



OHIO AUDITOR OF STATE  
**KEITH FABER**





CITY OF MENTOR  
LAKE COUNTY

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# OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12<sup>th</sup> Floor  
615 Superior Avenue, NW  
Cleveland, Ohio 44113-1801  
(216) 787-3665 or (800) 626-2297  
NortheastRegion@ohioauditor.gov

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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mentor, Lake County, Ohio (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 24, 2020.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

June 24, 2020

CITY OF  
MENTOR, OHIO



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

ISSUED BY THE DEPARTMENT OF FINANCE

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

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# CITY OF MENTOR, OHIO

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# City of Mentor

Council-manager  
government since 1963

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

June 24, 2020

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

## Introduction

We are pleased to present the Comprehensive Annual Financial Report of the City of Mentor (the “City”) for the year ended December 31, 2019. This report, prepared by the Department of Finance, includes the basic financial statements that summarize the various operations related to the City’s 2019 activities. Our intention is to provide a clear, comprehensive, and materially accurate overview of the City’s financial position at the close of last year. The enclosed information has been designed to allow the reader to gain an understanding of the City’s finances, including financial trends, financial instruments, and fund performances. The City has complete responsibility for all information contained in this report.

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

The City’s financial statements may be audited either by the Auditor of the State of Ohio, or with permission of the Auditor of State, by an independent certified public accountant. The audit of the City’s basic financial statements for fiscal year 2019 was performed by the Auditor of the State of Ohio. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The Auditor of the State of Ohio concluded, based upon its audit, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the

fiscal year ended December 31, 2019 are fairly presented, in all material respects, in conformity with GAAP. The Independent Auditor's Report is presented as the first component of the financial section of this document.

GASB requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditor's Report in the financial section of this document.

## **Profile of the Government**

### *The City*

The City is a municipal corporation and political subdivision of the State of Ohio. It is located on the southern shore of Lake Erie approximately 25 miles east of downtown Cleveland. Mentor has a population of 47,159 residents according to the 2010 Census of Population and is the largest city in Lake County.

### *City Government*

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

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

### *Financial Reporting Entity*

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

Under these provisions, the City's financial reporting entity acts as a single rather than multi-component unit. The provisions permit the entity to include all funds, agencies, and boards and commissions that, by definition, comprise components within the primary government itself. For the City, these components include police and fire protection services, municipal court, engineering and building, zoning code enforcements, street maintenance, traffic control, parks

and recreation, building inspection and planning and development.

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

### *Accounting and Financial Reporting*

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

Except for budgetary purposes, the basis of accounting used by the City conforms to GAAP as applicable to governmental units. All governmental funds are accounted for using a current financial resources-current assets and current liabilities-measurement focus. The modified accrual basis of accounting is utilized for governmental funds. Revenues are recognized when they are susceptible to accrual (both measurable and available). Expenditures are recognized when the related liability is incurred, except for interest on long-term debt which is recorded when due.

The City's basis of accounting for budgetary purposes differs from GAAP in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available), and encumbrances are included as expenditures rather than included in fund balances.

### *Budget Control*

Budget control is maintained at the department level by appropriations adopted annually by City Council. Such appropriations are subdivided into expenditure classifications (employee compensation, other expenditures) for each department within each fund. An encumbrance system is utilized, whereby purchase orders reserve portions of applicable appropriations. By such method, overspending of an appropriation is prevented. Open encumbrances are reported as reservations of fund balances at December 31, the close of the City's fiscal year. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

## **Factors Affecting Financial Condition**

### *Local Economic Indicators*

The information presented in the financial statements should be considered in the context of the economic climate within which the City operates. The City's economic condition tends to reflect the broader national economy. During 2019, its local economic activity experienced steady growth as reflected in a healthy (5.1%) percent increase in municipal income tax receipts (cash basis) compared to the previous year.

## *Major Industries and Employment*

City officials continue to be optimistic regarding future economic growth. Manufacturing activity, which is diverse, includes medical related products, polymers and plastics, and electrical boards and other peripherals that generally service the computer and automation industries. A proliferation of small businesses in diversified industries continues to strengthen the City's economic base. The City ranks 7<sup>th</sup> in the number of manufacturers and 8<sup>th</sup> in manufacturing employment in Ohio according to the 2012 Economic Census of Manufacturing, and 6<sup>th</sup> in the State in sales volume according to the 2012 Economic Census of Retail Trade. The average unemployment rate was a reasonably healthy 3.5% during 2019, with several months below the 4% threshold. The COVID-19 driven economic crisis of early 2020 will negatively impact the unemployment rate in the City, but may result in the ability for some Mentor employers particularly in manufacturing to fill open positions and find new employees.

## *Current Projects and 2019 Accomplishments*

In terms of roadway infrastructure improvements, the City provided for the repair and/or resurfacing of 29 streets. Capital improvement projects included: completion of the Orchard Road Reconstruction project between Woodridge Lane and Lake Overlook Drive; resurfacing of Glen Lodge Road and Wake Robin Road with curb repair; beginning construction of the Menards/Diamond Centre Drive Signal; resurfacing of Hopkins Road from Market Street to Hendricks and Hendricks Road from White Oak to S.R. 2; and completion of the traffic signals for the new City Market access drives. Other improvements included the continuation of the city-wide sidewalk replacement program; and further upgrades to decorative lighting in the Old Village District. Drainage projects undertaken in 2019 included final construction of a dry detention basin located behind the former Dale R. Rice school; and replacement of storm sewer on Maple Street. Major Park improvements included the completion of the initial phase of infrastructure development for Springbrook Gardens Park.

The Fire Department continued to be one of the highest rated fire departments in the state with an ISO Class 2 public protection classification by the Insurance Services Office. This high rating means that business and commercial concerns within the City can realize savings on insurance premiums. The department responded to and safely managed 8,745 calls for service in 2019. Its main focus is community risk reduction to prevent harm to community and to always serve the public's best interest. In doing so, the department recognizes the importance of Public Education and presented Safety Awareness Programs to over 7,500 members of the community in 2019. The Fire Prevention Bureau continues to work closely with the business community on a daily basis.

The Planning and Development Department actively promoted the benefits of business location in the City. In 2019, the Department administered, and Mentor City Council provided grant assistance to Greer Plastic Surgery, Bel Environmental Engineering, LLC, and South Shore Controls. The net impact of these grants is anticipated to result in \$3.5 million in investments, the retention or creation of 70 jobs and approximately \$5.5 million in new payroll. The department continues to actively promote the international trade and export initiative within the City through intensive visits with Mentor companies and the attraction of new retail establishments. In particular, the international trade and export initiative continues to develop, mostly based on the negotiation and signing of a partnership memorandum with Medilink Midlands, a trade organization supporting over three-hundred life sciences companies in the Midlands region of the United Kingdom.

The Public Information Office (PIO) is responsible for facilitating the City of Mentor's communication efforts. The department is accountable for resident and press inquiries as well as promotion of the City. PIO develops and manages content for the Mentor Channel, radio station,

City websites, City social media accounts, and the City of Mentor app. PIO assists with the marketing of City events including: Mentor CityFest, Headlands BeachFest, Mentor Rocks and more. PIO is also responsible for the development of print and promotional materials.

The Department of Parks and Recreation had another great year. Membership at the Senior Center is over 4,900 members. Over 3,200 children participated in summer camp programs. The Mentor Ice Arena hosted the professional team, The Mentor Ice Breakers, for their second season in the Federal Hockey League. The Mentor Rocks summer concert series hosted 13 events with approximately 95,000 people enjoying the music. The summer pool season experienced over 72,000 visitors. We installed a climbing wall and obstacle course at Civic Center pool after removal of the diving boards. Phase 1 construction of the Springbrook Park was completed.

The Police Department had an active year in 2019. We hired eight officers during the year, although one resigned during training. Three of these officers received training at the Ohio Highway Patrol Academy before entering the Department Field Training Program. This hiring surge was brought on by several retirements over the past few years. In addition to hiring new officers, we had multiple promotions to Sergeant, Lieutenant, Captain and Chief. Early in 2019 we finished the transition to completing State traffic crash reports on the mobile computers in the patrol cars. This then enabled us to submit the reports to the State electronically making them available to citizens by way of the State DPS website much more quickly. The Department was recognized by the NE Ohio District American Automobile Association, winning the Platinum Award in showing leadership for traffic safety programming and projects. This was the eighth consecutive year we have received this prestigious recognition. One notable statistic in this area was the reduction of on-street traffic crashes by 6% compared to 2018. Two new K-9 officers joined the department in 2019, Bak and Achilles, replacing retiring K-9s Bo and Titan.

