND BALANCE	(149,834)	(27,205)	122,629
Adjustment for prior year encumbrances	1,224	1,224	-
FUND BALANCES, BEGINNING OF YEAR	<u>160,711</u>	<u>160,711</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 12,101</u>	<u>\$ 134,730</u>	<u>\$ 122,629</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Fines and forfeitures	\$ 10,000	\$ 9,938	\$ (62)
Intergovernmental	12,000	-	(12,000)
Total revenues	<u>22,000</u>	<u>9,938</u>	<u>(12,062)</u>
<b>EXPENDITURES:</b>			
General government	<u>60,000</u>	<u>4,449</u>	<u>55,551</u>
NET CHANGE IN FUND BALANCE	(38,000)	5,489	43,489
FUND BALANCES, BEGINNING OF YEAR	<u>55,913</u>	<u>55,913</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 17,913</u>	<u>\$ 61,402</u>	<u>\$ 43,489</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 24,000	\$ 23,632	\$ (368)
EXPENDITURES:			
General government	120,000	26,081	93,919
NET CHANGE IN FUND BALANCE	(96,000)	(2,449)	93,551
FUND BALANCES, BEGINNING OF YEAR	118,164	118,164	-
FUND BALANCES, END OF YEAR	<u>\$ 22,164</u>	<u>\$ 115,715</u>	<u>\$ 93,551</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 4,000	\$ 21,864	\$ 17,864
EXPENDITURES:			
Police	10,000	984	9,016
NET CHANGE IN FUND BALANCE	(6,000)	20,880	26,880
FUND BALANCES, BEGINNING OF YEAR	50,750	50,750	-
FUND BALANCES, END OF YEAR	<u>\$ 44,750</u>	<u>\$ 71,630</u>	<u>\$ 26,880</u>

**CITY OF MENTOR, OHIO**  
**PAYROLL STABILIZATION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Economic and community development	28,333	3,657	24,676
Fire	39,017	2,573	36,444
General government	48,517	30,010	18,507
Parks, recreation and public facilities	29,000	25,241	3,759
Police	103,134	96,109	7,025
Streets and highways	29,333	1,870	27,463
Engineering and building	21,943	933	21,010
Total expenditures	<u>299,277</u>	<u>160,393</u>	<u>138,884</u>
Excess (deficiency) of revenues over expenditures	(299,277)	(160,393)	138,884
OTHER FINANCING SOURCES (USES):			
Transfers in	440,000	295,505	(144,495)
Total other financing sources (uses)	<u>440,000</u>	<u>295,505</u>	<u>(144,495)</u>
NET CHANGE IN FUND BALANCE	140,723	135,112	(5,611)
FUND BALANCES, BEGINNING OF YEAR	<u>1,216,132</u>	<u>1,216,132</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,356,855</u>	<u>\$ 1,351,244</u>	<u>\$ (5,611)</u>

**CITY OF MENTOR, OHIO**  
**POLICE CANINE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ -	\$ 1,967	\$ 1,967
EXPENDITURES:			
Police	7,000	2,421	4,579
NET CHANGE IN FUND BALANCE	(7,000)	(454)	6,546
FUND BALANCES, BEGINNING OF YEAR	15,169	15,169	-
FUND BALANCES, END OF YEAR	<u>\$ 8,169</u>	<u>\$ 14,715</u>	<u>\$ 6,546</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Police	6,000	1,871	4,129
NET CHANGE IN FUND BALANCE	(6,000)	(1,871)	4,129
FUND BALANCES, BEGINNING OF YEAR	8,173	8,173	-
FUND BALANCES, END OF YEAR	<u>\$ 2,173</u>	<u>\$ 6,302</u>	<u>\$ 4,129</u>

**CITY OF MENTOR, OHIO**  
**VOCA VICTIMS ASSISTANCE GRANT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 39,746	\$ 33,740	\$ (6,006)
EXPENDITURES:			
Police:			
Employee Compensation	49,682	36,655	13,027
Other	680	-	680
Total Expenditures	<u>50,362</u>	<u>36,655</u>	<u>13,707</u>
Excess (deficiency) of revenues over expenditures	(10,616)	(2,915)	7,701
OTHER FINANCING SOURCES (USES):			
Advances in	-	70	70
Transfers in	9,936	-	(9,936)
Total other financing sources (uses)	<u>9,936</u>	<u>70</u>	<u>(9,866)</u>
NET CHANGE IN FUND BALANCE	(680)	(2,845)	(2,165)
FUND BALANCES, BEGINNING OF YEAR	<u>6,846</u>	<u>6,846</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 6,166</u>	<u>\$ 4,001</u>	<u>\$ (2,165)</u>

**CITY OF MENTOR, OHIO**  
**CDBG NSP FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Investment income	\$ -	\$ 4,342	\$ 4,342
<b>EXPENDITURES:</b>			
Economic and community development	379,307	16,747	362,560
Excess (deficiency) of revenues over expenditures	(379,307)	(12,405)	366,902
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	20,500	-	(20,500)
Total other financing sources (uses)	20,500	-	(20,500)
<b>NET CHANGE IN FUND BALANCE</b>	<b>(358,807)</b>	<b>(12,405)</b>	<b>346,402</b>
Adjustment for prior year encumbrances	20,372	20,372	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>338,627</b>	<b>338,627</b>	<b>-</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 192</b>	<b>\$ 346,594</b>	<b>\$ 346,402</b>

**CITY OF MENTOR, OHIO**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 189,365	\$ 164,990	\$ (24,375)
EXPENDITURES:			
Economic and community development			
Employee compensation	6,140	6,140	-
Other	244,078	158,845	85,233
Total expenditures	<u>250,218</u>	<u>164,985</u>	<u>85,233</u>
Excess (deficiency) of revenues over expenditures	(60,853)	5	60,858
OTHER FINANCING SOURCES (USES):			
Advances in	61,000	201,760	140,760
Advances out	(211,500)	(211,500)	-
Total other financing sources (uses)	<u>(150,500)</u>	<u>(9,740)</u>	<u>140,760</u>
NET CHANGE IN FUND BALANCE	(211,353)	(9,735)	201,618
Adjustment for prior year encumbrances	50,853	50,853	-
FUND BALANCES, BEGINNING OF YEAR	<u>160,642</u>	<u>160,642</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 142</u>	<u>\$ 201,760</u>	<u>\$ 201,618</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ -	\$ 119,088	\$ 119,088
Investment income	900	1,055	155
Donations and other	-	1,000	1,000
Total revenues	<u>900</u>	<u>121,143</u>	<u>120,243</u>
<b>EXPENDITURES:</b>			
Police	<u>68,955</u>	<u>62,360</u>	<u>6,595</u>
<b>NET CHANGE IN FUND BALANCE</b>	(68,055)	58,783	126,838
Adjustment for prior year encumbrances	4,955	4,955	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>89,624</u>	<u>89,624</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 26,524</u>	<u>\$ 153,362</u>	<u>\$ 126,838</u>

**CITY OF MENTOR, OHIO**  
**COUNCIL DONATION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

---

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ 700	\$ 670	\$ (30)
EXPENDITURES:			
General government	600	268	332
NET CHANGE IN FUND BALANCE	100	402	302
FUND BALANCES, BEGINNING OF YEAR	24	24	-
FUND BALANCES, END OF YEAR	<u>\$ 124</u>	<u>\$ 426</u>	<u>\$ 302</u>

**CITY OF MENTOR, OHIO**  
**POLICE DONATION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ 1,000	\$ 7,734	\$ 6,734
EXPENDITURES:			
Police	6,540	3,312	3,228
NET CHANGE IN FUND BALANCE	(5,540)	4,422	9,962
Adjustment for prior year encumbrances	40	40	-
FUND BALANCES, BEGINNING OF YEAR	11,960	11,960	-
FUND BALANCES, END OF YEAR	<u>\$ 6,460</u>	<u>\$ 16,422</u>	<u>\$ 9,962</u>

**CITY OF MENTOR, OHIO**  
**FIRE DONATION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

---

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ 1,000	\$ 950	\$ (50)
EXPENDITURES:			
Fire	2,500	1,110	1,390
NET CHANGE IN FUND BALANCE	(1,500)	(160)	1,340
FUND BALANCES, BEGINNING OF YEAR	1,704	1,704	-
FUND BALANCES, END OF YEAR	<u>\$ 204</u>	<u>\$ 1,544</u>	<u>\$ 1,340</u>

**CITY OF MENTOR, OHIO**  
**PARKS AND RECREATION DONATION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ 1,000	\$ 1,100	\$ 100
EXPENDITURES:			
Parks, recreation and public facilities	2,342	864	1,478
NET CHANGE IN FUND BALANCE	(1,342)	236	1,578
FUND BALANCES, BEGINNING OF YEAR	2,831	2,831	-
FUND BALANCES, END OF YEAR	<u>\$ 1,489</u>	<u>\$ 3,067</u>	<u>\$ 1,578</u>

