

# ***CITY OF MENTOR, OHIO***

*Single Audit Report  
for the Year Ended  
December 31, 2001*





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Members of Council  
City of Mentor

We have reviewed the Independent Auditor's Report of the City of Mentor, Lake County, prepared by Deloitte & Touche LLP for the audit period January 1, 2001 through December 31, 2001. 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.

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JIM PETRO  
Auditor of State

July 9, 2002

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# CITY OF MENTOR, OHIO

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of the City of Mentor, Ohio (the "City") as of December 31, 2001, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such general purpose financial statements present fairly, in all material respects, the financial position of the City at December 31, 2001, and the results of its operations and the cash flows of its nonexpendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1(k) to the general purpose financial statements, effective January 1, 2001, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues (an amendment of GASB Statement No. 33)* and, retroactively restated its fund balances for the change.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the City taken as a whole. The accompanying supplemental schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. This schedule is the responsibility of the management of the City. Such information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2002 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

A handwritten signature in black ink that reads "Deloitte &amp; Touche LLP". The signature is written in a cursive, flowing style.

May 15, 2002

# CITY OF MENTOR, OHIO

## COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS DECEMBER 31, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS:</b>				
Cash and investments (Note 2)	\$ 19,577,020	3,305,078	703,911	1,302,717
Receivables, net of allowances for uncollectibles (Note 4)	8,524,987	2,051,178	9,489,535	-
Due from other funds (Note 4)	786,571	4,723	-	-
Due from other governments	2,154,656	746,040	-	17,994
Inventory	507,244	-	-	-
Land held for resale (Note 8)	-	-	138,000	-
Fixed assets (Note 8)	-	-	-	-
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 31,550,478</b>	<b>6,107,019</b>	<b>10,331,446</b>	<b>1,320,711</b>
<b>LIABILITIES, FUND EQUITY, AND OTHER CREDITS:</b>				
Accounts payable	\$ 1,095,835	475,097	-	112,024
Accrued payroll and employee benefits (Notes 7 and 10)	2,370,370	-	-	-
Accrued liabilities	602,757	-	12,072	15,800
Deposits	644,238	-	-	-
Due to other funds (Note 4)	-	28,033	1,714	647,769
Deferred revenues	5,159,582	2,530,405	9,613,749	17,994
Special assessment notes payable (Note 6)	-	-	-	4,575,000
General obligation notes payable (Note 7)	-	-	-	-
General obligation bonds payable (Note 7)	-	-	-	-
Special assessment bonds payable (Note 7)	-	-	-	-
<b>Total liabilities</b>	<b>9,872,782</b>	<b>3,033,535</b>	<b>9,627,535</b>	<b>5,368,587</b>
<b>Fund equity and other credits:</b>				
Investment in general fixed assets	-	-	-	-
<b>Fund balances:</b>				
Reserved for encumbrances	4,059,565	1,157,823	-	1,128,428
Reserved for debt service	-	-	703,911	-
Reserved for inventory	507,244	-	-	-
Reserved for endowments	-	-	-	-
Unreserved	17,110,887	1,915,661	-	(5,176,304)
<b>Total fund equity and other credits (Note 12)</b>	<b>21,677,696</b>	<b>3,073,484</b>	<b>703,911</b>	<b>(4,047,876)</b>
<b>TOTAL LIABILITIES, FUND EQUITY, AND OTHER CREDITS</b>	<b>\$ 31,550,478</b>	<b>6,107,019</b>	<b>10,331,446</b>	<b>1,320,711</b>

See accompanying notes to general purpose financial statements.



Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
182,262	-	-	25,070,988
83,347	-	-	20,149,047
-	-	-	791,294
-	-	-	2,918,690
-	-	-	507,244
-	-	-	138,000
-	73,937,731	-	73,937,731
-	-	703,911	703,911
-	-	28,023,998	28,023,998
<u>265,609</u>	<u>73,937,731</u>	<u>28,727,909</u>	<u>152,240,903</u>
1,379	-	-	1,684,335
-	-	2,327,909	4,698,279
5,792	-	-	636,421
26,741	-	-	670,979
113,778	-	-	791,294
-	-	-	17,321,730
-	-	-	4,575,000
-	-	40,000	40,000
-	-	20,455,634	20,455,634
-	-	5,904,366	5,904,366
<u>147,690</u>	<u>-</u>	<u>28,727,909</u>	<u>56,778,038</u>
-	73,937,731	-	73,937,731
740	-	-	6,346,556
-	-	-	703,911
-	-	-	507,244
17,697	-	-	17,697
<u>99,482</u>	<u>-</u>	<u>-</u>	<u>13,949,726</u>
<u>117,919</u>	<u>73,937,731</u>	<u>-</u>	<u>95,462,865</u>
<u>265,609</u>	<u>73,937,731</u>	<u>28,727,909</u>	<u>152,240,903</u>

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# CITY OF MENTOR, OHIO

## COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS YEAR ENDED DECEMBER 31, 2001

	Governmental Fund Types				Fiduciary	Totals
	General	Special Revenue	Debt Service	Capital Projects	Fund Type Expendable Trust	(Memorandum Only)
<b>REVENUES:</b>						
Property taxes	\$ 1,341,641	1,895,156	1,585,576	-	-	4,822,373
Municipal income tax	26,595,125	-	-	-	-	26,595,125
Other local taxes	-	723,702	-	-	-	723,702
Intergovernmental	6,494,213	2,004,511	184,371	29,105	-	8,712,200
Charges for services	2,609,281	34,747	-	-	-	2,644,028
Fines and forfeitures	1,005,235	59,044	-	-	-	1,064,279
Licenses, permits, and inspections	1,141,955	9,720	-	-	-	1,151,675
Special assessments	-	907,019	1,076,875	-	-	1,983,894
Investment income	2,013,886	129,082	6,969	-	-	2,149,937
Donations and other	528,473	4,500	-	-	100,708	633,681
Total revenues	<u>41,729,809</u>	<u>5,767,481</u>	<u>2,853,791</u>	<u>29,105</u>	<u>100,708</u>	<u>50,480,894</u>
<b>EXPENDITURES:</b>						
Current:						
General government	6,056,376	54,966	-	-	33,434	6,144,776
Police	7,837,997	428,682	-	-	105	8,266,784
Fire	6,141,090	1,689,497	-	-	1,779	7,832,366
Streets and highways	6,461,918	1,742,972	-	-	-	8,204,890
Parks, recreation and public lands	6,141,941	8,981	-	-	95,054	6,245,976
Community development	918,463	122,975	-	-	-	1,041,438
Engineering and building	1,916,517	-	-	-	-	1,916,517
Capital outlay	5,990,773	1,411,850	-	337,240	-	7,739,863
Debt service:						
Principal retirement (Note 7)	10,000	-	1,730,000	-	-	1,740,000
Interest and other charges	-	-	1,736,927	209,112	-	1,946,039
Total expenditures	<u>41,475,075</u>	<u>5,459,923</u>	<u>3,466,927</u>	<u>546,352</u>	<u>130,372</u>	<u>51,078,649</u>
Excess (deficiency) of revenues over expenditures	<u>254,734</u>	<u>307,558</u>	<u>(613,136)</u>	<u>(517,247)</u>	<u>(29,664)</u>	<u>(597,755)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	5,036	-	328,000	381,576	-	714,612
Operating transfers out	-	(709,576)	-	(5,036)	-	(714,612)
Proceeds of notes (including premium)	-	-	22,402	-	-	22,402
Total other financing sources (uses)	<u>5,036</u>	<u>(709,576)</u>	<u>350,402</u>	<u>376,540</u>	<u>-</u>	<u>22,402</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>259,770</u>	<u>(402,018)</u>	<u>(262,734)</u>	<u>(140,707)</u>	<u>(29,664)</u>	<u>(575,353)</u>
FUND BALANCE, BEGINNING OF YEAR (As restated - see Note 1k)	21,343,807	3,475,502	966,645	(3,907,169)	121,853	22,000,638
CHANGE IN RESERVE FOR INVENTORY	<u>74,119</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,119</u>
FUND BALANCE, END OF YEAR	<u>\$ 21,677,696</u>	<u>3,073,484</u>	<u>703,911</u>	<u>(4,047,876)</u>	<u>92,189</u>	<u>21,499,404</u>

See accompanying notes to general purpose financial statements.

**CITY OF MENTOR, OHIO**

**COMBINED STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
(NON-GAAP BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES  
YEAR ENDED DECEMBER 31, 2001**

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES:</b>						
Property taxes	\$ 1,309,967	1,341,641	31,674	1,866,037	1,895,156	29,119
Municipal income tax	27,050,000	27,080,132	30,132	-	-	-
Other local taxes	-	-	-	698,000	727,298	29,298
Intergovernmental	5,890,431	6,522,257	631,826	1,973,460	2,003,884	30,424
Charges for services	2,598,400	2,609,281	10,881	37,000	34,747	(2,253)
Fines and forfeitures	995,000	991,302	(3,698)	59,000	59,528	528
Licenses, permits, and inspections	1,057,280	1,141,955	84,675	21,000	9,720	(11,280)
Special assessments	-	-	-	856,058	907,019	50,961
Investment income	1,300,000	1,618,357	318,357	90,000	129,082	39,082
Other	319,991	441,808	121,817	-	4,500	4,500
Total revenues	<u>40,521,069</u>	<u>41,746,733</u>	<u>1,225,664</u>	<u>5,600,555</u>	<u>5,770,934</u>	<u>170,379</u>
<b>EXPENDITURES:</b>						
Function:						
General government	6,506,437	6,031,135	475,302	240,585	198,712	41,873
Police	9,985,060	8,760,190	1,224,870	602,797	444,806	157,991
Fire	9,267,192	8,401,657	865,535	1,859,592	1,853,109	6,483
Streets and highways	11,390,354	9,882,972	1,507,382	4,146,626	3,874,770	271,856
Parks, recreation and public lands	9,053,081	7,904,257	1,148,824	305,939	25,685	280,254
Community development	1,015,938	943,951	71,987	291,114	291,114	-
Engineering and building	4,376,509	4,045,671	330,838	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Total expenditures	<u>51,594,571</u>	<u>45,969,833</u>	<u>5,624,738</u>	<u>7,446,653</u>	<u>6,688,196</u>	<u>758,457</u>
Excess (deficiency) of revenues over expenditures	<u>(11,073,502)</u>	<u>(4,223,100)</u>	<u>6,850,402</u>	<u>(1,846,098)</u>	<u>(917,262)</u>	<u>928,836</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	-	5,036	5,036	-	-	-
Operating transfers out	-	-	-	(841,500)	(709,576)	131,924
Advances in	87,893	87,893	-	28,033	28,033	-
Advances out	(675,802)	(675,802)	-	(43,005)	(43,005)	-
Proceeds of notes (including premium)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(587,909)</u>	<u>(582,873)</u>	<u>5,036</u>	<u>(856,472)</u>	<u>(724,548)</u>	<u>131,924</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(11,661,411)</u>	<u>(4,805,973)</u>	<u>6,855,438</u>	<u>(2,702,570)</u>	<u>(1,641,810)</u>	<u>1,060,760</u>
Adjustments for prior year encumbrances	5,285,811	5,285,811	-	1,422,910	1,422,910	-
FUND BALANCES, BEGINNING OF YEAR	<u>10,602,612</u>	<u>10,602,612</u>	<u>-</u>	<u>1,897,307</u>	<u>1,897,307</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 4,227,012</u>	<u>11,082,450</u>	<u>6,855,438</u>	<u>617,647</u>	<u>1,678,407</u>	<u>1,060,760</u>

See accompanying notes to general purpose financial statements.

Debt Service Funds			Capital Projects Funds		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
1,548,144	1,585,576	37,432	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
179,033	184,371	5,338	703,105	29,105	(674,000)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,082,079	1,076,875	(5,204)	-	-	-
6,000	6,969	969	-	-	-
-	-	-	-	-	-
<u>2,815,256</u>	<u>2,853,791</u>	<u>38,535</u>	<u>703,105</u>	<u>29,105</u>	<u>(674,000)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,124,569	2,109,926	14,643
1,730,000	1,730,000	-	4,425,000	4,425,000	-
<u>1,767,177</u>	<u>1,736,927</u>	<u>30,250</u>	<u>225,206</u>	<u>209,111</u>	<u>16,095</u>
<u>3,497,177</u>	<u>3,466,927</u>	<u>30,250</u>	<u>6,774,775</u>	<u>6,744,037</u>	<u>30,738</u>
(681,921)	(613,136)	68,785	(6,071,670)	(6,714,932)	(643,262)
328,000	328,000	-	451,000	381,576	(69,424)
-	-	-	(5,036)	(5,036)	-
-	-	-	33,850	647,769	613,919
-	-	-	(44,890)	(44,890)	-
-	<u>22,402</u>	<u>22,402</u>	<u>4,600,000</u>	<u>4,575,000</u>	<u>(25,000)</u>
<u>328,000</u>	<u>350,402</u>	<u>22,402</u>	<u>5,034,924</u>	<u>5,554,419</u>	<u>519,495</u>
(353,921)	(262,734)	91,187	(1,036,746)	(1,160,513)	(123,767)
-	-	-	1,110,560	1,110,560	-
<u>966,645</u>	<u>966,645</u>	<u>-</u>	<u>96,418</u>	<u>96,418</u>	<u>-</u>
<u>612,724</u>	<u>703,911</u>	<u>91,187</u>	<u>170,232</u>	<u>46,465</u>	<u>(123,767)</u>

# CITY OF MENTOR, OHIO

## COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES - ALL NONEXPENDABLE TRUST FUNDS YEAR ENDED DECEMBER 31, 2001

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	<u>Fiduciary Fund Type Nonexpendable Trust</u>
OPERATING REVENUES:	
Investment income	\$ 1,542
Donations and other	<u>154</u>
Total operating revenues	<u>1,696</u>
OPERATING EXPENSES:	
Parks, recreation and public lands	<u>1,261</u>
NET INCOME	435
FUND BALANCES, BEGINNING OF YEAR	<u>25,295</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 25,730</u></u>

See accompanying notes to general purpose financial statements.

# CITY OF MENTOR, OHIO

## COMBINED STATEMENT OF CASH FLOWS - ALL NONEXPENDABLE TRUST FUNDS YEAR ENDED DECEMBER 31, 2001

	Fiduciary Fund Type <u>Nonexpendable Trust</u>
OPERATING ACTIVITIES:	
Operating income	\$ 435
Adjustments to reconcile operating income to net cash used in operating activities:	
Investment income	<u>(1,542)</u>
Net cash used in operating activities	<u>(1,107)</u>
INVESTING ACTIVITIES:	
Investment income	1,542
Net change in pooled investments	<u>(423)</u>
Net cash provided by investing activities	<u>1,119</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	12
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,780</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,792</u>

A reconciliation of the December 31, 2001 cash and cash equivalent amounts shown in the combined statement of cash flows - all nonexpendable trust funds to the cash and investment amounts shown in the accompanying combined balance sheet is as follows:

CASH AND INVESTMENTS - Combined Balance Sheet	\$ 182,262	*
Less:		
Agency and expendable trust fund type cash and investments	(156,102)	
Nonexpendable trust fund type investment amounts which do not qualify as cash equivalents	<u>(24,368)</u>	
CASH AND CASH EQUIVALENTS - Combined Statement of Cash Flows	<u>\$ 1,792</u>	

\*Represents the cash and investments of all fiduciary fund types.

See accompanying notes to general purpose financial statements.

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2001

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (a) **Description of the Reporting Entity** - 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, community development (planning and zoning), public health, and general administrative services.

For financial reporting purposes, the City's general purpose financial statements include all funds, account groups, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the Governmental Accounting Standards Board ("GASB"), exists if the City appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

Based upon the foregoing criteria, the Mentor Municipal Court (the "Court") is included 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. Monies held by the Court in a fiduciary capacity are included in an agency fund in the accompanying combined financial statements, as further discussed in Note 5. No other organizations are included as part of the City's reporting entity.

- (b) **Fund Accounting** - The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures (expenses). Government resources are allocated to and accounted for in individual funds based upon the purposes for which the resources are to be spent. This fund accounting provides the means by which spending activities are controlled. The various funds are summarized by type in the accompanying general purpose financial statements. The following fund types and account groups are used by the City:

#### Governmental Funds

- 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.
- Special Revenue Funds are used to account for receipts derived from specific taxes, grants, or other revenue sources (other than expendable trusts or major capital projects) that are legally restricted or designated to be expended for specified purposes.



# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

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- Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general obligation and special assessment long-term debt principal, interest, and related costs.
- Capital Projects Funds are used to account for financial resources used for the acquisition and construction of major capital facilities.

### Fiduciary Funds

- Trust and Agency Funds are used to account for assets held by the City in a trustee capacity for individuals, private organizations, other governmental units, and/or other funds. These include Expendable Trust, Nonexpendable Trust, and Agency Funds. Expendable Trust Funds are those whose principal and income may be expended in the course of their designated operations. Capital maintenance is the principal objective for Nonexpendable Trust Funds. Disbursements from trust funds are made in accordance with the trust agreement or applicable legislative enactment for the particular fund. Agency Funds are custodial in nature and do not involve measurement of results of operations.

### Account Groups

- The General Fixed Assets Account Group is used to present the fixed assets of the City that are utilized in its general operations.
- The General Long-Term Debt Account Group is used to account for all long-term obligations of the City.

- (c) ***Fixed Assets and Long-Term Liabilities*** - The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund is determined by its measurement focus. All governmental and expendable trust funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current financial resources; accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group rather than in governmental funds. Expenditures for public domain assets (infrastructure) consisting of streets and sidewalks, curbs and gutters, bridges, drainage systems, and lighting systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated market value on the date donated.

Interest on tax-exempt borrowings used to finance capital projects is capitalized from the date of borrowing until the project is substantially complete. The amount of capitalized interest equals the difference between the interest cost associated with the borrowing and the interest earned from temporary investment of the debt proceeds.

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

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Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. Long-term liabilities consist of notes and bonds payable and the long-term portion of accumulated, unpaid vacation and sick pay. Bonds payable are paid from Debt Service Funds. Accumulated, unpaid vacation and sick pay is paid by the General Fund.

The General Fixed Assets Account Group and the General Long-Term Debt Account Group are not “funds.” They only include certain information relevant to the City’s financial position. They do not present information pertaining to the measurement of results of operations. No depreciation is provided on general fixed assets.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

Nonexpendable Trust Funds (fiduciary fund type) are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included in their balance sheets. The reported fund equity represents total net assets. Operating statements present increases (revenues) and decreases (expenses) in total net assets.

- (d) ***Basis of Accounting*** - Basis of accounting refers to when revenues and expenditures (expenses) are recognized in the accounts and reported in the general purpose financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All financial transactions for governmental fund types and Expendable Trust and Agency Funds are recorded on the modified accrual basis of accounting. Under this accounting method, revenues are recognized when susceptible to accrual (both measurable and available to finance current City operations), while expenditures are generally recognized when the related fund liability is incurred, with the exception of accumulated, unpaid sick and vacation pay which is not payable from current expendable financial resources, and unmatured interest on general long-term debt, which is recognized when due.

In applying the “susceptible to accrual” concept under the modified accrual basis of accounting, the following major revenue sources are deemed both measurable and available: City income taxes withheld by employers, interest earnings, fines and forfeitures collected by the Mentor Municipal Court, reimbursements from other governments for grant expenditures, and revenues from other governmental entities for services rendered. All other revenues are recorded when received, as they are generally not measurable until received.

Special assessment and property tax receivables, which are measurable but not available to pay liabilities as of year-end, are recorded as receivables and equally offset by deferred revenues which are recognized as revenue when the amounts become available.

The accrual basis of accounting is followed for the Nonexpendable Trust Funds. Accordingly, revenues are recognized when they are earned, and expenses, including depreciation (if any), are recognized when they are incurred. In accordance with Statement No. 20 of the Governmental

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

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Accounting Standards Board "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," the City has elected not to apply the provisions of the Statements and Interpretations of the Financial Accounting Standards Board issued after November 30, 1989. The City will continue applying all applicable pronouncements issued by the Governmental Accounting Standards Board.

(e) **Budgeting Principles**

**Budgetary Process** - The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance. These budgetary documents are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources as certified. The tax budget and appropriation ordinance are prepared under the direction of the City Manager and submitted to City Council for adoption. Budgeted expenditures represent original appropriations as modified by adjustments during the year. The primary level of budgetary control is at the departmental level. Budget revisions within appropriated amounts are subject to the approval of the City Manager. Changes in a department's total appropriation require action by City Council. For the year ended December 31, 2001, 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 Deposits Fund and the Municipal Court Fund (Agency Funds); however, the City is only required to report herein on the budgets adopted for the governmental funds.

**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). Actual results included in the accompanying Combined Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

Fund Types (the “Budgetary Statement”) are presented in accordance with the City’s budgetary process (budgetary basis) to provide a meaningful comparison of actual results with the budget. A reconciliation of the results of operations for the year from the GAAP basis to the budgetary basis is as follows:

	<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>			
	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Projects Funds</b>
GAAP basis	\$ 259,770	(402,018)	(262,734)	(140,707)
Increase (decrease) due to change in:				
Receivables and other assets not recognized on budgetary basis	(12,844,293)	(2,801,941)	(9,627,535)	(17,994)
Liabilities not recognized on budgetary basis	11,838,115	2,719,972	9,627,535	126,616
Net impact of encumbrances on budget basis expenditures	<u>(4,059,565)</u>	<u>(1,157,823)</u>	<u>-</u>	<u>(1,128,428)</u>
Budget basis	<u>\$ (4,805,973)</u>	<u>(1,641,810)</u>	<u>(262,734)</u>	<u>(1,160,513)</u>

**Encumbrances** - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the future expenditure of funds are recorded in order to reserve a portion of the applicable appropriation, is utilized during the year for budget control purposes. Encumbrances outstanding at year-end are reported as expenditures under the City’s budgetary basis of accounting. The City honors the contracts represented by year-end encumbrances, and the related appropriations are carried forward to the succeeding year. For GAAP reporting purposes, encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

The budget and actual expenditures included in the 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.

- (f) **Cash and Investments** - For purposes of the Combined Statement of Cash Flows - All Nonexpendable Trust Funds, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The City’s investments are stated at fair value (based on quoted market prices) in the accompanying Combined Balance Sheet - All Fund Types and Account Groups and the change in the fair value of the investments during the year is recorded as investment income along with the interest earned on the investments.
- (g) **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 City uses the purchase method of inventory valuation for its governmental funds whereby the cost is recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute “available spendable resources” even though they are a component of net assets.

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

- (h) **Accumulated, Unpaid Vacation and Sick Pay** - City employees earn vacation leave at graduated rates based on length of service. Normally, vacation leave is taken in the year available unless approval for carryover is obtained. City employees also earn sick leave which, if not taken, accumulates until retirement. Upon retirement, an employee with ten or more years of service is paid one-third of accumulated sick leave, subject to certain limitations, calculated at current wage rates.

The City accrues vacation and sick pay benefits as earned by its employees in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." This statement requires the portion of the compensated absence liability relating to governmental fund types that is not expected to be liquidated with expendable, available financial resources to be recorded in the General Long-Term Debt Account Group.

- (i) **Claims** - As described in Note 10, the City is self-insured for certain employee benefits as well as City vehicle collision claims. The City recognizes a liability for such claims if information prior to the issuance of the general purpose financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.
- (j) **"Total" Columns on General Purpose Financial Statements** - The "Total" columns on the accompanying general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with GAAP. No consolidating entries or other eliminations were made in arriving at the totals; thus, they do not represent consolidated information.
- (k) **Nonexchange Transactions** - Effective January 1, 2001, the City implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues (an amendment of GASB Statement No. 33)*. In general, GASB Statement Nos. 33 and 36 establish accounting and financial reporting standards which address when to report the results of nonexchange transactions involving financial or capital resources. In a nonexchange transaction, an entity gives (or receives) value without directly receiving or giving equal value in return. These statements require retroactive application and, accordingly, the City's fund balances as of December 31, 2000 have been restated as follows:

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Trust and Agency Funds
Fund balances, as previously reported	\$ 20,702,393	3,200,509	966,645	(3,907,169)	147,148
Increases in assets resulting from implementation:					
Receivables	1,594,935	(64,111)	(83,945)	-	76,962
Due from other funds	72,593	4,369	-	-	-
Due from other governments	2,339,085	734,926	-	3,366	-
Increases in liabilities resulting from implementation:					
Due to other funds	-	-	-	-	(76,962)
Deferred revenues	(3,365,199)	(400,191)	83,945	(3,366)	-
Fund balances, as restated	<u>\$ 21,343,807</u>	<u>3,475,502</u>	<u>966,645</u>	<u>(3,907,169)</u>	<u>147,148</u>

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

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Cash received or receivables recognized with respect to income taxes, property taxes, certain grants and other nonexchange transactions that do not meet the revenue recognition criteria under GASB Statements Nos. 33 and 36 are recorded as deferred revenues.

### 2. CASH AND INVESTMENTS

**General** - The City's cash and investment policy is governed by the provisions of the Charter and Codified Ordinances of the City and the Ohio Revised Code. These items permit the City to invest its monies in certificates of deposit, savings accounts, certain money market funds, bankers acceptances, obligations of the U.S. government, U.S. government agencies and government sponsored enterprises, and repurchase agreements backed by securities of the U.S. government or certain agencies or sponsored enterprises thereof. The City also may invest in shares of three mutual funds which invest in corporate and GNMA bonds: Vanguard Short-Term Corporate Fund, Vanguard Intermediate-Term Corporate Fund, and Vanguard GNMA Fund.

In accordance with the above mentioned statutes, public depositories must provide security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation or may pledge a pool of securities with a statutory value of at least 110 percent of the total uninsured amount of public monies on deposit at the institution. Repurchase agreements are secured by the specific government security acquired under the repurchase agreement. Bankers acceptances are secured by the specific property covered by the bankers acceptance. All collateral, whether specific or pooled, is held by a Federal Reserve Bank or by a designated trustee as agent for the public depositories used by the City.