*For the Future*

The City's five-year (2020-2024) capital improvement program contains the following proposed expenditures:

Facility construction and improvements	\$9,827,000
Roadway construction and improvements	35,406,000
Traffic control	1,788,000
Sidewalk and bikeway improvements	3,772,000
Storm drainage	3,710,000
Park acquisition, development and improvement	4,960,000
Major capital equipment	9,914,636
Miscellaneous	<u>3,000,000</u>
	<u>\$ 72,377,636</u>

Of the proposed \$72,377,636 for the five-year period, \$44,796,136 (62%) is expected to be funded by the City. The remaining \$27,581,500 (38%) is expected to be funded primarily by Federal/State/County assistance.

Projects anticipated in 2020 include the following: rehabilitating Belle Meadow Road and Lake Overlook Drive; resurfacing Tyler Boulevard between Center Street and Heisley Road; resurfacing Center Street from Bellflower Road to Munson Road; completion of engineering design for the resurfacing of Hopkins Road from Market Street to Mentor Avenue; and for the addition of bike lanes to Headlands Road from Jordan Drive going 900' to the east. Other improvements include the continuation of the city-wide sidewalk replacement program; storm sewer improvements on Stockbridge Road and Dartmoor Road; replacement of an existing culvert under Edgehill Road; and the replacement of storm sewer on Lakeshore Boulevard between

Green Oak Drive and Deerborn Drive. Major facility and property improvements include the construction of a new regional response facility located on the west side of S.R. 306 adjacent to Fire Station #4; continued site development for the new Springbrook Gardens Park; construction of a new cemetery office and maintenance building; and infrastructure improvements at the shoreline of the lagoons to lesson erosion impact to the nature preserve and marina, including installation of approximately 800 lineal feet of stone revetment wall.

#### *Long-term financial planning*

The City's long-term financial planning considers maintaining a healthy general fund balance reserve during the preparation of its capital budget and operating budget. The City issued bonds of approximately \$9.5 million during 2020 to refund previously issued debt. The City does not plan on issuing any more debt during 2020 beyond the \$9.5 million refunding bonds.

#### *Relevant financial policies*

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

### **Awards and Acknowledgements**

#### *Awards*

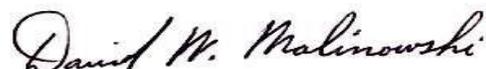
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mentor for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Mentor has received a Certificate of Achievement for the last thirty-five consecutive years (fiscal years 1984-2018). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

#### *Acknowledgements*

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

Sincerely,



David W. Malinowski, Director of Finance

# CITY OF MENTOR, OHIO

## PRINCIPAL CITY OFFICIALS DECEMBER 31, 2019

---

### Mentor City Council

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

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

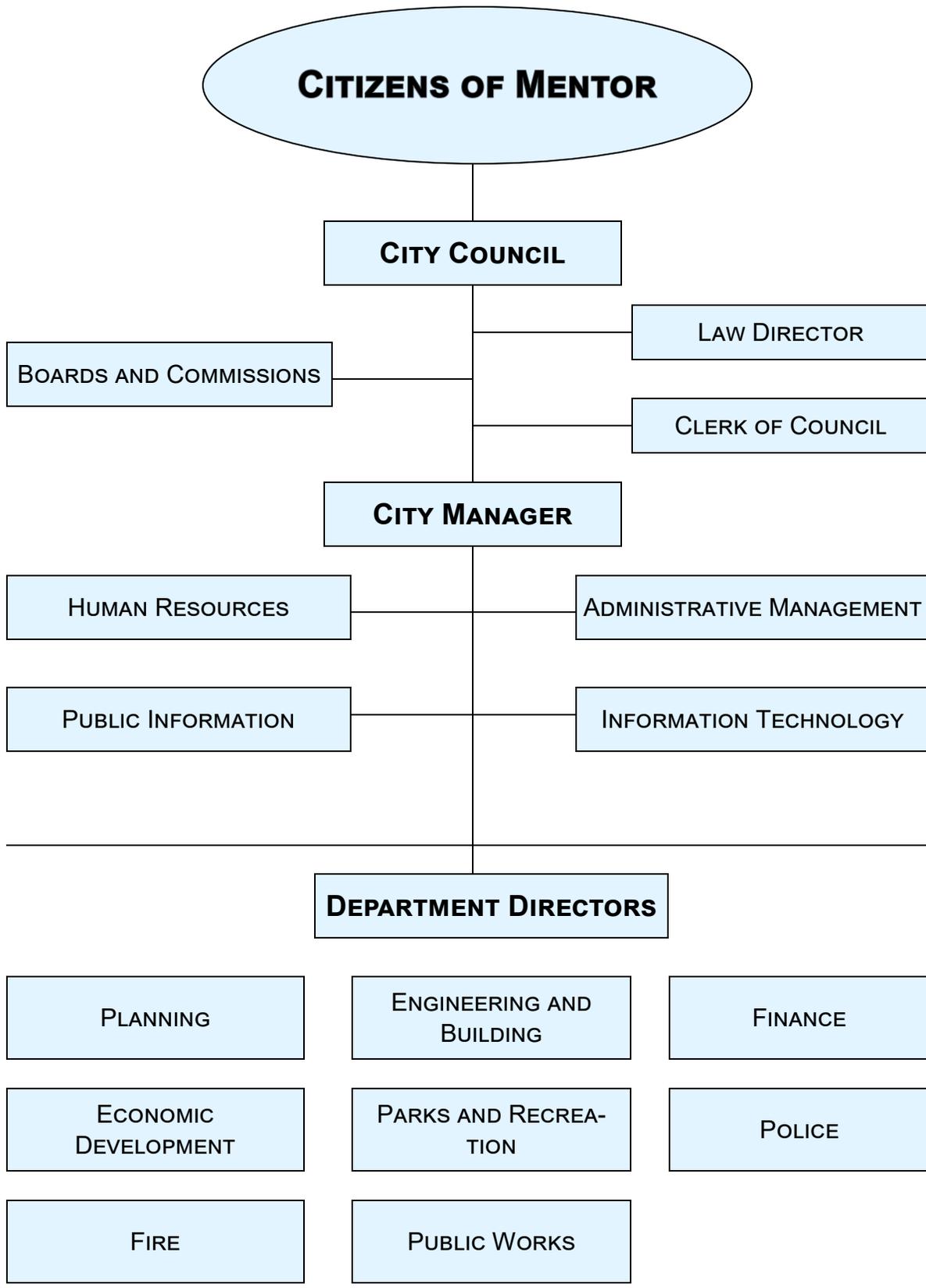
Law Director ----- Joseph P. Szeman  
Clerk of Council ----- Julie A. Schiavoni  
City Manager ----- Kenneth J. Filipiak  
Assistant City Manager ----- Anthony J. Zampedro  
Director of Economic Development & International Trade ----- Kevin D. Malecek  
Director of Finance ----- David W. Malinowski  
Director of Public Works ----- Matthew S. Schweikert  
Director of Parks and Recreation ----- Kenneth S. Kaminski  
City Engineer ----- David A. Swiger  
Chief of Police ----- Kenneth K. Gunsch  
Fire Chief ----- Robert M. Searles  
Planning Director ----- Kathleen M. Mitchell

**CITY OF MENTOR, OHIO**

**DEPARTMENT OF FINANCE  
STAFF DECEMBER 31, 2019**

---

David W. Malinowski----- Director of Finance  
Bonnie L. Lingafelter -----Assistant Director  
Lorraine K. Myllykoski ----- Accounting Supervisor  
Jill T. Lehner ----- Accounting Coordinator  
Veronica Fetsko-----Sr. Accounting Assistant  
Barbara Young -----Sr. Accounting Assistant  
Marie Samec----- Accounting Assistant  
Aimee Hunziker ----- Accounting Assistant  
Betsy Oddo----- Accounting Assistant  
Christine English ----- Accounting Assistant  
Gina Aliberti ----- Office Assistant





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Mentor  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morrill*

Executive Director/CEO

# OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12<sup>th</sup> Floor  
615 Superior Avenue, NW  
Cleveland, Ohio 44113-1801  
(216) 787-3665 or (800) 626-2297  
NortheastRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mentor, Lake County, Ohio (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mentor, Lake County, Ohio, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary and Other Information*

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

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

In accordance with *Government Auditing Standards*, we will also issue our report dated June 24, 2020, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State  
Columbus, Ohio

June 24, 2020



# CITY OF MENTOR, OHIO

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Mentor (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019. Please read this information in conjunction with the City's basic financial statements and footnotes.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2019 by approximately \$122.9 million (net position). All of the net position is accounted for as governmental activities. Of this amount, \$35.5 million (unrestricted net position prior to reporting the net pension and OPEB liability) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net position increased by \$27.0 million during 2019.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$23.5 million and is available for spending at the City's discretion. The unassigned fund balance equals 42.4 percent of total current year general fund expenditures.
- The City's total debt and other long-term obligations increased by \$0.8 million (0.6 percent) during the current fiscal year. The increase was primarily related to the net effect of the bonds issued (\$7.9 million), retirement of bonds (\$2.4 million), loans issued (\$0.1 million), decreased workers compensation liabilities (\$0.2 million) and reduction to net pension/OPEB liability (\$4.6 million).