**CITY OF MENTOR, OHIO**  
**SENIOR CITIZENS ACTIVITIES FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	\$ 2,200	\$ 2,180	\$ (20)
EXPENDITURES:			
Parks, recreation and public facilities	2,450	2,241	209
NET CHANGE IN FUND BALANCE	(250)	(61)	189
FUND BALANCES, BEGINNING OF YEAR	27,534	27,534	-
FUND BALANCES, END OF YEAR	<u>\$ 27,284</u>	<u>\$ 27,473</u>	<u>\$ 189</u>

**CITY OF MENTOR, OHIO**  
**CULTURAL FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Charges for services	\$ 23,077	\$ 40,199	\$ 17,122
Donations and other	2,000	7,244	5,244
Total revenues	<u>25,077</u>	<u>47,443</u>	<u>22,366</u>
<b>EXPENDITURES:</b>			
Parks, recreation and public facilities:			
Employee compensation	7,000	4,950	2,050
Other	69,149	45,518	23,631
Total expenditures	<u>76,149</u>	<u>50,468</u>	<u>25,681</u>
NET CHANGE IN FUND BALANCE	(51,072)	(3,025)	48,047
Adjustment for prior year encumbrances	449	449	-
FUND BALANCES, BEGINNING OF YEAR	<u>64,096</u>	<u>64,096</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 13,473</u>	<u>\$ 61,520</u>	<u>\$ 48,047</u>

**CITY OF MENTOR, OHIO**  
**BEAUTIFICATION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	\$ -	\$ 360	\$ 360
EXPENDITURES:			
Parks, recreation and public facilities	1,800	136	1,664
NET CHANGE IN FUND BALANCE	(1,800)	224	2,024
FUND BALANCES, BEGINNING OF YEAR	1,994	1,994	-
FUND BALANCES, END OF YEAR	<u>\$ 194</u>	<u>\$ 2,218</u>	<u>\$ 2,024</u>



**CITY OF MENTOR, OHIO**  
**LOCAL GRANT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Other	\$ 18,900	\$ 19,400	\$ 500
<b>EXPENDITURES:</b>			
Parks, recreation and public facilities	5,042	5,042	-
Police	2,824	662	2,162
Streets and highways	10,000	8,531	1,469
Engineering and building	11,400	11,400	-
Total expenditures	<u>29,266</u>	<u>25,635</u>	<u>3,631</u>
Excess (deficiency) of revenues over expenditures	(10,366)	(6,235)	4,131
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	5,500	5,500	-
Transfers in	5,001	-	(5,001)
Advances out	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>501</u>	<u>(4,500)</u>	<u>(5,001)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(9,865)	(10,735)	(870)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>15,365</u>	<u>15,365</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 5,500</u>	<u>\$ 4,630</u>	<u>\$ (870)</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 299,943	\$ 314,703	\$ 14,760
Investment income	-	12,887	12,887
Property taxes	2,652,197	2,729,623	77,426
Total revenues	<u>2,952,140</u>	<u>3,057,213</u>	<u>105,073</u>
<b>EXPENDITURES:</b>			
Debt service:			
Principal retirement	2,414,705	2,414,705	-
Interest and other charges	611,406	609,068	2,338
Total expenditures	<u>3,026,111</u>	<u>3,023,773</u>	<u>2,338</u>
Excess (deficiency) of revenues over expenditures	(73,971)	33,440	107,411
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	35,000	13,779	(21,221)
Note proceeds	48,093	48,093	-
Transfers in	122,832	122,832	-
Total other financing sources (uses)	<u>205,925</u>	<u>184,704</u>	<u>(21,221)</u>
NET CHANGE IN FUND BALANCE	131,954	218,144	86,190
FUND BALANCES, BEGINNING OF YEAR	<u>638,317</u>	<u>638,317</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 770,271</u>	<u>\$ 856,461</u>	<u>\$ 86,190</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 412,139	\$ 38,483	\$ (373,656)
<b>EXPENDITURES:</b>			
General government	2,041	2,041	-
Streets and highways	1,884,620	1,678,433	206,187
Engineering and building	79,772	58,770	21,002
Total expenditures	<u>1,966,433</u>	<u>1,739,244</u>	<u>227,189</u>
Excess (deficiency) of revenues over expenditures	(1,554,294)	(1,700,761)	(146,467)
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	300,000	300,000	-
Total other financing sources (uses)	<u>300,000</u>	<u>300,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,254,294)	(1,400,761)	(146,467)
Adjustment for prior year encumbrances	834,392	834,392	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>619,133</u>	<u>619,133</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 199,231</u>	<u>\$ 52,764</u>	<u>\$ (146,467)</u>

**CITY OF MENTOR, OHIO**  
**ENERGY PROGRAM FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Parks, recreation and public facilities	13,770	13,770	-
NET CHANGE IN FUND BALANCE	(13,770)	(13,770)	-
Adjustment for prior year encumbrances	13,770	13,770	-
FUND BALANCES, BEGINNING OF YEAR	1	1	-
FUND BALANCES, END OF YEAR	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

**CITY OF MENTOR, OHIO**  
**AMPHITHEATER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
General government	3,200	3,168	32
Other	2,100,000	2,073,257	26,743
Total expenditures	<u>2,103,200</u>	<u>2,076,425</u>	<u>26,775</u>
Excess (deficiency) of revenues over expenditures	(2,103,200)	(2,076,425)	26,775
OTHER FINANCING SOURCES (USES):			
Advances in	1,006,400	1,003,200	(3,200)
Note proceeds	1,100,000	1,100,000	-
Advances out	(3,200)	(3,200)	-
Total other financing sources (uses)	<u>2,103,200</u>	<u>2,100,000</u>	<u>(3,200)</u>
NET CHANGE IN FUND BALANCE	-	23,575	23,575
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 23,575</u>	<u>\$ 23,575</u>

**CITY OF MENTOR, OHIO**  
**TWO TOWN DETENTION BASIN**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 482,778	\$ -	\$ (482,778)
<b>EXPENDITURES:</b>			
Streets and highways	1,480,400	-	1,480,400
Engineering and building	55,000	24,680	30,320
Total expenditures	<u>1,535,400</u>	<u>24,680</u>	<u>1,510,720</u>
Excess (deficiency) of revenues over expenditures	(1,052,622)	(24,680)	1,027,942
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	1,535,400	23,000	(1,512,400)
Note proceeds	1,050,128	-	(1,050,128)
Advances out	(1,535,400)	-	1,535,400
Total other financing sources (uses)	<u>1,050,128</u>	<u>23,000</u>	<u>(1,027,128)</u>
NET CHANGE IN FUND BALANCE	(2,494)	(1,680)	814
FUND BALANCES, BEGINNING OF YEAR	<u>2,494</u>	<u>2,494</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 814</u>	<u>\$ 814</u>

**CITY OF MENTOR, OHIO**  
**ROOSEVELT CULVERT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 50,538	\$ 4,539	\$ (45,999)
<b>EXPENDITURES:</b>			
Streets and highways	16,383	16,384	(1)
Engineering and building	2,855	2,847	8
Total expenditures	<u>19,238</u>	<u>19,231</u>	<u>7</u>
Excess (deficiency) of revenues over expenditures	31,300	(14,692)	(45,992)
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	-	183,000	183,000
Transfers in	130,000	-	(130,000)
Advances out	(183,000)	(183,000)	-
Total other financing sources (uses)	<u>(53,000)</u>	<u>-</u>	<u>53,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	(21,700)	(14,692)	7,008
Adjustment for prior year encumbrances	19,238	19,238	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>65,917</u>	<u>65,917</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 63,455</u>	<u>\$ 70,463</u>	<u>\$ 7,008</u>

**CITY OF MENTOR, OHIO**  
**RICE DENTENTION BASIN**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ -	\$ -
EXPENDITURES:			
Streets and highways	236,054	236,054	-
Engineering and building	35,000	23,195	11,805
Total expenditures	<u>271,054</u>	<u>259,249</u>	<u>11,805</u>
NET CHANGE IN FUND BALANCE	(271,054)	(259,249)	11,805
FUND BALANCES, BEGINNING OF YEAR	<u>350,000</u>	<u>350,000</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 78,946</u>	<u>\$ 90,751</u>	<u>\$ 11,805</u>



**CITY OF MENTOR, OHIO**  
**JACKSON STREET**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ -	\$ -	\$ -
<b>EXPENDITURES:</b>			
General government	1,100	994	106
Streets and highways	474,632	474,631	1
Engineering and building	54,000	54,000	-
Total expenditures	<u>529,732</u>	<u>529,625</u>	<u>107</u>
Excess (deficiency) of revenues over expenditures	(529,732)	(529,625)	107
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	191,100	191,100	-
Note proceeds	345,000	345,000	-
Total other financing sources (uses)	<u>536,100</u>	<u>536,100</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>6,368</b>	<b>6,475</b>	<b>107</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u><u>\$ 6,368</u></u>	<u><u>\$ 6,475</u></u>	<u><u>\$ 107</u></u>