Cash and investments consisted of the following at December 31, 2001:

Cash	<u>\$ 352,511</u>
Investments:	
Federal Home Loan Mortgage Corporation securities	4,714,583
Vanguard Intermediate Corporate Fund	4,123,671
Vanguard Short-Term Corporate Fund	4,066,490
Federal Home Loan Bank securities	3,396,001
Vanguard GNMA Fund	3,068,598
Federal Farm Credit Bank securities	2,871,385
STAROhio	1,365,329
Fannie Mae securities	<u>1,112,420</u>
Total investments	<u>24,718,477</u>
Total cash and investments	<u>\$ 25,070,988</u>

**Deposits** - Under the provisions of Statement No. 3 of the GASB, deposits are categorized as either (1) insured or collateralized with securities held by the entity or by its agent in the entity's name, (2) collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name, or (3) uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the entity's name. At December 31, 2001, the carrying amount of the City's deposits was \$352,511 and the bank balance was \$919,856, \$162,964 of which was covered by Federal depository insurance and \$756,892 was uninsured and uncollateralized as defined by the GASB. The uncollateralized deposits were, however, covered by a pledged collateral pool not held in the City's name, as permitted under Ohio law.

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

**Investments** - The City's investments are categorized as follows in accordance with the provisions of GASB Statement No. 3 to give an indication of the level of credit risk assumed by the City at year end. Category 1 includes investments that are insured or registered for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured or unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the City's name.

	Category			Total Market/ Carrying Value
	1	2	3	
Federal Home Loan Mortgage Corporation securities	\$ -	-	4,714,583	4,714,583
Federal Home Loan Bank securities	-	-	3,396,001	3,396,001
Federal Farm Credit Bank securities	-	-	2,871,385	2,871,385
Fannie Mae securities	-	-	<u>1,112,420</u>	<u>1,112,420</u>
	<u>\$ -</u>	<u>-</u>	<u>12,094,389</u>	12,094,389
STAROhio				1,365,329
Vanguard GNMA Fund				3,068,598
Vanguard Short-Term Corporate Fund				4,066,490
Vanguard Intermediate Corporate Fund				<u>4,123,671</u>
Total investments				<u>\$24,718,477</u>

STAROhio is an investment pool created pursuant to Ohio statutes and managed by the Treasurer of the State of Ohio. This investment is not classified by credit risk category because it does not exist in physical or book entry form. The fair value of the City's position in the investment pool is equal to the fair value of the underlying assets of the pool. STAROhio is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940.

The three Vanguard investments are no-load mutual funds that are registered with the Securities and Exchange Commission as investment companies. The fair value of the City's position in these funds is equal to the fair value of the underlying assets of each. These investments are not classified by credit risk category because they do not exist in physical or book entry form.

The City pools cash from all funds for the purpose of investment activities. All interest income 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.

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

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### 3. TAXES

**Income Taxes** - A two percent City income tax is levied on substantially all income earned within the City. On May 7, 2002, the two percent income tax was renewed by the voters for a five year period through December 31, 2007. In addition, the residents of the City are required to pay City income tax on income they earn outside the City; however, full credit is allowed for all income taxes these residents pay to other municipalities. Employers within the City are required to withhold income tax on employee compensation and remit the tax to an intermediary collection agency (Central Collection Agency) at least quarterly. Corporations and self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the collection agency. The collection agency remits taxes collected for the City each month, net of a charge for the cost of services and a credit for interest earned on amounts collected between remittances.

**Property Taxes** - Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Taxes collected from real property (other than public utility) in one calendar year are levied in October of the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued by appraisal every six years and, three years after each revaluation, all property values are reviewed and revised, as necessary, as part of a triannual update based on recent sales of properties. The last revaluation was completed in 2000. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20, with the remainder payable June 20. In certain instances, State statute permits earlier or later payment dates to be established.

Personal property (other than public utility) taxes are levied in October of the preceding calendar year based on tax rates determined in the preceding year and assessed values determined at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30 with the remainder payable by September 20. Under Ohio law, personal property taxes do not attach as a lien on the personal property.

Public utility real and tangible personal property taxes collected in one calendar year are levied in October of the preceding calendar year on assessed values determined as of January 1 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 the 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 2000 levy (collected in 2001) was based was approximately \$1.37 billion. Ohio law limits unvoted property taxation, combined for all overlapping taxing authorities, to 10 mills. The City's current share of 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.



# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

### 4. RECEIVABLES

*Due from Outside Parties* - The City's receivables at December 31, 2001, by fund type, consist of the following:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Trust and Agency Funds</u>
City income taxes	\$ 6,905,220	-	-	-
Property taxes	1,609,864	2,004,430	1,679,184	-
Special assessments	-	15,615	7,810,351	-
Other	<u>9,903</u>	<u>31,133</u>	<u>-</u>	<u>83,347</u>
	<u>\$ 8,524,987</u>	<u>2,051,178</u>	<u>9,489,535</u>	<u>83,347</u>

The above receivable amounts are net of any applicable allowance for uncollectibles, which are not material in relation to the respective receivable balances.

*Due to/from Other Funds* - Interfund receivables and payables are composed of the following at December 31, 2001:

<b>Fund</b>	<u>Interfund</u>	
	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 786,571	-
Special Revenue Funds:		
Fire Levy	297	-
Street Lighting	541	-
Court Computer	3,783	-
Enforcement and Education	35	-
Indigent Driver Alcohol Treatment	67	-
Community Development block Grant 97-98	-	5,132
Community Development Block Grant 98-99	-	10,301
Community Development Block Grant 99-00	-	9,600
Community Development Block Grant 00-01	-	3,000
Debt Service Fund:		
Special Assessment Bond Retirement	-	1,714
Capital Projects Funds:		
ODNR Natureworks Grant - Skate Park	-	15,800
State Route 84 Storm Sewer	-	18,050
Garfield Road Improvements	-	613,919
Agency Fund:		
Municipal Court	<u>-</u>	<u>113,778</u>
	<u>\$ 791,294</u>	<u>791,294</u>

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

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### 5. MUNICIPAL COURT

The Mentor Municipal Court was created by Section 1901.02 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 \$10,000, 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 general purpose financial statements. Fines and costs collected by the Municipal Court and related to the City of Mentor are recorded as revenue in the General Fund. The costs associated with the operations of the Municipal Court are borne by the City and recorded in the General Fund. Fines and costs collected for the State of Ohio, subdivisions thereof, and individuals, which have not been disbursed as of year-end, are recognized as liabilities in the Municipal Court Agency Fund. Fines and costs collected for the City which have not been disbursed are recognized under the captions "due from other funds" in the General Fund and "due to other funds" in the Municipal Court Agency Fund.

### 6. NOTES PAYABLE

The following is a summary of bond anticipation note transactions of the City for the year ended December 31, 2001:

Notes payable at January 1, 2001	\$4,425,000
New notes issued	4,575,000
Notes retired	<u>(4,425,000)</u>
Notes payable at December 31, 2001	<u>\$4,575,000</u>

The notes mature on July 18, 2002 and are recorded as a liability of the Capital Projects Funds. All notes are backed by the full faith and credit of the City. The interest rate on the notes outstanding at December 31, 2001 was 3.25 percent.

Chapter 133 of the Ohio Revised Code, "Uniform Bond Law," provides for bond anticipation notes to be issued by a city for a period of up to twenty years, including renewals, for long-term financing purposes. The Uniform Bond Law offers a city the option of either bonds or bond anticipation notes as long-term financing mechanisms, allowing a city to choose the option which provides the greatest benefit. Should it be determined that it would be more appropriate to issue bonds, the City has such authority under the Uniform Bond Law. Although the City has the intent to refinance the notes on a long-term basis in connection with the levy of certain special assessments to secure the repayment of the debt, the notes have been classified as a liability of the fund which received the note proceeds in accordance with Financial Accounting Standards Board (FASB) Statement No. 6, "*Classification of Short-Term Obligations Expected to be Refinanced*," because the City has not taken the necessary legal steps to refinance the notes on a long-term basis.

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

### 7. LONG-TERM DEBT

#### (a) City Obligated Debt

The following is a summary of the long-term portion of accumulated, unpaid vacation and sick pay obligations of the City for the year ended December 31, 2001:

Accrued liability at January 1, 2001	\$2,189,818
Benefits accumulated during 2001, net of amounts used	<u>138,091</u>
Accrued liability at December 31, 2001	<u>\$ 2,327,909</u>

The following is a summary of long-term notes payable transactions of the City for the year ended December 31, 2001:

	<u>General Obligation</u>
Notes payable at January 1, 2001	\$ 50,000
Notes paid	<u>(10,000)</u>
Notes payable at December 31, 2001	<u>\$ 40,000</u>

Long-term notes payable at December 31, 2001 are comprised of the following:

	<u>Amount of Original Issuance</u>	<u>Notes Outstanding December 31, 2001</u>
1999 OPWC State Route 615 Reconstruction Note due in semi-annual installments of \$5,000 through 2006 without interest	<u>\$ 50,000</u>	<u>40,000</u>

The following is a summary of the bond transactions of the City for the year ended December 31, 2001:

	<u>General Obligation</u>	<u>Special Assessment</u>	<u>Total</u>
Bonds payable at January 1, 2001	\$21,531,765	6,558,235	28,090,000
Bonds retired	<u>(1,076,131)</u>	<u>(653,869)</u>	<u>(1,730,000)</u>
Bonds payable at December 31, 2001	<u>\$ 20,455,634</u>	<u>5,904,366</u>	<u>26,360,000</u>

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

Bonds payable at December 31, 2001 are comprised of the following issues:

	<u>Amount of Original Issuance</u>	<u>Bonds Outstanding December 31, 2001</u>
General unvoted obligations:		
1985 Police Facilities Bonds due in annual installments of \$170,000 through 2005, plus interest at 9.125%	\$ 3,200,000	680,000
1985 Community Center Bonds due in annual installments of \$125,000 through 2006, plus interest at 9.125%	2,500,000	625,000
1991 Street Improvement Bonds due in annual installments ranging from \$8,995 to \$26,728 through 2011, plus interest at rates varying between 6.55% to 7.15%	302,489	200,192
1993 Various Purpose Improvement Bonds due in annual installments ranging from \$112,864 to \$308,205 through 2013, plus interest at rates varying between 5.0% to 5.65%	3,820,000	2,773,842
1996 Various Purpose Improvement Bonds due in annual installments ranging from \$127,123 to \$400,926 through 2016, plus interest at rates varying from 5.4% to 5.6%	4,860,000	4,126,600
1997 Various Purpose Acquisition and Improvement Bonds due in annual installments of \$370,000 to \$1,125,000 through 2017, plus interest at rates varying between 4.80% to 5.25%	<u>13,680,000</u>	<u>12,050,000</u>
Total general obligation bonds	<u>28,362,489</u>	<u>20,455,634</u>
Special assessment obligations:		
1985 Great Lakes-East Avenue-Heisley Commerce Street Improvement Bonds due in annual installments of \$130,000 through 2006, plus interest at 9.625%	2,525,000	650,000
1987 Tyler Boulevard-White Oak Drive Improvement Bonds due in annual installments of \$85,000 to \$210,000 through 2007, plus interest at rates varying between 7.85% to 7.9%	2,240,000	1,045,000
1991 Street Improvement Bonds due in annual installments ranging from \$166,005 to \$493,272 through 2011, plus interest at rates varying between 6.55% to 7.15%	5,582,511	3,694,807
1993 Various Purpose Improvement Bonds due in annual installments ranging from \$17,136 to \$46,795 through 2013, plus interest at rates varying between 5.0% to 5.65%	580,000	421,159
1996 Various Purpose Improvement Bonds due in annual installments ranging from \$2,877 to \$9,074 through 2016, plus interest at rates varying between 5.5% to 5.6%	<u>110,000</u>	<u>93,400</u>
Total special assessment bonds	<u>11,037,511</u>	<u>5,904,366</u>
Total bonds	<u>\$ 39,400,000</u>	<u>26,360,000</u>

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

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

The annual payment requirements for all bonded debt outstanding as of December 31, 2001 are as follows:

Year Ending December 31,	General Obligation Bonds		Special Assessment Bonds		Total
	Principal	Interest	Principal	Interest	
2002	\$ 1,120,620	1,135,205	569,380	433,311	3,258,516
2003	1,174,192	1,067,108	600,808	390,628	3,232,736
2004	1,218,680	996,746	631,320	344,245	3,190,991
2005	1,278,315	921,846	671,685	297,041	3,168,887
2006	1,167,291	844,565	712,709	245,581	2,970,146
2007-2011	6,243,101	3,264,354	2,586,898	576,264	12,670,617
2012-2016	7,128,435	1,434,441	131,566	14,873	8,709,315
2017 and thereafter	<u>1,125,000</u>	<u>59,063</u>	<u>-</u>	<u>-</u>	<u>1,184,063</u>
	<u>\$ 20,455,634</u>	<u>9,723,328</u>	<u>5,904,366</u>	<u>2,301,943</u>	<u>38,385,271</u>

Under the Ohio Revised Code, at December 31, 2001, the City legally could issue approximately \$54.8 million of additional, unvoted, general obligation debt.

### (b) *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 trustees 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, 2001, there were eight series of industrial revenue bonds outstanding. The aggregate principal amount payable for the three series issued since July 1, 1995, was \$9.1 million. The aggregate principal amount payable for the five series issued prior to July 1, 1995, could not be determined; however their original issue amounts totaled \$9.0 million.

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

### 8. FIXED ASSETS, LAND HELD FOR RESALE AND CAPITAL PROJECTS

*General Fixed Assets* - A summary of the changes in the General Fixed Assets Account Group is as follows:

	<u>Balance January 1, 2001</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2001</u>
Land	\$ 13,328,908	136,667	-	13,465,575
Buildings	36,908,771	20,390	-	36,929,161
Improvements	6,160,497	330,240	-	6,490,737
Furniture, fixtures, and equipment	14,388,604	2,988,823	1,262,669	16,114,758
Construction in progress	<u>-</u>	<u>937,500</u>	<u>-</u>	<u>937,500</u>
Totals	<u>\$ 70,786,780</u>	<u>4,413,620</u>	<u>1,262,669</u>	<u>73,937,731</u>

*Land Held for Resale* - In an effort to collect certain delinquent special assessments, the City took ownership of certain parcels of land upon which assessments and taxes were delinquent. The land was recorded at its estimated fair value on the date of acquisition and will be sold to pay the assessments and taxes due on the property. Accordingly, the land is shown in the Debt Service Funds as "Land Held for Resale" in the accompanying Combined Balance Sheet - All Fund Types and Account Groups. Because certain other governmental units have a claim against the proceeds to be received from the sale of the property, liabilities have been recorded in the Debt Service Funds to reflect this fact. The net proceeds expected to be received by the City (difference between the fair value of the land and the claims of other governmental units) have been recorded as deferred revenue because the proceeds will not be available to pay the City's liabilities at December 31, 2001.

### 9. RETIREMENT PLANS

*Employees and Plans* - All full-time employees of the City and certain part-time employees belong to one of two state operated, cost-sharing, multiple-employer, defined benefit pension plans. Non-uniformed employees are members of the Public Employees Retirement System of Ohio (PERS). Full-time police and fire personnel are members of the Ohio Police and Fire Pension Fund (OP&F). The Ohio Revised Code requires participation by the above mentioned employees. Elected officials can participate in PERS on a voluntary basis.

*Public Employees Retirement System of Ohio (PERS)* - Effective July 1, 1991, all non-uniformed employees of the City are required to be members of PERS. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report that includes financial statements and required supplementary information. The financial report may be obtained by making a written request to the Public Employees Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085.

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

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The Ohio Revised Code provides statutory authority for employee and employer contributions. Employees other than law enforcement personnel are required to contribute 8.5 percent of their covered payroll to PERS. The 2001 employer contribution rate for local government employer units was 13.55 percent of covered payroll including 4.3 percent that was used to fund postretirement health care benefits. The City's total contributions to PERS for pension benefits (excluding the amount relating to postretirement benefits) for the years ended December 31, 2001, 2000 and 1999 were \$983,094, \$827,152, and \$997,517, respectively, which were equal to the required contributions for each year.

***Ohio Police and Fire Pension Fund (OP&F)*** - OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The 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, Ohio 43215-5164.

Members of the OP&F become partially vested after 15 years of service and fully vested after 25 years of service. Members are eligible for normal retirement benefits at age 48 with 25 years of service credit or at age 62 with 15 years of service credit. The normal retirement benefit is equal to 2.5 percent of annual earnings for each of the first 20 years of service, 2.0 percent for each of the next five years of service, and 1.5 percent for each year of service thereafter; however, this normal retirement benefit is not to exceed 72 percent of the member's average annual salary for the three years during which total earnings were the greatest. Early retirement with reduced benefits is available to members with 15 years of service credit who have attained age 48 or 25 years from the date the member became a qualified employee. The reduced benefit is equal to 1.5 percent of the average annual salary multiplied by the number of complete years of service.

Plan members are required to contribute 10.0 percent of their annual covered salary while employers are required to contribute 19.5 percent and 24.0 percent for police officers and firefighters, respectively. The City's contributions to OP&F (excluding the amount relating to postretirement benefits) for the years ended December 31, 2001, 2000 and 1999 were \$1,194,722, \$1,170,958, and \$1,035,486, respectively, which was equal to the required contributions for each year.

***Postretirement Health Care Benefits*** - Other postretirement health care benefits provided by PERS and OP&F are as follows:

- In addition to the pension benefits described previously, PERS provides postretirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is also available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12.

A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postretirement health care through their contributions to PERS. The portion of the employer contribution rate used to fund postretirement health care for 2001 and 2000 was 4.3 percent of covered payroll in each year. During 2001 and 2000, \$456,914 and \$543,895, respectively, of the City's total contribution to PERS was used for postretirement benefits. At December 31, 2001, the City was not responsible for paying premiums, contributions, or claims for OPEB under PERS for any retirees, terminated employees, or other beneficiaries.

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

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OPEBs are advance-funded on an actuarially determined basis. The number of active contributing participants was 411,076 at December 31, 2000 (latest information available). The actuarial value of the Retirement System's net assets available for OPEB at December 31, 2000 was \$11.8 billion. The actuarial accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14.4 billion and \$2.6 billion, respectively.

The principal assumptions used for the 2000 actuarial computations (latest available) were as follows:

**Funding Method.** An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

**Assets Valuation Method.** For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

**Investment Return.** The investment assumption rate for 2000 was 7.75 percent.

**Active Employee Total Payroll.** An annual increase of 4.75 percent, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75 percent increase, were assumed to range from 0.54 percent to 5.1 percent.

**Health Care.** Health care costs were assumed to increase 4.75 percent annually.

- OP&F provides postretirement health care coverage to any person who receives, or is eligible to receive, a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending full-time or on a two-thirds basis. The Ohio Revised Code provides that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate.

Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by OP&F is used to pay retiree health care expenses. This percentage was 7.25 percent and 7.50 percent of covered payroll in 2000 and 2001, respectively. The percentage is 7.75 percent in 2002. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

Total state-wide participants eligible to receive health care benefits as of December 31, 2000 (latest information available) were 12,853 police and 10,037 firefighters. The City's 2001 contributions for postretirement health care benefits were \$302,320 and \$324,297 for police and firefighters, respectively. OP&F's total health care costs for the year ended December 31, 2000 (latest information available) were \$106.2 million (net of member contributions of \$5.7 million). Expenditures for postretirement health care benefits cannot reasonably be estimated.



# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

### 10. RISK MANAGEMENT

The City is exposed to various risks of loss during the normal course of its operations including, but not limited to, loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees.

The City is self-insured for the following risks:

- *Health Benefits* - The City is self-insured with respect to dental benefits provided to City employees and their covered dependents.
- *Vehicle Collision Claims* - 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 carrier. The reserve for potential claims was deemed unnecessary and therefore closed at calendar year end 2001.
- *Workers' Compensation Benefits* - The City was self-insured in 1991 under the State of Ohio's retrospective rating program in which the City was responsible for paying claims pertaining to 1991 for a ten year period. The City settled its liability for 1991 during 2001 and closed its reserve for potential claims. The only year for which the City elected the retrospective rating program was calendar year 1991.

The City's financial activity relating to its self-insured risks is accounted for in the General Fund. The changes in the liabilities for self-insured risks for the years ended December 31, 2000 and 2001 are as follows:

	<u>Health Benefits</u>	<u>Vehicle Collision Claims</u>	<u>Workers' Compensation Benefits</u>
Balance January 1, 2000	\$ 23,916	86,665	20,689
Incurred claims, net of changes in estimates	194,837	-	-
Payments	<u>(184,800)</u>	<u>-</u>	<u>(109)</u>
Balance December 31, 2000	33,953	86,665	20,580
Incurred claims, net of changes in estimates	188,444	(86,665)	(15,443)
Payments	<u>(188,000)</u>	<u>-</u>	<u>(5,137)</u>
Balance December 31, 2001	<u>\$ 34,397</u>	<u>-</u>	<u>-</u>

The liabilities above represent the City's best estimates based upon available information and include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of pay-outs, and other economic factors.

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Concluded) YEAR ENDED DECEMBER 31, 2001

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The City purchases insurance policies in varying amounts for general liability, property damage, employee health care benefits (excluding dental benefits), and employee and public officials' liability, including errors and omissions of the City's safety forces. Settled claims have not exceeded the City's insurance coverage in any of the past three years.

### 11. CONTINGENT LIABILITIES

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 general purpose financial statements.

### 12. FUND DEFICITS

At December 31, 2001, the Tyler Boulevard Extension and ODNR Natureworks Grant – Skate Park Capital Projects Funds had deficit fund balances of \$4,515,094 and \$9,474, respectively. In addition, the Community Development Block Grant 01-02 Special Revenue Fund had a deficit fund balance of \$3,250. The Tyler Boulevard Extension Fund deficit will be eliminated through the issuance of long-term financing in the future while the deficit in the other funds will be eliminated through the receipt of grant proceeds. No other funds had deficit balances at December 31, 2001.

### 13. NEW ACCOUNTING STANDARDS

The Governmental Accounting Standards Board has issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus an amendment of GASB Statements No. 21 and No. 34*, and Statement No. 38, *Certain Financial Statement Note Disclosures*. These statements revise accounting and reporting standards for general purpose external financial reporting by governmental units and are effective for the year ending December 31, 2003. The City has not completed an analysis of the impact of these statements on its reported financial condition and results of operations.



## City of Mentor

Council-manager  
government since 1963

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

Dear Users of City of Mentor's General Purpose Financial Statements:

The accompanying general purpose financial statements of the City of Mentor, Ohio as of and for the year ended December 31, 2001 included the financial statements and notes required under accounting principles generally accepted in the United States of America that are essential to fair presentation of the City of Mentor's financial position and results of operations and of the cash flows of the City of Mentor's proprietary fund types. Additional information regarding the City of Mentor's financial activities for 2001 is available in the City of Mentor's separately issued Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2001. Copies of the CAFR can be obtained by contacting me at:

City of Mentor, Ohio  
8500 Civic Center Boulevard  
Mentor, OH 44060-2499

Telephone: (440) 974-5770

Sincerely,

John C. Aten  
Director of Finance

JCA/kh

# CITY OF MENTOR, OHIO

## SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2001

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal And Pass-Through Grant Number	Grant Expenditures
<b>U.S. DEPARTMENT OF JUSTICE:</b>			
<i>Direct Programs</i>			
<i>Bureau of Justice Assistance</i>			
Local Law Enforcement Block Grant Program	16.592	2000-LB-VX-0934	\$ 7,723
		2000-LB-BX-2479	7,765
		1998-LB-VX-3310	<u>7,398</u>
Total CFDA 16.592			<u>22,886</u>
<i>Office of Community Oriented Policing Services</i>			
Public Safety Partnership and Community Policing Grants	16.710	1999CMWX2409	147,406
		2000SHWX0694	<u>41,666</u>
Total CFDA 16.710			<u>189,072</u>
<i>Pass-through the Ohio Office of Criminal Justice Services</i>			
Crime Victims Assistance	16.575	2001-VAGEN531	2,811
		2002-VAGEN531	<u>117</u>
Total CFDA 16.575			<u>2,928</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>			
<i>Direct Program</i>			
<i>Community Planning and Development</i>			
Community Development Block Grants/Entitlement Grants	14.218	B-97-MC-39-0033	17,888
		B-98-MC-39-0033	9,236
		B-99-MC-39-0033	24,141
		B-00-MC-39-0033	<u>211,815</u>
Total CFDA 14.218			<u>263,080</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>			
<i>Pass-through Ohio Department of Public Safety</i>			
Emergency Medical Services for Children	93.127	C13616	<u>7,500</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION:</b>			
<i>Pass-through Ohio Department of Public Safety and Lake County General Health District</i>			
State and Community Highway Safety	20.600	1533	2,080
		1533	<u>4,429</u>
Total CFDA 20.600			<u>6,509</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 491,975</u></u>

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

# CITY OF MENTOR, OHIO

## NOTES TO THE SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2001

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### 1. BASIS OF PRESENTATION

The accompanying Supplemental Schedule of Expenditures of Federal Awards (the "Schedule") reflects the expenditures of the City of Mentor under programs financed by the U.S. government for the year ended December 31, 2001. The Schedule has been prepared in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, using the cash basis of accounting in accordance with accounting principles generally accepted in the United States of America.

For purposes of the Schedule, federal awards include the following:

- Direct federal awards
- Pass-through funds received from non-federal organizations made under federally sponsored programs conducted by those organizations.

### 2. SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, the City provided federal awards to subrecipients as follows:

<b>Program Title</b>	<b>Federal CFDA No.</b>	<b>2001 Grant Expenditures</b>
CDBG Entitlement Program	14.218	\$ 96,902

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED UPON THE AUDIT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited the general purpose financial statements of the City of Mentor, Ohio (the "City") as of and for the year ended December 31, 2001, and have issued our report thereon dated May 15, 2002, which contained an explanatory paragraph regarding the City's implementation, in 2001, of Statement Nos. 33 and 36 of the Governmental Accounting Standards Board. 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.