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of six components: 1) government-wide financial statements, 2) fund financial statements, 3) General Fund budget and actual statement, 4) proprietary fund financial statements, 5) fiduciary fund financial statements, and 6) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only

result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

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

The City maintains 53 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Special Assessment Bond Retirement Fund, which are considered to be major funds. Data from the other 51 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The fiduciary funds reporting focuses on net position and changes in net position.

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position looks at the City as a whole. The following table provides a summary of the City's net position for 2019 compared to 2018.

	Summary of Net Position	
	December 31, 2019	December 31, 2018
<b>Assets</b>		
Current and other assets	\$ 79,228,280	\$ 67,434,465
Net Pension Asset	52,536	64,338
Capital Assets	175,283,053	174,375,340
<b>Total Assets</b>	<b>254,563,869</b>	<b>241,874,143</b>
<b>Deferred Outflows of Resources</b>		
Deferral on Refunding	310,077	45,701
Pension	20,991,823	9,513,692
OPEB	4,183,204	4,354,233
<b>Total Deferred Outflows of Resources</b>	<b>25,485,104</b>	<b>13,913,626</b>
<b>Liabilities</b>		
Current and other liabilities	4,885,705	5,885,602
Long term liabilities:		
Due within one year	3,070,134	2,810,959
Due in more than one year:		
Net Pension Liability	77,944,395	54,861,573
Net OPEB Liability	18,808,441	46,502,321
Other Amounts	40,317,085	35,123,080
<b>Total Liabilities</b>	<b>145,025,760</b>	<b>145,183,535</b>
<b>Deferred Inflows of Resources</b>		
Property Taxes	6,015,829	5,981,790
Payment in Lieu of Taxes	1,400,000	970,000
OPEB	2,643,829	1,424,376
Pension	2,098,720	6,378,511
<b>Total Deferred Inflows of Resources</b>	<b>12,158,378</b>	<b>14,754,677</b>
<b>Net Position</b>		
Net Investment in Capital Assets	138,002,503	142,439,209
Restricted	25,656,028	18,465,011
Unrestricted	(40,793,696)	(65,054,663)
<b>Total Net Position</b>	<b>\$ 122,864,835</b>	<b>\$ 95,849,557</b>

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2019 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27." For 2019, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will

gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net pension and subtracting the net pension asset and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

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

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

Net position at December 31, 2019 was increased by \$27,015,278.

Total assets and deferred outflows of resources increased \$24,261,204 from 2018 to 2019. The increase was primarily caused by an increase in capital assets and other assets of \$12.7 million and a net increase in deferred outflows of pension and OPEB resources of \$11.6 million.

Total liabilities and deferred inflows of resources decreased by \$2,754,074. The decrease was primarily attributable to a \$3.1 million decrease in pension/OPEB deferred inflows, a \$0.5 million increase in property tax/PILOT deferred inflows, a \$4.6 million decrease in pension/OPEB liabilities, and a \$4.4 million net increase to current and other long term liabilities, mostly related to the issuance of general obligation bonds issued during 2019.

The result of increased assets and deferred outflows of resources and decreased liabilities and deferred inflows of revenues is an increase in total net position of \$27,015,278. A portion of the City's net position (20.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$40.8 million. The deficit is primarily the result of the City's implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pension – an Amendment of GASB Statement 27" (GASB 68) and GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

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

### Changes in Net Position

	2019	2018
Revenues		
Program Revenues:		
Charges for services	\$ 17,448,611	\$ 16,868,926
Operating grants and contributions	5,205,513	5,562,165
Capital grants and contributions	127,710	658,199
General Revenues:		
Municipal income taxes	46,145,774	43,614,088
Property taxes	6,338,659	4,955,299
Other local taxes	751,788	777,484
Payments in lieu of taxes	1,163,661	892,540
Grants and entitlements not restricted to specific programs	2,592,016	2,599,620
Unrestricted investment earnings	1,468,224	554,885
Other	4,750,015	979,496
Total Revenues	85,991,971	77,462,702
Expenses		
General government	11,655,718	9,783,557
Police	5,332,531	17,791,171
Fire	2,395,988	15,595,999
Streets and highways	20,045,636	18,451,295
Parks and recreation	11,099,055	9,915,522
Planning and development	4,074,852	3,956,188
Engineering and building	3,482,872	3,140,639
Interest and fiscal charges	890,041	1,119,683
Total Expenses	58,976,693	79,754,054
Change in net position	27,015,278	(2,291,352)
Net position at beginning of year	\$ 95,849,557	\$ 98,140,909
Net position at end of year	\$ 122,864,835	\$ 95,849,557

The provisions of GASB Statements 68 and 75 require the City to recognize a pension/OPEB adjustment that reduces expenses by \$18,966,696 in 2019 and increases expenses by \$6,587,028 in 2018. As a result, it is difficult to ascertain the true operational cost of services and the changes in cost of services from year to year. The table below shows the total cost of services by function with the GASB Statements 68 and 75 pension and OPEB costs removed.

	Governmental Activities	
	2019	2018
Program Expenses		
General Government	\$ 10,551,865	\$ 9,248,243
Police	16,026,501	15,486,067
Fire	14,863,940	13,318,060
Streets and highways	18,788,234	17,841,618
Parks and recreation	9,856,826	9,336,383
Planning and development	3,794,345	3,826,473
Engineering and building	3,171,637	2,990,499
Interest and fiscal charges	890,041	1,119,683
Total Expenses	\$ 77,943,389	\$ 73,167,026

In addition to the impact on net position as a result of the pension/OPEB adjustments, the increase in net position of \$27.0 million in 2019 is a result of higher expenses in most functional areas, particularly general government due to more IT and telecommunications expenditures and more streets and highways expenditures for large road projects completed in 2019. Program revenues and General revenues were about \$8.5 million higher primarily due to more program revenues received from outside contractors on infrastructure projects, greater tax revenue collected during 2019, and the addition of donated capital assets, including over 200 acres of new land.

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

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

### **Governmental Funds**

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

As of December 31, 2019, the City's governmental funds reported combined ending fund balances of \$49.0 million, an increase of \$12.4 million from the prior year. The unassigned amount of \$21.1 million is available for spending at the City's discretion. The remainder of the combined fund balances is not available for general spending because it has already been 1) assigned (\$9.4 million), 2) committed (\$2.1 million), 3) restricted (\$14.9 million), or nonspendable (\$1.5 million).

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

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

The General Fund is the chief operating fund of the City. At December 31, 2019, the unassigned fund balance of the General Fund was \$23.5 million. As a measure of the General Fund's liquidity, it is useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents 42.4 percent of total General Fund expenditures at December 31, 2019.

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

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

Years Ended December 31, 2019 and December 31, 2018

	<u>2019</u>	<u>2018</u>
Revenues:		
Property taxes	\$ 1,839,561	\$ 1,028,126
Municipal income taxes	45,616,221	43,321,075
Intergovernmental	2,152,214	2,004,985
Charges for services	6,751,822	6,415,726
Fines and forfeitures	961,339	857,594
Licenses, permits and inspections	1,529,064	1,789,521
Investment income	1,395,999	489,561
Donations and other	<u>655,373</u>	<u>484,653</u>
Total Revenues	<u>60,901,593</u>	<u>56,391,241</u>
Expenditures:		
General government	8,393,513	7,784,426
Police	13,344,984	13,091,264
Fire	11,598,372	11,269,160
Streets and highways	8,090,184	8,101,565
Parks and recreation	7,741,121	7,501,247
Planning and development	3,402,152	3,532,260
Engineering and building	1,905,367	1,947,305
Capital outlay	982,304	1,179,527
Debt service - principal retirement and other charges	<u>61,805</u>	<u>38,823</u>
Total Expenditures	<u>55,519,802</u>	<u>54,445,577</u>
Excess of revenues over expenditures	5,381,791	1,945,664
Other financing sources (uses):		
Transfers out	<u>(1,589,004)</u>	<u>(546,085)</u>
Total other financing sources (uses)	<u>(1,589,004)</u>	<u>(546,085)</u>
Net change in fund balance	3,792,787	1,399,579
Fund balance at beginning of year	31,878,108	30,161,858
Change in inventory	<u>159,768</u>	<u>316,671</u>
Fund balance at end of year	<u>\$ 35,830,663</u>	<u>\$ 31,878,108</u>

## Analysis of General Fund Revenues

General Fund revenues totaled \$60.9 million in 2019, an increase of approximately 8.0% from 2018. A discussion of each of the major types of General Fund revenues follows.

### *Property Taxes*

Taxes collected from real property and public utility tangible personal property in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date.