**CITY OF MENTOR, OHIO**  
**MURRAY AVENUE**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ -	\$ 11,613	\$ 11,613
<b>EXPENDITURES:</b>			
General government	1,500	1,483	17
Streets and highways	765,000	764,129	871
Engineering and building	90,000	86,000	4,000
Total expenditures	<u>856,500</u>	<u>851,612</u>	<u>4,888</u>
Excess (deficiency) of revenues over expenditures	(856,500)	(839,999)	16,501
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	341,500	341,500	-
Note proceeds	515,000	515,000	-
Total other financing sources (uses)	<u>856,500</u>	<u>856,500</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	16,501	16,501
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 16,501</u>	<u>\$ 16,501</u>

**CITY OF MENTOR, OHIO**  
**STATE GRANTS - OTHER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 377,034	\$ 422,801	\$ 45,767
<b>EXPENDITURES:</b>			
General government:			
Employee compensation	82,575	53,840	28,735
Other	33,660	21,714	11,946
Parks, recreation and public facilities:			
Employee compensation	21,457	-	21,457
Other	253,401	137,640	115,761
Police	6,758	6,758	-
Engineering and building	47,893	3,898	43,995
Total expenditures	<u>445,744</u>	<u>223,850</u>	<u>221,894</u>
Excess (deficiency) of revenues over expenditures	(68,710)	198,951	267,661
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	145,655	73,666	(71,989)
Transfers in	347,858	89,572	(258,286)
Advances out	(483,089)	(442,405)	40,684
Total other financing sources (uses)	<u>10,424</u>	<u>(279,167)</u>	<u>(289,591)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(58,286)	(80,216)	(21,930)
Adjustment for prior year encumbrances	108,802	108,802	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>104,525</u>	<u>104,525</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 155,041</u>	<u>\$ 133,111</u>	<u>\$ (21,930)</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 4,154,809	\$ 2,554,563	\$ (1,600,246)
<b>EXPENDITURES:</b>			
General government	1,261	1,261	-
Streets and highways	3,981,432	3,831,433	149,999
Engineering and building	393,309	388,290	5,019
Total expenditures	<u>4,376,002</u>	<u>4,220,984</u>	<u>155,018</u>
Excess (deficiency) of revenues over expenditures	(221,193)	(1,666,421)	(1,445,228)
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	1,899,761	1,900,000	239
Bond proceeds	44,160	-	(44,160)
Advances out	(4,950,000)	(4,950,000)	-
Total other financing sources (uses)	<u>(3,006,079)</u>	<u>(3,050,000)</u>	<u>(43,921)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(3,227,272)	(4,716,421)	(1,489,149)
Adjustment for prior year encumbrances	4,204,741	4,204,741	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>868,630</u>	<u>868,630</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 1,846,099</u>	<u>\$ 356,950</u>	<u>\$ (1,489,149)</u>

**CITY OF MENTOR, OHIO**  
**CORDUROY BIKEWAY CONNECTOR FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 167,000	\$ -	\$ (167,000)
EXPENDITURES:	-	-	-
Excess (deficiency) of revenues over expenditures	167,000	-	(167,000)
OTHER FINANCING SOURCES (USES):			
Transfers in	243,000	240,407	(2,593)
Advances out	(410,000)	(410,000)	-
Total other financing sources (uses)	<u>(167,000)</u>	<u>(169,593)</u>	<u>(2,593)</u>
NET CHANGE IN FUND BALANCE	-	(169,593)	(169,593)
FUND BALANCES, BEGINNING OF YEAR	<u>169,594</u>	<u>169,594</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 169,594</u>	<u>\$ 1</u>	<u>\$ (169,593)</u>

**CITY OF MENTOR, OHIO**  
**NEWELL CREEK BIKEWAY FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 495,000	\$ -	\$ (495,000)
<b>EXPENDITURES:</b>			
Streets and highways	452,794	-	452,794
Engineering and building	50,000	5,000	45,000
Total expenditures	<u>502,794</u>	<u>5,000</u>	<u>497,794</u>
Excess (deficiency) of revenues over expenditures	(7,794)	(5,000)	2,794
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	-	200,000	200,000
Transfers in	82,673	-	(82,673)
Advances out	(200,000)	(200,000)	-
Total other financing sources (uses)	<u>(117,327)</u>	<u>-</u>	<u>117,327</u>
<b>NET CHANGE IN FUND BALANCE</b>	(125,121)	(5,000)	120,121
Adjustment for prior year encumbrances	2,794	2,794	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>122,327</u>	<u>122,327</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 120,121</u>	<u>\$ 120,121</u>

**CITY OF MENTOR, OHIO**  
**I90/SR615 INTERCHANGE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 605,000	\$ -	\$ (605,000)
EXPENDITURES:			
Engineering and building	60,000	5,000	55,000
Total expenditures	<u>60,000</u>	<u>5,000</u>	<u>55,000</u>
Excess (deficiency) of revenues over expenditures	545,000	(5,000)	(550,000)
OTHER FINANCING SOURCES (USES):			
Advances in	-	95,000	95,000
Transfers in	90,000	-	(90,000)
Advances out	(85,000)	(85,000)	-
Total other financing sources (uses)	<u>5,000</u>	<u>10,000</u>	<u>5,000</u>
NET CHANGE IN FUND BALANCE	550,000	5,000	(545,000)
FUND BALANCES, BEGINNING OF YEAR	<u>797</u>	<u>797</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 550,797</u>	<u>\$ 5,797</u>	<u>\$ (545,000)</u>

**CITY OF MENTOR, OHIO**  
**SR306 RESURFACING**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ 78,720	\$ 78,720
EXPENDITURES:			
Streets and highways	2,315,227	2,315,227	-
Engineering and building	262,168	262,168	-
Total expenditures	<u>2,577,395</u>	<u>2,577,395</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(2,577,395)	(2,498,675)	78,720
OTHER FINANCING SOURCES (USES):			
Advances in	2,577,395	2,577,395	-
Total other financing sources (uses)	<u>2,577,395</u>	<u>2,577,395</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	78,720	78,720
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 78,720</u>	<u>\$ 78,720</u>



**CITY OF MENTOR, OHIO**  
**US20 WIDENING/RESURFACING**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Streets and highways	632,000	583,353	48,647
Total expenditures	<u>632,000</u>	<u>583,353</u>	<u>48,647</u>
Excess (deficiency) of revenues over expenditures	(632,000)	(583,353)	48,647
OTHER FINANCING SOURCES (USES):			
Advances in	632,000	632,000	-
Total other financing sources (uses)	<u>632,000</u>	<u>632,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	48,647	48,647
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 48,647</u>	<u>\$ 48,647</u>

**CITY OF MENTOR, OHIO**  
**SR84 RESURFACING**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
General government	750	734	16
Engineering and building	16,900	16,897	3
Total expenditures	<u>17,650</u>	<u>17,631</u>	<u>19</u>
Excess (deficiency) of revenues over expenditures	(17,650)	(17,631)	19
OTHER FINANCING SOURCES (USES):			
Advances in	8,750	8,750	-
Note proceeds	255,000	255,000	-
Total other financing sources (uses)	<u>263,750</u>	<u>263,750</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	246,100	246,119	19
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 246,100</u>	<u>\$ 246,119</u>	<u>\$ 19</u>

**CITY OF MENTOR, OHIO**  
**FEDERAL GRANTS - OTHER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 1,093,971	\$ 1,172,977	\$ 79,006
<b>EXPENDITURES:</b>			
Fire	952,410	941,706	10,704
Parks, recreation and public facilities	520,072	428,064	92,008
Police:			
Employee compensation	23,721	14,645	9,076
Other	26,329	21,940	4,389
Streets and highways	1,000	-	1,000
Engineering and building	10,033	10,017	16
Total expenditures	<u>1,533,565</u>	<u>1,416,372</u>	<u>117,193</u>
Excess (deficiency) of revenues over expenditures	(439,594)	(243,395)	196,199
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	1,466,403	1,393,931	(72,472)
Transfers in	286,793	14,983	(271,810)
Advances out	(945,172)	(937,600)	7,572
Total other financing sources (uses)	<u>808,024</u>	<u>471,314</u>	<u>(336,710)</u>
<b>NET CHANGE IN FUND BALANCE</b>	368,430	227,919	(140,511)
Adjustment for prior year encumbrances	10,033	10,033	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>41,425</u>	<u>41,425</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 419,888</u>	<u>\$ 279,377</u>	<u>\$ (140,511)</u>







# STATISTICAL INFORMATION







# Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b><i>Financial Trends</i></b> These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	<b>173 – 179</b>
<b><i>Revenue Capacity</i></b> These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.	<b>180 – 184</b>
<b><i>Debt Capacity</i></b> These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	<b>185 – 189</b>
<b><i>Demographic and Economic Information</i></b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.	<b>190 – 191</b>
<b><i>Operating Information</i></b> The schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	<b>192 - 194</b>