**Compliance**

As part of obtaining reasonable assurance about whether the City's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the management of the City, federal awarding entities, pass-through entities and the Auditor of the State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Deloitte &amp; Touche LLP". The signature is written in a cursive, flowing style.

May 15, 2002



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND  
INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO  
THE CITY'S MAJOR FEDERAL AWARD PROGRAM**

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

**Compliance**

We have audited the compliance of the City of Mentor, Ohio (the "City") with the types of compliance requirements described in the *U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2001. The City's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants, applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2001.

**Internal Control Over Compliance**

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.



Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the management of the City, federal awarding entities, pass-through entities and the Auditor of the State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.

*Deloitte & Touche LLP*

May 15, 2002

# CITY OF MENTOR, OHIO

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2001

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### SUMMARY OF AUDITORS' RESULTS

- Type of Report Issued on the Financial Statements as of and for the Year Ended December 31, 2001 - Unqualified.
- Reportable Conditions in Internal Control Disclosed by the Audit of the Financial Statements - N/A (None reported).
- Noncompliance Noted that is Material to the Financial Statements of the City - None.
- Reportable Conditions in Internal Control Over Major Federal Assistance Programs Disclosed by the Audit of the Financial Statements - N/A (None reported).
- Type of Report Issued on Compliance for Major Federal Financial Assistance Programs - Unqualified.
- The audit did not disclose any audit findings, which are required to be reported under Section .510(a) of OMB Circular A-133.
- Major Federal Financial Assistance Program Identified for the Year Ended December 31, 2001:
  - CFDA #14.218 U.S. Department of Housing and Urban Development, CDBG Entitlement Program
- Dollar Threshold Used to Distinguish Between Type A and Type B Programs - \$300,000.
- The Authority is not considered to be a Low-Risk Auditee as defined under OMB Circular A-133.

### FINDINGS RELATED TO THE FINANCIAL STATEMENTS THAT ARE REQUIRED TO BE REPORTED UNDER *GOVERNMENT AUDITING STANDARDS*

None

### FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS

None

## **CITY OF MENTOR, OHIO**

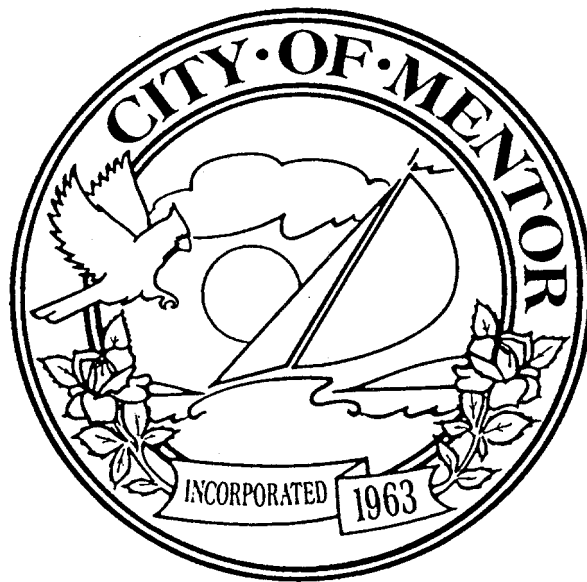
### **STATUS OF PRIOR YEAR COMMENTS ON INTERNAL CONTROL AND LEGAL COMPLIANCE**

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There were no comments on internal control and legal compliance included in the prior year reports.

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CITY OF  
MENTOR, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

*ISSUED BY THE DEPARTMENT OF FINANCE*

*JOHN C. ATEN, DIRECTOR*

*DAVID W. MALINOWSKI, ASSISTANT DIRECTOR*

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# CITY OF MENTOR, OHIO

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***INTRODUCTORY SECTION***

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## 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 15, 2002

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

We are pleased to present the Comprehensive Annual Financial Report of the City of Mentor for the fiscal year ended December 31, 2001. Responsibility for the accuracy of the data and for the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the government. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the government's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the report of independent public accountants on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

The City has included in this report all funds, account groups, agencies, boards and commissions for which the City is financially accountable. Specifically excluded from this report because they do not meet the established criteria for inclusion in the 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.

Services under the City's control are police and fire protection, municipal court, planning and engineering, zoning code enforcement, street maintenance, traffic control, parks and recreation, building inspection and community and economic development.

### ECONOMIC CONDITION AND OUTLOOK

The City of Mentor, Ohio is located on Lake Erie approximately 25 miles east of downtown Cleveland. Mentor has a population of 50,278 residents according to the 2000 Census and is the largest city in Lake County.

Through 2000 the City of Mentor had a steadily growing local economy for over a decade. During 2001 the economy peaked with the year as a whole nearly flat compared to the prior year. A 5.4% decline in municipal income tax receipts to date in 2002 reflects the current level of economic activity.

Despite the present decline in the City's economy, city officials continue to be optimistic regarding its economic future. Manufacturing activity, which is diverse, includes medical related products, polymers and plastics, and electrical boards and other peripherals that generally service the computer and automation industries. A proliferation of small businesses in diversified industries has strengthened the City's economic base over the past decade. The City ranks 10<sup>th</sup> in Ohio in manufacturing employment according to the 1997 U.S. Census of Manufacturing and 6<sup>th</sup> in the state in sales volume according to the 1997 Census of Retail Trade.

## MAJOR INITIATIVES

### For 2001

In terms of roadway infrastructure improvements, the City resurfaced 29 residential streets and replaced 3,100 cubic yards of concrete. Capital improvement projects included: initial phase of widening S.R. 615 (Center St.) from US 20 (Mentor Ave.) to S.R. 84 (Johnnycake Ridge Rd.) and the widening of S.R. 84 to three lanes between Garfield Road and Center Street in preparation for the new I-90/S.R. 615 interchange; widening and resurfacing Hopkins Road from Plains Road to Lakeshore Boulevard, including extending the existing bikepath to Lakeshore Boulevard; widening and resurfacing King Memorial Road, including bike lane construction and storm sewer improvements, from Chillicothe Road to S.R. 84; widening part of S.R. 84 with the construction of left turn lanes, including a northbound left turn lane for S.R. 306; resurfacing S.R. 306 from I-90 to S.R. 84 and S.R. 84 from the Willoughby corp. line to Garfield Road; and resurfacing and improving the Hendricks Road bridge over S.R. 2.

Drainage projects undertaken in 2001 included: improvements at the Barto Ditch from Jackson Street to Spring Valley Drive; drainage improvements at the Preston Hill and Hoose Road intersection; and upgrading of culverts on Rockport Lane and on Heisley Road. The City also continued its roadside ditch improvement program, enclosing 11,000 linear feet of ditch. In addition, as part of a program to help residents alleviate drainage problems, 8,000 feet of pipe was installed benefiting over 100 properties.

The Fire Department continued to be one of twenty fire departments in Ohio with a Class 2 rating as conferred by the National Insurance Service Office. This high rating means that business and commercial concerns within the City can realize savings on insurance premiums. Construction began on the Fire Station 5 expansion, which will provide new enlarged crew quarters for personnel.

The Community Development Department reviewed sixteen final site development plans for commercial and industrial buildings and three subdivision plans for 77 residential lots.

The Public Information Office produced 144 programs representing over 2,460 hours of programming broadcast on the City's government access channel. For the 10<sup>th</sup> year, the Public Information Office was recognized by the National Association of Telecommunications Officers and Advisors (NATOA) for its excellence in government programming. The office also received a First Place award for the creation of the City's web site ([www.cityofmentor.com](http://www.cityofmentor.com)) from the National Recreation and Park Association (NRPA), and a Gold Award from a local communications organization.

The Police Department installed mobile computer terminals in all 23 of its patrol cars. These computers enable the officers to directly inquire of the National Crime Information Center, the Ohio Bureau of Crime Information, and Ohio Bureau of Motor Vehicles to obtain information on stolen vehicles, stolen property and wanted persons.

The Department of Parks, Recreation and Public Lands will open the Bellflower Spray Park in the summer. This is the first park of its kind in Lake County featuring various water spray features for children. Due to the steady demand for boat dockage, the Mentor Lagoons Marina will begin operation of the dry rack storage and launch operation, which will accommodate 150 boats.

#### For The Future

The City's five-year (2002-2006) capital improvement program contains the following proposed expenditures:

Facility construction and improvements	\$ 3,745,800
Roadway construction and improvements	55,851,610
Traffic control	5,192,000
Sidewalk and bikeway improvements	30,000
Storm drainage	5,812,000
Park acquisition, development & improvement	4,063,500
Major capital equipment	<u>8,179,099</u>
	<u>\$82,874,009</u>

Of the proposed \$82,874,009 for the five-year period, \$41,526,705 (50.1%) will be funded by the City. The remaining \$41,347,304 (49.9%) will be funded primarily by Federal/State/County assistance.

The City plans to complete in 2002 a major construction project to expand and remodel its headquarters Fire Station 5. We estimate its cost at completion to be approximately \$3.6 million.

With a growing population and an extensive commercial and retail district, transportation issues are important to City officials. Projects anticipated to begin in 2002 include the following: construction of the I-90/S.R. 615 interchange including the widening of S.R. 615 to four lanes between I-90 and S.R. 84; resurfacing S.R. 44 from S.R. 2 to the northerly corp. limit;

resurfacing S.R. 2 from the Mentor West corp. limit to the Mentor East corp. limit; widening and resurfacing Chillicothe Road, including bike lane construction and storm sewer systems as needed, from Mentor Avenue to King Memorial Road; resurfacing Hopkins Road from Mentor Avenue to the S.R. 2 bridge including the installation of left turn lanes at East Avenue and at Twinbrook Road; continued widening and improving Garfield Road between S.R. 84 and the south corp. line including left turn lanes at S.R. 84; replacement of the Headlands Road bridge over Shipman Pond; widening Plains Road from Hopkins Road to the Mentor-on-the-Lake corp. limit; and improvements to the Hallnorth Manor detention basin.

## FINANCIAL INFORMATION

### The Accounting System

The City maintains seven fund types: General, Special Revenue, Debt Service, Capital Projects, Expendable Trust, Nonexpendable Trust, and Agency. The description of the various fund types will be found in the Notes to General Purpose Financial Statements.

The modified accrual basis of accounting has been utilized in the preparation of this report except for the Nonexpendable Trust Fund which is prepared on the accrual basis. The modified accrual basis of accounting recognizes revenue in the accounting period in which it becomes available and measurable, and expenditures in the accounting period in which the fund liability is incurred. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

### Internal Controls

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Such controls are designed to provide reasonable assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition; and 2) the reliability of financial records for preparing financial statements and maintaining accountability of assets.

The concept of reasonable assurance recognizes that: 1) the costs of a control should not exceed the benefits to be derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal controls occur within the above framework. Accordingly, we believe the City's system of internal accounting controls is adequate to safeguard assets and provide reasonable assurance of proper recording of transactions.

### 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.

### New Accounting Standards

The Governmental Accounting Standards Board has issued Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions" and Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments." These statements establish accounting standards for nonexchange transactions such as grants and other assistance provided to the City by other governmental units and revise accounting and reporting standards for general purpose external financial reporting by governmental units. The City implemented the requirements of Statement 33 during 2001, including the restatement of January 1, 2001 fund balances. Statement No. 34 is effective for the year ending December 31, 2003. The City has not completed an analysis of the impact of Statement 34 on its reported financial condition and results of operations.

## General Government Functions

The following schedule presents a summary of the General Fund, Special Revenue Funds, and Debt Service Funds for the fiscal year ended December 31, 2001 and the amounts and percentages of change in relation to prior year revenues and expenditures. Also provided is the percentage that each category is of the total.

### GENERAL GOVERNMENT FUNCTIONS CHANGE, 2000 TO 2001

	2001		Increase (Decrease) From 2000	
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent Change</u>
<b>REVENUES:</b>				
Property taxes	\$ 4,822,373	9.58%	\$ 311,745	6.91%
Municipal income tax	26,595,125	52.82%	(103,665)	(0.39%)
Other local taxes	723,702	1.44%	24,860	3.56%
Intergovernmental	8,683,095	17.24%	1,517,489	21.18%
Charges for services	2,644,028	5.25%	146,412	5.86%
Fines and forfeitures	1,064,279	2.11%	47,698	4.69%
Licenses, permits, and inspections	1,151,675	2.29%	51,612	4.69%
Special assessments	1,983,894	3.94%	(195,408)	(8.97%)
Investment income	2,149,937	4.27%	41,669	1.98%
Other	<u>532,973</u>	<u>1.06%</u>	<u>304,191</u>	<u>132.96%</u>
<b>Total Revenues</b>	<b><u>\$50,351,081</u></b>	<b><u>100.00%</u></b>	<b><u>\$2,146,603</u></b>	<b><u>4.45%</u></b>
<b>EXPENDITURES:</b>				
Current:				
General government	\$ 6,111,342	12.13%	\$ 297,202	5.11%
Police	8,266,679	16.40%	469,089	6.02%
Fire	7,830,587	15.54%	410,301	5.53%
Streets and highways	8,204,890	16.28%	1,205,664	17.23%
Parks, recreation & public lands	6,150,922	12.20%	469,591	8.27%
Community development	1,041,438	2.07%	34,701	3.45%
Engineering and building	1,916,517	3.80%	216,169	12.71%
Capital outlay	<u>7,402,623</u>	<u>14.68%</u>	<u>3,287,577</u>	<u>79.89%</u>
Subtotal	<u>46,924,998</u>	<u>93.10%</u>	<u>6,390,294</u>	<u>15.76%</u>
Debt service:				
Principal retirement	1,740,000	3.45%	58,000	3.45%
Interest and other charges	<u>1,736,927</u>	<u>3.45%</u>	<u>(115,022)</u>	<u>(6.21%)</u>
Subtotal – Debt Service	<u>3,476,927</u>	<u>6.90%</u>	<u>(57,022)</u>	<u>(1.61%)</u>
<b>Total Expenditures</b>	<b><u>\$50,401,925</u></b>	<b><u>100.00%</u></b>	<b><u>\$6,333,272</u></b>	<b><u>14.37%</u></b>

Total revenues increased by \$2,146,603, or 4.45%, because of increases in property tax revenue, intergovernmental revenue, and other revenue.

The \$311,745, or 6.91%, increase in property tax revenue in 2001 is attributable to the favorable impact of the reappraisal in 2000 of property values.

Intergovernmental revenue increased \$1,517,489 in 2001. The increase was due to a \$387,000 increase in estate tax revenue, an \$860,000 increase in reimbursements from the state and county for street widening projects, and \$273,000 received from the county to convert police and fire radios to a new system.

Other revenue increased \$304,191. This increase is because the City received a \$312,000 refund from the Bureau of Workers Compensation in 2001.

Expenditures for streets and highways were up by \$1,205,664 in 2001. This increase is because the City increased its expenditures by \$600,000 for improved residential waste disposal services and incurred \$800,000 of maintenance and repair expenditures on two major infrastructure projects. These increases were offset by a \$200,000 decrease in road salt costs.

Expenditures for engineering and building increased \$216,169 or 12.71%. This increase is primarily attributable to nearly \$200,000 of planning and engineering costs associated with the capital improvement project for surveying and mapping in connection with the new storm water regulations.

Expenditures for capital outlay were up \$3,287,577 in 2001. Major expenditures in 2001 were for the following: Fire Station 5 expansion \$900,000; police and fire radio conversion \$630,000; increased construction costs for roadway projects \$1,100,000; and expenditures for a fire engine \$360,000, rescue squad vehicles \$160,000, and heavy equipment for public works \$130,000.

Total 2001 expenditures were \$6,333,272 higher than in 2000, an increase of 14.37%.

### General Fund Balance

The General Fund balance increased by \$333,889 from a December 31, 2000 restated amount of \$21,343,807 to \$21,677,696 at December 31, 2001.

### Fiduciary Fund Type

The City has one Nonexpendable Trust Fund. The interest from the Cemetery Bequest and Endowment Fund is used to decorate specific graves as designated by the donors.

The City maintains Expendable Trust Funds to account for donations in support of certain programs.

Agency Funds account for monies received by the City and held on behalf of other funds, agencies or governments. During 2001, the City closed the Agency Fund called Deposits. Deposits are now accounted for as liabilities within the General Fund.

### General Fixed Assets

All fixed assets used in the performance of general governmental functions are included in the General Fixed Assets Account Group. The recorded balances represent historical cost (or estimated historical cost if historical cost is not available). Depreciation of general fixed assets is not recognized in the City's accounting system. Expenditures for public domain assets (infrastructure) consisting of streets and sidewalks, curbs and gutters, bridges, drainage systems, and lighting systems are not capitalized. As of December 31, 2001, the recorded value of the general fixed assets of the City was \$73,937,731.

### Debt Administration

At December 31, 2000 and 2001, the City's debt was as follows:

	Balance 12-31-00	Issued	Paid	Balance 12-31-01
General Obligation Bonds	\$21,531,765	—	1,076,131	20,455,634
General Obligation Notes	50,000	—	10,000	40,000
Total General Obligation	<u>21,581,765</u>	<u>—</u>	<u>1,086,131</u>	<u>20,495,634</u>
Special Assessment Bonds	6,558,235	—	653,869	5,904,366
Special Assessment Notes	<u>4,425,000</u>	<u>4,575,000</u>	<u>4,425,000</u>	<u>4,575,000</u>
Total Special Assessment	<u>10,983,235</u>	<u>4,575,000</u>	<u>5,078,869</u>	<u>10,479,366</u>
Total Bonds	28,090,000	—	1,730,000	26,360,000
Total Notes	<u>4,475,000</u>	<u>4,575,000</u>	<u>4,435,000</u>	<u>4,615,000</u>
GRAND TOTAL	<u>\$32,565,000</u>	<u>4,575,000</u>	<u>6,165,000</u>	<u>30,975,000</u>

All of the general obligation debt outstanding at December 31, 2001 is unvoted. The amount outstanding of \$20,495,634 at December 31, 2001 is within the legal debt limitation of \$75,332,839.

The City presently has an Aa3 rating from Moody's Investors Service that was assigned in August 1997; previously the City had carried an A1 rating from Moody's.

## Cash Management

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

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

The investment ordinance permits investments in domestic money market funds that are regulated by the Securities and Exchange Commission and investments in the State Treasury Asset Reserve of Ohio, a money market fund operated for Ohio governments by the Treasurer of State. The investment ordinance also permits the Director of Finance to invest in shares of three mutual funds which invest in corporate and GNMA bonds: Vanguard Short-Term Corporate Fund, Vanguard Intermediate-Term Corporate Fund, and Vanguard GNMA Fund. Allowable investments in debt securities are U.S. Treasury bills, notes and strips; obligations of U.S. government agencies and government sponsored enterprises; bank certificates of deposit; banker's acceptances; and repurchase agreements.

Bank deposits, including investments in certificates of deposit, are made only with banks which are under contract with the City. In addition to the protection from federal deposit insurance, City deposits are secured by pooled collateral that each bank pledges for deposits of public funds. Securities committed to such pools must have a statutory value of at least 110% of the public monies on deposit. The collateral is held by independent financial institutions. Under GASB Statement No. 3, such deposits do not meet the definition of insured and collateralized because the collateral is not held in the name of the City.

## Risk Management

The City's insurance coverage includes property damage, employee health care benefits (excluding dental benefits), general liability, police, fire and public official professional liability, workers compensation coverage, and an employee blanket bond. The City is also self-insured for certain risks as described below:

- *Dental Benefits* – The City is self-insured with respect to dental benefits provided to City employees and their covered dependents.
- *Vehicle Collision Claims* – 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 carrier.

The City contracts the services of an insurance consultant to review coverage and make recommendations.

### Retirement Benefits

Employees of the City belong to one of two state operated pension plans. These are the Public Employees Retirement System (PERS) and the Ohio Police and Fire Pension Fund (OP&F). Elected officials participate in PERS on a voluntary basis. The Ohio Revised Code mandates the participation in the plans by the City and its employees. The City's 2001 employer contributions made to PERS and OP&F were \$1,440,008 and \$1,821,339, respectively. A portion of the employer's contribution for PERS and OP&F is set aside for the funding of post-retirement health care, which was 4.3% and 7.5% for PERS and OP&F respectively.

### OTHER INFORMATION

#### Independent Audit

The City's financial statements may be audited either by the Auditor of State, or with permission of the Auditor of State, by an independent certified public accountant. The audit of fiscal year 2001 is the third under a five-year contract with Deloitte & Touche LLP. The report of independent public accountants on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

#### 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, 2000. 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 seventeen consecutive years (fiscal years 1984-2000). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

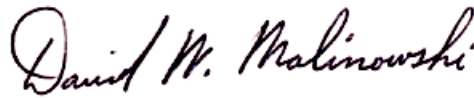
## ACKNOWLEDGMENTS

We would like to express appreciation to the many persons in the Finance Department who have assisted in preparing this report. Other factors that make this report possible are the professional help of Deloitte & Touche LLP, 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 "John C. Aten". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

John C. Aten  
Director of Finance

A handwritten signature in black ink that reads "David W. Malinowski". The signature is written in a cursive style with a large initial "D" and a long, sweeping underline.

David W. Malinowski  
Assistant Director of Finance

# CITY OF MENTOR, OHIO

## PRINCIPAL CITY OFFICIALS DECEMBER 31, 2001

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### Mentor City Council

Ward 3, President-----Edward R. Walsh  
Ward 1, Vice President-----Robert M. Shiner  
At-Large-----Richard A. Hennig  
At-Large-----B.J. Kresnye  
At-Large----- Nancy Donovan-Farina  
Ward 2----- Scott J. Marn  
Ward 4----- Mike Vanek

Judge, Mentor Municipal Court----- Richard A. Swain

Law Director-----I. James Hackenberg  
Clerk of Council----- Maureen H. Russo  
City Manager ----- Julian M. Suso  
Assistant City Manager-----Daniel R. Graybill  
Director of Finance ----- John C. Aten  
Director of Public Works----- Matthew S. Schweikert  
Director of Parks, Recreation and Public Lands----- Kurt D. Kraus  
City Engineer ----- John W. Konrad  
Chief of Police----- Richard A. Amriott  
Acting Fire Chief----- Tony Sedmak  
Director of Community Development ----- Ronald M. Traub  
Acting Personnel Director----- Daniel R. Graybill



# CITY OF MENTOR, OHIO

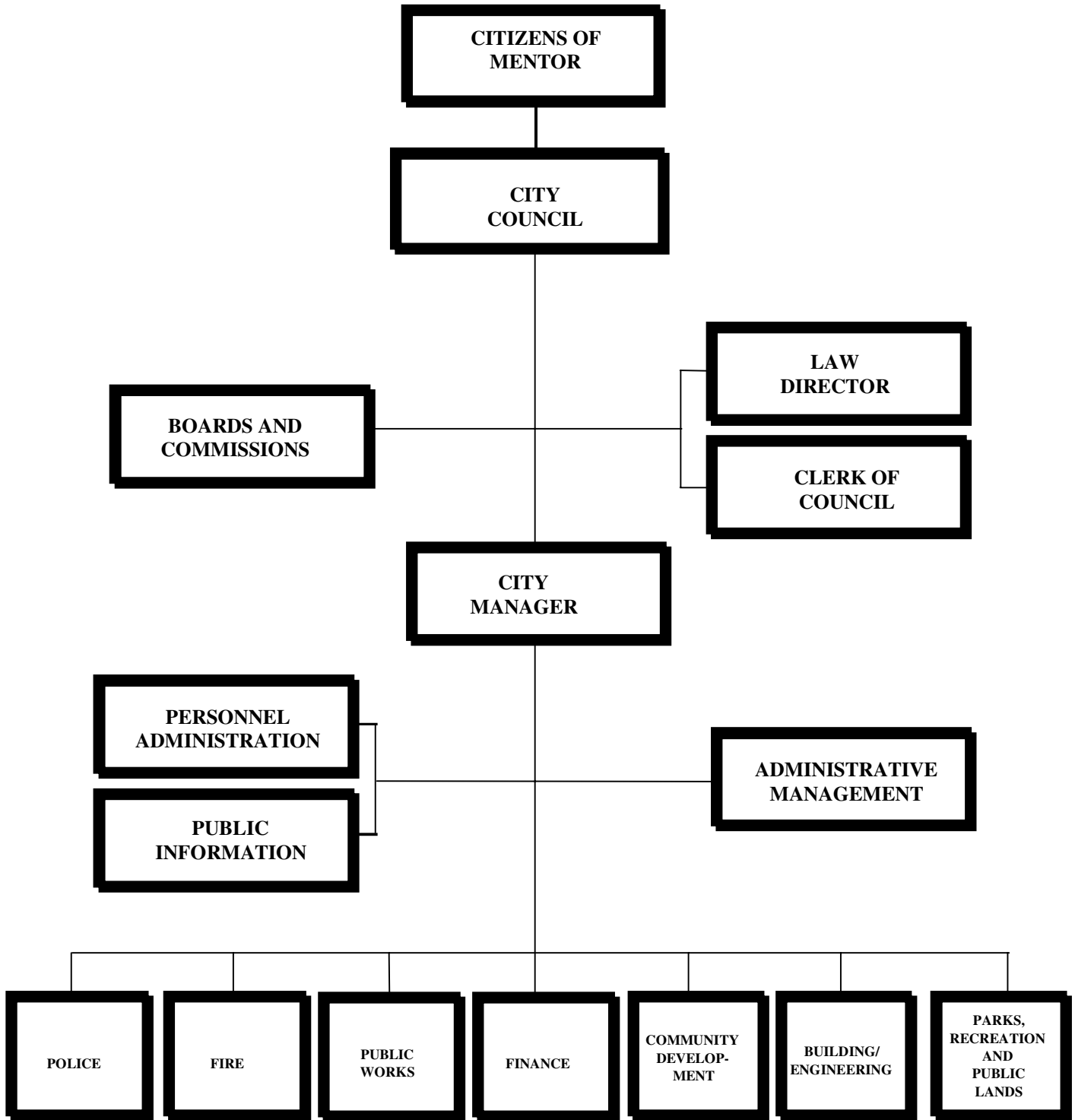
## DEPARTMENT OF FINANCE STAFF DECEMBER 31, 2001

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JOHN C. ATEN ----- Director of Finance  
DAVID W. MALINOWSKI----- Assistant Director  
DEBORAH VANONE----- Accounting Supervisor  
SHEARIN FERGUSON----- Accounting Supervisor  
DIANE L. PAULEY ----- Purchasing Coordinator  
JUDITH A. COREY----- Accountant  
LINDA HOVANCE----- Accounting Assistant  
LINDA MARTINC----- Accounting Assistant  
TAMMY STUBER----- Accounting Assistant  
LINDA WIGHT ----- Accounting Assistant  
JILL LEHNER----- Accounting Assistant  
VERONICA FETSKO----- Accounting Assistant  
JO-ANN FOHL----- Office Assistant  
KRIS HANNAN ----- Office Assistant  
MARIE SAMEC ----- Office Assistant

# CITY OF MENTOR, OHIO

## Organization Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Mentor,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2000

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



*Imelda Crave*  
President

*Jeffrey L. Esser*  
Executive Director

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***FINANCIAL SECTION***

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of the City of Mentor, Ohio (the "City") as of December 31, 2001, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such general purpose financial statements present fairly, in all material respects, the financial position of the City at December 31, 2001, and the results of its operations and the cash flows of its nonexpendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1(k) to the general purpose financial statements, effective January 1, 2001, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues (an amendment of GASB Statement No. 33)* and, retroactively restated its fund balances for the change.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the foregoing table of contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. These financial statements and schedules are also the responsibility of the management of the City. Such additional information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the general purpose financial statements taken as a whole.