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

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

<u>Collection Year</u>	<u>Real Property</u>	<u>Utility Property</u> (in thousands)	<u>Assessed Valuation</u>
2018	\$ 1,379,801	\$ 53,907	\$ 1,433,708
2019	\$ 1,534,583	\$ 54,847	\$ 1,589,430

Property tax revenues increased by approximately 79% in 2019 principally due to reallocating 0.5 mills of available inside millage to the general fund from the general obligation bond retirement fund.

### *Municipal Income Taxes*

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

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

Income tax revenue increased approximately \$2.3 million in 2019 versus the comparable amount in 2018 as a result of a strong and healthy local economy, particularly in the manufacturing sector. Revenue generated from the municipal income tax is recorded in the General Fund and may be used for any governmental purpose, including debt service on general obligation bonds of the City.

### *Intergovernmental*

Intergovernmental revenues are composed of federal and state grants and other shared revenues including taxes levied and collected by the State of Ohio and Lake County and partially redistributed to the City and other political subdivisions. Shared revenues include state income, sales, corporate franchise, estate, and cigarette taxes as well as liquor fees. Intergovernmental revenues increased by approximately 7.3% in 2019 primarily due to an increase in the state's share of local government funds.

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

Pursuant to the Ohio Revised Code, State LGF revenues are divided into county and municipal portions. The county portion, the larger of the two, is distributed to each of the State's 88 counties and is allocated based upon a statutory formula utilizing county population and county municipal property values. Once received by a county, the funds can either be distributed to all subdivisions using the statutory formula or the county and its subdivisions may agree upon an alternate method for allocating the funds. Lake County and its recipient communities have chosen the latter method, which is comprised of a base allocation and an excess allocation. The excess allocation takes into account such factors as assessed value per capita, per capita income, population density and the number of individuals receiving public assistance. The municipal portion of the LGF is distributed directly by the State to those municipalities that collect an income tax. A municipality receives its share of the funds based upon its percentage of total municipal income taxes collected throughout the state in a given year. In 2019, the City had LGF revenue of \$1.8 million.

### *Charges for Services*

Revenue from charges for services increased by \$336,096, approximately 5.2% in 2019 mostly due to a greater volume of emergency medical transports during 2019 compared to 2018.

### *Fines and Forfeitures*

Revenue from fines and forfeitures increased \$103,745 during 2019, primarily due to more revenue from court-imposed charges.

### *Licenses, Permits and Inspections*

Revenue from licenses, permits and inspections decreased by \$260,457, approximately 14.6% in 2019 primarily due to less revenue from building permits.

### *Investment Income*

Investment income in 2019 was \$1,395,999, up from \$489,561 in 2018. The change was due to the following three factors. The City had an average of \$36.2 million invested during 2019 versus \$37.4 million in 2018, which decreased investment income by about \$30,000. Secondly, a higher effective yield on the portfolio of about 0.27% during 2019 caused an increase of about \$100,000. Finally, the incremental change in the fair market value of the City's corporate bond funds caused the remaining increase of \$830,000.

## Donations and Other

Revenue from donations and other increased by \$170,720 during 2019, primarily due to more revenue received from the sale of assets and refunds from the previous year.

## Analysis of General Fund Expenditures

General Fund expenditures and other uses totaled \$57.1 million in 2019, an increase of 3.85% from 2018. The amount of expenditures and other uses by function on a modified accrual basis for the year ended December 31, 2019, including the increases (decreases) over the prior year, are shown in the following table:

Expenditures and Other Uses	2019	Total	2018	Total	Increase (Decrease) Over 2018	Change
	(\$ Amounts in 000's)					
Current:						
General Government	\$ 8,394	14.70%	\$ 7,785	14.16%	\$ 609	7.82%
Police	13,345	23.35%	13,091	23.81%	254	1.94%
Fire	11,598	20.31%	11,269	20.49%	329	2.92%
Streets and highways	8,090	14.17%	8,102	14.73%	(12)	-0.15%
Parks and recreation	7,741	13.56%	7,501	13.64%	240	3.20%
Planning and development	3,402	5.96%	3,532	6.42%	(130)	-3.68%
Engineering and building	1,905	3.34%	1,947	3.54%	(42)	-2.16%
Capital outlay	982	1.72%	1,180	2.15%	(198)	-16.78%
Debt Service - principal retirement	62	0.11%	39	0.07%	23	58.97%
Transfers out	<u>1,589</u>	<u>2.78%</u>	<u>546</u>	<u>0.99%</u>	<u>1,043</u>	<u>191.03%</u>
Total expenditures and other financing uses	<u>\$ 57,108</u>	<u>100.00%</u>	<u>\$ 54,992</u>	<u>100.00%</u>	<u>\$ 2,116</u>	<u>3.85%</u>

General government expenditures were higher as a result of processed claims and casualty losses paid as a result of storm damage to public buildings.

The Police Department expenditures were higher primarily as a result of increased employee compensation to the police patrol operations and higher vehicle maintenance expenditures.

The Fire Department expenditures were higher primarily as a result of increased employee compensation to fire and rescue services during 2019.

The Parks and recreation expenditures were higher primarily as a result of increased maintenance and repairs at parks facilities throughout the City.

Capital outlay decreased as a result of fewer expenditures in the Police Department for the new dispatch center and vehicles.

Debt Service principal retirement was higher as a result of additional no interest loans secured in 2019.

Transfers out increased as a result of more transfers required to close out funds in 2019.

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

*Employee Compensation and Labor Relations*

As of December 31, 2019, and 2018, the City had approximately 344 and 339 full-time employees, respectively. As of December 31, 2019, approximately 225 full-time employees are represented in 5 collective bargaining units. The labor unions, together with the approximate number of employees represented by each, are the Municipal, County and State Employees’ Union 1099 – 62, the Ohio Patrolmen’s Benevolent Assn., representing three units – 94, and the International Assn. of Firefighters Local 1845 – 69.

There have been no work stoppages in the City within the last 20 years. The current three-year agreements with the labor unions, which represent the full-time employees, all expire in March 2020. The agreement covering the part-time firefighters expired in March 2018. During 2019, a new agreement was approved which was effective March, 2018. The current agreements have wage increases of generally 2.5%.

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

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

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

<u>Year</u>	<u>Amount Paid</u>
2019	\$ 29,124,899
2018	28,616,170

*Employee Retirement Benefits*

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

These two retirement systems are:

- Ohio Public Employees Retirement System (OPERS), created in 1935, represents state and local government employees not included in one of the other four state-mandated

systems. More data on this pension fund is shown in Notes 13 and 14 of the financial statements.

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

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

	<u>2019</u>	<u>2018</u>
	(in thousands)	
Paid by City to		
OPERS	\$ 2,193	\$ 2,074
OP&F	<u>3,293</u>	<u>2,908</u>
Total paid by City	<u>5,486</u>	<u>4,982</u>
Paid by Employees to		
OPERS	1,704	1,482
OP&F	<u>1,879</u>	<u>1,644</u>
Total paid by Employees	<u>3,583</u>	<u>3,126</u>
Total	<u>\$ 9,069</u>	<u>\$ 8,108</u>

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

### **GENERAL FUND BUDGETARY ANALYSIS**

The difference between the original and final amended budget for the City's General Fund expenditures, including transfers and advances out, was an increase of \$7.4 million, a 10.1 percent increase in appropriations. The budget for general fund expenditures was increased as a result of underestimating original appropriations due to the following:

- Various capital project funds and grant funds required temporary cash advances from the General Fund. (Roadway and drainage infrastructure projects - \$4,800,000; various grants and other - \$3,200,000). The General Fund will be reimbursed next year from revenue to be received from outside funding sources for advances that were not repaid in 2019.

The difference between the original and final amended budget for the City's General Fund revenues, including advances in, was an increase of \$2.4 million, an increase of 3.7 percent. The budget for general fund revenues was increased as a result of underestimating revenues due to the following:

- Income tax revenues were higher than anticipated. There was an increase of approximately \$1.5 million from the original budget.
- Income from park programs and facility rentals was higher than anticipated. There was an increase of approximately \$0.3 million.

- Income from other insurance claims and refunds was higher than anticipated. There was an increase of approximately \$0.6 million.