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF MENTOR, OHIO**  
*Net Position By Components*  
 12/31/2016  
 (Accrual Basis of Accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>GOVERNMENTAL ACTIVITIES</b>										
<b>Net Investment in Capital Assets</b>	\$ 140,413,994	\$ 137,257,572	\$ 141,298,558	\$ 136,760,173	\$ 137,357,473	\$ 137,998,058	\$ 140,546,570	\$ 143,332,857	\$ 143,782,111	\$ 146,853,882
<b>Restricted -</b>										
Debt Service	11,953,265	12,913,015	13,309,937	14,265,124	15,246,640	16,918,313	19,193,569	20,799,179	21,055,145	10,061,284
Capital Projects	1,845,743	1,425,815	467,369	1,516,773	820,719	1,862,140	896,332	-	655,800	814,484
Streets and Public Safety	7,660,294	6,951,013	8,059,778	8,464,341	7,766,991	6,346,121	4,891,288	5,272,319	4,883,112	6,007,323
<b>Unrestricted (Deficit)</b>	<u>(14,924,033)</u>	<u>(13,689,436)</u>	<u>23,738,323</u>	<u>26,367,394</u>	<u>26,679,496</u>	<u>22,903,072</u>	<u>21,781,098</u>	<u>20,317,849</u>	<u>21,036,657</u>	<u>19,617,839</u>
<i>Total Governmental Net Position</i>	<u>\$ 146,949,263</u>	<u>\$ 144,857,979</u>	<u>\$ 186,873,965</u>	<u>\$ 187,373,805</u>	<u>\$ 187,871,319</u>	<u>\$ 186,027,704</u>	<u>\$ 187,308,857</u>	<u>\$ 189,722,204</u>	<u>\$ 191,412,825</u>	<u>\$ 183,354,812</u>



**CITY OF MENTOR, OHIO**  
*Changes in Net Position*  
 12/31/2016  
 (Accrual Basis of Accounting)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 2,858,271	\$2,155,735	\$ 2,343,416	\$ 2,591,441	\$ 2,859,205	\$ 2,517,264	\$ 2,473,236	\$ 2,518,135	\$ 2,247,383	\$ 2,583,475
Police	1,786,625	125,394	298,684	629,535	722,001	647,865	136,909	201,537	59,522	67,362
Fire	2,778,618	1,228,735	1,480,433	1,937,513	2,027,511	1,876,345	1,442,054	1,002,270	1,208,016	920,458
Streets & Highways	1,984,987	1,177,684	1,133,114	1,424,203	1,365,463	1,251,159	1,080,564	1,094,893	1,174,704	1,166,350
Parks, Recreation & Public Facilities	5,093,697	4,309,898	4,433,544	4,472,734	4,483,983	4,219,193	4,192,731	4,202,393	4,050,431	3,952,388
Economic & Community Development	271,767	128,066	144,848	142,889	117,985	79,196	60,462	64,594	51,657	55,100
Engineering & Building	1,148,087	675,899	768,592	790,052	744,530	670,800	607,475	493,255	535,210	524,788
<i>Subtotal - Charges for Services</i>	<u>15,922,052</u>	<u>9,801,411</u>	<u>10,602,631</u>	<u>11,988,367</u>	<u>12,320,678</u>	<u>11,261,822</u>	<u>9,993,431</u>	<u>9,577,077</u>	<u>9,326,923</u>	<u>9,269,921</u>
Operating Grants and Contributions:										
General Government	185,170	55,371	356,674	505,247	43,264	190,468	45,317	43,077	107,462	78,008
Police	202,891	58,971	59,262	90,591	165,764	78,606	140,216	71,067	56,516	165,507
Fire	897,547	4,459	4,840	13,982	19,551	337,690	221,667	48,748	43,180	37,335
Streets & Highways	2,425,344	253,017	129,572	749,191	548,119	374,048	3,416,057	281,441	601,810	225,653
Parks, Recreation & Public Facilities	535,252	278,030	260,403	254,010	340,684	438,115	191,134	299,751	264,543	88,085
Economic & Community Development	196,093	205,426	150,052	218,902	613,097	1,128,963	201,388	155,132	239,008	347,998
Engineering & Building	11,400	591	-	-	-	-	383	-	-	-
<i>Subtotal - Operating Grants and Contributions</i>	<u>4,453,697</u>	<u>855,865</u>	<u>960,803</u>	<u>1,831,923</u>	<u>1,730,479</u>	<u>2,547,890</u>	<u>4,216,162</u>	<u>899,216</u>	<u>1,312,519</u>	<u>942,586</u>
Capital Grants and Contributions:										
General Government	-	-	33,527	-	-	-	-	-	-	-
Police	8,316	-	233,530	9,700	3,570	71,580	986,000	6,640	7,000	65,725
Fire	-	-	-	-	119,600	1,103,268	-	-	-	8,314
Streets & Highways	4,556,152	1,116,596	1,478,995	335,588	-	31,884	70,464	352,618	11,149,879	223,566
Parks, Recreation & Public Facilities	-	-	-	-	-	-	140,000	69,432	50,364	154,830
Economic & Community Development	-	-	-	-	-	-	-	-	-	-
Engineering & Building	-	-	-	-	-	240	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	582,594	293,916	317,452
<i>Subtotal - Capital Grants and Contributions</i>	<u>4,564,468</u>	<u>1,116,596</u>	<u>1,746,052</u>	<u>345,288</u>	<u>123,170</u>	<u>1,206,972</u>	<u>1,196,464</u>	<u>1,011,284</u>	<u>11,501,159</u>	<u>769,887</u>
<i>Total Governmental Activities Program Revenues</i>	<u>24,940,217</u>	<u>11,773,872</u>	<u>13,309,486</u>	<u>14,165,578</u>	<u>14,174,327</u>	<u>15,016,684</u>	<u>15,406,057</u>	<u>11,487,577</u>	<u>22,140,601</u>	<u>10,982,394</u>
<i>Total Governmental Program Revenues</i>	<u>\$24,940,217</u>	<u>\$11,773,872</u>	<u>13,309,486</u>	<u>14,165,578</u>	<u>14,174,327</u>	<u>15,016,684</u>	<u>15,406,057</u>	<u>11,487,577</u>	<u>22,140,601</u>	<u>10,982,394</u>