The statistical data on pages 117 through 133 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City. Such additional information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, accordingly, we express no opinion on it.

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May 15, 2002

***GENERAL PURPOSE  
FINANCIAL STATEMENTS***

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# CITY OF MENTOR, OHIO

## COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS DECEMBER 31, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS:</b>				
Cash and investments (Note 2)	\$ 19,577,020	3,305,078	703,911	1,302,717
Receivables, net of allowances for uncollectibles (Note 4)	8,524,987	2,051,178	9,489,535	-
Due from other funds (Note 4)	786,571	4,723	-	-
Due from other governments	2,154,656	746,040	-	17,994
Inventory	507,244	-	-	-
Land held for resale (Note 8)	-	-	138,000	-
Fixed assets (Note 8)	-	-	-	-
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 31,550,478</b>	<b>6,107,019</b>	<b>10,331,446</b>	<b>1,320,711</b>
<b>LIABILITIES, FUND EQUITY, AND OTHER CREDITS:</b>				
Accounts payable	\$ 1,095,835	475,097	-	112,024
Accrued payroll and employee benefits (Notes 7 and 10)	2,370,370	-	-	-
Accrued liabilities	602,757	-	12,072	15,800
Deposits	644,238	-	-	-
Due to other funds (Note 4)	-	28,033	1,714	647,769
Deferred revenues	5,159,582	2,530,405	9,613,749	17,994
Special assessment notes payable (Note 6)	-	-	-	4,575,000
General obligation notes payable (Note 7)	-	-	-	-
General obligation bonds payable (Note 7)	-	-	-	-
Special assessment bonds payable (Note 7)	-	-	-	-
<b>Total liabilities</b>	<b>9,872,782</b>	<b>3,033,535</b>	<b>9,627,535</b>	<b>5,368,587</b>
<b>Fund equity and other credits:</b>				
Investment in general fixed assets	-	-	-	-
<b>Fund balances:</b>				
Reserved for encumbrances	4,059,565	1,157,823	-	1,128,428
Reserved for debt service	-	-	703,911	-
Reserved for inventory	507,244	-	-	-
Reserved for endowments	-	-	-	-
Unreserved	17,110,887	1,915,661	-	(5,176,304)
<b>Total fund equity and other credits (Note 12)</b>	<b>21,677,696</b>	<b>3,073,484</b>	<b>703,911</b>	<b>(4,047,876)</b>
<b>TOTAL LIABILITIES, FUND EQUITY, AND OTHER CREDITS</b>	<b>\$ 31,550,478</b>	<b>6,107,019</b>	<b>10,331,446</b>	<b>1,320,711</b>

See accompanying notes to general purpose financial statements.

Fiduciary Fund Types Trust and Agency	Account Groups		Totals (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
182,262	-	-	25,070,988
83,347	-	-	20,149,047
-	-	-	791,294
-	-	-	2,918,690
-	-	-	507,244
-	-	-	138,000
-	73,937,731	-	73,937,731
-	-	703,911	703,911
-	-	<u>28,023,998</u>	<u>28,023,998</u>
<u>265,609</u>	<u>73,937,731</u>	<u>28,727,909</u>	<u>152,240,903</u>
1,379	-	-	1,684,335
-	-	2,327,909	4,698,279
5,792	-	-	636,421
26,741	-	-	670,979
113,778	-	-	791,294
-	-	-	17,321,730
-	-	-	4,575,000
-	-	40,000	40,000
-	-	20,455,634	20,455,634
-	-	<u>5,904,366</u>	<u>5,904,366</u>
<u>147,690</u>	<u>-</u>	<u>28,727,909</u>	<u>56,778,038</u>
-	73,937,731	-	73,937,731
740	-	-	6,346,556
-	-	-	703,911
-	-	-	507,244
17,697	-	-	17,697
99,482	-	-	13,949,726
<u>117,919</u>	<u>73,937,731</u>	<u>-</u>	<u>95,462,865</u>
<u>265,609</u>	<u>73,937,731</u>	<u>28,727,909</u>	<u>152,240,903</u>

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# CITY OF MENTOR, OHIO

## COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS YEAR ENDED DECEMBER 31, 2001

	Governmental Fund Types				Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects		
<b>REVENUES:</b>						
Property taxes	\$ 1,341,641	1,895,156	1,585,576	-	-	4,822,373
Municipal income tax	26,595,125	-	-	-	-	26,595,125
Other local taxes	-	723,702	-	-	-	723,702
Intergovernmental	6,494,213	2,004,511	184,371	29,105	-	8,712,200
Charges for services	2,609,281	34,747	-	-	-	2,644,028
Fines and forfeitures	1,005,235	59,044	-	-	-	1,064,279
Licenses, permits, and inspections	1,141,955	9,720	-	-	-	1,151,675
Special assessments	-	907,019	1,076,875	-	-	1,983,894
Investment income	2,013,886	129,082	6,969	-	-	2,149,937
Donations and other	528,473	4,500	-	-	100,708	633,681
Total revenues	<u>41,729,809</u>	<u>5,767,481</u>	<u>2,853,791</u>	<u>29,105</u>	<u>100,708</u>	<u>50,480,894</u>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
General government	6,056,376	54,966	-	-	33,434	6,144,776
Police	7,837,997	428,682	-	-	105	8,266,784
Fire	6,141,090	1,689,497	-	-	1,779	7,832,366
Streets and highways	6,461,918	1,742,972	-	-	-	8,204,890
Parks, recreation and public lands	6,141,941	8,981	-	-	95,054	6,245,976
Community development	918,463	122,975	-	-	-	1,041,438
Engineering and building	1,916,517	-	-	-	-	1,916,517
Capital outlay	5,990,773	1,411,850	-	337,240	-	7,739,863
<b>Debt service:</b>						
Principal retirement (Note 7)	10,000	-	1,730,000	-	-	1,740,000
Interest and other charges	-	-	1,736,927	209,112	-	1,946,039
Total expenditures	<u>41,475,075</u>	<u>5,459,923</u>	<u>3,466,927</u>	<u>546,352</u>	<u>130,372</u>	<u>51,078,649</u>
Excess (deficiency) of revenues over expenditures	<u>254,734</u>	<u>307,558</u>	<u>(613,136)</u>	<u>(517,247)</u>	<u>(29,664)</u>	<u>(597,755)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	5,036	-	328,000	381,576	-	714,612
Operating transfers out	-	(709,576)	-	(5,036)	-	(714,612)
Proceeds of notes (including premium)	-	-	22,402	-	-	22,402
Total other financing sources (uses)	<u>5,036</u>	<u>(709,576)</u>	<u>350,402</u>	<u>376,540</u>	<u>-</u>	<u>22,402</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>259,770</u>	<u>(402,018)</u>	<u>(262,734)</u>	<u>(140,707)</u>	<u>(29,664)</u>	<u>(575,353)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>						
(As restated - see Note 1k)	21,343,807	3,475,502	966,645	(3,907,169)	121,853	22,000,638
<b>CHANGE IN RESERVE FOR INVENTORY</b>						
	<u>74,119</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,119</u>
<b>FUND BALANCE, END OF YEAR</b>						
	<u>\$ 21,677,696</u>	<u>3,073,484</u>	<u>703,911</u>	<u>(4,047,876)</u>	<u>92,189</u>	<u>21,499,404</u>

See accompanying notes to general purpose financial statements.

**CITY OF MENTOR, OHIO**

**COMBINED STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
(NON-GAAP BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES  
YEAR ENDED DECEMBER 31, 2001**

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES:</b>						
Property taxes	\$ 1,309,967	1,341,641	31,674	1,866,037	1,895,156	29,119
Municipal income tax	27,050,000	27,080,132	30,132	-	-	-
Other local taxes	-	-	-	698,000	727,298	29,298
Intergovernmental	5,890,431	6,522,257	631,826	1,973,460	2,003,884	30,424
Charges for services	2,598,400	2,609,281	10,881	37,000	34,747	(2,253)
Fines and forfeitures	995,000	991,302	(3,698)	59,000	59,528	528
Licenses, permits, and inspections	1,057,280	1,141,955	84,675	21,000	9,720	(11,280)
Special assessments	-	-	-	856,058	907,019	50,961
Investment income	1,300,000	1,618,357	318,357	90,000	129,082	39,082
Other	319,991	441,808	121,817	-	4,500	4,500
Total revenues	<u>40,521,069</u>	<u>41,746,733</u>	<u>1,225,664</u>	<u>5,600,555</u>	<u>5,770,934</u>	<u>170,379</u>
<b>EXPENDITURES:</b>						
Function:						
General government	6,506,437	6,031,135	475,302	240,585	198,712	41,873
Police	9,985,060	8,760,190	1,224,870	602,797	444,806	157,991
Fire	9,267,192	8,401,657	865,535	1,859,592	1,853,109	6,483
Streets and highways	11,390,354	9,882,972	1,507,382	4,146,626	3,874,770	271,856
Parks, recreation and public lands	9,053,081	7,904,257	1,148,824	305,939	25,685	280,254
Community development	1,015,938	943,951	71,987	291,114	291,114	-
Engineering and building	4,376,509	4,045,671	330,838	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Total expenditures	<u>51,594,571</u>	<u>45,969,833</u>	<u>5,624,738</u>	<u>7,446,653</u>	<u>6,688,196</u>	<u>758,457</u>
Excess (deficiency) of revenues over expenditures	<u>(11,073,502)</u>	<u>(4,223,100)</u>	<u>6,850,402</u>	<u>(1,846,098)</u>	<u>(917,262)</u>	<u>928,836</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	-	5,036	5,036	-	-	-
Operating transfers out	-	-	-	(841,500)	(709,576)	131,924
Advances in	87,893	87,893	-	28,033	28,033	-
Advances out	(675,802)	(675,802)	-	(43,005)	(43,005)	-
Proceeds of notes (including premium)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(587,909)</u>	<u>(582,873)</u>	<u>5,036</u>	<u>(856,472)</u>	<u>(724,548)</u>	<u>131,924</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(11,661,411)</u>	<u>(4,805,973)</u>	<u>6,855,438</u>	<u>(2,702,570)</u>	<u>(1,641,810)</u>	<u>1,060,760</u>
Adjustments for prior year encumbrances	5,285,811	5,285,811	-	1,422,910	1,422,910	-
FUND BALANCES, BEGINNING OF YEAR	<u>10,602,612</u>	<u>10,602,612</u>	<u>-</u>	<u>1,897,307</u>	<u>1,897,307</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 4,227,012</u>	<u>11,082,450</u>	<u>6,855,438</u>	<u>617,647</u>	<u>1,678,407</u>	<u>1,060,760</u>

See accompanying notes to general purpose financial statements.

Debt Service Funds			Capital Projects Funds		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
1,548,144	1,585,576	37,432	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
179,033	184,371	5,338	703,105	29,105	(674,000)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,082,079	1,076,875	(5,204)	-	-	-
6,000	6,969	969	-	-	-
-	-	-	-	-	-
<u>2,815,256</u>	<u>2,853,791</u>	<u>38,535</u>	<u>703,105</u>	<u>29,105</u>	<u>(674,000)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,124,569	2,109,926	14,643
1,730,000	1,730,000	-	4,425,000	4,425,000	-
<u>1,767,177</u>	<u>1,736,927</u>	<u>30,250</u>	<u>225,206</u>	<u>209,111</u>	<u>16,095</u>
<u>3,497,177</u>	<u>3,466,927</u>	<u>30,250</u>	<u>6,774,775</u>	<u>6,744,037</u>	<u>30,738</u>
<u>(681,921)</u>	<u>(613,136)</u>	<u>68,785</u>	<u>(6,071,670)</u>	<u>(6,714,932)</u>	<u>(643,262)</u>
328,000	328,000	-	451,000	381,576	(69,424)
-	-	-	(5,036)	(5,036)	-
-	-	-	33,850	647,769	613,919
-	-	-	(44,890)	(44,890)	-
-	<u>22,402</u>	<u>22,402</u>	<u>4,600,000</u>	<u>4,575,000</u>	<u>(25,000)</u>
<u>328,000</u>	<u>350,402</u>	<u>22,402</u>	<u>5,034,924</u>	<u>5,554,419</u>	<u>519,495</u>
(353,921)	(262,734)	91,187	(1,036,746)	(1,160,513)	(123,767)
-	-	-	1,110,560	1,110,560	-
<u>966,645</u>	<u>966,645</u>	<u>-</u>	<u>96,418</u>	<u>96,418</u>	<u>-</u>
<u>612,724</u>	<u>703,911</u>	<u>91,187</u>	<u>170,232</u>	<u>46,465</u>	<u>(123,767)</u>

# CITY OF MENTOR, OHIO

## COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES - ALL NONEXPENDABLE TRUST FUNDS YEAR ENDED DECEMBER 31, 2001

---

	<u>Fiduciary Fund Type Nonexpendable Trust</u>
OPERATING REVENUES:	
Investment income	\$ 1,542
Donations and other	<u>154</u>
Total operating revenues	<u>1,696</u>
OPERATING EXPENSES:	
Parks, recreation and public lands	<u>1,261</u>
NET INCOME	435
FUND BALANCES, BEGINNING OF YEAR	<u>25,295</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 25,730</u></u>

See accompanying notes to general purpose financial statements.



# CITY OF MENTOR, OHIO

## COMBINED STATEMENT OF CASH FLOWS - ALL NONEXPENDABLE TRUST FUNDS YEAR ENDED DECEMBER 31, 2001

	Fiduciary Fund Type <u>Nonexpendable</u> <u>Trust</u>
OPERATING ACTIVITIES:	
Operating income	\$ 435
Adjustments to reconcile operating income to net cash used in operating activities:	
Investment income	<u>(1,542)</u>
Net cash used in operating activities	<u>(1,107)</u>
INVESTING ACTIVITIES:	
Investment income	1,542
Net change in pooled investments	<u>(423)</u>
Net cash provided by investing activities	<u>1,119</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	12
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,780</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,792</u>

A reconciliation of the December 31, 2001 cash and cash equivalent amounts shown in the combined statement of cash flows - all nonexpendable trust funds to the cash and investment amounts shown in the accompanying combined balance sheet is as follows:

CASH AND INVESTMENTS - Combined Balance Sheet	\$ 182,262	*
Less:		
Agency and expendable trust fund type cash and investments	(156,102)	
Nonexpendable trust fund type investment amounts which do not qualify as cash equivalents	<u>(24,368)</u>	
CASH AND CASH EQUIVALENTS - Combined Statement of Cash Flows	<u>\$ 1,792</u>	

\*Represents the cash and investments of all fiduciary fund types.

See accompanying notes to general purpose financial statements.

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2001

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (a) **Description of the Reporting Entity** - 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, community development (planning and zoning), public health, and general administrative services.

For financial reporting purposes, the City's general purpose financial statements include all funds, account groups, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the Governmental Accounting Standards Board ("GASB"), exists if the City appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

Based upon the foregoing criteria, the Mentor Municipal Court (the "Court") is included 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. Monies held by the Court in a fiduciary capacity are included in an agency fund in the accompanying combined financial statements, as further discussed in Note 5. No other organizations are included as part of the City's reporting entity.

- (b) **Fund Accounting** - The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures (expenses). Government resources are allocated to and accounted for in individual funds based upon the purposes for which the resources are to be spent. This fund accounting provides the means by which spending activities are controlled. The various funds are summarized by type in the accompanying general purpose financial statements. The following fund types and account groups are used by the City:

#### Governmental Funds

- 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.
- Special Revenue Funds are used to account for receipts derived from specific taxes, grants, or other revenue sources (other than expendable trusts or major capital projects) that are legally restricted or designated to be expended for specified purposes.

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

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- Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general obligation and special assessment long-term debt principal, interest, and related costs.
- Capital Projects Funds are used to account for financial resources used for the acquisition and construction of major capital facilities.

### Fiduciary Funds

- Trust and Agency Funds are used to account for assets held by the City in a trustee capacity for individuals, private organizations, other governmental units, and/or other funds. These include Expendable Trust, Nonexpendable Trust, and Agency Funds. Expendable Trust Funds are those whose principal and income may be expended in the course of their designated operations. Capital maintenance is the principal objective for Nonexpendable Trust Funds. Disbursements from trust funds are made in accordance with the trust agreement or applicable legislative enactment for the particular fund. Agency Funds are custodial in nature and do not involve measurement of results of operations.

### Account Groups

- The General Fixed Assets Account Group is used to present the fixed assets of the City that are utilized in its general operations.
  - The General Long-Term Debt Account Group is used to account for all long-term obligations of the City.
- (c) ***Fixed Assets and Long-Term Liabilities*** - The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund is determined by its measurement focus. All governmental and expendable trust funds are accounted for on a spending or “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current financial resources; accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group rather than in governmental funds. Expenditures for public domain assets (infrastructure) consisting of streets and sidewalks, curbs and gutters, bridges, drainage systems, and lighting systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated market value on the date donated.

Interest on tax-exempt borrowings used to finance capital projects is capitalized from the date of borrowing until the project is substantially complete. The amount of capitalized interest equals the difference between the interest cost associated with the borrowing and the interest earned from temporary investment of the debt proceeds.

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

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Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. Long-term liabilities consist of notes and bonds payable and the long-term portion of accumulated, unpaid vacation and sick pay. Bonds payable are paid from Debt Service Funds. Accumulated, unpaid vacation and sick pay is paid by the General Fund.

The General Fixed Assets Account Group and the General Long-Term Debt Account Group are not “funds.” They only include certain information relevant to the City’s financial position. They do not present information pertaining to the measurement of results of operations. No depreciation is provided on general fixed assets.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

Nonexpendable Trust Funds (fiduciary fund type) are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included in their balance sheets. The reported fund equity represents total net assets. Operating statements present increases (revenues) and decreases (expenses) in total net assets.

- (d) **Basis of Accounting** - Basis of accounting refers to when revenues and expenditures (expenses) are recognized in the accounts and reported in the general purpose financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All financial transactions for governmental fund types and Expendable Trust and Agency Funds are recorded on the modified accrual basis of accounting. Under this accounting method, revenues are recognized when susceptible to accrual (both measurable and available to finance current City operations), while expenditures are generally recognized when the related fund liability is incurred, with the exception of accumulated, unpaid sick and vacation pay which is not payable from current expendable financial resources, and unmatured interest on general long-term debt, which is recognized when due.

In applying the “susceptible to accrual” concept under the modified accrual basis of accounting, the following major revenue sources are deemed both measurable and available: City income taxes withheld by employers, interest earnings, fines and forfeitures collected by the Mentor Municipal Court, reimbursements from other governments for grant expenditures, and revenues from other governmental entities for services rendered. All other revenues are recorded when received, as they are generally not measurable until received.

Special assessment and property tax receivables, which are measurable but not available to pay liabilities as of year-end, are recorded as receivables and equally offset by deferred revenues which are recognized as revenue when the amounts become available.

The accrual basis of accounting is followed for the Nonexpendable Trust Funds. Accordingly, revenues are recognized when they are earned, and expenses, including depreciation (if any), are recognized when they are incurred. In accordance with Statement No. 20 of the Governmental

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

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Accounting Standards Board "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," the City has elected not to apply the provisions of the Statements and Interpretations of the Financial Accounting Standards Board issued after November 30, 1989. The City will continue applying all applicable pronouncements issued by the Governmental Accounting Standards Board.

(e) **Budgeting Principles**

**Budgetary Process** - The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance. These budgetary documents are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources as certified. The tax budget and appropriation ordinance are prepared under the direction of the City Manager and submitted to City Council for adoption. Budgeted expenditures represent original appropriations as modified by adjustments during the year. The primary level of budgetary control is at the departmental level. Budget revisions within appropriated amounts are subject to the approval of the City Manager. Changes in a department's total appropriation require action by City Council. For the year ended December 31, 2001, 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 Deposits Fund and the Municipal Court Fund (Agency Funds); however, the City is only required to report herein on the budgets adopted for the governmental funds.

**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). Actual results included in the accompanying Combined Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

Fund Types (the “Budgetary Statement”) are presented in accordance with the City’s budgetary process (budgetary basis) to provide a meaningful comparison of actual results with the budget. A reconciliation of the results of operations for the year from the GAAP basis to the budgetary basis is as follows:

	<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>			
	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Projects Funds</b>
GAAP basis	\$ 259,770	(402,018)	(262,734)	(140,707)
Increase (decrease) due to change in:				
Receivables and other assets not recognized on budgetary basis	(12,844,293)	(2,801,941)	(9,627,535)	(17,994)
Liabilities not recognized on budgetary basis	11,838,115	2,719,972	9,627,535	126,616
Net impact of encumbrances on budget basis expenditures	<u>(4,059,565)</u>	<u>(1,157,823)</u>	<u>-</u>	<u>(1,128,428)</u>
Budget basis	<u>\$ (4,805,973)</u>	<u>(1,641,810)</u>	<u>(262,734)</u>	<u>(1,160,513)</u>

**Encumbrances** - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the future expenditure of funds are recorded in order to reserve a portion of the applicable appropriation, is utilized during the year for budget control purposes. Encumbrances outstanding at year-end are reported as expenditures under the City’s budgetary basis of accounting. The City honors the contracts represented by year-end encumbrances, and the related appropriations are carried forward to the succeeding year. For GAAP reporting purposes, encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

The budget and actual expenditures included in the 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.

- (f) **Cash and Investments** - For purposes of the Combined Statement of Cash Flows - All Nonexpendable Trust Funds, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The City’s investments are stated at fair value (based on quoted market prices) in the accompanying Combined Balance Sheet - All Fund Types and Account Groups and the change in the fair value of the investments during the year is recorded as investment income along with the interest earned on the investments.
- (g) **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 City uses the purchase method of inventory valuation for its governmental funds whereby the cost is recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute “available spendable resources” even though they are a component of net assets.

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

- (h) **Accumulated, Unpaid Vacation and Sick Pay** - City employees earn vacation leave at graduated rates based on length of service. Normally, vacation leave is taken in the year available unless approval for carryover is obtained. City employees also earn sick leave which, if not taken, accumulates until retirement. Upon retirement, an employee with ten or more years of service is paid one-third of accumulated sick leave, subject to certain limitations, calculated at current wage rates.

The City accrues vacation and sick pay benefits as earned by its employees in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." This statement requires the portion of the compensated absence liability relating to governmental fund types that is not expected to be liquidated with expendable, available financial resources to be recorded in the General Long-Term Debt Account Group.

- (i) **Claims** - As described in Note 10, the City is self-insured for certain employee benefits as well as City vehicle collision claims. The City recognizes a liability for such claims if information prior to the issuance of the general purpose financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.
- (j) **"Total" Columns on General Purpose Financial Statements** - The "Total" columns on the accompanying general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with GAAP. No consolidating entries or other eliminations were made in arriving at the totals; thus, they do not represent consolidated information.
- (k) **Nonexchange Transactions** - Effective January 1, 2001, the City implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues (an amendment of GASB Statement No. 33)*. In general, GASB Statement Nos. 33 and 36 establish accounting and financial reporting standards which address when to report the results of nonexchange transactions involving financial or capital resources. In a nonexchange transaction, an entity gives (or receives) value without directly receiving or giving equal value in return. These statements require retroactive application and, accordingly, the City's fund balances as of December 31, 2000 have been restated as follows:

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Trust and Agency Funds
Fund balances, as previously reported	\$ 20,702,393	3,200,509	966,645	(3,907,169)	147,148
Increases in assets resulting from implementation:					
Receivables	1,594,935	(64,111)	(83,945)	-	76,962
Due from other funds	72,593	4,369	-	-	-
Due from other governments	2,339,085	734,926	-	3,366	-
Increases in liabilities resulting from implementation:					
Due to other funds	-	-	-	-	(76,962)
Deferred revenues	(3,365,199)	(400,191)	83,945	(3,366)	-
Fund balances, as restated	<u>\$ 21,343,807</u>	<u>3,475,502</u>	<u>966,645</u>	<u>(3,907,169)</u>	<u>147,148</u>

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

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Cash received or receivables recognized with respect to income taxes, property taxes, certain grants and other nonexchange transactions that do not meet the revenue recognition criteria under GASB Statements Nos. 33 and 36 are recorded as deferred revenues.