The difference between the final amended budget and actual expenditures for the City's General Fund expenditures, including transfers and advances out, was a positive \$5.5 million. The following functions reported favorable material variances (rounded to the nearest \$100,000):

- General government – The Finance Department incurred less expenditures for tax collection agency fees and claims (\$300,000); City Council and the Municipal Court incurred less expenditures for operational costs (\$300,000); City Manager and Information Technology Department incurred less operational costs (\$700,000).
- Police – Employee compensation and benefits were under budget primarily because of unfilled positions during the year, (\$700,000); and operational costs were less than budgeted (\$400,000).
- Fire – Employee compensation and benefits were under budget primarily because of unfilled positions during the year, (\$300,000); and operational costs were less than budgeted (\$100,000).
- Streets and Highways – Employee compensation and benefits were under budget primarily because of unfilled positions during the year (\$300,000); and less expenditures for maintenance and repair of certain infrastructure projects (\$400,000).
- Parks and recreation – Employee compensation and benefits were under budget primarily because of unfilled positions during the year (\$400,000); and less expenditures for maintenance and repairs on facilities throughout the City, mostly at the marina (\$800,000).
- Planning and development – Employee compensation and benefits were under budget primarily because of partially unfilled positions during the year (\$100,000); and less expenditures for economic incentive grants (\$100,000).
- Engineering and Building – Employee compensation and benefits were under budget primarily because of unfilled positions during the year (\$100,000); less expenditures for general engineering services (\$400,000).

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets:** The City's investment in capital assets as of December 31, 2019 equaled \$175.3 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, equipment, infrastructure, and construction in progress. The total increase in the City's investment in capital assets in 2019 was 0.5 percent. A summary of the City's capital assets at December 31, 2019 and December 31, 2018 is as follows:

	<b>2019</b>	<b>2018</b>
	<b>Capital Assets, Net of Accumulated Depreciation</b>	<b>Capital Assets, Net of Accumulated Depreciation</b>
	<hr/>	<hr/>
Land	\$ 71,086,396	\$ 66,526,517
Land improvements	925,322	997,618
Buildings and improvements	17,407,686	18,455,723
Equipment	8,518,404	8,248,102
Infrastructure	69,649,624	69,887,303
Construction in progress	7,695,621	10,260,077
Total	<hr/> <b>\$ 175,283,053</b>	<hr/> <b>\$ 174,375,340</b>

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

- Land – acquired over 200 acres of land from adjacent municipality bordering the eastern corporation line.
- Land improvements – normal annual depreciation on existing capital assets.
- Buildings and improvements – normal annual depreciation on existing buildings.
- Equipment – acquisition of new equipment and vehicles (\$1.8 million) offset by normal annual depreciation and asset disposals on existing equipment (\$1.5 million).
- Infrastructure – normal annual depreciation on existing roads, bridges, and other infrastructure (\$2.8 million) with \$2.6 million in new construction and improvements.
- Construction in progress - \$4.1 million increase for major improvement projects – Springbrook Gardens Park, City Market Development, and U.S. Route 20 Resurfacing offset by \$6.7 million for capitalized assets previously under construction.

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

**Long-term debt.** As of December 31, 2019, the City had total bond, notes and loans outstanding of \$37.6 million. These are backed by the full faith and credit of the City.

The activity affecting the City's debt obligations outstanding during the year ended December 31, 2019 is summarized below.

	<u>Balance January 1, 2019</u>	<u>Debt Issued</u>	<u>Debt Retired</u>	<u>Balance December 31, 2019</u>
		(in thousands)		
General Obligation Bonds	\$ 24,625	\$ 7,930	\$ (1,640)	\$ 30,915
Special Assessment Bonds	6,445	-	(725)	5,720
Unamortized Premium on Debt	196	45	(22)	219
OWDA/OPWC Loans	669	125	(58)	736
	<u>31,935</u>	<u>8,100</u>	<u>(2,445)</u>	<u>37,590</u>
Total Government Activities	<u>\$ 31,935</u>	<u>\$ 8,100</u>	<u>\$ (2,445)</u>	<u>\$ 37,590</u>

The funds used to meet the debt service requirements of the City's general obligation bonds are from certain ad valorem taxes and other revenue sources. Ad valorem taxes, the primary source of funds, amounted to \$1.6 million in 2019 which represented 48% of the debt service requirements on the general obligation and special assessment bonds. Use of existing fund balances and transfers from the general fund were used to pay the remaining 52% of debt service requirements.

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

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

The City presently has an Aa1 bond rating from Moody's Investors Service and a AA+ rating from S&P Global. The ratings were both assigned in October, 2017, and reaffirmed for the City's most recently issued Series 2019 Various Purpose bonds. Previously the City had an Aa1 rating from Moody's that was based on a recalibration during 2010 and reaffirmed in 2011 and 2015. Prior to that, the City had an Aa2 rating from Moody's that was assigned in 2005, and reaffirmed several times.

The ratio of net general bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the City's debt position. Net general bonded debt is total general bonded debt supported by taxes less amounts available in the Debt Service Funds. This data at December 31, 2019 was:

Net General Bonded Debt	\$ 30,354,135
Ratio of Net Bonded Debt to Assessed Valuation	1.91%
Net General Bonded Debt Per Capita	\$ 642.10

The Ohio Revised Code provides that the net debt of the municipal corporation, whether or not approved by the electors, shall not exceed 10.5 percent of the assessed value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5 percent of the total assessed value of property. The City's total debt limit (10.5 percent) is \$135,755,739 and unvoted debt limit (5.5 percent) is

\$56,284,252. These debt limitations are not expected to affect the financing of any currently planned facilities or services.

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

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

On a cash basis the City's general fund budget for 2020 projects a year-end unencumbered balance of \$3.8 million. This includes estimated income tax collections of \$43.3 million which is less than the record year actual 2019 collections. For the four months through April 30, 2020, income tax collections were up 3.25% from the comparable 2019 period. The general fund unencumbered balance at April 30, 2020 was \$7.1 million. The City anticipates an unfavorable impact to its financial position and operations during 2020 as a result of the COVID-19 state of emergency declared by the United States and the State of Ohio in March 2020. The impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

### **NEED ADDITIONAL INFORMATION**

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



**CITY OF MENTOR, OHIO**  
**STATEMENT OF NET POSITION**  
**December 31, 2019**

	<u>Primary Government</u> <u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 46,233,558
Receivables, net of allowance for doubtful accounts	26,393,803
Due from other governments	4,447,995
Inventory	1,070,003
Prepaid items	405,400
Net Pension Asset	52,536
Land held for resale	677,521
Nondepreciable capital assets	78,782,017
Depreciable capital assets, net of accumulated depreciation	96,501,036
Total assets	<u>254,563,869</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding	310,077
Pension	20,991,823
OPEB	4,183,204
Total deferred outflows of resources	<u>25,485,104</u>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	4,381,693
Deposits	504,012
Long-term obligations:	
Due within one year	3,070,134
Due in more than one year:	
Net pension liability	77,944,395
Net OPEB Liability	18,808,441
Other amounts	40,317,085
Total liabilities	<u>145,025,760</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property tax	6,015,829
PILOT	1,400,000
OPEB	2,643,829
Pension	2,098,720
Total deferred inflows of resources	<u>12,158,378</u>
<b>NET POSITION</b>	
Net investment in capital assets	138,002,503
Restricted for:	
Debt service	9,523,126
Capital projects	6,655,932
Streets and public safety	9,476,970
Unrestricted	(40,793,696)
Total net position	<u>\$ 122,864,835</u>

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

**CITY OF MENTOR, OHIO**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2019**

Functions/Programs	Expenses	Charges for Services	Program Revenues		Primary Government Governmental Activities	Net (Expense) Revenue and Changes in Net Position
			Operating Grants and Contributions	Capital Grants and Contributions		
<b>Primary government:</b>						
Governmental activities:						
General Government	\$ 11,655,718	\$ 2,986,994	\$ 72,418	\$ -	\$ (8,596,306)	
Police	5,332,531	1,933,441	106,473	-	(3,292,617)	
Fire	2,395,988	3,111,823	68,259	-	784,094	
Streets and highways	20,045,636	2,748,505	4,467,610	127,710	(12,701,811)	
Parks and recreation	11,099,055	5,304,365	365,576	-	(5,429,114)	
Planning and development	4,074,852	333,067	122,927	-	(3,618,858)	
Engineering and building	3,482,872	1,030,416	2,250	-	(2,450,206)	
Interest and fiscal charges	890,041	-	-	-	(890,041)	
Total governmental activities	\$ 58,976,693	\$ 17,448,611	\$ 5,205,513	\$ 127,710	(36,194,859)	
General revenues:						
						46,145,774
						1,869,851
						2,858,850
						1,609,958
						751,788
						1,163,661
						2,592,016
						1,468,224
						4,750,015
						<u>63,210,137</u>
						27,015,278
						95,849,557
						<u>\$ 122,864,835</u>