**CITY OF MENTOR, OHIO**  
*Changes in Net Position (continued)*  
 12/31/2016  
 (Accrual Basis of Accounting)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 9,367,082	\$ 8,010,257	\$ 7,608,355	\$ 6,969,458	\$ 7,270,605	\$ 7,191,527	\$ 7,232,734	\$ 7,185,265	\$ 7,889,366	\$ 7,300,405
Police	16,427,987	14,356,357	13,527,805	13,430,646	13,646,699	12,950,663	12,727,229	12,350,647	12,274,557	11,680,006
Fire	15,126,018	11,984,552	12,184,072	12,293,472	13,068,938	13,373,637	12,012,648	11,842,353	11,790,289	11,093,519
Streets and Highways	18,817,008	14,300,711	15,157,572	16,074,733	15,442,708	14,651,958	17,822,415	13,816,327	16,405,625	13,482,845
Parks, Recreation & Public Facilities	10,285,152	10,106,430	9,680,622	9,124,443	8,504,180	8,302,334	7,944,763	7,860,266	7,763,173	9,225,254
Economic & Community Development	3,447,472	3,154,279	2,873,766	2,394,608	2,688,382	2,128,528	1,953,020	764,306	1,680,361	1,821,134
Engineering & Building	2,356,039	1,895,626	2,004,928	2,316,314	1,680,518	2,094,279	2,245,519	2,057,180	2,191,074	2,131,217
Interest and Fiscal Charges	1,032,166	1,082,615	1,168,091	1,256,411	1,562,337	1,400,501	1,519,472	1,535,426	1,577,022	1,538,100
<i>Total Governmental Activities Expenses</i>	<u>76,858,924</u>	<u>64,890,827</u>	<u>64,205,211</u>	<u>63,860,085</u>	<u>63,864,367</u>	<u>62,093,427</u>	<u>63,457,800</u>	<u>57,411,770</u>	<u>61,571,467</u>	<u>58,272,480</u>
<b>Net (Expense)/Revenue</b>										
<i>Total Governmental Net Expense</i>	<u>(51,918,707)</u>	<u>(53,116,955)</u>	<u>(50,895,725)</u>	<u>(49,694,507)</u>	<u>(49,690,040)</u>	<u>(47,076,743)</u>	<u>(48,051,743)</u>	<u>(45,924,193)</u>	<u>(39,430,866)</u>	<u>(47,290,086)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Taxes:										
Municipal Income Taxes Levied	42,014,148	39,118,569	38,389,408	38,577,994	37,914,960	32,647,234	30,895,408	29,690,527	32,831,801	32,267,383
Property Taxes Levied										
<i>General Purposes</i>	570,255	763,762	707,790	708,495	1,453,136	1,853,917	1,637,370	1,784,878	1,943,948	1,795,300
<i>Special Revenue</i>	1,860,508	1,824,512	1,767,081	1,666,403	1,861,131	1,909,238	2,203,325	2,165,635	2,215,269	2,219,417
<i>Debt Service</i>	2,754,754	2,388,212	2,311,162	2,195,300	1,884,994	1,524,324	2,085,698	2,018,418	1,901,892	2,072,165
Other Local Taxes	628,145	602,640	568,536	544,058	514,501	477,642	437,875	443,167	424,852	786,290
Payments in Lieu of Taxes	490,529	490,817	478,572	407,065	662,591	203,186	230,725	232,416	-	-
Grants and Entitlements not Restricted to Specific Programs	4,789,030	5,001,823	5,463,036	5,673,886	6,419,066	6,285,208	7,115,438	6,872,454	7,692,358	8,314,320
Other Grants and Contributions	-	-	-	-	-	-	-	20,047	79,068	163,737
Unrestricted Investment Earnings	488,385	218,794	665,650	(100,371)	684,403	790,645	982,759	982,064	307,232	1,124,560
Note Premium	-	-	-	-	-	-	-	-	-	-
Other	1,214,899	75,287	44,650	89,862	138,873	104,196	49,798	23,966	92,459	522,954
<i>Total Governmental Activities</i>	<u>54,810,653</u>	<u>50,484,416</u>	<u>50,395,885</u>	<u>49,762,692</u>	<u>51,533,655</u>	<u>45,795,590</u>	<u>45,638,396</u>	<u>44,233,572</u>	<u>47,488,879</u>	<u>49,266,126</u>
<i>Total Governmental General Revenues and Other Changes in Net Position</i>	<u>54,810,653</u>	<u>50,484,416</u>	<u>50,395,885</u>	<u>49,762,692</u>	<u>51,533,655</u>	<u>45,795,590</u>	<u>45,638,396</u>	<u>44,233,572</u>	<u>47,488,879</u>	<u>49,266,126</u>
<b>Change in Net Position</b>										
Governmental Activities	2,891,946	(2,632,539)	(499,840)	68,185	1,843,615	(1,281,153)	(2,413,347)	(1,690,621)	8,058,013	1,976,040
<i>Total Governmental Change in Net Position</i>	<u>\$ 2,891,946</u>	<u>\$ (2,632,539)</u>	<u>\$ (499,840)</u>	<u>\$ 68,185</u>	<u>\$ 1,843,615</u>	<u>\$ (1,281,153)</u>	<u>\$ (2,413,347)</u>	<u>\$ (1,690,621)</u>	<u>\$ 8,058,013</u>	<u>\$ 1,976,040</u>

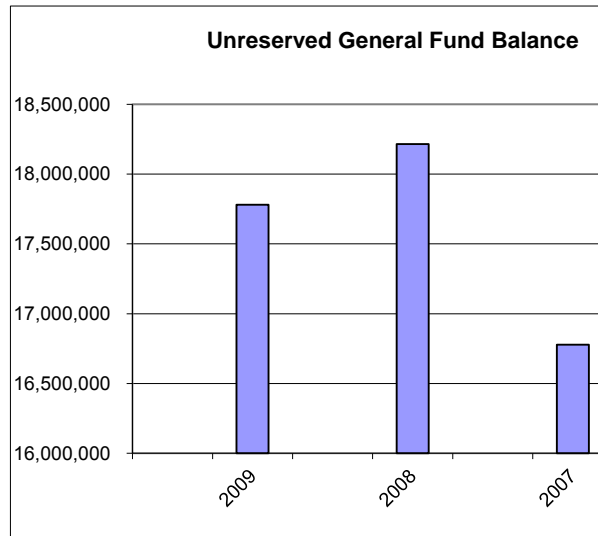
**CITY OF MENTOR, OHIO**  
*Fund Balances, Governmental Funds*  
12/31/2016  
(Modified Accrual Basis of Accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>General Fund</b>							
Nonspendable	937,735	1,158,489	894,279	567,849	690,160	632,706	703,444
Committed	1,351,244	1,216,132	2,469,531	2,402,465	2,245,778	817,000	-
Assigned	7,464,423	8,160,728	9,163,653	9,099,970	8,366,041	5,080,438	5,041,996
Unassigned	<u>20,412,107</u>	<u>18,687,445</u>	<u>15,952,502</u>	<u>17,823,688</u>	<u>17,581,342</u>	<u>18,404,064</u>	<u>15,888,488</u>
Total General Fund	<u>30,165,509</u>	<u>29,222,794</u>	<u>28,479,965</u>	<u>29,893,972</u>	<u>28,883,321</u>	<u>24,934,208</u>	<u>21,633,928</u>
<b>All Other Governmental Funds</b>							
Restricted	7,732,804	8,044,196	6,066,048	7,044,072	6,583,635	6,982,595	4,828,350
Committed	206,037	577,267	355,064	182,354	733,437	578,649	510,106
Unassigned	<u>(2,212,416)</u>	<u>(679,951)</u>	<u>(2,672,885)</u>	<u>(1,723,109)</u>	<u>(1,074,469)</u>	<u>(510,660)</u>	<u>(3,004,949)</u>
Total All Other Governmental Funds	<u>5,726,425</u>	<u>7,941,512</u>	<u>3,748,227</u>	<u>5,503,317</u>	<u>6,242,603</u>	<u>7,050,584</u>	<u>2,333,507</u>
<b>Total Governmental Funds</b>	<u><u>35,891,934</u></u>	<u><u>37,164,306</u></u>	<u><u>32,228,192</u></u>	<u><u>35,397,289</u></u>	<u><u>35,125,924</u></u>	<u><u>31,984,792</u></u>	<u><u>23,967,435</u></u>

Note: The City implemented GASB 54 in 2011

**CITY OF MENTOR, OHIO**  
*Fund Balances, Governmental Funds*  
 12/31/2016  
 (Modified Accrual Basis of Accounting)

	2009	2008	2007
<b>General Fund</b>			
Reserved	\$ 2,162,956	\$ 1,462,499	\$ 1,215,466
Unreserved	<u>17,781,308</u>	<u>18,215,631</u>	<u>16,777,646</u>
Total General Fund	<u>19,944,264</u>	<u>19,678,130</u>	<u>17,993,112</u>
<b>All Other Governmental Funds</b>			
Reserved	2,460,771	2,848,063	2,349,192
Unreserved, Reported in:			
Special Revenue Funds	3,587,542	3,008,409	4,145,223
Debt Service Fund			
Capital Projects Funds	<u>(715,738)</u>	<u>(4,300,077)</u>	<u>168,097</u>
Total All Other Governmental Funds	<u>5,332,575</u>	<u>1,556,395</u>	<u>6,662,512</u>
<b>Total Governmental Funds</b>	<u>\$ 25,276,839</u>	<u>\$ 21,234,525</u>	<u>\$ 24,655,624</u>