### 2. CASH AND INVESTMENTS

**General** - The City's cash and investment policy is governed by the provisions of the Charter and Codified Ordinances of the City and the Ohio Revised Code. These items permit the City to invest its monies in certificates of deposit, savings accounts, certain money market funds, bankers acceptances, obligations of the U.S. government, U.S. government agencies and government sponsored enterprises, and repurchase agreements backed by securities of the U.S. government or certain agencies or sponsored enterprises thereof. The City also may invest in shares of three mutual funds which invest in corporate and GNMA bonds: Vanguard Short-Term Corporate Fund, Vanguard Intermediate-Term Corporate Fund, and Vanguard GNMA Fund.

In accordance with the above mentioned statutes, public depositories must provide security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation or may pledge a pool of securities with a statutory value of at least 110 percent of the total uninsured amount of public monies on deposit at the institution. Repurchase agreements are secured by the specific government security acquired under the repurchase agreement. Bankers acceptances are secured by the specific property covered by the bankers acceptance. All collateral, whether specific or pooled, is held by a Federal Reserve Bank or by a designated trustee as agent for the public depositories used by the City.

Cash and investments consisted of the following at December 31, 2001:

Cash	<u>\$ 352,511</u>
Investments:	
Federal Home Loan Mortgage Corporation securities	4,714,583
Vanguard Intermediate Corporate Fund	4,123,671
Vanguard Short-Term Corporate Fund	4,066,490
Federal Home Loan Bank securities	3,396,001
Vanguard GNMA Fund	3,068,598
Federal Farm Credit Bank securities	2,871,385
STAROhio	1,365,329
Fannie Mae securities	<u>1,112,420</u>
Total investments	<u>24,718,477</u>
Total cash and investments	<u><u>\$ 25,070,988</u></u>

**Deposits** - Under the provisions of Statement No. 3 of the GASB, deposits are categorized as either (1) insured or collateralized with securities held by the entity or by its agent in the entity's name, (2) collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name, or (3) uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the entity's name. At December 31, 2001, the carrying amount of the City's deposits was \$352,511 and the bank balance was \$919,856, \$162,964 of which was covered by Federal depository insurance and \$756,892 was uninsured and uncollateralized as defined by the GASB. The uncollateralized deposits were, however, covered by a pledged collateral pool not held in the City's name, as permitted under Ohio law.



# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

**Investments** - The City's investments are categorized as follows in accordance with the provisions of GASB Statement No. 3 to give an indication of the level of credit risk assumed by the City at year end. Category 1 includes investments that are insured or registered for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured or unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the City's name.

	<u>Category</u>			<u>Total Market/ Carrying Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Federal Home Loan Mortgage Corporation securities	\$ -	-	4,714,583	4,714,583
Federal Home Loan Bank securities	-	-	3,396,001	3,396,001
Federal Farm Credit Bank securities	-	-	2,871,385	2,871,385
Fannie Mae securities	-	-	<u>1,112,420</u>	<u>1,112,420</u>
	<u>\$ -</u>	<u>-</u>	<u>12,094,389</u>	12,094,389
STAROhio				1,365,329
Vanguard GNMA Fund				3,068,598
Vanguard Short-Term Corporate Fund				4,066,490
Vanguard Intermediate Corporate Fund				<u>4,123,671</u>
Total investments				<u>\$24,718,477</u>

STAROhio is an investment pool created pursuant to Ohio statutes and managed by the Treasurer of the State of Ohio. This investment is not classified by credit risk category because it does not exist in physical or book entry form. The fair value of the City's position in the investment pool is equal to the fair value of the underlying assets of the pool. STAROhio is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940.

The three Vanguard investments are no-load mutual funds that are registered with the Securities and Exchange Commission as investment companies. The fair value of the City's position in these funds is equal to the fair value of the underlying assets of each. These investments are not classified by credit risk category because they do not exist in physical or book entry form.

The City pools cash from all funds for the purpose of investment activities. All interest income 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.

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

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### 3. TAXES

**Income Taxes** - A two percent City income tax is levied on substantially all income earned within the City. On May 7, 2002, the two percent income tax was renewed by the voters for a five year period through December 31, 2007. In addition, the residents of the City are required to pay City income tax on income they earn outside the City; however, full credit is allowed for all income taxes these residents pay to other municipalities. Employers within the City are required to withhold income tax on employee compensation and remit the tax to an intermediary collection agency (Central Collection Agency) at least quarterly. Corporations and self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the collection agency. The collection agency remits taxes collected for the City each month, net of a charge for the cost of services and a credit for interest earned on amounts collected between remittances.

**Property Taxes** - Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Taxes collected from real property (other than public utility) in one calendar year are levied in October of the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued by appraisal every six years and, three years after each revaluation, all property values are reviewed and revised, as necessary, as part of a triannual update based on recent sales of properties. The last revaluation was completed in 2000. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20, with the remainder payable June 20. In certain instances, State statute permits earlier or later payment dates to be established.

Personal property (other than public utility) taxes are levied in October of the preceding calendar year based on tax rates determined in the preceding year and assessed values determined at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30 with the remainder payable by September 20. Under Ohio law, personal property taxes do not attach as a lien on the personal property.

Public utility real and tangible personal property taxes collected in one calendar year are levied in October of the preceding calendar year on assessed values determined as of January 1 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 the 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 2000 levy (collected in 2001) was based was approximately \$1.37 billion. Ohio law limits unvoted property taxation, combined for all overlapping taxing authorities, to 10 mills. The City's current share of 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.

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

### 4. RECEIVABLES

*Due from Outside Parties* - The City's receivables at December 31, 2001, by fund type, consist of the following:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Trust and Agency Funds</u>
City income taxes	\$ 6,905,220	-	-	-
Property taxes	1,609,864	2,004,430	1,679,184	-
Special assessments	-	15,615	7,810,351	-
Other	<u>9,903</u>	<u>31,133</u>	<u>-</u>	<u>83,347</u>
	<u>\$ 8,524,987</u>	<u>2,051,178</u>	<u>9,489,535</u>	<u>83,347</u>

The above receivable amounts are net of any applicable allowance for uncollectibles, which are not material in relation to the respective receivable balances.

*Due to/from Other Funds* - Interfund receivables and payables are composed of the following at December 31, 2001:

<b>Fund</b>	<u>Interfund</u>	
	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 786,571	-
Special Revenue Funds:		
Fire Levy	297	-
Street Lighting	541	-
Court Computer	3,783	-
Enforcement and Education	35	-
Indigent Driver Alcohol Treatment	67	-
Community Development block Grant 97-98	-	5,132
Community Development Block Grant 98-99	-	10,301
Community Development Block Grant 99-00	-	9,600
Community Development Block Grant 00-01	-	3,000
Debt Service Fund:		
Special Assessment Bond Retirement	-	1,714
Capital Projects Funds:		
ODNR Natureworks Grant - Skate Park	-	15,800
State Route 84 Storm Sewer	-	18,050
Garfield Road Improvements	-	613,919
Agency Fund:		
Municipal Court	<u>-</u>	<u>113,778</u>
	<u>\$ 791,294</u>	<u>791,294</u>

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

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### 5. MUNICIPAL COURT

The Mentor Municipal Court was created by Section 1901.02 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 \$10,000, 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 general purpose financial statements. Fines and costs collected by the Municipal Court and related to the City of Mentor are recorded as revenue in the General Fund. The costs associated with the operations of the Municipal Court are borne by the City and recorded in the General Fund. Fines and costs collected for the State of Ohio, subdivisions thereof, and individuals, which have not been disbursed as of year-end, are recognized as liabilities in the Municipal Court Agency Fund. Fines and costs collected for the City which have not been disbursed are recognized under the captions "due from other funds" in the General Fund and "due to other funds" in the Municipal Court Agency Fund.

### 6. NOTES PAYABLE

The following is a summary of bond anticipation note transactions of the City for the year ended December 31, 2001:

Notes payable at January 1, 2001	\$4,425,000
New notes issued	4,575,000
Notes retired	<u>(4,425,000)</u>
Notes payable at December 31, 2001	<u>\$4,575,000</u>

The notes mature on July 18, 2002 and are recorded as a liability of the Capital Projects Funds. All notes are backed by the full faith and credit of the City. The interest rate on the notes outstanding at December 31, 2001 was 3.25 percent.

Chapter 133 of the Ohio Revised Code, "Uniform Bond Law," provides for bond anticipation notes to be issued by a city for a period of up to twenty years, including renewals, for long-term financing purposes. The Uniform Bond Law offers a city the option of either bonds or bond anticipation notes as long-term financing mechanisms, allowing a city to choose the option which provides the greatest benefit. Should it be determined that it would be more appropriate to issue bonds, the City has such authority under the Uniform Bond Law. Although the City has the intent to refinance the notes on a long-term basis in connection with the levy of certain special assessments to secure the repayment of the debt, the notes have been classified as a liability of the fund which received the note proceeds in accordance with Financial Accounting Standards Board (FASB) Statement No. 6, "*Classification of Short-Term Obligations Expected to be Refinanced*," because the City has not taken the necessary legal steps to refinance the notes on a long-term basis.

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

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### 7. LONG-TERM DEBT

#### (a) City Obligated Debt

The following is a summary of the long-term portion of accumulated, unpaid vacation and sick pay obligations of the City for the year ended December 31, 2001:

Accrued liability at January 1, 2001	\$2,189,818
Benefits accumulated during 2001, net of amounts used	<u>138,091</u>
Accrued liability at December 31, 2001	<u>\$ 2,327,909</u>

The following is a summary of long-term notes payable transactions of the City for the year ended December 31, 2001:

	<u>General Obligation</u>
Notes payable at January 1, 2001	\$ 50,000
Notes paid	<u>(10,000)</u>
Notes payable at December 31, 2001	<u>\$ 40,000</u>

Long-term notes payable at December 31, 2001 are comprised of the following:

	<u>Amount of Original Issuance</u>	<u>Notes Outstanding December 31, 2001</u>
1999 OPWC State Route 615 Reconstruction Note due in semi-annual installments of \$5,000 through 2006 without interest	<u>\$ 50,000</u>	<u>40,000</u>

The following is a summary of the bond transactions of the City for the year ended December 31, 2001:

	<u>General Obligation</u>	<u>Special Assessment</u>	<u>Total</u>
Bonds payable at January 1, 2001	\$21,531,765	6,558,235	28,090,000
Bonds retired	<u>(1,076,131)</u>	<u>(653,869)</u>	<u>(1,730,000)</u>
Bonds payable at December 31, 2001	<u>\$ 20,455,634</u>	<u>5,904,366</u>	<u>26,360,000</u>

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

Bonds payable at December 31, 2001 are comprised of the following issues:

	<b>Amount of Original Issuance</b>	<b>Bonds Outstanding December 31, 2001</b>
General unvoted obligations:		
1985 Police Facilities Bonds due in annual installments of \$170,000 through 2005, plus interest at 9.125%	\$ 3,200,000	680,000
1985 Community Center Bonds due in annual installments of \$125,000 through 2006, plus interest at 9.125%	2,500,000	625,000
1991 Street Improvement Bonds due in annual installments ranging from \$8,995 to \$26,728 through 2011, plus interest at rates varying between 6.55% to 7.15%	302,489	200,192
1993 Various Purpose Improvement Bonds due in annual installments ranging from \$112,864 to \$308,205 through 2013, plus interest at rates varying between 5.0% to 5.65%	3,820,000	2,773,842
1996 Various Purpose Improvement Bonds due in annual installments ranging from \$127,123 to \$400,926 through 2016, plus interest at rates varying from 5.4% to 5.6%	4,860,000	4,126,600
1997 Various Purpose Acquisition and Improvement Bonds due in annual installments of \$370,000 to \$1,125,000 through 2017, plus interest at rates varying between 4.80% to 5.25%	<u>13,680,000</u>	<u>12,050,000</u>
Total general obligation bonds	<u>28,362,489</u>	<u>20,455,634</u>
Special assessment obligations:		
1985 Great Lakes-East Ave.-Heisley Commerce Street Improvement Bonds due in annual installments of \$130,000 through 2006, plus interest at 9.625%	2,525,000	650,000
1987 Tyler Blvd.-White Oak Drive Improvement Bonds due in annual installments of \$85,000 to \$210,000 through 2007, plus interest at rates varying between 7.85% to 7.9%	2,240,000	1,045,000
1991 Street Improvement Bonds due in annual installments ranging from \$166,005 to \$493,272 through 2011, plus interest at rates varying between 6.55% to 7.15%	5,582,511	3,694,807
1993 Various Purpose Improvement Bonds due in annual installments ranging from \$17,136 to \$46,795 through 2013, plus interest at rates varying between 5.0% to 5.65%	580,000	421,159
1996 Various Purpose Improvement Bonds due in annual installments ranging from \$2,877 to \$9,074 through 2016, plus interest at rates varying between 5.5% to 5.6%	<u>110,000</u>	<u>93,400</u>
Total special assessment bonds	<u>11,037,511</u>	<u>5,904,366</u>
Total bonds	<u>\$ 39,400,000</u>	<u>26,360,000</u>

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

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

The annual payment requirements for all bonded debt outstanding as of December 31, 2001 are as follows:

Year Ending December 31.	General Obligation Bonds		Special Assessment Bonds		Total
	Principal	Interest	Principal	Interest	
2002	\$ 1,120,620	1,135,205	569,380	433,311	3,258,516
2003	1,174,192	1,067,108	600,808	390,628	3,232,736
2004	1,218,680	996,746	631,320	344,245	3,190,991
2005	1,278,315	921,846	671,685	297,041	3,168,887
2006	1,167,291	844,565	712,709	245,581	2,970,146
2007-2011	6,243,101	3,264,354	2,586,898	576,264	12,670,617
2012-2016	7,128,435	1,434,441	131,566	14,873	8,709,315
2017 and thereafter	<u>1,125,000</u>	<u>59,063</u>	<u>-</u>	<u>-</u>	<u>1,184,063</u>
	<u>\$ 20,455,634</u>	<u>9,723,328</u>	<u>5,904,366</u>	<u>2,301,943</u>	<u>38,385,271</u>

Under the Ohio Revised Code, at December 31, 2001, the City legally could issue approximately \$54.8 million of additional, unvoted, general obligation debt.

### (b) *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 trustees 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, 2001, there were eight series of industrial revenue bonds outstanding. The aggregate principal amount payable for the three series issued since July 1, 1995, was \$9.1 million. The aggregate principal amount payable for the five series issued prior to July 1, 1995, could not be determined; however their original issue amounts totaled \$9.0 million.

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

### 8. FIXED ASSETS, LAND HELD FOR RESALE AND CAPITAL PROJECTS

*General Fixed Assets* - A summary of the changes in the General Fixed Assets Account Group is as follows:

	<u>Balance January 1, 2001</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2001</u>
Land	\$ 13,328,908	136,667	-	13,465,575
Buildings	36,908,771	20,390	-	36,929,161
Improvements	6,160,497	330,240	-	6,490,737
Furniture, fixtures, and equipment	14,388,604	2,988,823	1,262,669	16,114,758
Construction in progress	-	<u>937,500</u>	-	<u>937,500</u>
Totals	<u>\$ 70,786,780</u>	<u>4,413,620</u>	<u>1,262,669</u>	<u>73,937,731</u>

*Land Held for Resale* - In an effort to collect certain delinquent special assessments, the City took ownership of certain parcels of land upon which assessments and taxes were delinquent. The land was recorded at its estimated fair value on the date of acquisition and will be sold to pay the assessments and taxes due on the property. Accordingly, the land is shown in the Debt Service Funds as "Land Held for Resale" in the accompanying Combined Balance Sheet - All Fund Types and Account Groups. Because certain other governmental units have a claim against the proceeds to be received from the sale of the property, liabilities have been recorded in the Debt Service Funds to reflect this fact. The net proceeds expected to be received by the City (difference between the fair value of the land and the claims of other governmental units) have been recorded as deferred revenue because the proceeds will not be available to pay the City's liabilities at December 31, 2001.

### 9. RETIREMENT PLANS

*Employees and Plans* - All full-time employees of the City and certain part-time employees belong to one of two state operated, cost-sharing, multiple-employer, defined benefit pension plans. Non-uniformed employees are members of the Public Employees Retirement System of Ohio (PERS). Full-time police and fire personnel are members of the Ohio Police and Fire Pension Fund (OP&F). The Ohio Revised Code requires participation by the above mentioned employees. Elected officials can participate in PERS on a voluntary basis.

*Public Employees Retirement System of Ohio (PERS)* - Effective July 1, 1991, all non-uniformed employees of the City are required to be members of PERS. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report that includes financial statements and required supplementary information. The financial report may be obtained by making a written request to the Public Employees Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085.



# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

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The Ohio Revised Code provides statutory authority for employee and employer contributions. Employees other than law enforcement personnel are required to contribute 8.5 percent of their covered payroll to PERS. The 2001 employer contribution rate for local government employer units was 13.55 percent of covered payroll including 4.3 percent that was used to fund postretirement health care benefits. The City's total contributions to PERS for pension benefits (excluding the amount relating to postretirement benefits) for the years ended December 31, 2001, 2000 and 1999 were \$983,094, \$827,152, and \$997,517, respectively, which were equal to the required contributions for each year.

***Ohio Police and Fire Pension Fund (OP&F)*** - OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The 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, Ohio 43215-5164.

Members of the OP&F become partially vested after 15 years of service and fully vested after 25 years of service. Members are eligible for normal retirement benefits at age 48 with 25 years of service credit or at age 62 with 15 years of service credit. The normal retirement benefit is equal to 2.5 percent of annual earnings for each of the first 20 years of service, 2.0 percent for each of the next five years of service, and 1.5 percent for each year of service thereafter; however, this normal retirement benefit is not to exceed 72 percent of the member's average annual salary for the three years during which total earnings were the greatest. Early retirement with reduced benefits is available to members with 15 years of service credit who have attained age 48 or 25 years from the date the member became a qualified employee. The reduced benefit is equal to 1.5 percent of the average annual salary multiplied by the number of complete years of service.

Plan members are required to contribute 10.0 percent of their annual covered salary while employers are required to contribute 19.5 percent and 24.0 percent for police officers and firefighters, respectively. The City's contributions to OP&F (excluding the amount relating to postretirement benefits) for the years ended December 31, 2001, 2000 and 1999 were \$1,194,722, \$1,170,958, and \$1,035,486, respectively, which was equal to the required contributions for each year.

***Postretirement Health Care Benefits*** - Other postretirement health care benefits provided by PERS and OP&F are as follows:

- In addition to the pension benefits described previously, PERS provides postretirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is also available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12.

A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postretirement health care through their contributions to PERS. The portion of the employer contribution rate used to fund postretirement health care for 2001 and 2000 was 4.3 percent of covered payroll in each year. During 2001 and 2000, \$456,914 and \$543,895, respectively, of the City's total contribution to PERS was used for postretirement benefits. At December 31, 2001, the City was not responsible for paying premiums, contributions, or claims for OPEB under PERS for any retirees, terminated employees, or other beneficiaries.

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

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OPEBs are advance-funded on an actuarially determined basis. The number of active contributing participants was 411,076 at December 31, 2000 (latest information available). The actuarial value of the Retirement System's net assets available for OPEB at December 31, 2000 was \$11.8 billion. The actuarial accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14.4 billion and \$2.6 billion, respectively.

The principal assumptions used for the 2000 actuarial computations (latest available) were as follows:

**Funding Method.** An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

**Assets Valuation Method.** For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

**Investment Return.** The investment assumption rate for 2000 was 7.75 percent.

**Active Employee Total Payroll.** An annual increase of 4.75 percent, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75 percent increase, were assumed to range from 0.54 percent to 5.1 percent.

**Health Care.** Health care costs were assumed to increase 4.75 percent annually.

- OP&F provides postretirement health care coverage to any person who receives, or is eligible to receive, a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending full-time or on a two-thirds basis. The Ohio Revised Code provides that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate.

Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by OP&F is used to pay retiree health care expenses. This percentage was 7.25 percent and 7.50 percent of covered payroll in 2000 and 2001, respectively. The percentage is 7.75 percent in 2002. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

Total state-wide participants eligible to receive health care benefits as of December 31, 2000 (latest information available) were 12,853 police and 10,037 firefighters. The City's 2001 contributions for postretirement health care benefits were \$302,320 and \$324,297 for police and firefighters, respectively. OP&F's total health care costs for the year ended December 31, 2000 (latest information available) were \$106.2 million (net of member contributions of \$5.7 million). Expenditures for postretirement health care benefits cannot reasonably be estimated.

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED DECEMBER 31, 2001

### 10. RISK MANAGEMENT

The City is exposed to various risks of loss during the normal course of its operations including, but not limited to, loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees.

The City is self-insured for the following risks:

- *Health Benefits* - The City is self-insured with respect to dental benefits provided to City employees and their covered dependents.
- *Vehicle Collision Claims* - 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 carrier. The reserve for potential claims was deemed unnecessary and therefore closed at calendar year end 2001.
- *Workers' Compensation Benefits* - The City was self-insured in 1991 under the State of Ohio's retrospective rating program in which the City was responsible for paying claims pertaining to 1991 for a ten year period. The City settled its liability for 1991 during 2001 and closed its reserve for potential claims. The only year for which the City elected the retrospective rating program was calendar year 1991.

The City's financial activity relating to its self-insured risks is accounted for in the General Fund. The changes in the liabilities for self-insured risks for the years ended December 31, 2000 and 2001 are as follows:

	<u>Health Benefits</u>	<u>Vehicle Collision Claims</u>	<u>Workers' Compensation Benefits</u>
Balance January 1, 2000	\$ 23,916	86,665	20,689
Incurred claims, net of changes in estimates	194,837	-	-
Payments	<u>(184,800)</u>	<u>-</u>	<u>(109)</u>
Balance December 31, 2000	33,953	86,665	20,580
Incurred claims, net of changes in estimates	188,444	(86,665)	(15,443)
Payments	<u>(188,000)</u>	<u>-</u>	<u>(5,137)</u>
Balance December 31, 2001	<u>\$ 34,397</u>	<u>-</u>	<u>-</u>

The liabilities above represent the City's best estimates based upon available information and include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of pay-outs, and other economic factors.

# CITY OF MENTOR, OHIO

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Concluded) YEAR ENDED DECEMBER 31, 2001

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The City purchases insurance policies in varying amounts for general liability, property damage, employee health care benefits (excluding dental benefits), and employee and public officials' liability, including errors and omissions of the City's safety forces. Settled claims have not exceeded the City's insurance coverage in any of the past three years.

### 11. CONTINGENT LIABILITIES

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 general purpose financial statements.

### 12. FUND DEFICITS

At December 31, 2001, the Tyler Boulevard Extension and ODNR Natureworks Grant – Skate Park Capital Projects Funds had deficit fund balances of \$4,515,094 and \$9,474, respectively. In addition, the Community Development Block Grant 01-02 Special Revenue Fund had a deficit fund balance of \$3,250. The Tyler Boulevard Extension Fund deficit will be eliminated through the issuance of long-term financing in the future while the deficit in the other funds will be eliminated through the receipt of grant proceeds. No other funds had deficit balances at December 31, 2001.

### 13. NEW ACCOUNTING STANDARDS

The Governmental Accounting Standards Board has issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus an amendment of GASB Statements No. 21 and No. 34*, and Statement No. 38, *Certain Financial Statement Note Disclosures*. These statements revise accounting and reporting standards for general purpose external financial reporting by governmental units and are effective for the year ending December 31, 2003. The City has not completed an analysis of the impact of these statements on its reported financial condition and results of operations.

***COMBINING, INDIVIDUAL FUND,  
AND ACCOUNT GROUP  
STATEMENTS AND SCHEDULES***

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***General Fund***

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## **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.

# CITY OF MENTOR, OHIO

## GENERAL FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Property taxes	\$ 1,309,967	1,341,641	31,674
Municipal income tax	27,050,000	27,080,132	30,132
Intergovernmental	5,890,431	6,522,257	631,826
Charges for services	2,598,400	2,609,281	10,881
Fines and forfeitures	995,000	991,302	(3,698)
Licenses, permits, and inspections	1,057,280	1,141,955	84,675
Investment income	1,300,000	1,618,357	318,357
Other	319,991	441,808	121,817
Total revenues	<u>40,521,069</u>	<u>41,746,733</u>	<u>1,225,664</u>
EXPENDITURES:			
GENERAL GOVERNMENT:			
Council:			
Employee compensation	167,200	159,513	7,687
Other	150,281	129,744	20,537
Total council	<u>317,481</u>	<u>289,257</u>	<u>28,224</u>
Court:			
Employee compensation	647,700	604,407	43,293
Other	319,181	287,382	31,799
Total court	<u>966,881</u>	<u>891,789</u>	<u>75,092</u>
City manager:			
Employee compensation	917,580	891,525	26,055
Other	918,118	797,128	120,990
Total city manager	<u>1,835,698</u>	<u>1,688,653</u>	<u>147,045</u>
Finance:			
Employee compensation	700,470	657,372	43,098
Other	1,215,280	1,090,430	124,850
Total finance	<u>1,915,750</u>	<u>1,747,802</u>	<u>167,948</u>
Legal:			
Employee compensation	290,500	279,473	11,027
Other	342,546	296,580	45,966
Total legal	<u>633,046</u>	<u>576,053</u>	<u>56,993</u>
Other	837,581	837,581	-
Total general government	<u>6,506,437</u>	<u>6,031,135</u>	<u>475,302</u>



# CITY OF MENTOR, OHIO

## GENERAL FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<b>POLICE:</b>			
Employee compensation	\$ 6,323,315	5,704,293	619,022
Other	<u>3,661,745</u>	<u>3,055,897</u>	<u>605,848</u>
Total police	<u>9,985,060</u>	<u>8,760,190</u>	<u>1,224,870</u>
<b>FIRE:</b>			
Employee compensation	4,412,897	4,275,867	137,030
Other	<u>4,854,295</u>	<u>4,125,790</u>	<u>728,505</u>
Total fire	<u>9,267,192</u>	<u>8,401,657</u>	<u>865,535</u>
<b>STREETS AND HIGHWAYS:</b>			
Employee compensation	2,761,246	2,463,949	297,297
Other	<u>8,629,108</u>	<u>7,419,023</u>	<u>1,210,085</u>
Total street and highways	<u>11,390,354</u>	<u>9,882,972</u>	<u>1,507,382</u>
<b>PARKS, RECREATION AND PUBLIC LANDS:</b>			
Employee compensation	3,255,484	3,048,059	207,425
Other	<u>5,797,597</u>	<u>4,856,198</u>	<u>941,399</u>
Total parks, recreation and public lands	<u>9,053,081</u>	<u>7,904,257</u>	<u>1,148,824</u>
<b>COMMUNITY DEVELOPMENT:</b>			
Employee compensation	684,790	652,049	32,741
Other	<u>331,148</u>	<u>291,902</u>	<u>39,246</u>
Total community development	<u>1,015,938</u>	<u>943,951</u>	<u>71,987</u>
<b>ENGINEERING AND BUILDING:</b>			
Employee compensation	1,226,660	1,071,131	155,529
Other	<u>3,149,849</u>	<u>2,974,540</u>	<u>175,309</u>
Total engineering and building	<u>4,376,509</u>	<u>4,045,671</u>	<u>330,838</u>
Total expenditures	<u>51,594,571</u>	<u>45,969,833</u>	<u>5,624,738</u>
Excess (deficiency) of revenues over expenditures	<u>(11,073,502)</u>	<u>(4,223,100)</u>	<u>6,850,402</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	-	5,036	5,036
Advances in	87,893	87,893	-
Advances out	<u>(675,802)</u>	<u>(675,802)</u>	<u>-</u>
Total other financing sources (uses)	<u>(587,909)</u>	<u>(582,873)</u>	<u>5,036</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(11,661,411)	(4,805,973)	6,855,438
Adjustment for prior year encumbrances	5,285,811	5,285,811	-
FUND BALANCES, BEGINNING OF YEAR	<u>10,602,612</u>	<u>10,602,612</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 4,227,012</u>	<u>11,082,450</u>	<u>6,855,438</u>

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***Special Revenue Funds***

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## SPECIAL REVENUE FUNDS

***Street Fund*** - Required by the Ohio Revised Code to account for that portion of the motor vehicle registration fees and state gasoline tax designated for the construction, maintenance, and repairs of streets and highways.