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

**CITY OF MENTOR, OHIO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2019**

	General	Special Assessment Bond Retirement	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 15,501,493	\$ 22,672	\$ 25,129,022	\$ 40,653,187
Receivables, net	13,422,882	8,090,733	4,880,188	26,393,803
Due from other funds	12,592,203	-	232,550	12,824,753
Due from other governments	931,646	-	3,516,349	4,447,995
Inventory	1,070,003	-	-	1,070,003
Prepaid items	403,088	-	2,312	405,400
Land held for resale	-	677,521	-	677,521
Total assets	<u>\$ 43,921,315</u>	<u>\$ 8,790,926</u>	<u>\$ 33,760,421</u>	<u>\$ 86,472,662</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 445,573	\$ -	\$ 422,538	\$ 868,111
Accrued payroll and employee benefits	1,230,583	-	-	1,230,583
Accrued liabilities	85,307	-	-	85,307
Construction, security and bid deposits	504,012	-	-	504,012
Due to other funds	-	72,513	12,752,240	12,824,753
Due to other governments	-	139,570	-	139,570
Total liabilities	<u>2,265,475</u>	<u>212,083</u>	<u>13,174,778</u>	<u>15,652,336</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax	1,507,538	-	4,508,291	6,015,829
PILOT	-	-	1,400,000	1,400,000
Unavailable Revenue - Delinquent property tax	84,553	-	185,740	270,293
Unavailable Revenue - Income tax	3,612,960	-	-	3,612,960
Unavailable Revenue - Shared revenue	620,126	-	1,386,429	2,006,555
Unavailable Revenue - Special Assessment	-	8,490,243	46,233	8,536,476
Total deferred inflow of resources	<u>5,825,177</u>	<u>8,490,243</u>	<u>7,526,693</u>	<u>21,842,113</u>
Total liabilities and deferred inflows of resources	<u>8,090,652</u>	<u>8,702,326</u>	<u>20,701,471</u>	<u>37,494,449</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	1,473,091	-	2,312	1,475,403
Restricted	-	88,600	14,791,035	14,879,635
Committed	1,373,936	-	706,047	2,079,983
Assigned	9,462,165	-	-	9,462,165
Unassigned	23,521,471	-	(2,440,444)	21,081,027
Total fund balances (deficits)	<u>\$ 35,830,663</u>	<u>\$ 88,600</u>	<u>\$ 13,058,950</u>	<u>\$ 48,978,213</u>
Total liabilities and fund balances (deficits)	<u>\$ 43,921,315</u>	<u>\$ 8,790,926</u>	<u>\$ 33,760,421</u>	<u>\$ 86,472,662</u>

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

# CITY OF MENTOR, OHIO

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION DECEMBER 31, 2019

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

Total fund balances - governmental funds		\$ 48,978,213
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. (See note 6.)		175,283,053
An internal service fund is used by management to charge the cost of certain activities, such as insurance to individual funds. The assets and liabilities of the Internal Service funds are included in Governmental Activities in the Statement of Net Position		1,358,506
The net pension liability/asset and net OPEB liability/asset are not due and payable in the current period; therefore the liability asset and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	20,991,823	
Deferred Inflows - Pension	(2,098,720)	
Net Pension Liability/Asset	(77,891,859)	
Deferred Outflows - OPEB	4,183,204	
Deferred Inflows - OPEB	(2,643,829)	
Net OPEB Liability/Asset	<u>(18,808,441)</u>	
		(76,267,822)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Deferred charges for bond refundings	310,077	
Unavailable revenues	<u>14,426,284</u>	
		14,736,361
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds. (See note 7.)		
Long term obligations	(43,387,219)	
Internal service portion	3,470,000	
Accrued vacation	(1,221,253)	
Accrued interest	<u>(85,004)</u>	
		(41,223,476)
Net position of governmental activities		<u>\$ 122,864,835</u>

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

**CITY OF MENTOR, OHIO**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN**  
**FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2019**

	General	Special Assessment Bond Retirement	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 1,839,561	\$ -	\$ 4,347,487	\$ 6,187,048
Municipal Income Tax	45,616,221	-	-	45,616,221
Other Local Taxes	-	-	765,374	765,374
Payments in Lieu of Taxes	-	-	1,163,661	1,163,661
Intergovernmental	2,152,214	-	5,037,963	7,190,177
Charges for services	6,751,822	-	673,627	7,425,449
Fines and forfeitures	961,339	-	318,160	1,279,499
Licenses, permits, and inspections	1,529,064	-	14,000	1,543,064
Special Assessments	-	993,975	1,389,630	2,383,605
Investment Income	1,395,999	-	72,225	1,468,224
Donations and other	655,373	-	167,497	822,870
Total revenues	<u>60,901,593</u>	<u>993,975</u>	<u>13,949,624</u>	<u>75,845,192</u>
<b>EXPENDITURES</b>				
Current:				
General Government	8,393,513	31,238	400,109	8,824,860
Police	13,344,984	-	637,498	13,982,482
Fire	11,598,372	-	869,668	12,468,040
Streets and highways	8,090,184	-	6,514,506	14,604,690
Parks and recreation	7,741,121	-	529,526	8,270,647
Planning and development	3,402,152	-	189,696	3,591,848
Engineering and building	1,905,367	-	598,509	2,503,876
Debt service:				
Principal retirement	58,071	725,000	1,624,954	2,408,025
Interest and fiscal charges	3,734	276,090	638,787	918,611
Capital outlay:				
General Government	118,274	-	14,510	132,784
Police	299,213	-	8,722	307,935
Fire	23,450	-	878,680	902,130
Streets and highways	290,010	-	1,692,096	1,982,106
Parks and recreation	240,576	-	376,635	617,211
Engineering and building	10,781	-	229,919	240,700
Total expenditures	<u>55,519,802</u>	<u>1,032,328</u>	<u>15,203,815</u>	<u>71,755,945</u>
Excess (deficiency) of revenues over expenditures	<u>5,381,791</u>	<u>(38,353)</u>	<u>(1,254,191)</u>	<u>4,089,247</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	-	-	7,930,000	7,930,000
Premium on bonds	-	-	44,832	44,832
Issuance of OPWC Loans	-	-	124,710	124,710
Transfers In	-	-	2,376,567	2,376,567
Transfers Out	(1,589,004)	-	(787,563)	(2,376,567)
Total other financing sources (uses)	<u>(1,589,004)</u>	<u>-</u>	<u>9,688,546</u>	<u>8,099,542</u>
Net change in fund balances	3,792,787	(38,353)	8,434,355	12,188,789
Fund balances - beginning	31,878,108	126,953	4,624,595	36,629,656
Change in Inventory	159,768	-	-	159,768
Fund balances - ending	<u>\$ 35,830,663</u>	<u>\$ 88,600</u>	<u>\$ 13,058,950</u>	<u>\$ 48,978,213</u>

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

# CITY OF MENTOR, OHIO

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF GOVERNMENTAL ACTIVITIES YEAR ENDED DECEMBER 31, 2019

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

Net change in fund balances - total governmental funds \$12,188,789

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:

Capital asset additions	\$ 2,827,767	
Capital asset contributions	3,651,816	
Current year depreciation	<u>(5,495,452)</u>	984,131

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (76,417)

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

Property and municipal income tax	681,163	
Intergovernmental	434,166	
Special Assessment	(844,802)	
Other	<u>(217,589)</u>	52,938

The issuance of long-term debt (e.g. bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds an interest expenditure is reported when due. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (5,390,120)

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

Pension	4,946,798	
OPEB	<u>93,613</u>	5,040,411

Except for amounts reported as deferred inflows/outflows, changes in the net pension and net OPEB liability are reported as pension and OPEB expense in the statement of activities.

Pension	(12,283,500)	
OPEB	<u>26,209,785</u>	13,926,285

The internal service fund are used by management to charge costs to certain activities, such as insurance to individual funds. The net revenue(expense) of Internal Service funds are reported in the Governmental Activities. 129,044