**CITY OF MENTOR, OHIO**  
*Changes in Fund Balances, Governmental Funds*  
 12/31/2016  
 (Modified Accrual Basis of Accounting)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues</b>										
Property Taxes	\$ 5,083,824	\$ 4,941,610	\$ 4,866,839.00	\$ 4,747,029	\$ 5,205,509	\$ 5,280,016	\$ 5,653,190	\$ 5,968,931	\$ 6,061,110	\$ 6,086,882
Municipal Income Taxes	40,647,970	41,221,505	38,838,792	38,062,383	36,506,741	33,763,684	31,076,262	29,691,413	32,960,086	31,346,263
Other Local Taxes	628,145	602,640	568,536	544,058	514,501	477,642	437,902	443,137	424,852	786,290
Payments in Lieu of Taxes	490,529	490,817	478,572	407,065	662,591	203,186	230,725	232,416	-	-
Intergovernmental	12,077,126	6,567,546	7,631,942	7,446,129	8,529,405	11,126,116	11,246,323	8,454,989	8,698,588	9,117,427
Charges for Services	6,476,748	5,708,882	5,928,141	5,934,695	5,994,561	5,815,572	5,867,129	5,418,323	5,478,221	5,040,814
Fines and Forfeitures	1,223,792	1,225,391	1,483,167	1,543,065	1,525,995	1,442,029	1,652,512	1,521,951	1,434,560	1,455,174
Licenses, Permits and Inspections	1,791,810	1,614,463	1,655,379	1,621,125	1,562,892	1,419,526	1,382,489	1,380,055	1,191,262	1,594,216
Special Assessments	2,212,317	2,342,056	2,002,261	2,204,230	2,095,209	2,546,624	2,206,866	2,314,723	1,874,013	2,114,952
Investment Income	488,385	218,794	665,650	(100,371)	684,403	790,645	982,759	1,002,111	386,300	1,288,297
Donations and Other	1,110,350	189,903	278,727	447,287	778,324	344,518	171,152	143,618	352,944	726,317
<b>Total Revenues</b>	<b>72,230,996</b>	<b>65,123,607</b>	<b>64,398,006</b>	<b>62,856,695</b>	<b>64,060,131</b>	<b>63,209,558</b>	<b>60,907,309</b>	<b>56,571,667</b>	<b>58,861,936</b>	<b>59,556,632</b>
<b>Expenditures</b>										
Current:										
General Government	7,784,059	7,233,222	7,113,745	6,698,211	6,850,550	6,892,217	7,045,850	7,111,144	7,742,983	7,181,507
Security of Persons and Property:										
Police	13,566,049	13,321,364	12,834,404	12,719,594	12,477,041	12,034,061	12,076,194	11,847,987	11,710,603	11,200,112
Fire	12,736,156	11,197,498	11,360,997	11,284,756	11,778,452	11,385,682	11,329,917	11,141,863	10,991,511	10,487,605
Streets & Highways	14,862,663	11,935,643	11,646,576	12,408,097	11,864,164	11,355,744	14,580,839	10,618,043	12,137,320	9,577,178
Parks, Recreation and Public Facilities	8,667,573	9,032,569	8,687,796	7,996,907	7,239,371	7,114,044	6,813,566	6,786,499	6,556,010	8,054,630
Economic & Community Development	3,264,323	3,158,699	2,865,376	2,387,632	2,652,103	2,084,967	1,946,043	754,252	1,718,496	1,824,162
Engineering and Building	2,106,260	1,895,502	2,015,105	2,304,524	1,728,800	2,010,053	2,214,863	2,030,867	2,127,362	2,104,396
Capital Outlay	9,125,288	4,643,960	7,594,659	2,571,347	2,383,744	2,554,372	2,201,521	2,881,089	5,743,075	5,020,964
Debt Service:										
Principal Retirement	3,076,746	2,741,330	2,518,781	2,758,388	2,630,509	2,695,139	2,549,781	2,307,726	1,997,389	8,971,061
Interest and Fiscal Charges	1,038,073	1,081,252	1,172,374	1,258,117	1,365,090	1,365,238	1,495,005	1,499,620	1,429,490	1,510,150
<b>Total Expenditures</b>	<b>76,227,190</b>	<b>66,241,039</b>	<b>67,809,813</b>	<b>62,387,573</b>	<b>60,969,824</b>	<b>59,491,517</b>	<b>62,253,579</b>	<b>56,979,090</b>	<b>62,154,239</b>	<b>65,931,765</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(3,996,194)</i>	<i>(1,117,432)</i>	<i>(3,411,807)</i>	<i>469,122</i>	<i>3,090,307</i>	<i>3,718,041</i>	<i>(1,346,270)</i>	<i>(407,423)</i>	<i>(3,292,303)</i>	<i>(6,375,133)</i>
<b>Other Financing Sources (Uses)</b>										
Issuance of Bonds	-	5,565,000	-	-	-	4,355,000	-	4,335,000	7,505,000	-
Issuance of Notes/OPWC Loans	3,015,000	11,596	-	-	50,000	-	-	34,116	-	7,949,653
Premium on Bonds	-	132,234	-	-	-	15,054	-	-	-	-
Bond refunding proceeds	-	4,125,000	-	-	-	-	-	-	-	-
Bond refund escrow payment	-	(4,077,813)	-	-	-	-	-	-	-	-
Transfers In	1,542,836	1,588,383	1,035,791	977,660	908,428	362,099	711,190	543,863	663,300	1,381,859
Transfers Out	(1,542,836)	(1,588,383)	(1,035,791)	(977,660)	(908,428)	(362,099)	(711,190)	(543,863)	(663,300)	(1,381,859)
Other	-	-	-	-	-	-	-	21,485	49,498	18,851
<b>Total Other Financing Sources (Uses)</b>	<b>3,015,000</b>	<b>5,756,017</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>4,370,054</b>	<b>-</b>	<b>4,390,601</b>	<b>7,554,498</b>	<b>7,968,504</b>
<b>Net Change in Fund Balances</b>	<b>\$ (981,194)</b>	<b>\$ 4,638,585</b>	<b>\$ (3,411,807)</b>	<b>\$ 469,122</b>	<b>\$ 3,140,307</b>	<b>\$ 8,088,095</b>	<b>\$ (1,346,270)</b>	<b>\$ 3,983,178</b>	<b>\$ 4,262,195</b>	<b>\$ 1,593,371</b>
Debt Service as a Percentage of Noncapital Expenditures	6.3%	6.2%	6.2%	6.7%	6.8%	7.1%	6.8%	7.0%	5.9%	17.2%

**CITY OF MENTOR, OHIO**  
*Assessed Valuation and Estimated Actual Values of Taxable Property*  
 12/31/2016

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				
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%
2010/2011	1,475,204,850	37,440,430	-	1,512,645,280	4.50	4,214,871,000	35.89%
2011/2012	1,469,235,210	38,586,070	-	1,507,821,280	4.50	4,197,814,886	35.92%
2012/2013	1,321,408,400	41,671,040	-	1,363,079,440	4.50	3,775,452,571	36.10%
2013/2014	1,326,669,050	45,563,900	-	1,372,232,950	4.50	3,790,483,000	36.20%
2014/2015	1,335,052,680	48,478,930	-	1,383,531,610	4.50	3,814,436,229	36.27%
2015/2016	1,378,653,230	49,669,630	-	1,428,322,860	4.50	3,939,009,229	36.26%

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*  
 12/31/2016  
 Last Ten Fiscal Years

<u>Tax Year/ Collection Year</u>	<u>City of Mentor Direct Rates</u>				<u>Mentor Exempted Village School District <sup>1</sup></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>			
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
2010/2011	1.40	2.10	1.00	4.50	78.710	15.80	99.010
2011/2012	1.10	2.10	1.30	4.50	78.060	15.80	98.360
2012/2013	0.60	2.10	1.80	4.50	79.800	15.30	99.600
2013/2014	0.60	2.10	1.80	4.50	79.420	15.30	99.220
2014/2015	0.60	2.10	1.80	4.50	79.420	15.30	99.220
2015/2016	0.40	2.10	2.00	4.50	77.160	15.70	97.360

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

SOURCE: Office of the Lake County Auditor

**CITY OF MENTOR, OHIO**  
*Principal Property Tax Payers*  
 12/31/2016

<u>Taxpayer</u>	<u>2016</u>		<u>2007</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>
Cleveland Electric Illuminating Co.	\$ 26,140,470	1.83%	\$ 17,958,150	1.12%
Mall at Great Lake LLC/Simon Property	25,106,670	1.76%	25,180,450	1.58%
Aqua Ohio/Consumers Ohio Water	17,068,700	1.20%	9,312,600	0.58%
DFG Mentor Erie Commons LLC	6,422,520	0.45%	-	0.00%
Steris Corporation	5,800,890	0.41%	7,223,610	0.45%
Points East	5,442,500	0.38%	10,703,340	0.67%
Inland Creekside Commons	4,129,140	0.29%	-	0.00%
American Transmission Systems Inc.	3,722,290	0.26%	-	0.00%
Lake Hospital Systems Inc.	3,463,490	0.24%	3,781,130	0.24%
F I Mentor I LLC	3,132,500	0.22%	4,603,940	0.29%
NF II Mentor LLC	3,132,500	0.22%	-	0.00%
Lincoln Electric	3,071,950	0.22%	3,614,080	0.23%
Ohio Bell Telephone Company	-	0.00%	5,112,190	0.32%
First Interstate	-	0.00%	4,850,080	0.30%
Sears Roebuck Co.	-	0.00%	4,421,430	0.28%
Deepwood North Company	-	0.00%	4,140,980	0.26%
 Total Principal Taxpayers	 <u>\$ 106,633,620</u>		 <u>\$ 100,901,980</u>	
 Total Real City Property (including other real estate and public utility property)	 <u>\$ 1,428,322,860</u>		 <u>\$ 1,598,032,480</u>	

SOURCE: Office of the Lake County Auditor



**CITY OF MENTOR, OHIO**  
*Property Tax Levies and Collections*  
 12/31/2016  
 Last Ten Fiscal Years

<u>Tax Levy Year</u>	<u>Net Tax Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Outstanding Accumulated Delinquent Taxes*</u>	<u>Total Collections Including Delinquencies</u>	<u>Percentage of Total Collections to Net Levy</u>
		<u>Amount</u>	<u>Percentage of Levy</u>			
2006	5,877,893	5,752,493	97.9%	194,089	5,803,632	98.7%
2007	5,948,522	5,815,383	97.8%	213,030	5,976,631	100.0%
2008	6,054,841	5,837,249	96.4%	315,279	5,972,604	98.6%
2009	5,700,055	5,500,109	96.5%	366,748	5,660,057	99.3%
2010	5,941,550	5,705,335	96.0%	236,363	5,846,045	98.4%
2011	6,113,523	6,091,491	99.6%	463,310	6,265,608	100.0%
2012	5,650,475	5,498,724	97.3%	392,423	5,819,122	100.0%
2013	5,707,233	5,562,713	97.5%	368,853	5,743,223	100.0%
2014	5,759,340	5,617,914	97.5%	141,807	5,759,721	100.0%
2015	5,953,360	5,814,560	97.7%	138,830	5,997,708	100.0%

\* The County does not maintain delinquency information by year.