***Police Pension Fund*** - To accumulate property taxes levied toward partial payment of the current liability for police disability and pension benefits.

***Fire Pension Fund*** - To accumulate property taxes levied toward partial payment of the current liability for fire fighters disability and pension benefits.

***Fire Levy Fund*** - To accumulate property taxes levied for the purpose of providing and maintaining fire equipment and for 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 debt service relating to recreational facilities.

***Cemetery Fund*** - To account for monies received from the sale of cemetery lots and designated for the enlargement, improvement, embellishment, and care of cemetery grounds.

***Economic Development Fund*** - To account for monies paid to the City in conjunction with the Mentor Economic Assistance Corporation, as certified by the Small Business Administration.

***Subdivision Street Tree Fund*** - To accumulate subdivision fees to be used for planting trees to beautify the City.

***Street Lighting Fund*** - To accumulate street lighting assessment revenues levied for payment of current street lighting operating costs.

***Court Computer Fund*** - To accumulate fees collected for computerization of the Mentor Municipal Court.

***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.

***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.

***Law Enforcement Trust Fund*** - To account for monies received from the seizure and sale of contraband and property used in criminal activity.

***Police Canine Fund*** - To account for monies received from the Ortrud Higgins Trust for the Police Department's canine unit.

***Seat Belt Grant Fund*** - To account for monies received from the Ohio Department of Highway Safety for the encouragement of seat belt use.

## **SPECIAL REVENUE FUNDS (CON'T)**

***Byrne Victims Assistance Grant 2000 Fund*** - To account for monies received from the Ohio Office of Criminal Justice Services to provide 24 hour advocacy to all victims.

***VOCA Victims Assistance Grant 99-00 Fund*** - To account for monies received from the Crimes Victims Assistance Office to assist victims of crime.

***VOCA Victims Assistance Grant 00-01 Fund*** - To account for monies received from the Crimes Victims Assistance Office to assist victims of crime.

***VOCA Victims Assistance Grant 01-02 Fund*** - To account for monies received from the Crimes Victims Assistance Office to assist victims of crime.

***Community Development Block Grant 97-98 Fund*** - To account for monies received from the U.S. Department of Housing and Urban Development for various community development block grant programs.

***Community Development Block Grant 98-99 Fund*** - To account for monies received from the U.S. Department of Housing and Urban Development for various community development block grant programs.

***Community Development Block Grant 99-00 Fund*** - To account for monies received from the U.S. Department of Housing and Urban Development for various community development block grant programs.

***Community Development Block Grant 00-01 Fund*** - To account for monies received from the U.S. Department of Housing and Urban Development for various community development block grant programs.

***Community Development Block Grant 01-02 Fund*** - To account for monies received from the U.S. Department of Housing and Urban Development for various community development block grant programs.

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**CITY OF MENTOR, OHIO**

**SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2001**

	Street	Police Pension	Fire Pension	Fire Levy	Senior Citizens Services Levy	Community Recreation Facilities
<b>ASSETS:</b>						
Cash and investments	\$1,843,896	-	-	63,556	221,966	35,428
Receivables, net of allowances for uncollectibles	-	386,561	386,561	1,231,308	-	31,133
Due from other funds	-	-	-	297	-	-
Due from other governments	<u>739,887</u>	-	-	-	<u>1,153</u>	-
<b>TOTAL ASSETS</b>	<u>\$2,583,783</u>	<u>386,561</u>	<u>386,561</u>	<u>1,295,161</u>	<u>223,119</u>	<u>66,561</u>
<b>LIABILITIES AND FUND EQUITY:</b>						
Accounts payable	\$ 311,684	-	-	-	4,265	-
Due to other funds	-	-	-	-	-	-
Deferred revenues	<u>497,786</u>	<u>386,561</u>	<u>386,561</u>	<u>1,231,605</u>	-	<u>6,736</u>
Total liabilities	<u>809,470</u>	<u>386,561</u>	<u>386,561</u>	<u>1,231,605</u>	<u>4,265</u>	<u>6,736</u>
<b>Fund equity:</b>						
<b>Fund balances:</b>						
Reserved for encumbrances	1,081,572	-	-	-	-	-
Unreserved	<u>692,741</u>	-	-	<u>63,556</u>	<u>218,854</u>	<u>59,825</u>
Total fund equity	<u>1,774,313</u>	-	-	<u>63,556</u>	<u>218,854</u>	<u>59,825</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$2,583,783</u>	<u>386,561</u>	<u>386,561</u>	<u>1,295,161</u>	<u>223,119</u>	<u>66,561</u>



Cemetery	Economic Development	Subdivision Street Tree	Street Lighting	Court Computer	Enforcement and Education	Indigent Driver Alcohol Treatment	Law Enforcement Trust	Police Canine	Seat Belt Grant	Byrne Victims Assistance Grant 2000	VOCA Victims Assistance Grant 99-00	VOCA Victims Assistance Grant 00-01	VOCA Victims Assistance Grant 01-02	Community Development Block Grant 97-98	Community Development Block Grant 98-99	Community Development Block Grant 99-00	Community Development Block Grant 00-01	Community Development Block Grant 01-02	Totals
211,638	93,546	78,150	408,867	88,263	21,158	52,061	37,402	113,341	6,951	-	-	190	632	5,132	10,301	9,600	3,000	-	3,305,078
-	-	-	15,615	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,051,178
-	-	-	541	3,783	35	67	-	-	-	-	-	-	-	-	-	-	-	-	4,723
-	-	-	-	-	-	5,000	-	-	-	-	-	-	-	-	-	-	-	-	746,040
<u>211,638</u>	<u>93,546</u>	<u>78,150</u>	<u>425,023</u>	<u>92,046</u>	<u>21,193</u>	<u>57,128</u>	<u>37,402</u>	<u>113,341</u>	<u>6,951</u>	<u>-</u>	<u>-</u>	<u>190</u>	<u>632</u>	<u>5,132</u>	<u>10,301</u>	<u>9,600</u>	<u>3,000</u>	<u>-</u>	<u>6,107,019</u>
-	-	-	154,083	612	-	-	1,153	50	-	-	-	-	-	-	-	-	-	3,250	475,097
-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,132	10,301	9,600	3,000	-	28,033
-	-	-	16,156	-	-	5,000	-	-	-	-	-	-	-	-	-	-	-	-	2,530,405
-	-	-	<u>170,239</u>	<u>612</u>	<u>-</u>	<u>5,000</u>	<u>1,153</u>	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,132</u>	<u>10,301</u>	<u>9,600</u>	<u>3,000</u>	<u>3,250</u>	<u>3,033,535</u>
-	-	4,494	-	31,262	-	4,833	7,265	-	174	-	-	190	-	5,132	10,301	9,600	3,000	-	1,157,823
<u>211,638</u>	<u>93,546</u>	<u>73,656</u>	<u>254,784</u>	<u>60,172</u>	<u>21,193</u>	<u>47,295</u>	<u>28,984</u>	<u>113,291</u>	<u>6,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>632</u>	<u>(5,132)</u>	<u>(10,301)</u>	<u>(9,600)</u>	<u>(3,000)</u>	<u>(3,250)</u>	<u>1,915,661</u>
<u>211,638</u>	<u>93,546</u>	<u>78,150</u>	<u>254,784</u>	<u>91,434</u>	<u>21,193</u>	<u>52,128</u>	<u>36,249</u>	<u>113,291</u>	<u>6,951</u>	<u>-</u>	<u>-</u>	<u>190</u>	<u>632</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,250)</u>	<u>3,073,484</u>
<u>211,638</u>	<u>93,546</u>	<u>78,150</u>	<u>425,023</u>	<u>92,046</u>	<u>21,193</u>	<u>57,128</u>	<u>37,402</u>	<u>113,341</u>	<u>6,951</u>	<u>-</u>	<u>-</u>	<u>190</u>	<u>632</u>	<u>5,132</u>	<u>10,301</u>	<u>9,600</u>	<u>3,000</u>	<u>-</u>	<u>6,107,019</u>

**CITY OF MENTOR, OHIO**

**SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED DECEMBER 31, 2001**

	Street	Police Pension	Fire Pension	Fire Levy	Senior Citizens Services Levy	Community Recreation Facilities	Cemetery	Economic Development	Subdivision Street Tree	Street Lighting	Court Computer	Enforcement and Education	Indigent Driver Alcohol Treatment	Law Enforcement Trust	Police Canine	Seat Belt Grant	Byrne Victims Assistance Grant 2000	
<b>REVENUES:</b>																		
Property taxes	\$ -	365,902	365,902	1,163,352	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other local taxes	370,288	-	-	-	-	353,414	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	1,436,419	42,541	42,541	124,393	81,278	-	-	-	-	-	-	-	9,550	-	-	1,536	262	
Charges for services	-	-	-	-	-	-	26,730	8,017	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	49,561	4,090	4,830	563	-	-	-	-
Licenses, permits, and inspections	-	-	-	-	-	-	-	-	9,720	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	907,019	-	-	-	-	-	-	-	-
Investment income	129,082	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Donations and other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,500	-	-	-
Total revenues	<u>1,935,789</u>	<u>408,443</u>	<u>408,443</u>	<u>1,287,745</u>	<u>81,278</u>	<u>353,414</u>	<u>26,730</u>	<u>8,017</u>	<u>9,720</u>	<u>907,019</u>	<u>49,561</u>	<u>4,090</u>	<u>14,380</u>	<u>563</u>	<u>4,500</u>	<u>1,536</u>	<u>262</u>	
<b>EXPENDITURES:</b>																		
<b>Current:</b>																		
General government	-	-	-	-	-	-	-	-	-	-	50,799	-	4,167	-	-	-	-	-
Police	-	408,443	-	-	-	-	-	-	-	-	-	439	-	5,988	9,926	800	-	-
Fire	-	-	408,443	1,281,054	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Streets and highways	783,062	-	-	-	-	-	-	-	-	959,910	-	-	-	-	-	-	-	-
Parks, recreation and public lands	-	-	-	-	1,090	-	-	-	7,891	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	992,941	-	-	163,613	12,210	-	-	-	-	-	97,236	4,650	-	1,104	2,740	-	-	
Total expenditures	<u>1,776,003</u>	<u>408,443</u>	<u>408,443</u>	<u>1,444,667</u>	<u>13,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,891</u>	<u>959,910</u>	<u>148,035</u>	<u>5,089</u>	<u>4,167</u>	<u>7,092</u>	<u>12,666</u>	<u>800</u>	<u>-</u>	
Excess (deficiency) of revenues over expenditures	<u>159,786</u>	<u>-</u>	<u>-</u>	<u>(156,922)</u>	<u>67,978</u>	<u>353,414</u>	<u>26,730</u>	<u>8,017</u>	<u>1,829</u>	<u>(52,891)</u>	<u>(98,474)</u>	<u>(999)</u>	<u>10,213</u>	<u>(6,529)</u>	<u>(8,166)</u>	<u>736</u>	<u>262</u>	
<b>OTHER FINANCING USES:</b>																		
Operating transfers out	<u>(381,576)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(328,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(221,790)</u>	<u>-</u>	<u>-</u>	<u>(156,922)</u>	<u>67,978</u>	<u>25,414</u>	<u>26,730</u>	<u>8,017</u>	<u>1,829</u>	<u>(52,891)</u>	<u>(98,474)</u>	<u>(999)</u>	<u>10,213</u>	<u>(6,529)</u>	<u>(8,166)</u>	<u>736</u>	<u>262</u>	
<b>FUND BALANCES, BEGINNING OF YEAR</b>																		
	<u>1,996,103</u>	<u>-</u>	<u>-</u>	<u>220,478</u>	<u>150,876</u>	<u>34,411</u>	<u>184,908</u>	<u>85,529</u>	<u>76,321</u>	<u>307,675</u>	<u>189,908</u>	<u>22,192</u>	<u>41,915</u>	<u>42,778</u>	<u>121,457</u>	<u>6,215</u>	<u>(262)</u>	
<b>FUND BALANCES, END OF YEAR</b>																		
	<u>\$ 1,774,313</u>	<u>-</u>	<u>-</u>	<u>63,556</u>	<u>218,854</u>	<u>59,825</u>	<u>211,638</u>	<u>93,546</u>	<u>78,150</u>	<u>254,784</u>	<u>91,434</u>	<u>21,193</u>	<u>52,128</u>	<u>36,249</u>	<u>113,291</u>	<u>6,951</u>	<u>-</u>	

<u>VOCA Victims Assistance Grant 99-00</u>	<u>VOCA Victims Assistance Grant 00-01</u>	<u>VOCA Victims Assistance Grant 01-02</u>	<u>Community Development Block Grant 97-98</u>	<u>Community Development Block Grant 98-99</u>	<u>Community Development Block Grant 99-00</u>	<u>Community Development Block Grant 00-01</u>	<u>Community Development Block Grant 01-02</u>	<u>Totals</u>
-	-	-	-	-	-	-	-	1,895,156
-	-	-	-	-	-	-	-	723,702
-	2,160	750	17,888	9,236	24,142	211,815	-	2,004,511
-	-	-	-	-	-	-	-	34,747
-	-	-	-	-	-	-	-	59,044
-	-	-	-	-	-	-	-	9,720
-	-	-	-	-	-	-	-	907,019
-	-	-	-	-	-	-	-	129,082
-	-	-	-	-	-	-	-	4,500
<u>-</u>	<u>2,160</u>	<u>750</u>	<u>17,888</u>	<u>9,236</u>	<u>24,142</u>	<u>211,815</u>	<u>-</u>	<u>5,767,481</u>
-	-	-	-	-	-	-	-	54,966
158	2,810	118	-	-	-	-	-	428,682
-	-	-	-	-	-	-	-	1,689,497
-	-	-	-	-	-	-	-	1,742,972
-	-	-	-	-	-	-	-	8,981
-	-	-	17,888	9,236	18,142	74,459	3,250	122,975
-	-	-	-	-	-	137,356	-	1,411,850
<u>158</u>	<u>2,810</u>	<u>118</u>	<u>17,888</u>	<u>9,236</u>	<u>18,142</u>	<u>211,815</u>	<u>3,250</u>	<u>5,459,923</u>
<u>(158)</u>	<u>(650)</u>	<u>632</u>	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>(3,250)</u>	<u>307,558</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(709,576)</u>
(158)	(650)	632	-	-	6,000	-	(3,250)	(402,018)
<u>158</u>	<u>840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,000)</u>	<u>-</u>	<u>-</u>	<u>3,475,502</u>
<u>-</u>	<u>190</u>	<u>632</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,250)</u>	<u>3,073,484</u>

# CITY OF MENTOR, OHIO

## STREET FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Other local taxes	\$ 375,000	369,764	(5,236)
Intergovernmental	1,410,000	1,436,011	26,011
Investment income	<u>90,000</u>	<u>129,082</u>	<u>39,082</u>
Total revenues	<u>1,875,000</u>	<u>1,934,857</u>	<u>59,857</u>
EXPENDITURES:			
Streets and highways	<u>3,128,102</u>	<u>2,914,861</u>	<u>213,241</u>
Excess (deficiency) of revenues over expenditures	(1,253,102)	(980,004)	273,098
OTHER FINANCING USES:			
Operating transfers out	<u>(513,500)</u>	<u>(381,576)</u>	<u>131,924</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,766,602)	(1,361,580)	405,022
Adjustment for prior year encumbrances	1,230,048	1,230,048	-
FUND BALANCES, BEGINNING OF YEAR	<u>582,173</u>	<u>582,173</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 45,619</u>	<u>450,641</u>	<u>405,022</u>

# CITY OF MENTOR, OHIO

## POLICE PENSION FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Property taxes	\$ 365,902	365,902	-
Intergovernmental	<u>42,540</u>	<u>42,540</u>	<u>-</u>
Total revenues	<u>408,442</u>	<u>408,442</u>	<u>-</u>
EXPENDITURES:			
Police	<u>408,442</u>	<u>408,442</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>-</u>	<u>-</u>

# CITY OF MENTOR, OHIO

## FIRE PENSION FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Property taxes	\$ 365,902	365,902	-
Intergovernmental	<u>42,540</u>	<u>42,540</u>	<u>-</u>
Total revenues	<u>408,442</u>	<u>408,442</u>	<u>-</u>
EXPENDITURES:			
Fire	<u>408,442</u>	<u>408,442</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>-</u>	<u>-</u>

# CITY OF MENTOR, OHIO

## FIRE LEVY FUND

### SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

#### (NON-GAAP BUDGETARY BASIS)

YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Property taxes	\$ 1,134,233	1,163,352	29,119
Intergovernmental	<u>120,627</u>	<u>124,393</u>	<u>3,766</u>
Total revenues	<u>1,254,860</u>	<u>1,287,745</u>	<u>32,885</u>
EXPENDITURES:			
Fire:			
Employee compensation	1,267,848	1,267,848	-
Other	<u>183,302</u>	<u>176,819</u>	<u>6,483</u>
Total expenditures	<u>1,451,150</u>	<u>1,444,667</u>	<u>6,483</u>
Excess (deficiency) of revenues over expenditures	(196,290)	(156,922)	39,368
Adjustment for prior year encumbrances	89,490	89,490	-
FUND BALANCES, BEGINNING OF YEAR	<u>130,988</u>	<u>130,988</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 24,188</u>	<u>63,556</u>	<u>39,368</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, 2001

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Intergovernmental	\$ 80,000	81,061	1,061
EXPENDITURES:			
Parks, recreation and public lands	229,939	13,300	216,639
Excess (deficiency) of revenues over expenditures	(149,939)	67,761	217,700
Adjustment for prior year encumbrances	347	347	-
FUND BALANCES, BEGINNING OF YEAR	149,592	149,592	-
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>217,700</u>	<u>217,700</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, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Other local taxes	\$ 323,000	357,534	34,534
EXPENDITURES	-	-	-
Excess (deficiency) of revenues over expenditures	323,000	357,534	34,534
OTHER FINANCING USES:			
Operating transfers out	(328,000)	(328,000)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(5,000)	29,534	34,534
FUND BALANCES, BEGINNING OF YEAR	5,894	5,894	-
FUND BALANCES, END OF YEAR	<u>\$ 894</u>	<u>35,428</u>	<u>34,534</u>

# CITY OF MENTOR, OHIO

## CEMETERY FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Charges for services	<u>\$ 29,000</u>	<u>26,730</u>	<u>(2,270)</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	29,000	26,730	(2,270)
FUND BALANCES, BEGINNING OF YEAR	<u>184,908</u>	<u>184,908</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 213,908</u>	<u>211,638</u>	<u>(2,270)</u>

# CITY OF MENTOR, OHIO

## ECONOMIC DEVELOPMENT FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Charges for services	\$ <u>8,000</u>	<u>8,017</u>	<u>17</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	8,000	8,017	17
FUND BALANCES, BEGINNING OF YEAR	<u>85,529</u>	<u>85,529</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 93,529</u>	<u>93,546</u>	<u>17</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, 2001

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Licenses, permits, and inspections	<u>\$ 21,000</u>	<u>9,720</u>	<u>(11,280)</u>
EXPENDITURES:			
Parks, recreation and public lands	<u>76,000</u>	<u>12,385</u>	<u>63,615</u>
Excess (deficiency) of revenues over expenditures	(55,000)	(2,665)	52,335
FUND BALANCES, BEGINNING OF YEAR	<u>76,321</u>	<u>76,321</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 21,321</u>	<u>73,656</u>	<u>52,335</u>

# CITY OF MENTOR, OHIO

## STREET LIGHTING FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Special assessments	\$ 856,058	907,019	50,961
EXPENDITURES:			
Streets and highways	1,018,524	959,909	58,615
Excess (deficiency) of revenues over expenditures	(162,466)	(52,890)	109,576
FUND BALANCES, BEGINNING OF YEAR	307,674	307,674	-
FUND BALANCES, END OF YEAR	<u>\$ 145,208</u>	<u>254,784</u>	<u>109,576</u>

# CITY OF MENTOR, OHIO

## COURT COMPUTER FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Fines and forfeitures	\$ 48,000	49,348	1,348
EXPENDITURES:			
General government	186,127	179,296	6,831
Excess (deficiency) of revenues over expenditures	(138,127)	(129,948)	8,179
Adjustment for prior year encumbrances	46,126	46,126	-
FUND BALANCES, BEGINNING OF YEAR	<u>140,211</u>	<u>140,211</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 48,210</u>	<u>56,389</u>	<u>8,179</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, 2001

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Fines and forfeitures	\$ 4,000	4,454	454
EXPENDITURES:			
Police	21,650	5,089	16,561
Excess (deficiency) of revenues over expenditures	(17,650)	(635)	17,015
Adjustment for prior year encumbrances	4,650	4,650	-
FUND BALANCES, BEGINNING OF YEAR	17,143	17,143	-
FUND BALANCES, END OF YEAR	<u>\$ 4,143</u>	<u>21,158</u>	<u>17,015</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, 2001

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Intergovernmental	\$ 10,000	9,550	(450)
Fines and forfeitures	<u>5,000</u>	<u>5,163</u>	<u>163</u>
Total revenues	<u>15,000</u>	<u>14,713</u>	<u>(287)</u>
EXPENDITURES:			
General government	<u>54,458</u>	<u>19,416</u>	<u>35,042</u>
Excess (deficiency) of revenues over expenditures	(39,458)	(4,703)	34,755
Adjustment for prior year encumbrances	4,457	4,457	-
FUND BALANCES, BEGINNING OF YEAR	<u>50,474</u>	<u>50,474</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 15,473</u>	<u>50,228</u>	<u>34,755</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, 2001

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Fines and forfeitures	\$ <u>2,000</u>	<u>563</u>	<u>(1,437)</u>
EXPENDITURES:			
Police	<u>42,000</u>	<u>14,357</u>	<u>27,643</u>
Excess (deficiency) of revenues over expenditures	(40,000)	(13,794)	26,206
FUND BALANCES, BEGINNING OF YEAR	<u>42,778</u>	<u>42,778</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,778</u>	<u>28,984</u>	<u>26,206</u>

# CITY OF MENTOR, OHIO

## POLICE CANINE FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Donations and other	\$ -	4,500	4,500
EXPENDITURES:			
Police	121,369	12,666	108,703
Excess (deficiency) of revenues over expenditures	(121,369)	(8,166)	113,203
Adjustment for prior year encumbrances	5,369	5,369	-
FUND BALANCES, BEGINNING OF YEAR	116,088	116,088	-
FUND BALANCES, END OF YEAR	\$ 88	113,291	113,203

# CITY OF MENTOR, OHIO

## SEAT BELT GRANT FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Intergovernmental	\$ 1,500	1,536	36
EXPENDITURES:			
Police	6,060	976	5,084
Excess (deficiency) of revenues over expenditures	(4,560)	560	5,120
Adjustment for prior year encumbrances	60	60	-
FUND BALANCES, BEGINNING OF YEAR	<u>6,156</u>	<u>6,156</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,656</u>	<u>6,776</u>	<u>5,120</u>

# CITY OF MENTOR, OHIO

## BYRNE VICTIMS ASSISTANCE GRANT 2000 FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

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	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Intergovernmental	\$ 262	262	-
EXPENDITURES	-	-	-
Excess (deficiency) of revenues over expenditures	262	262	-
OTHER FINANCING USES:			
Advances out	(262)	(262)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>-</u>	<u>-</u>

# CITY OF MENTOR, OHIO

## VOCA VICTIMS ASSISTANCE GRANT 99-00 FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

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	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES	\$ -	-	-
EXPENDITURES:			
Police	<u>158</u>	<u>158</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(158)	(158)	-
FUND BALANCES, BEGINNING OF YEAR	<u>158</u>	<u>158</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

# CITY OF MENTOR, OHIO

## VOCA VICTIMS ASSISTANCE GRANT 00-01 FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

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	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Intergovernmental	\$ 2,160	2,160	-
EXPENDITURES:			
Police	3,000	3,000	-
Excess (deficiency) of revenues over expenditures	(840)	(840)	-
Adjustment for prior year encumbrances	20	20	-
FUND BALANCES, BEGINNING OF YEAR	<u>820</u>	<u>820</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>-</u>	<u>-</u>

# CITY OF MENTOR, OHIO

## VOCA VICTIMS ASSISTANCE GRANT 01-02 FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

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	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Intergovernmental	\$ 750	750	-
EXPENDITURES:			
Police	118	118	-
Excess (deficiency) of revenues over expenditures	632	632	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ 632</u>	<u>632</u>	<u>-</u>

# CITY OF MENTOR, OHIO

## COMMUNITY DEVELOPMENT BLOCK GRANT 97-98 FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

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	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Intergovernmental	\$ 17,888	17,888	-
EXPENDITURES:			
Community development	23,020	23,020	-
Excess (deficiency) of revenues over expenditures	(5,132)	(5,132)	-
OTHER FINANCING SOURCES:			
Advances in	5,132	5,132	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>-</u>	<u>-</u>



# CITY OF MENTOR, OHIO

## COMMUNITY DEVELOPMENT BLOCK GRANT 98-99 FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Intergovernmental	\$ 9,236	9,236	-
EXPENDITURES:			
Community development	19,537	19,537	-
Excess (deficiency) of revenues over expenditures	(10,301)	(10,301)	-
OTHER FINANCING SOURCES (USES):			
Advances in	10,301	10,301	-
Advances out	(8,600)	(8,600)	-
Total other financing sources (uses)	1,701	1,701	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(8,600)	(8,600)	-
Adjustment for prior year encumbrances	8,600	8,600	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>-</u>	<u>-</u>

# CITY OF MENTOR, OHIO

## COMMUNITY DEVELOPMENT BLOCK GRANT 99-00 FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Intergovernmental	\$ 24,142	24,142	-
EXPENDITURES:			
Community development	33,742	33,742	-
Excess (deficiency) of revenues over expenditures	<u>(9,600)</u>	<u>(9,600)</u>	-
OTHER FINANCING SOURCES (USES):			
Advances in	9,600	9,600	-
Advances out	<u>(34,143)</u>	<u>(34,143)</u>	-
Total other financing sources (uses)	<u>(24,543)</u>	<u>(24,543)</u>	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(34,143)	(34,143)	-
Adjustment for prior year encumbrances	33,743	33,743	-
FUND BALANCES, BEGINNING OF YEAR	<u>400</u>	<u>400</u>	-
FUND BALANCES, END OF YEAR	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

**CITY OF MENTOR, OHIO**

**COMMUNITY DEVELOPMENT BLOCK GRANT 00-01 FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
 (NON-GAAP BUDGETARY BASIS)  
 YEAR ENDED DECEMBER 31, 2001**

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Intergovernmental	\$ 211,815	211,815	-
EXPENDITURES:			
Community development	214,815	214,815	-
Excess (deficiency) of revenues over expenditures	(3,000)	(3,000)	-
OTHER FINANCING SOURCES:			
Advances in	3,000	3,000	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>-</u>	<u>-</u>

**CITY OF MENTOR, OHIO**

**COMMUNITY DEVELOPMENT BLOCK GRANT 01-02 FUND  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
(NON-GAAP BUDGETARY BASIS)  
YEAR ENDED DECEMBER 31, 2001**

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES	\$ -	-	-
EXPENDITURES	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>-</u>	<u>-</u>

***Debt Service Funds***

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## **DEBT SERVICE FUNDS**

***General Obligation Bond Retirement Fund*** - To accumulate property taxes levied toward retirement of outstanding general obligation debt.