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 160,217

Changes in net position of governmental activities \$27,015,278

**CITY OF MENTOR, OHIO**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

**(NON-GAAP BUDGETARY BASIS)**

**For the Year Ended December 31, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>				
Property taxes	\$ 1,791,000	\$ 1,791,000	\$ 1,839,562	\$ 48,562
Municipal income tax	42,200,000	43,700,000	45,565,403	1,865,403
Intergovernmental	1,921,600	1,921,600	2,140,645	219,045
Charges for services	6,327,500	6,601,200	6,751,822	150,622
Fines and forfeitures	829,500	829,500	942,837	113,337
Licenses, permits and inspections	1,684,500	1,684,500	1,528,565	(155,935)
Investment income	750,000	750,000	889,300	139,300
Other	85,600	739,600	770,801	31,201
Total revenues	<u>55,589,700</u>	<u>58,017,400</u>	<u>60,428,935</u>	<u>2,411,535</u>
<b>EXPENDITURES:</b>				
<b>Function:</b>				
General government	9,595,044	9,127,044	7,832,575	1,294,469
Police	12,909,252	12,909,252	11,790,222	1,119,030
Fire	10,597,976	10,597,976	10,182,443	415,533
Streets and highways	8,879,289	8,801,289	8,101,585	699,704
Parks, recreation and public facilities	9,175,000	9,247,001	8,027,010	1,219,991
Economic and community development	6,477,924	6,477,924	6,251,554	226,370
Engineering and building	2,556,293	2,419,292	1,952,470	466,822
<b>Debt Service:</b>				
Principal retirement	100,000	96,265	58,071	38,194
Interest and other expenditures	-	3,735	3,733	2
Total expenditures	<u>60,290,778</u>	<u>59,679,778</u>	<u>54,199,663</u>	<u>5,480,115</u>
Excess (deficiency) of revenues over expenditures	(4,701,078)	(1,662,378)	6,229,272	7,891,650
<b>OTHER FINANCING SOURCES (USES):</b>				
Advances in	9,500,000	9,500,000	9,402,176	(97,824)
Advances out	(4,750,000)	(12,770,000)	(12,769,367)	633
Transfers out	(8,027,000)	(8,027,000)	(8,007,084)	19,916
Total other financing sources (uses)	<u>(3,277,000)</u>	<u>(11,297,000)</u>	<u>(11,374,275)</u>	<u>(77,275)</u>
NET CHANGE IN FUND BALANCE	(7,978,078)	(12,959,378)	(5,145,003)	7,814,375
Adjustment for prior year encumbrances	4,692,148	4,692,148	4,692,148	-
FUND BALANCES, BEGINNING OF YEAR	<u>8,557,727</u>	<u>8,557,727</u>	<u>8,557,727</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 5,271,797</u>	<u>\$ 290,497</u>	<u>\$ 8,104,872</u>	<u>\$ 7,814,375</u>

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

**CITY OF MENTOR, OHIO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2019**

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 5,580,371
Total assets	<u>5,580,371</u>
<b>LIABILITIES</b>	
Current liabilities:	
Claims Payable	751,865
Noncurrent liabilities:	
Employee benefits payable	<u>3,470,000</u>
Total liabilities	<u>4,221,865</u>
<b>NET POSITION</b>	
Unrestricted	1,358,506
Total net position	<u>\$ 1,358,506</u>

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

**CITY OF MENTOR, OHIO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2019**

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 6,000,000
Donations and other	518,437
Total operating revenues	<u>6,518,437</u>
<b>OPERATING EXPENSES</b>	
Employee Benefits	<u>6,389,393</u>
Total operating expenses	<u>6,389,393</u>
Operating income	129,044
Change in net position	129,044
Total net position - beginning	1,229,462
Total net position - ending	<u><u>\$ 1,358,506</u></u>

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

**CITY OF MENTOR, OHIO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2019**

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Charges for Services	\$ 6,000,000
Donations and other	518,437
Payments to vendors	<u>(5,307,453)</u>
Net cash provided by operating activities	<u>1,210,984</u>
Net increase in cash and cash equivalents	1,210,984
Cash and cash equivalents - beginning of year	4,369,387
Cash and cash equivalents - end of the year	<u><u>\$ 5,580,371</u></u>
 <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating Income	\$ 129,044
Changes in assets and liabilities:	
Decrease in prepaid items	539,445
Increase in accrued employee benefits	542,495
Net cash provided (used) by operating activities	<u><u>\$ 1,210,984</u></u>
 <b>CASH RECONCILIATION</b>	
Actual Balance - end of year	<u><u>\$ 5,580,371</u></u>

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

**CITY OF MENTOR, OHIO**  
**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**December 31, 2019**

	<b>Cemetery Bequest and Endowment Private-Purpose Trust Fund</b>	<b>Municipal Court Agency Fund</b>
<b>ASSETS</b>		
Cash and investments	\$ 22,604	\$ 103,789
<b>LIABILITIES</b>		
Deposits held and due to others	-	103,789
<b>NET POSITION</b>		
Held in trust for decoration of specific graves	\$ 22,604	\$ -

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

**CITY OF MENTOR, OHIO**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - PRIVATE**  
**PURPOSE TRUST FUND**  
**For the Year Ended December 31, 2019**

	Cemetery Bequest and Endowment Private- Purpose Trust Fund
<b>ADDITIONS</b>	
Investment Income	\$ 562
Total additions	<u>562</u>
<b>DEDUCTIONS</b>	
General expenses	500
Total deductions	<u>500</u>
Net increase (decrease) in fiduciary net position	62
Net Position -- beginning of the year	<u>22,542</u>
Net Position -- end of the year	<u><u>\$ 22,604</u></u>

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

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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

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

**Reporting Entity:** The accompanying financial statements as of December 31, 2019 and for the year then ended have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) applicable to local governments. The Governmental Accounting Standards Board (“GASB”) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB’s Codification of Governmental Accounting and Financial Reporting Standards (“GASB Codification”).

In evaluating how to define the governmental reporting entity, the City complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and 34*, under which the financial statements include all the organizations, activities, functions, and component units for which the City (“primary government”) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit’s board, and either (1) the City’s ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

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

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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### Basic Financial Statements:

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

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

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

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

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

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

General Fund expenditures represent costs of general government; police; fire; streets and highways; parks and recreation; planning and development; engineering and building; and debt service. General Fund resources are also transferred annually to support other services which are accounted for in other separate funds.

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

The City maintains proprietary funds, such as internal service funds, to report any activity that provides goods or services to other funds, departments or agencies or to other governments, on a cost-reimbursement basis. Currently, the City has two proprietary funds which are Internal Service Funds for Workers' Compensation and Self Insurance.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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Operating revenues within those funds are generated directly from the General Fund as Charges for Services. Operating expenses are the payment of premiums and claims which are the primary purposes of the funds.

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

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

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

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and deferred outflows of resources, liabilities and deferred inflows of resources, fund balance (net position), revenues, and expenditures (expenses). The fund types and classifications that exist under GAAP are as follows:

#### **GOVERNMENTAL FUNDS**

1. **General Fund** - The General Fund is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund is always defined as a major fund.
2. **Special Revenue Funds** - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. These funds include most federal and state grants.
3. **Debt Service Funds** - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general obligation and special assessment long-term debt principal, interest, and related costs. In 2019, the Special Assessment Bond Retirement Fund is considered a major fund.
4. **Capital Projects Funds** - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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5. **Permanent Funds** - Permanent funds are used for the purpose of accounting for and reporting resources that are legally restricted to the extent that earnings, and not principal, may be used for purposes that support the reporting government's programs. During 2019, the City did not utilize any permanent funds.

### PROPRIETARY FUNDS

1. **Enterprise Funds** - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. During 2019, the City did not utilize any enterprise funds.
2. **Internal Service Funds** - Internal service funds are used to report activity for the financing of goods or services provided by one department to other departments or to other governments on a cost-reimbursement basis. During 2011, the City established, with Resolution No. 11-R-107, an internal service fund known as the Workers' Compensation Fund to account for the operation of the retrospective ratings plan for Workers' Compensation. During 2016, the City established, with Resolution 16-R-102, an internal service fund known as the Self Insurance Fund to account for the operation of a self-insurance program.

### FIDUCIARY FUNDS

1. **Private-purpose Trust Funds** - Private-purpose trust funds are used to account for trust arrangements which benefit individuals, private organizations, or other governments. For accounting measurement purposes, the private-purpose trust funds are accounted for in essentially the same manner as proprietary funds. The City accounts for the cost of decorating specific graves as designated by individual donors in a Cemetery Bequest and Endowment Fund.
2. **Agency Funds** - Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature (assets and deferred outflows of resources equal liabilities and deferred inflows of resources) and do not involve the measurement of results of operations. The City's agency fund accounts for the Mentor Municipal Court.
3. **Other Fiduciary Funds** - Other fiduciary funds include pension trust funds and investment trust funds. During 2019, the City did not utilize any such trust funds.

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

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

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

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include income taxes, property taxes, grants, shared revenue, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the taxpayer's liability occurs and revenue from property taxes is recognized in the fiscal year for which the taxes are levied. On an accrual basis, revenue in the form of shared revenue is recognized when the provider government recognizes its liability to the City. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a cost reimbursement basis.

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

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

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

### ***D. Budgetary Procedures***

***Budgetary Process:*** The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance. These budgetary documents are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources as certified. The tax budget and appropriation ordinance are prepared under the direction of the City Manager and submitted to City Council for adoption. Budgeted expenditures represent original appropriations as modified by adjustments during the year. The primary level of budgetary control is at the departmental and object level. Budget revisions within appropriated amounts are subject to the approval of the City Manager. Changes in a department's total appropriation require action by City Council. For the year ended December 31, 2019, expenditures did not exceed appropriations in any individual department.