SOURCE: Office of the Lake County Auditor

**CITY OF MENTOR, OHIO**  
*Income Tax Revenue Base and Collections*  
 12/31/2016  
 (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>
2016	\$ 40,689,034	\$ 30,209,930	\$ 6,515,370	\$ 3,963,734	2.0%
2015	40,481,382	30,021,915	7,006,449	3,453,018	2.0%
2014	39,217,649	28,945,756	6,985,227	3,286,666	2.0%
2013	37,692,133	27,516,312	6,879,021	3,296,800	2.0%
2012	36,100,204	26,173,532	6,685,108	3,241,564	2.0%
2011	33,223,250	24,915,470	5,070,758	3,237,022	2.0%
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%

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

<u>2016</u>		<u>2006</u>	
<u>Rank</u>	<u>Name</u>	<u>Rank</u>	<u>Name</u>
1	Steris Corp.	1	Mentor Public Schools
2	Avery Dennison Corp.	2	Steris Corp
3	Mentor Exempted Village Schools	3	Lake County Auditor
4	Lincoln Electric	4	Lincoln Electric
5	Jim Brown Chevrolet	5	City of Mentor
6	City of Mentor	6	Jim Brown Chevy
7	Component Repair Technologies	7	PCC Airfoils Inc.
8	Lake County Auditor	8	Sourceone Healthcare Technologies Inc.
9	PCC Airfoils LLC.	9	Parker Hannifan Corp.
10	United States Endoscopy Group	10	Avery Dennison Corp.

Source: City of Mentor, Finance Department

**CITY OF MENTOR, OHIO**  
*Ratios of Outstanding Debt by Type*  
 12/31/2016

Year	Governmental Activities			Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Special Assessment Bonds	Bond Anticipation Notes and Other Loans Payable			
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
2011	20,854,387	10,730,613	572,208	32,157,208	2.26%	682
2012	18,826,580	10,163,420	586,700	29,576,700	1.99%	627
2013	16,699,216	9,570,784	548,312	26,818,312	1.79%	569
2014	14,792,294	8,997,706	509,532	24,299,532	1.59%	515
2015	18,475,926	8,394,074	511,139	27,381,139	1.75%	581
2016	16,075,000	7,760,000	3,484,393	27,319,393	1.71%	582

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

<sup>1</sup> See the schedule of Demographic and Economic Statistics 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  
12/31/2016*

<u>Year</u>	<u>Population <sup>1</sup></u>	<u>Assessed Value <sup>2</sup></u>	<u>Gross General Bond Debt</u>	<u>Less Balance in General Bond Retirement Fund</u>	<u>Total</u>	<u>Percentage of Net General Bonded Debt to Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>
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
2011	47,159	1,512,645,280	20,854,387	538,389	20,315,998	1.34%	430.80
2012	47,159	1,507,821,280	18,826,580	175,590	18,650,990	1.24%	395.49
2013	47,159	1,363,079,440	16,699,216	312,834	16,386,382	1.20%	347.47
2014	47,159	1,372,232,950	14,792,294	465,825	14,326,469	1.04%	303.79
2015	47,159	1,383,531,610	18,475,926	638,317	17,837,609	1.29%	378.24
2016	46,901	1,428,322,860	16,075,000	808,368	15,266,632	1.07%	325.51

SOURCES: <sup>1</sup> U.S. Bureau of Census 2000, 2010 and 2015

<sup>2</sup> Office of the Lake County Auditor

**CITY OF MENTOR, OHIO**

*Direct and Overlapping Debt*

*December 31, 2016*

---

---

	<u>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	\$ 27,319,393	100.00%	\$ 27,319,393
Overlapping:			
Mentor Exempted Village School District and Mentor Public Library	390,000		-
Lake County	<u>10,380,000</u>	24.11%	<u>\$ 2,502,618</u>
Total Overlapping	<u>10,770,000</u>		<u>2,502,618</u>
 TOTAL	 <u>\$ 38,089,393</u>		 <u>\$ 29,822,011</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*  
*December 31, 2016*

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Overall Legal Debt Limit (10.5 % of Assessed Valuation)	\$ 149,973,900	\$ 145,270,819	\$ 144,084,460	\$ 143,123,341	\$ 158,321,234	\$ 158,827,754	\$ 159,046,818	\$ 172,169,298	\$ 176,085,944	\$ 177,558,977
Net Debt Within 10.5% Limitations	<u>19,090,000</u>	<u>18,475,926</u>	<u>14,792,294</u>	<u>16,699,216</u>	<u>18,826,580</u>	<u>20,854,387</u>	<u>15,552,526</u>	<u>19,991,107</u>	<u>21,286,131</u>	<u>19,244,376</u>
Legal Debt Margin Within 10.5% Limitation	<u>130,883,900</u>	<u>126,794,893</u>	<u>129,292,166</u>	<u>\$ 126,424,125</u>	<u>\$ 139,494,654</u>	<u>\$ 137,973,367</u>	<u>\$ 143,494,292</u>	<u>\$ 152,178,191</u>	<u>\$ 154,799,813</u>	<u>\$ 158,314,601</u>
Total Net Debt Applicable to the 10.5% Limit as a Percentage of the Debt Limit	12.73%	12.72%	10.27%	11.67%	11.89%	13.13%	9.78%	11.61%	12.09%	10.84%
Unvoted Debt Limitation - 5.5% of Assessed Valuation	78,557,757	76,094,239	75,472,812	74,969,369	82,930,170	83,195,490	83,310,238	90,183,918	92,235,495	93,007,083
Debt Within 5.5% Limitations	<u>19,090,000</u>	<u>18,475,926</u>	<u>14,792,294</u>	<u>16,699,216</u>	<u>18,826,580</u>	<u>20,854,387</u>	<u>15,552,526</u>	<u>19,991,107</u>	<u>21,286,131</u>	<u>19,244,376</u>
Legal Debt Margin Within 5.5% Limitations	<u>59,467,757</u>	<u>57,618,313</u>	<u>60,680,518</u>	<u>\$ 58,270,153</u>	<u>\$ 64,103,590</u>	<u>\$ 62,341,103</u>	<u>\$ 67,757,712</u>	<u>\$ 70,192,811</u>	<u>\$ 70,949,364</u>	<u>\$ 73,762,707</u>
Total Debt Applicable to the 5.5% Limit as a Percentage of the Debt Limit	24.30%	24.28%	19.60%	22.27%	22.70%	25.07%	18.67%	22.17%	23.08%	20.69%

**LEGAL DEBT MARGIN CALCULATION FOR 2016**

Assessed Valuation	\$ 1,428,322,860
Overall Debt Limitation - 10.5% of Assessed Valuation	149,973,900
Gross Indebtedness	27,319,393
Less: OWDAs/OPWC	469,393
Special Assessment Bonds & Notes	<u>7,760,000</u>
Net Debt Within 10.5% Limitations-General Obligation Bonds	<u>19,090,000</u>
Legal Debt Margin Within 10.5% Limitation	<u>\$ 130,883,900</u>
Unvoted Debt Limitation - 5.5% of Assessed Valuation	78,557,757
Gross Indebtedness Authorized by Council	19,090,000
Less Debt Outside Limitations-Voted	-
Debt Within 5.5% Limitations	<u>19,090,000</u>
Legal Debt Margin Within 5.5% Limitation	<u>\$ 59,467,757</u>

**CITY OF MENTOR, OHIO**

*Pledged-Revenue Coverage*

*December 31, 2016*

---

---

***SPECIAL ASSESSMENT BONDS***

---

<b>Year</b>	<b>Special Assessment Collections</b>	<b>Debt Service</b>		<b>Coverage</b>
		<b>Principal</b>	<b>Interest</b>	
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
2011	1,572,556	866,861	497,061	1.15
2012	1,053,137	567,193	453,662	1.03
2013	1,066,176	592,636	432,144	1.04
2014	959,357	573,078	409,035	0.98
2015	1,253,733	603,632	386,707	1.27
2016	1,003,752	634,074	362,925	1.01

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*  
 December 31, 2016

<b>Year</b>	<b>Population<sup>1</sup></b>	<b>Total Personal Income<sup>2</sup></b>	<b>Per Capita Personal Income<sup>1</sup></b>	<b>Median Household Income<sup>1</sup></b>	<b>Unemployment Rate<sup>3</sup></b>
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%
2011	47,159	1,422,126,804	30,156	62,546	5.8%
2012	47,159	1,485,649,977	31,503	65,044	5.4%
2013	47,159	1,499,231,769	31,791	65,446	5.2%
2014	47,159	1,531,960,115	32,485	65,888	5.9%
2015	47,159	1,562,660,624	33,136	67,983	4.7%
2016	46,901	1,596,369,337	34,037	69,902	4.3%