***Special Assessment Bond Retirement Fund*** - To accumulate special assessment revenues levied toward retirement of outstanding special assessment debt.

# CITY OF MENTOR, OHIO

## DEBT SERVICE FUNDS COMBINING BALANCE SHEET DECEMBER 31, 2001

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Totals
<b>ASSETS:</b>			
Cash and investments	\$ 320,040	383,871	703,911
Receivables, net of allowances for uncollectibles	1,679,184	7,810,351	9,489,535
Land held for resale	<u>-</u>	<u>138,000</u>	<u>138,000</u>
<b>TOTAL ASSETS</b>	<u><u>\$1,999,224</u></u>	<u><u>8,332,222</u></u>	<u><u>10,331,446</u></u>
<b>LIABILITIES AND FUND EQUITY:</b>			
Accrued liabilities	\$ -	12,072	12,072
Due to other funds	-	1,714	1,714
Deferred revenues	<u>1,679,184</u>	<u>7,934,565</u>	<u>9,613,749</u>
<b>Total liabilities</b>	<u>1,679,184</u>	<u>7,948,351</u>	<u>9,627,535</u>
<b>Fund equity:</b>			
Fund balances:			
Reserved for debt service	<u>320,040</u>	<u>383,871</u>	<u>703,911</u>
<b>Total fund equity</b>	<u>320,040</u>	<u>383,871</u>	<u>703,911</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><u>\$1,999,224</u></u>	<u><u>8,332,222</u></u>	<u><u>10,331,446</u></u>

# CITY OF MENTOR, OHIO

## DEBT SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES YEAR ENDED DECEMBER 31, 2001

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Totals
REVENUES:			
Property taxes	\$1,585,576	-	1,585,576
Intergovernmental	184,371	-	184,371
Special assessments	-	1,076,875	1,076,875
Investment income	-	6,969	6,969
	<u>1,769,947</u>	<u>1,083,844</u>	<u>2,853,791</u>
EXPENDITURES:			
Debt service:			
Principal retirement	1,076,131	653,869	1,730,000
Interest and other charges	<u>1,218,689</u>	<u>518,238</u>	<u>1,736,927</u>
	<u>2,294,820</u>	<u>1,172,107</u>	<u>3,466,927</u>
Excess (deficiency) of revenues over expenditures	<u>(524,873)</u>	<u>(88,263)</u>	<u>(613,136)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	328,000	-	328,000
Proceeds of notes (including premium)	-	22,402	22,402
	<u>328,000</u>	<u>22,402</u>	<u>350,402</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(196,873)	(65,861)	(262,734)
FUND BALANCES, BEGINNING OF YEAR	<u>516,913</u>	<u>449,732</u>	<u>966,645</u>
FUND BALANCES, END OF YEAR	<u>\$ 320,040</u>	<u>383,871</u>	<u>703,911</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, 2001

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
REVENUES:			
Property taxes	\$1,548,144	1,585,576	37,432
Intergovernmental	<u>179,033</u>	<u>184,371</u>	<u>5,338</u>
Total revenues	<u>1,727,177</u>	<u>1,769,947</u>	<u>42,770</u>
EXPENDITURES:			
Debt service:			
Principal retirement	1,076,131	1,076,131	-
Interest and other charges	<u>1,231,311</u>	<u>1,218,689</u>	<u>12,622</u>
Total expenditures	<u>2,307,442</u>	<u>2,294,820</u>	<u>12,622</u>
Excess (deficiency) of revenues over expenditures	(580,265)	(524,873)	55,392
OTHER FINANCING SOURCES (USES):			
Operating transfers in	<u>328,000</u>	<u>328,000</u>	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(252,265)	(196,873)	55,392
FUND BALANCES, BEGINNING OF YEAR	<u>516,913</u>	<u>516,913</u>	-
FUND BALANCES, END OF YEAR	<u>\$ 264,648</u>	<u>320,040</u>	<u>55,392</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, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Special assessments	\$1,082,079	1,076,875	(5,204)
Investment income	<u>6,000</u>	<u>6,969</u>	<u>969</u>
Total revenues	<u>1,088,079</u>	<u>1,083,844</u>	<u>(4,235)</u>
EXPENDITURES:			
Debt service:			
Principal retirement	653,869	653,869	-
Interest and other charges	<u>535,866</u>	<u>518,238</u>	<u>17,628</u>
Total expenditures	<u>1,189,735</u>	<u>1,172,107</u>	<u>17,628</u>
Excess (deficiency) of revenues over expenditures	(101,656)	(88,263)	13,393
OTHER FINANCING SOURCES (USES):			
Proceeds of notes (including premium)	<u>-</u>	<u>22,402</u>	<u>22,402</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(101,656)	(65,861)	35,795
FUND BALANCES, BEGINNING OF YEAR	<u>449,732</u>	<u>449,732</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 348,076</u>	<u>383,871</u>	<u>35,795</u>

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***Capital Projects Funds***

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## CAPITAL PROJECTS FUNDS

***Tyler Boulevard Extension Fund*** - To account for the financing of the Tyler Boulevard extension east from the Munson Road intersection to Heisley Road.

***ODNR Natureworks Grant - Skate Park Fund*** - To account for the financing of the Civic Center skate park improvements.

***State Route 84 Storm Sewer Fund*** - To account for the financing of storm drainage improvements on State Route 84 from State Route 306 to Garfield Road.

***State Route 615 Reconstruction Fund*** - To account for the financing of road improvements on State Route 615 from State Route 2 to Munson Road.

***Willowbrook Sewer Outfall Fund*** - To account for the financing of improvements on the Willowbrook Drive storm sewer outfall.

***Garfield Road Improvements Fund*** - To account for the financing of road improvements on Garfield Road from State Route 84 to the City's south corporation limit.

# CITY OF MENTOR, OHIO

## CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET DECEMBER 31, 2001

	Tyler Boulevard Extension	ODNR Natureworks Grant - Skate Park	State Route 84 Storm Sewer
<b>ASSETS:</b>			
Cash and investments	\$ 59,906	22,126	46,500
Due from other governments	<u>-</u>	<u>-</u>	<u>17,994</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 59,906</u></u>	<u><u>22,126</u></u>	<u><u>64,494</u></u>
<b>LIABILITIES AND FUND EQUITY:</b>			
Accounts payable	\$ -	-	15,756
Accrued liabilities	-	15,800	-
Due to other funds	-	15,800	18,050
Deferred revenues	-	-	17,994
Special assessment notes payable	<u>4,575,000</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u><u>4,575,000</u></u>	<u><u>31,600</u></u>	<u><u>51,800</u></u>
<b>Fund equity:</b>			
<b>Fund balances:</b>			
Reserved for encumbrances	28,084	6,326	30,744
Unreserved	<u>(4,543,178)</u>	<u>(15,800)</u>	<u>(18,050)</u>
<b>Total fund equity</b>	<u><u>(4,515,094)</u></u>	<u><u>(9,474)</u></u>	<u><u>12,694</u></u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><u>\$ 59,906</u></u>	<u><u>22,126</u></u>	<u><u>64,494</u></u>

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<u>State Route 615 Reconstruction</u>	<u>Willowbrook Sewer Outfall</u>	<u>Garfield Road Improvements</u>	<u>Totals</u>
189,047	-	985,138	1,302,717
<u>-</u>	<u>-</u>	<u>-</u>	<u>17,994</u>
<u>189,047</u>	<u>-</u>	<u>985,138</u>	<u>1,320,711</u>
96,268	-	-	112,024
-	-	-	15,800
-	-	613,919	647,769
-	-	-	17,994
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,575,000</u>
<u>96,268</u>	<u>-</u>	<u>613,919</u>	<u>5,368,587</u>
92,779	-	970,495	1,128,428
<u>-</u>	<u>-</u>	<u>(599,276)</u>	<u>(5,176,304)</u>
<u>92,779</u>	<u>-</u>	<u>371,219</u>	<u>(4,047,876)</u>
<u>189,047</u>	<u>-</u>	<u>985,138</u>	<u>1,320,711</u>

**CITY OF MENTOR, OHIO**

**CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
YEAR ENDED DECEMBER 31, 2001**

	Tyler Boulevard Extension	ODNR Natureworks Grant - Skate Park	State Route 84 Storm Sewer
REVENUES:			
Intergovernmental	\$ -	-	-
EXPENDITURES:			
Capital outlay	17,305	26,704	16,756
Debt service:			
Interest and other charges	<u>209,112</u>	-	-
Total expenditures	<u>226,417</u>	<u>26,704</u>	<u>16,756</u>
Excess (deficiency) of revenues over expenditures	<u>(226,417)</u>	<u>(26,704)</u>	<u>(16,756)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(226,417)	(26,704)	(16,756)
FUND BALANCES, BEGINNING OF YEAR	<u>(4,288,677)</u>	<u>17,230</u>	<u>29,450</u>
FUND BALANCES, END OF YEAR	<u>\$ (4,515,094)</u>	<u>(9,474)</u>	<u>12,694</u>



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<u>State Route 615 Reconstruction</u>	<u>Willowbrook Sewer Outfall</u>	<u>Garfield Road Improvements</u>	<u>Totals</u>
<u>-</u>	<u>29,105</u>	<u>-</u>	<u>29,105</u>
260,035	6,083	10,357	337,240
<u>-</u>	<u>-</u>	<u>-</u>	<u>209,112</u>
<u>260,035</u>	<u>6,083</u>	<u>10,357</u>	<u>546,352</u>
<u>(260,035)</u>	<u>23,022</u>	<u>(10,357)</u>	<u>(517,247)</u>
-	-	381,576	381,576
<u>-</u>	<u>(5,036)</u>	<u>-</u>	<u>(5,036)</u>
<u>-</u>	<u>(5,036)</u>	<u>381,576</u>	<u>376,540</u>
(260,035)	17,986	371,219	(140,707)
<u>352,814</u>	<u>(17,986)</u>	<u>-</u>	<u>(3,907,169)</u>
<u>92,779</u>	<u>-</u>	<u>371,219</u>	<u>(4,047,876)</u>

# CITY OF MENTOR, OHIO

## TYLER BOULEVARD EXTENSION FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES	\$ -	-	-
EXPENDITURES:			
Capital outlay	45,389	45,389	-
Debt service:			
Principal retirement	4,425,000	4,425,000	-
Interest and other charges	<u>225,206</u>	<u>209,111</u>	<u>16,095</u>
Total expenditures	<u>4,695,595</u>	<u>4,679,500</u>	<u>16,095</u>
Excess (deficiency) of revenues over expenditures	(4,695,595)	(4,679,500)	16,095
OTHER FINANCING SOURCES (USES):			
Proceeds of notes (including premium)	<u>4,600,000</u>	<u>4,575,000</u>	<u>(25,000)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(95,595)	(104,500)	(8,905)
Adjustment for prior year encumbrances	39,904	39,904	-
FUND BALANCES, BEGINNING OF YEAR	<u>96,418</u>	<u>96,418</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 40,727</u>	<u>31,822</u>	<u>(8,905)</u>

# CITY OF MENTOR, OHIO

## ODNR NATURWORKS GRANT - SKATE PARK FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES	\$ -	-	-
EXPENDITURES:			
Capital outlay	42,598	42,598	-
Excess (deficiency) of revenues over expenditures	(42,598)	(42,598)	-
OTHER FINANCING SOURCES (USES):			
Advances in	15,800	15,800	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(26,798)	(26,798)	-
Adjustment for prior year encumbrances	26,798	26,798	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>-</u>	<u>-</u>

# CITY OF MENTOR, OHIO

## STATE ROUTE 84 STORM SEWER FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES	\$ -	-	-
EXPENDITURES:			
Capital outlay	<u>60,261</u>	<u>60,261</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(60,261)</u>	<u>(60,261)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Advances in	18,050	18,050	-
Advances out	<u>(14,890)</u>	<u>(14,890)</u>	<u>-</u>
Total other financing sources (uses)	<u>3,160</u>	<u>3,160</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(57,101)	(57,101)	-
Adjustment for prior year encumbrances	57,101	57,101	-
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>-</u>	<u>-</u>

# CITY OF MENTOR, OHIO

## STATE ROUTE 615 RECONSTRUCTION FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES	\$ -	-	-
EXPENDITURES:			
Capital outlay	<u>926,381</u>	<u>926,381</u>	-
Excess (deficiency) of revenues over expenditures	(926,381)	(926,381)	-
Adjustment for prior year encumbrances	926,381	926,381	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>-</u>	<u>-</u>

# CITY OF MENTOR, OHIO

## WILLOWBROOK SEWER OUTFALL FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Intergovernmental	\$ 29,105	29,105	-
EXPENDITURES:			
Capital outlay	54,445	54,445	-
Excess (deficiency) of revenues over expenditures	<u>(25,340)</u>	<u>(25,340)</u>	-
OTHER FINANCING SOURCES (USES):			
Operating transfers out	(5,036)	(5,036)	-
Advances out	<u>(30,000)</u>	<u>(30,000)</u>	-
Total other financing sources (uses)	<u>(35,036)</u>	<u>(35,036)</u>	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(60,376)	(60,376)	-
Adjustment for prior year encumbrances	60,376	60,376	-
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>-</u>	<u>-</u>

# CITY OF MENTOR, OHIO

## GARFIELD ROAD IMPROVEMENTS FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES:			
Intergovernmental	\$ 674,000	-	(674,000)
EXPENDITURES:			
Capital outlay	995,495	980,852	14,643
Excess (deficiency) of revenues over expenditures	<u>(321,495)</u>	<u>(980,852)</u>	<u>(659,357)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	451,000	381,576	(69,424)
Advances in	-	613,919	613,919
Total other financing sources (uses)	<u>451,000</u>	<u>995,495</u>	<u>544,495</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	129,505	14,643	(114,862)
FUND BALANCES, BEGINNING OF YEAR	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ 129,505</u>	<u>14,643</u>	<u>(114,862)</u>

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***Trust and Agency Funds***

## TRUST AND AGENCY FUNDS

### *Nonexpendable Trust Fund*

To provide for investment of bequests received from private donors with interest accruing from said investments restricted to the uses stipulated by the original donor. Interest from the Cemetery Bequest and Endowment Fund is used to decorate specific graves as designated by individual donors.

### *Expendable Trust Funds*

To account for donations from various sources and individuals to be used to support specific purposes or programs provided by the City's current operations.

The Unclaimed Moneys Fund accounts for outstanding, stale-dated checks that were previously issued by the City. If not claimed within a period of five years, the money will revert to the General Fund.

### *Agency Funds*

To account for monies received by the City and held until specific performance is complete and/or payment is due, at which time deposited or withheld monies are paid in accordance with the original purpose.

The Municipal Court Fund accounts for the collection activity of the Mentor Municipal Court.

# CITY OF MENTOR, OHIO

## FIDUCIARY FUNDS COMBINING BALANCE SHEET DECEMBER 31, 2001

	Nonexpend- able Trust Fund	Expend- able Trust Funds	Agency Funds	Totals
ASSETS:				
Cash and investments	\$ 26,160	93,138	62,964	182,262
Receivables, net of allowances for uncollectibles	-	-	83,347	83,347
<b>TOTAL ASSETS</b>	<u>\$ 26,160</u>	<u>93,138</u>	<u>146,311</u>	<u>265,609</u>
LIABILITIES AND FUND EQUITY:				
Accounts payable	\$ 430	949	-	1,379
Accrued liabilities	-	-	5,792	5,792
Deposits	-	-	26,741	26,741
Due to other funds	-	-	113,778	113,778
<b>Total liabilities</b>	<u>430</u>	<u>949</u>	<u>146,311</u>	<u>147,690</u>
Fund equity:				
Fund balances:				
Reserved for encumbrances	-	740	-	740
Reserved for endowments	17,697	-	-	17,697
Unreserved	8,033	91,449	-	99,482
<b>Total fund balances</b>	<u>25,730</u>	<u>92,189</u>	<u>-</u>	<u>117,919</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 26,160</u>	<u>93,138</u>	<u>146,311</u>	<u>265,609</u>

# CITY OF MENTOR, OHIO

## NONEXPENDABLE TRUST FUND BALANCE SHEET DECEMBER 31, 2001

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	<u>Cemetery Bequest and Endowment</u>
ASSETS:	
Cash and investments	<u>\$ 26,160</u>
TOTAL ASSETS	<u>\$ 26,160</u>
LIABILITIES AND FUND EQUITY:	
Accounts payable	<u>\$ 430</u>
Total liabilities	<u>430</u>
Fund equity:	
Fund balances:	
Reserved for endowments	17,697
Unreserved	<u>8,033</u>
Total fund balances	<u>25,730</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 26,160</u>

# CITY OF MENTOR, OHIO

## NONEXPENDABLE TRUST FUND STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES YEAR ENDED DECEMBER 31, 2001

---

	<u>Cemetery Bequest and Endowment</u>
OPERATING REVENUES:	
Investment income	\$ 1,542
Donations and other	<u>154</u>
Total operating revenues	<u>1,696</u>
OPERATING EXPENSES:	
Parks, recreation and public lands	<u>1,261</u>
NET INCOME	435
FUND BALANCES, BEGINNING OF YEAR	<u>25,295</u>
FUND BALANCES, END OF YEAR	<u><u>\$25,730</u></u>

# CITY OF MENTOR, OHIO

## NONEXPENDABLE TRUST FUND STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2001

---

	<u>Cemetery Bequest and Endowment</u>
OPERATING ACTIVITIES:	
Operating income	\$ 435
Adjustments to reconcile operating income to net cash used in operating activities:	
Investment income	<u>(1,542)</u>
Net cash used in operating activities	<u>(1,107)</u>
INVESTING ACTIVITIES:	
Interest on investments	1,542
Net change in pooled investments	<u>(423)</u>
Net cash provided by investing activities	<u>1,119</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	12
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,780</u>
CASH AND CASH EQUIVALENTS, END OF YEAR*	<u>\$ 1,792</u>

\* The amounts differ from the cash and investment amounts shown in the combining balance sheet due to investment amounts that do not qualify as cash equivalents.

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# CITY OF MENTOR, OHIO

## EXPENDABLE TRUST FUNDS COMBINING BALANCE SHEET DECEMBER 31, 2001

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	<u>Council Donation</u>	<u>Police Donation</u>	<u>Fire Donation</u>
ASSETS:			
Cash and investments	\$ 380	1,925	1,706
TOTAL ASSETS	<u>\$ 380</u>	<u>1,925</u>	<u>1,706</u>
LIABILITIES AND FUND BALANCES:			
Accounts payable	\$ -	-	-
Fund equity:			
Fund balances:			
Reserved for encumbrances	-	-	-
Unreserved	<u>380</u>	<u>1,925</u>	<u>1,706</u>
Total fund balances	<u>380</u>	<u>1,925</u>	<u>1,706</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 380</u>	<u>1,925</u>	<u>1,706</u>



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<u>Senior Citizens Donation</u>	<u>Cultural Donation</u>	<u>Beautification Donation</u>	<u>Unclaimed Moneys</u>	<u>IBIM Festival</u>	<u>Totals</u>
<u>11,795</u>	<u>76,567</u>	<u>765</u>	<u>-</u>	<u>-</u>	<u>93,138</u>
<u>11,795</u>	<u>76,567</u>	<u>765</u>	<u>-</u>	<u>-</u>	<u>93,138</u>
<u>-</u>	<u>819</u>	<u>130</u>	<u>-</u>	<u>-</u>	<u>949</u>
240	-	500	-	-	740
<u>11,555</u>	<u>75,748</u>	<u>135</u>	<u>-</u>	<u>-</u>	<u>91,449</u>
<u>11,795</u>	<u>75,748</u>	<u>635</u>	<u>-</u>	<u>-</u>	<u>92,189</u>
<u>11,795</u>	<u>76,567</u>	<u>765</u>	<u>-</u>	<u>-</u>	<u>93,138</u>

# CITY OF MENTOR, OHIO

## EXPENDABLE TRUST FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES YEAR ENDED DECEMBER 31, 2001

---

	<u>Council Donation</u>	<u>Police Donation</u>	<u>Fire Donation</u>
REVENUES:			
Donations and other	<u>\$ 225</u>	<u>100</u>	<u>920</u>
EXPENDITURES:			
General government	647	-	-
Police	-	105	-
Fire	-	-	1,779
Parks, recreation and public lands	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>647</u>	<u>105</u>	<u>1,779</u>
Excess (deficiency) of revenues over expenditures	(422)	(5)	(859)
FUND BALANCES, BEGINNING OF YEAR	<u>802</u>	<u>1,930</u>	<u>2,565</u>
FUND BALANCES, END OF YEAR	<u>\$ 380</u>	<u>1,925</u>	<u>1,706</u>

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<u>Senior Citizen Donation</u>	<u>Cultural Donation</u>	<u>Beautification Donation</u>	<u>Unclaimed Moneys</u>	<u>IBIM Festival</u>	<u>Totals</u>
<u>4,846</u>	<u>21,599</u>	<u>1,122</u>	<u>2,467</u>	<u>69,429</u>	<u>100,708</u>
-	-	-	32,787	-	33,434
-	-	-	-	-	105
-	-	-	-	-	1,779
<u>1,271</u>	<u>23,038</u>	<u>1,316</u>	<u>-</u>	<u>69,429</u>	<u>95,054</u>
<u>1,271</u>	<u>23,038</u>	<u>1,316</u>	<u>32,787</u>	<u>69,429</u>	<u>130,372</u>
3,575	(1,439)	(194)	(30,320)	-	(29,664)
<u>8,220</u>	<u>77,187</u>	<u>829</u>	<u>30,320</u>	<u>-</u>	<u>121,853</u>
<u>11,795</u>	<u>75,748</u>	<u>635</u>	<u>-</u>	<u>-</u>	<u>92,189</u>

# CITY OF MENTOR, OHIO

## AGENCY FUNDS COMBINING BALANCE SHEET DECEMBER 31, 2001

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	<u>Municipal Court</u>
ASSETS:	
Cash and investments	\$ 62,964
Receivables, net of allowances for uncollectibles	<u>83,347</u>
TOTAL ASSETS	<u>\$ 146,311</u>
LIABILITIES:	
Accrued liabilities	\$ 5,792
Deposits	26,741
Due to other funds	<u>113,778</u>
TOTAL LIABILITIES	<u>\$ 146,311</u>

# CITY OF MENTOR, OHIO

## AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES YEAR ENDED DECEMBER 31, 2001

	Balance January 1, 2001	Additions	Deletions	Balance December 31, 2001
<b><u>Deposit Fund:</u></b>				
ASSETS:				
Cash	\$ 725,157	299,673	1,024,830	-
TOTAL ASSETS	<u>\$ 725,157</u>	<u>299,673</u>	<u>1,024,830</u>	<u>-</u>
LIABILITIES:				
Accounts payable	\$ 240	313,505	313,745	-
Deposits	724,917	305,144	1,030,061	-
TOTAL LIABILITIES	<u>\$ 725,157</u>	<u>618,649</u>	<u>1,343,806</u>	<u>-</u>
<b><u>Municipal Court Fund:</u></b>				
ASSETS:				
Cash	\$ 83,984	2,103,420	2,124,440	62,964
Receivables, net of allowances for uncollectibles	-	83,347	-	83,347
TOTAL ASSETS	<u>\$ 83,984</u>	<u>2,186,767</u>	<u>2,124,440</u>	<u>146,311</u>
LIABILITIES:				
Accrued liabilities	\$ 7,326	546,055	547,589	5,792
Deposits	53,290	486,858	513,407	26,741
Due to other funds	23,368	1,153,854	1,063,444	113,778
TOTAL LIABILITIES	<u>\$ 83,984</u>	<u>2,186,767</u>	<u>2,124,440</u>	<u>146,311</u>
<b><u>Total Agency Funds:</u></b>				
ASSETS:				
Cash	\$ 809,141	2,403,093	3,149,270	62,964
Receivables, net of allowances for uncollectibles	-	83,347	-	83,347
TOTAL ASSETS	<u>\$ 809,141</u>	<u>2,486,440</u>	<u>3,149,270</u>	<u>146,311</u>
LIABILITIES:				
Accounts payable	\$ 240	313,505	313,745	-
Accrued liabilities	7,326	546,055	547,589	5,792
Deposits	778,207	792,002	1,543,468	26,741
Due to other funds	23,368	1,153,854	1,063,444	113,778
TOTAL LIABILITIES	<u>\$ 809,141</u>	<u>2,805,416</u>	<u>3,468,246</u>	<u>146,311</u>

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***General Fixed Assets  
Account Group***

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## **GENERAL FIXED ASSETS ACCOUNT GROUP**

The General Fixed Assets Account Group accounts for all fixed assets used in general governmental operations. Streets, sidewalks, and storm sewers are not included in this account group as the City does not capitalize infrastructure items.



# CITY OF MENTOR, OHIO

## GENERAL FIXED ASSETS ACCOUNT GROUP SCHEDULE OF GENERAL FIXED ASSETS BY SOURCES DECEMBER 31, 2001

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GENERAL FIXED ASSETS:	
Land	\$ 13,465,575
Buildings	36,929,161
Improvements	6,490,737
Furniture, fixtures, and equipment	16,114,758
Construction in progress	<u>937,500</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 73,937,731</u>
INVESTMENT IN GENERAL FIXED ASSETS FROM:	
General fund revenues	\$ 28,328,009
Special revenue fund revenues:	
Property taxes	2,587,825
Other local taxes	623,125
Intergovernmental	3,366,577
Other	269,134
Capital projects fund revenues and other financing sources	37,656,020
Private gifts	337,711
Other	<u>769,330</u>
TOTAL	<u>\$ 73,937,731</u>

# CITY OF MENTOR, OHIO

## GENERAL FIXED ASSETS ACCOUNT GROUP SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY DECEMBER 31, 2001

	General Fixed Assets January 1, 2001	Additions	Deductions	Transfers	General Fixed Assets December 31, 2001
GENERAL GOVERNMENT	\$ 6,556,680	217,540	73,687	31,015	6,731,548
POLICE	7,077,053	951,452	481,985	(17,234)	7,529,286
FIRE	7,876,731	879,885	239,215	4,445	8,521,846
STREETS AND HIGHWAYS	14,544,449	650,643	235,315	(31,945)	14,927,832
PARKS, RECREATIONS AND PUBLIC LANDS	34,321,376	729,594	159,454	13,719	34,905,235
COMMUNITY DEVELOPMENT	107,266	15,953	7,060	-	116,159
ENGINEERING AND BUILDING	303,225	31,053	65,953	-	268,325
CONSTRUCTION IN PROGRESS	-	937,500	-	-	937,500
TOTAL GENERAL FIXED ASSETS	<u>\$ 70,786,780</u>	<u>4,413,620</u>	<u>1,262,669</u>	<u>-</u>	<u>73,937,731</u>

## CITY OF MENTOR, OHIO

### GENERAL FIXED ASSETS ACCOUNT GROUP SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY YEAR ENDED DECEMBER 31, 2001

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	<u>Land</u>	<u>Buildings</u>	<u>Improvements</u>	<u>Furniture, Fixtures, and Equipment</u>	<u>Total</u>
GENERAL GOVERNMENT	\$ 38,977	5,482,158	1,654	1,208,759	6,731,548
POLICE	-	4,469,313	-	3,059,973	7,529,286
FIRE	382,349	3,354,453	1,060	4,783,984	8,521,846
STREETS AND HIGHWAYS	1,360,877	8,982,634	-	4,584,321	14,927,832
PARKS, RECREATIONS AND PUBLIC LANDS	11,683,372	14,640,603	6,484,257	2,097,003	34,905,235
COMMUNITY DEVELOPMENT	-	-	3,766	112,393	116,159
ENGINEERING AND BUILDING	-	-	-	268,325	268,325
CONSTRUCTION IN PROGRESS	<u>-</u>	<u>937,500</u>	<u>-</u>	<u>-</u>	<u>937,500</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 13,465,575</u>	<u>37,866,661</u>	<u>6,490,737</u>	<u>16,114,758</u>	<u>73,937,731</u>

***STATISTICAL SECTION***

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# CITY OF MENTOR, OHIO

## GENERAL FUND REVENUES (GAAP BASIS) LAST TEN FISCAL YEARS

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	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
REVENUES:				
Property taxes	\$ 1,644,708	1,823,958	1,595,982	1,803,198
Municipal income tax	14,827,575	16,030,531	17,078,931	20,268,977
Intergovernmental	2,782,145	3,145,701	3,745,078	3,959,279
Charges for services	428,572	522,183	495,388	545,289
Fines and forfeitures	734,063	758,945	712,481	817,803
Licenses, permits, and inspections	877,958	946,446	891,861	981,880
Investment income	382,467	430,287	446,121	987,544
Donations and other	<u>139,681</u>	<u>263,356</u>	<u>208,008</u>	<u>189,769</u>
TOTAL REVENUES	<u>\$ 21,817,169</u>	<u>23,921,407</u>	<u>25,173,850</u>	<u>29,553,739</u>

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SOURCE: The City's audited financial statements.

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
2,009,571	1,777,227	1,116,206	725,101	893,989	1,341,641
21,987,461	22,879,334	23,678,549	25,482,261	26,698,790	26,595,125
4,529,209	4,761,421	4,525,145	5,426,358	5,069,191	6,494,213
564,262	879,499	1,139,978	2,419,661	2,460,546	2,609,281
805,026	822,198	1,052,445	1,115,370	959,918	1,005,235
1,203,748	1,130,325	1,224,835	1,254,640	1,078,703	1,141,955
1,112,990	1,384,954	1,544,525	797,163	1,994,386	2,013,886
142,314	407,393	783,266	233,226	228,782	528,473
<u>32,354,581</u>	<u>34,042,351</u>	<u>35,064,949</u>	<u>37,453,780</u>	<u>39,384,305</u>	<u>41,729,809</u>

# CITY OF MENTOR, OHIO

## GENERAL FUND EXPENDITURES (GAAP BASIS) LAST TEN FISCAL YEARS

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
EXPENDITURES:				
General government	\$ 3,520,894	3,817,388	3,692,686	4,015,374
Security of persons and property	8,445,273	9,472,300	9,782,637	10,388,613
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	3,325,534	3,126,493	4,400,194	5,156,436
Public health and welfare	509,082	539,529	530,060	528,389
Parks, recreation and public lands	2,490,576	2,647,863	2,353,034	2,942,670
Community development	602,812	568,018	631,410	726,646
Engineering and building	1,846,081	1,913,614	1,922,058	2,080,214
Capital outlay	-	-	-	-
Debt Service - Principal retirement	-	-	-	-
Debt Service - Interest and other charges	<u>483</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 20,740,735</u>	<u>22,085,205</u>	<u>23,312,079</u>	<u>25,838,342</u>

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<sup>1</sup>The City changed the classification of expenditures so that General Fund police and fire expenditures are shown separately in 2000. Previously these expenditures were classified together as security of persons and property.

SOURCE: The City's audited financial statements.



<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000<sup>1</sup></u>	<u>2001</u>
4,652,006	5,653,773	5,544,266	5,518,315	5,757,072	6,056,376
10,386,846	11,912,303	12,879,996	12,603,249	-	-
-	-	-	-	7,373,121	7,837,997
-	-	-	-	5,790,790	6,141,090
6,048,316	5,605,355	8,530,944	5,689,159	5,336,046	6,461,918
580,960	635,431	652,353	-	-	-
3,191,377	3,907,537	7,281,462	5,228,690	5,635,932	6,141,941
727,056	744,314	787,661	811,413	855,607	918,463
2,324,131	2,612,744	3,150,419	1,680,656	1,700,348	1,916,517
-	-	-	4,033,695	3,585,057	5,990,773
-	-	-	-	-	10,000
-	-	-	-	-	-
<u>27,910,692</u>	<u>31,071,457</u>	<u>38,827,101</u>	<u>35,565,177</u>	<u>36,033,973</u>	<u>41,475,075</u>

# CITY OF MENTOR, OHIO

## ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Tax Year/ Collection Year	Real Property		Personal Property Assessed Value <sup>1</sup>	Public Utilities Assessed Value <sup>1</sup>	Total Assessed Value
	Assessed Value <sup>1</sup>	Estimated Actual Value			
1991/1992	\$ 664,784,040	1,899,382,971	105,011,647	52,367,910	822,163,597
1992/1993	678,626,040	1,938,931,543	103,074,039	52,689,210	834,389,289
1993/1994	695,615,280	1,987,472,229	104,084,505	53,832,460	853,532,245
1994/1995	786,960,090	2,248,459,114	112,462,016	53,264,370	952,686,476
1995/1996	815,189,420	2,329,112,629	123,354,041	50,426,410	988,969,871
1996/1997	839,480,070	2,398,514,486	140,386,304	49,988,460	1,029,854,834
1997/1998	975,528,640	2,787,224,686	145,382,074	48,549,500	1,169,460,214
1998/1999	999,347,400	2,855,278,286	150,599,739	49,949,560	1,199,896,699
1999/2000	1,016,927,670	2,905,507,629	166,636,682	46,721,270	1,230,285,622
2000/2001	1,155,168,000	3,300,480,000	170,222,816	44,297,170	1,369,687,986

<sup>1</sup>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 - 25%.

SOURCE: Office of the Lake County Auditor

## CITY OF MENTOR, OHIO

### RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUATION AND NET BONDED DEBT PER CAPITA LAST TEN FISCAL YEARS

Year	Population	Assessed Value	Gross General Bonded Debt	Less Balance in General Bond Retirement Fund	Net General Bonded Debt	Percentage of Net General Bonded Debt to Assessed Value	Net General Bonded Debt per Capita
1992	48,000	\$ 822,163,597	6,085,977	392,851	5,693,126	0.69	\$ 118.61
1993	49,231	834,389,289	9,287,164	221,417	9,065,747	1.09	184.15
1994	50,000	853,532,245	8,544,058	259,858	8,284,200	0.97	165.68
1995	50,058	952,686,476	7,820,840	353,310	7,467,530	0.78	149.18
1996	50,058	988,969,871	11,942,252	301,823	11,640,429	1.18	232.54
1997	50,251	1,029,854,834	24,768,449	123,351	24,645,098	2.39	490.44
1998	50,251	1,169,460,214	23,555,672	189,732	23,365,940	2.00	464.99
1999	51,126	1,199,896,699	22,563,664	428,953	22,134,711	1.84	432.94
2000	50,278	1,230,285,622	21,531,765	516,913	21,014,852	1.71	417.97
2001	50,278	1,369,687,986	20,455,634	320,040	20,135,594	1.47	400.49

SOURCES: Office of the Lake County Auditor  
City of Mentor, Department of Community Development

# CITY OF MENTOR, OHIO

## PROPERTY TAX LEVIES AND COLLECTIONS - REAL AND PUBLIC UTILITY<sup>1</sup> LAST TEN FISCAL YEARS

Tax Year/ Collection Year	Current Levy	Current Collections	Current Levy Collected	Accumulated Delinquent Taxes	Collections Including Delinquencies	Total Collections as Percent of Current Levy
1991/1992	\$ 3,660,868	3,559,654	97.2	152,818	3,622,760	99.0 %
1992/1993	3,545,435	3,459,464	97.6	153,272	3,550,238	100.1
1993/1994	3,667,031	3,598,491	98.1	81,099	3,705,957	101.1
1994/1995	3,901,810	3,827,738	98.1	51,409	3,892,506	99.8
1995/1996	3,979,176	3,924,433	98.6	41,294	4,038,822	101.5
1996/1997	4,073,145	4,040,170	99.2	51,779	4,090,227	100.4
1997/1998	4,486,018	4,394,516	98.0	90,817	4,444,559	99.1
1998/1999	4,154,785	4,070,505	98.0	61,816	4,134,128	99.5
1999/2000	4,214,185	4,136,392	98.2	66,378	4,231,557	100.4
2000/2001	4,634,608	4,522,876	97.6	111,732	4,601,515	99.3

<sup>1</sup>Table excludes tangible personal property tax.

SOURCE: Office of the Lake County Auditor

# CITY OF MENTOR, OHIO

## PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS<sup>1</sup> LAST TEN FISCAL YEARS

Tax Year/ Collection Year	City of Mentor				Mentor Exempted Village School District <sup>2</sup>	Lake County	Total
	General Fund	Special Revenue Funds	Debt Service Funds	Total			
1991/1992	\$ 2.87	2.10	1.43	6.40	59.31	12.20	77.91
1992/1993	3.00	2.10	1.00	6.10	63.74	13.90	83.74
1993/1994	2.65	2.10	1.40	6.15	63.74	13.90	83.79
1994/1995	2.75	2.10	1.25	6.10	63.45	14.00	83.55
1995/1996	2.85	2.10	1.10	6.05	63.45	14.00	83.50
1996/1997	2.60	2.10	1.35	6.05	67.95	14.00	88.00
1997/1998	1.90	2.10	2.00	6.00	67.71	14.10	87.81
1998/1999	0.60	2.10	1.80	4.50	67.84	15.60	87.94
1999/2000	0.80	2.10	1.60	4.50	67.50	15.70	87.70
2000/2001	1.10	2.10	1.30	4.50	67.47	15.70	87.67

<sup>1</sup>Dollars of tax per \$1,000 of assessed valuation.

<sup>2</sup>Includes Mentor Public Library

SOURCE: Office of the Lake County Auditor

# CITY OF MENTOR, OHIO

## SPECIAL ASSESSMENT COLLECTIONS<sup>1</sup> LAST TEN FISCAL YEARS

<u>Collection Year</u>	<u>Current Assessments Due</u>	<u>Total Collections Including Delinquencies</u>	<u>Total Collections as Percent of Current Assessments</u>	<u>Cumulative Delinquencies<sup>2</sup></u>
1992	\$ 1,579,758	1,451,056	91.9 %	\$ 999,585
1993	1,547,609	1,460,203	94.4	1,139,015
1994	1,679,633	1,639,637	97.6	131,822 <sup>3</sup>
1995	1,547,068	1,624,890	105.0	153,907
1996	1,535,489	1,483,010	96.6	222,763
1997	1,419,916	1,356,376	95.5	318,975
1998	1,312,813	1,395,224	106.3	234,609
1999	1,216,785	1,250,027	102.7	272,410
2000	1,154,819	1,122,990	97.2	155,769
2001	1,088,136	1,076,875	98.9	190,128

<sup>1</sup>Table prepared for Special Assessment Bond Retirement Fund only.

<sup>2</sup>Includes penalty.

<sup>3</sup>Reduction due to write off of Land Reutilization Program property delinquencies (see Footnote 8 to the City's General Purpose Financial Statements).

SOURCE: Office of the Lake County Auditor

# CITY OF MENTOR, OHIO

## PROPERTY VALUE AND CONSTRUCTION LAST TEN FISCAL YEARS

Year	Commercial/ Industrial Construction		Residential Construction		Assessed Value	
	Number of Permits	Value	Number of Permits	Value	Commercial <sup>1</sup>	Residential
1992	16	\$ 18,409,000	216	\$ 25,720,000	345,402,247	476,761,350
1993	24	18,924,000	254	33,773,035	343,958,229	490,431,060
1994	32	14,457,600	219	34,699,230	348,718,405	504,813,840
1995	17	6,783,292	169	26,788,600	371,363,376	581,323,100
1996	22	13,025,000	190	33,557,135	393,025,131	595,944,740
1997	23	19,682,455	168	31,786,070	422,283,634	607,571,200
1998	22	21,133,600	151	28,194,085	445,204,154	724,256,060
1999	28	32,508,000	125	25,405,985	466,720,129	733,176,570
2000	21	21,310,000	93	18,462,180	483,231,162	747,054,460
2001	17	25,337,931	86	18,356,344	531,734,976	837,953,010

<sup>1</sup>Includes commercial, public utility, and personal property.

SOURCES: City of Mentor, Department of Building/Engineering  
Office of the Lake County Auditor

# CITY OF MENTOR, OHIO

## COMPUTATION OF LEGAL DEBT MARGIN DECEMBER 31, 2001

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Total of all City debt outstanding	\$ 30,975,000
Less special assessment debt exempt from calculation	<u>10,479,366</u>
Total (voted and unvoted) subject to 10.5% limitation	20,495,634
Less General Obligation Bond Retirement Fund balance	<u>320,040</u>
Net indebtedness subject to 10.5% limitation	<u>\$ 20,175,594</u>
Assessed valuation of City	<u>\$ 1,369,687,986</u>
10.5% of valuation (maximum general obligation debt allowed)	\$ 143,817,239
Less total debt outstanding subject to 10.5% limitation	<u>20,175,594</u>
Legal 10.5% margin (voted and unvoted)	<u>\$ 123,641,645</u>
5.5% of valuation (maximum unvoted general obligation debt allowed)	\$ 75,332,839
Less total debt outstanding subject to 5.5% limitation	<u>20,495,634</u>
Legal 5.5% margin (unvoted)	<u>\$ 54,837,205</u>



# CITY OF MENTOR, OHIO

## COMPUTATION OF DIRECT AND OVERLAPPING DEBT DECEMBER 31, 2001

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	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of Mentor</u>	<u>Amount Applicable to Taxpayers of City of Mentor</u>
Direct:			
City of Mentor	\$ 20,455,634	100.00 %	\$ 20,455,634
Overlapping:			
Mentor Exempted Village School District and Mentor Public Library	13,921,860	84.23	11,726,383
Lake County	<u>19,095,000</u>	24.10	<u>4,601,895</u>
Total overlapping	<u>33,016,860</u>		<u>16,328,278</u>
TOTAL	<u>\$ 53,472,494</u>		<u>\$ 36,783,912</u>

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

# CITY OF MENTOR, OHIO

## RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES LAST TEN FISCAL YEARS

Year	Debt Service on General Bonded Debt			General Fund Expenditures	Percentage of Tax-Supported Debt Service to General Fund Expenditures
	Principal	Interest	Total		
1992	\$ 679,299	550,412	1,229,711	20,988,919	5.86 %
1993	618,813	600,907	1,219,720	21,929,003	5.56
1994	743,106	656,656	1,399,762	23,824,213	5.88
1995	723,218	602,685	1,325,903	26,926,391	4.92
1996	738,587	639,333	1,377,920	28,806,222	4.78
1997	853,803	969,433	1,823,236	33,654,402	5.42
1998	1,212,777	1,435,070	2,647,847	36,628,572	7.23
1999	992,008	1,349,924	2,341,932	35,798,610	6.54
2000	1,031,899	1,283,690	2,315,589	36,033,973	6.43
2001	1,076,131	1,218,689	2,294,820	41,475,075	5.53

SOURCE: City of Mentor, Finance Department

# CITY OF MENTOR, OHIO

## PRINCIPAL TAXPAYERS DECEMBER 31, 2001

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	<u>Real Property 2001 Assessed Valuation</u>	<u>Percentage of Total City Real Property Assessed Valuation</u>
Cleveland Electric Illuminating Company	\$ 26,197,440	2.18 %
De Bartolo Realty Partnership	20,163,060	1.68
Ohio Bell Telephone Company	7,097,920	.59
Consumers Ohio Water	6,297,350	.53
Points East	6,151,250	.51
Steris Corporation	5,654,880	.47
Euclid Clinic Foundation	4,005,170	.33
Deepwood North Company	3,584,460	.30
First Interstate	3,446,690	.29
James A. Brown	3,430,730	.29
Mentor Commons Limited	<u>3,343,650</u>	<u>.28</u>
TOTAL PRINCIPAL TAXPAYERS	<u>\$ 89,372,600</u>	<u>7.45 %</u>
TOTAL CITY REAL PROPERTY	<u>\$ 1,199,465,170</u>	

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NOTE: By Ohio law, public utility personal property is taxed as real property.

SOURCE: Office of the Lake County Auditor

# CITY OF MENTOR, OHIO

## TOP TWENTY EMPLOYERS DECEMBER 31, 2001

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<u>Employer</u>	<u>Nature of Business</u>	<u>Number of Employees</u>
Mentor Public Schools	Education	1,202
City of Mentor	Government	788 <sup>1</sup>
STERIS Corporation	Manufacturing - infection prevention systems	700
Lincoln Electric Co.	Arc welding consumables	515
Deepwood Industries	Social services	500
PCC Airfoil - Mentor	Investment casting manufacturing	480
Super K-Mart	Discount retail center	400
Sears, Roebuck & Co.	Retail sales	375
Mag-Nif, Co.	Automation - banks, games	350
J.C. Penney Co.	Retail sales	310
Hospice of the Western Reserve	Hospice counseling	300
Wal-Mart	Discount	300
Royal Plastics, Inc.	Plastic injection molding	300
Dillard's	Retail sales	280
Wiseco Piston Co., Inc.	Manufacturing - high performance pistons	270
Classic Chevrolet, Inc.	Automobile dealership	255
Worthington Precision Metals	Precision machined components	250
C. R. Bard	Medical device manufacturing	250
Kaufmann's	Retail sales	250
The News-Herald	Publishing	250

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<sup>1</sup>Including all part-time and seasonal employees.

SOURCE: City of Mentor, Department of Community Development

# CITY OF MENTOR, OHIO

## DEMOGRAPHIC STATISTICS DECEMBER 31, 2001

	1980	1990	2000
Population	42,065	47,358	50,278
Per capita income	\$ 8,952	\$ 16,717	N/A
Number of dwelling units	14,123	17,172	19,301
Persons per household	2.98	2.76	2.65
Median age (years)	29.70	33.90	38.9
Percent owner-occupied dwelling units	84.9 %	85.9 %	87.5 %
Median family income	\$ 27,003	\$ 46,589	N/A
Family income distribution			
Under \$5,000	509	137	N/A
\$5,000 to \$9,999	867	195	N/A
\$10,000 to \$14,999	1,147	407	N/A
\$15,000 to \$24,999	4,119	1,332	N/A
Over \$25,000	6,015	11,387	N/A
Total families	12,657	13,458	N/A
Education distribution - grades/years completed			
0 to 8	6.2 %	3.2 %	N/A
9 to 11	12.9	10.8	N/A
12	43.1	33.0	N/A
13 to 15	18.8	30.7	N/A
16 or more	18.9	22.3	N/A
High school graduates	80.8	86.0	N/A

Residents Employment Distribution by Occupation	1990		2000	
	Number Employed	Percent of Total	Number Employed	Percent of Total
Executive, administrative, and managerial	3,867	15.7 %	N/A	N/A
Professional specialty	3,537	14.3	N/A	N/A
Technician and related support	1,014	4.1	N/A	N/A
Sales	3,470	14.1	N/A	N/A
Administrative support, including clerical	4,116	16.7	N/A	N/A
Private household service	69	0.3	N/A	N/A
Protective service	343	1.4	N/A	N/A
Other service	2,105	8.5	N/A	N/A
Farming, forestry, and fishing	167	0.7	N/A	N/A
Precision production, craft, and repair	3,011	12.2	N/A	N/A
Machine operators, assemblers, and inspectors	1,674	6.8	N/A	N/A
Transportation and material moving	627	2.5	N/A	N/A
Handlers, equipment cleaners, helpers, and laborers	672	2.7	N/A	N/A
Total employment	24,672	100.0 %	N/A	N/A
2001 average unemployment data, unadjusted:				
	Lake County	4.2 %		
	State of Ohio	4.3 %		
	United States	4.8 %		

SOURCES: U.S. Census 1980, 1990, and 2000  
Ohio Bureau of Employment Services

N/A - Not available

# CITY OF MENTOR, OHIO

## OTHER STATISTICS DECEMBER 31, 2001

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Date of incorporation	December 18, 1963
Form of government	Council-Manager
Population, 2000 census	50,278
Area (square miles)	27.91
Miles of streets	226.3
Number of street lights	5,035
Number of City employees	
Regular full-time	375
Part-time and temporary	413
Fire protection	
Number of stations	5
Number of firefighters and officers <sup>1</sup>	73
Police protection	
Number of stations	1
Number of policemen and officers	79
Sewers	
Miles of storm sewers	174
Miles of sanitary sewers	240
Parks and recreation	
Number of parks	11
Number of pools	3
Number of ice rinks	2
Number of community centers	7
Number of tennis courts	17
Number of baseball diamonds	18
Number of soccer fields	9
Number of basketball courts	5

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<sup>1</sup>Excluding part-time firefighters.

SOURCES: City of Mentor, Department of Building/Engineering  
City of Mentor, Department of Public Works  
City of Mentor, Department of Parks, Recreation and Public Lands



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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800-282-0370  
Facsimile 614-466-4490

**CITY OF MENTOR**

**LAKE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 30, 2002**