SOURCES:

<sup>1</sup> U.S. Bureau of Census 2000 and 2010

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

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



**CITY OF MENTOR, OHIO**

*Principal Employers*

*December 31, 2016*

<u>Employer</u>	<u>2016</u>			<u>2007</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>
Steris/U.S. Endoscopy	1,300	1	3.75%	954	2	2.83%
Mentor Public Schools	969	2	2.80%	1,004	1	2.98%
City of Mentor <sup>1</sup>	915	3	2.64%	937	3	2.78%
Classic Auto Group	685	4	1.98%	-	-	0.00%
Lincoln Electric	515	5	1.49%	455	4	1.35%
Avery Dennison	400	6	1.15%	400	6	1.19%
PCC Airfoils	350	7	1.01%	430	5	1.28%
Component Repair Technologies	300	8	0.87%	-	-	0.00%
Princeton Tool, Inc.	300	9	0.87%	-	-	0.00%
Deepwood Industries	284	10	0.82%	340	7	1.01%
Royal Plastics, Inc	-	-	0.00%	230	10	0.68%
Macy's	-	-	0.00%	250	8	0.74%
Wiseco Piston Company	-	-	0.00%	235	9	0.70%
<b>Total Employees within the City:</b>	<u><u>34,669</u></u>			<u><u>33,696</u></u>		

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

SOURCE:

City of Mentor, Department of Economic Development  
US Census Data from 2004 and 2015

**CITY OF MENTOR, OHIO**

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

*December 31, 2016*

<b>Function/Program</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
General Government										
Council	1	1	1	1	1	1	2	2	2	2
Finance	11	11	11	11	12	12	10	11	13	12
City Manager/Personnel	15	14	12	13	13	13	14	15	15	14
Law	3	3	3	2	2	2	2	2	2	2
Engineering/Building*	13	12	10	12	13	18	19	20	21	21
Court	21	19	19	20	20	22	21	21	22	22
Security of Persons and Property										
Police	112	111	107	110	105	107	110	112	112	111
Fire	74	74	73	73	73	75	76	76	79	79
Public Health Services										
Cemetery	3	3	3	3	3	3	3	4	5	5
Parks, Recreation & Public Facilities	33	32	22	22	22	23	24	23	23	35
Economic & Community Development										
Economic Development/Planning*	13	12	13	14	13	9	8	8	7	9
Streets & Highways	59	55	65	67	65	64	69	72	75	62
<b>Totals:</b>	<b>358</b>	<b>347</b>	<b>339</b>	<b>348</b>	<b>342</b>	<b>349</b>	<b>358</b>	<b>366</b>	<b>376</b>	<b>374</b>

Note: Planning moved to the Engineering & Building Department in 2007. Parks employees moved to the Public Works Department in 2008. Public Works employees moved to the Parks Department in 2015.

Source: City of Mentor Finance Department

**CITY OF MENTOR, OHIO**  
*Operating Indicators by Function/Program*  
 December 31, 2016

<b>Function/Program</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Governmental</b>										
General Government										
Council - Ordinances & Resolutions	140	120	148	122	138	124	138	143	149	160
Personnel - Civil Service Exams (taken)	332	-	155	134	158	136	29	421	-	312
Court - Number of Cases	9,491	7,807	8,267	10,733	10,968	10,962	12,506	12,069	11,515	10,364
Finance										
Number of A/P Checks Processed	9,623	10,852	10,833	11,156	8,885	9,034	9,593	9,002	9,976	9,918
Number of Purchase Orders Issued	1,633	1,547	2,379	3,521	3,997	4,364	4,074	4,215	4,477	4,394
Security of Persons and Property										
Police										
Criminal Arrests	1,830	1,956	2,200	3,514	3,281	2,241	2,433	2,390	2,417	2,516
Traffic Citations	5,473	6,063	6,394	7,028	6,617	6,838	7,974	7,319	6,525	7,161
Parking Citations	115	141	394	601	814	1,341	1,718	1,588	1,083	1,082
Fire - Total Number of Calls	7,852	7,714	7,508	7,148	7,264	6,975	6,579	6,513	6,467	6,423
Building & Engineering										
Building Permits Issued	3,972	2,401	4,007	3,431	3,336	3,194	2,576	2,296	2,558	2,613
Inspections - Residential	5,847	4,441	5,470	5,025	4,742	4,363	4,211	4,691	4,235	5,688
Inspections - Commercial	3,763	1,667	3,801	2,972	3,719	3,106	4,220	3,957	4,154	4,478
Parks, Recreation & Public Facilities										
Pools - Attendance	81,256	76,189	74,075	81,196	98,506	99,696	102,570	83,426	101,133	92,588
Senior Center - Program Participants	4,825	5,005	4,860	4,782	4,592	5,227	5,583	5,439	5,189	4,808
Golf Course - Rounds of Golf	34,597	32,636	28,493	31,536	39,354	35,720	40,168	40,897	41,019	41,284
Marina - Dock Rentals	539	538	538	539	539	528	519	500	510	521
Arena - Tournaments/Special Events	17	14	12	10	10	12	13	9	9	9
Arena - Number of Admissions	19,832	20,525	23,246	19,543	18,500	18,853	12,291	12,609	13,736	20,099
Cemetery - Number of Internments	220	247	226	229	200	204	227	211	239	227
Streets and Highways										
Streets Resurfaced (miles)	6	8	4	7.7	7.5	0.3	2.6	3.9	2.1	8.0
Concrete Pavement Replacements (sq yd)	7,092	-	-	-	-	-	-	-	-	-
Concrete Pavement Replacements (cu yd)	-	1,196	785	1,504	608	130	57	596	526	400
Hazardous Ditch Enclosures (In ft)	-	-	-	-	-	-	1,900	2,385	6,551	2,580
Drainage Assistance Projects (In ft)	-	5,127	2,453	2,868	1,200	1,360	1,519	5,407	4,224	7,948

SOURCE: Various Mentor Departments

**CITY OF MENTOR, OHIO**  
*Capital Assets Statistics by Function/Program*  
 December 31, 2016

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Government</b>										
Square Footage of Municipal Center	52,465	52,465	52,465	52,465	52,465	52,465	52,465	52,465	52,465	45,313
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Buildings	35,997	35,997	35,997	35,997	35,997	35,997	35,997	35,997	35,997	35,997
Vehicles	52	47	48	46	47	47	46	46	50	47
ATV	2	1	1	1	1	1	1	1	-	-
<b>Fire</b>										
Stations	5	5	5	5	5	5	5	5	5	5
Square Footage of Buildings	56,308	56,308	56,308	56,308	56,308	56,308	56,308	56,308	56,308	56,308
Vehicles	37	41	33	41	41	41	41	41	41	39
<b>Recreation</b>										
Number of Parks	12	12	11	11	11	11	11	11	11	11
Number of Dog Parks	1	1	1	1	1	1	1	1	1	1
Number of Spray Parks	2	2	2	2	2	2	2	2	2	2
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	6	6	6	6
Number of Tennis Courts	8	9	13	15	15	17	17	17	17	17
Number of Skateboarding Areas	2	1	1	1	1	2	2	2	2	2
Number of Baseball Diamonds	19	19	19	19	19	19	19	19	19	19
Number of Soccer Fields	12	12	12	12	12	12	12	12	12	12
Number of Basketball Courts	5	5	5	5	5	5	5	5	5	5
Number of Golf Courses	1	1	1	1	1	1	1	1	1	1
Number of Marinas	1	1	1	1	1	1	1	1	1	1
Number of Pickle Ball Courts	12	12	12	6	6	-	-	-	-	-
Vehicles	35	35	15	15	15	15	15	15	49	49
Square Footage of PRPF Facilities	261,502	261,502	261,502	261,502	261,502	261,502	261,502	261,502	261,502	261,502
<b>Streets &amp; Highways</b>										
Streets (miles)	241	241	241	241	241	241.0	241.0	241.0	241.0	241.0
Number of Streetlights (per light bill)	5,420	5,420	5,408	5,408	5,408	5,408	5,254	5,254	5,254	5,254
Number of Traffic Signals	720	718	710	710	710	710	707	707	707	707
Number of Pedestrian Signals	480	474	472	472	472	472	470	470	470	470
Number of Signalized Intersections	88	87	86	86	86	86	85	85	85	85
Service Vehicles	67	67	67	67	67	67	70	70	70	70
Square Footage Buildings	74,000	74,000	72,053	72,053	72,053	72,053	72,053	72,053	72,053	72,053

SOURCE: Various Mentor Departments



# 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  
JUNE 29, 2017