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

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

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

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

A reconciliation of the General Fund's results of operations for 2019 reported on the budget basis versus the GAAP basis is as follows:

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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<u>Net Change in Fund Balance</u>	
Budget Basis	\$ (5,145,003)
Adjustments:	
Revenue accruals	472,658
Advances in	(9,402,176)
Advances out	12,769,367
Expenditure accruals	147,669
Encumbrances	<u>4,950,272</u>
GAAP Basis	<u>\$ 3,792,787</u>

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

The City honors the contracts represented by year-end encumbrances, and the related appropriations are carried forward to the succeeding year. For governmental fund financial statements reporting purposes, encumbrances outstanding at year-end are reported as restricted, committed, assigned or unassigned classifications of fund balance since they do not constitute expenditures, liabilities, or deferred inflows of resources.

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

As of December 31, 2019, the City's commitments for encumbrances in the governmental funds were as follows:

	<u>Encumbrances Outstanding</u>
General	\$ 4,950,272
Nonmajor funds	\$ 8,108,923
Total	<u>\$ 13,059,195</u>

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

**Cash and Investments:** Cash resources of certain individual funds are combined to form a pool of cash and investments which is managed by the Director of Finance. Interest earned on pooled cash and investments is credited to the General Fund, (except in cases where state law or City ordinances require that the income be allocated to certain specific funds, utilizing a formula based on the month-end balance of each fund). The City reports its investments at fair value based on quoted market values and recognizes the corresponding change in the fair value of the investments as investment earnings in the year in which the change occurs.

**Inventory:** Inventory is valued at cost using the first-in, first-out (FIFO) method and consists of expendable supplies held for consumption and items held for resale. The cost of inventory

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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items is recorded as an expenditure in the governmental fund financial statements at the time individual inventory items are purchased. Reported inventories are equally offset by a nonspendable fund balance which indicates that they do not constitute “available spendable resources” even though they are a component of net position.

**Prepays:** Payments made to vendors for services that will benefit periods beyond December 31, 2019, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

**Capital Assets:** Capital assets, which include land, construction in progress, land improvements, buildings (including renovations and improvements), equipment, and infrastructure assets are reported in the governmental activities column in the government-wide financial statements to the extent the City’s capitalization threshold is met. The City defines capital assets as assets with an estimated useful life in excess of five years (except vehicles) and an individual cost of more than \$5,000. Assets are recorded at historical cost or estimated historical cost, if historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their acquisition value on the date contributed.

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

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

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

Land improvements	20
Building and improvements	20 - 40
Equipment	5 - 20
Infrastructure	25 - 50

**Compensated Absences:** The City accrues for accumulated, unpaid vacation and sick leave earned using the termination payment method specified under GASB Statement No. 16, *Accounting for Compensated Absences*. In the government-wide financial statements, the entire amount of unpaid vacation and sick leave is reported as a liability. A liability for accumulated, unpaid vacation and sick leave is accrued in the governmental fund financial statements only if the amount is currently due and payable at year end.

These amounts are recorded as accrued payroll and employee benefits in the fund from which the employees who have accumulated leave are paid. The remaining portion of the liability is not reported in the governmental fund financial statements.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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

**Accrued Liabilities and Long-Term Obligations:** In the government-wide statement of net position, accounts payable and accrued liabilities, deposits, notes payable, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds-outstanding method, which approximates the effective interest method. Losses on advance refundings are deferred and amortized over the life of the new debt, or the life of the advance refunded debt, whichever is shorter. Bonds payable are reported net of the applicable unamortized bond premium, discount or advance refunding losses. Bond issuance costs are reported as an expense in the period incurred.

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

Net pension/OPEB liability is recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payments of those benefits.

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

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

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

*Committed* – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the City's Council. Those committed amounts cannot be used for any other purpose unless the City's Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned* – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established by the City’s legislative body, the City Council. State statute authorizes the Finance Director to assign fund balance for purchase orders; provided such amounts have been lawfully appropriated.

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

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

The constraints placed on fund balance for the major governmental funds and all other governmental funds follow:

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

Fund Balances	General	Special Assessment Bond Retirement	Other Governmental Funds	Total
<i>Nonspendable</i>				
Inventories	\$ 1,070,003	\$ -	\$ -	\$ 1,070,003
Prepaid items	403,088	-	2,312	405,400
<i>Total Nonspendable</i>	<u>1,473,091</u>	<u>-</u>	<u>2,312</u>	<u>1,475,403</u>
<i>Restricted for</i>				
Land held for resale	-	88,600	-	88,600
Parks and recreation	-	-	1,619,016	1,619,016
Safety forces	-	-	5,009,611	5,009,611
Streets and highways	-	-	5,120,240	5,120,240
Street lighting	-	-	304,403	304,403
Planning and development	-	-	1,858,300	1,858,300
Debt service	-	-	780,248	780,248
Issue II	-	-	-	-
Other	-	-	99,217	99,217
<i>Total Restricted</i>	<u>-</u>	<u>88,600</u>	<u>14,791,035</u>	<u>14,879,635</u>
<i>Committed to</i>				
Payroll stabilization	1,373,936	-	-	1,373,936
Parks and recreation	-	-	667,039	667,039
Street trees	-	-	39,008	39,008
<i>Total Committed</i>	<u>1,373,936</u>	<u>-</u>	<u>706,047</u>	<u>2,079,983</u>
<i>Assigned to</i>				
Parks and recreation	752,854	-	-	752,854
Safety forces	107,848	-	-	107,848
Streets and highways	720,868	-	-	720,868
Engineering and building	261,638	-	-	261,638
Planning and development	3,056,782	-	-	3,056,782
General government	161,488	-	-	161,488
Planned 2020 appropriations	4,400,687	-	-	4,400,687
<i>Total Assigned</i>	<u>9,462,165</u>	<u>-</u>	<u>-</u>	<u>9,462,165</u>
<i>Unassigned (Deficit)</i>	<u>23,521,471</u>	<u>-</u>	<u>(2,440,444)</u>	<u>21,081,027</u>
<b>Total Fund Balances</b>	<u><b>\$ 35,830,663</b></u>	<u><b>\$ 88,600</b></u>	<u><b>\$ 13,058,950</b></u>	<u><b>\$ 48,978,213</b></u>

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

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

**Deferred Outflows/Inflows of Resources:** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 13 and 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance year 2020 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income tax, intergovernmental grants, other revenues, shared revenue and special assessments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 13 and 14)

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

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

During the year, the City followed the Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effect Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The City has postponed the implementation of GASB Statements No. 83, 84, 88, 90.

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

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

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts. Inactive deposits are monies identified as not required for use within the current five-year period of designation of depositories.

Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio and any of its taxing subdivisions;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that the investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio). The City's investment in State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio as the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2019, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes;

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed three million dollars face amount invested in the acceptances of any one bank at any time; and,
8. Under limited circumstances, consistent with the City's investment policy, three mutual funds which invest in corporate and GNMA bonds: Vanguard Short-Term Corporate Fund, Vanguard Intermediate-Term Corporate Fund, and Vanguard GNMA Fund.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

### ***Deposits***

***Custodial credit risk*** is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or protected by:

Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The City's financial institution had enrolled in OPCS as of December 31, 2019.

At year-end, the carrying amount of the City's deposits including certificates of deposit was \$4,648,625 and the bank balance was \$5,184,353. Of the bank balance, \$750,000 was covered by Federal depository insurance and \$4,434,353 was uninsured. Of the remaining uninsured bank balance, \$4,434,353 was collateralized with securities held by the pledging institution's agent or trust department, not in the City's name.

### ***Investments***

STAR Ohio is measured at net asset value per share while all other investments are measured at fair value. Fair value is determined by quoted market prices and acceptable other pricing methodologies. The City categorizes its fair value measurements within the fair value hierarchy

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The Money Market Mutual Fund is measured at fair value and is valued using quoted market prices (Level 1 inputs). The City's remaining investments (Vanguard Funds) measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

As of December 31, 2019, the City had the following investments:

	Measurement Value	Maturity		
		Less than 1 year	1 to 2 years	Greater than 2 years
Vanguard Short-Term Corporate Bond Fund	\$ 3,049,743	\$ -	\$ 3,049,743	\$ -
Vanguard Intermediate-Term Corporate Bond Fund	4,259,290	-	-	4,259,290
Vanguard GNMA Fund	5,083,623	-	-	5,083,623
STAROhio	29,318,670	29,318,670	-	-
Total Portfolio	<u>\$ 41,711,326</u>	<u>\$ 29,318,670</u>	<u>\$ 3,049,743</u>	<u>\$ 9,342,913</u>

**Interest Rate Risk** arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk requiring that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The City investment policy also limits security purchases to those that mature five years unless the purchase is in shares of the three Vanguard Corporate and GNMA Funds. The net asset value of the STAROhio investment is equal to the value of the pool shares.

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

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

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

The credit ratings assigned to the three mutual funds were obtained from Barclays Capital using ratings derived from Moody's Investors Service, Fitch Ratings, and Standard & Poor's. The portfolios are rated as follows: The Vanguard Short-Term Corporate Bond Fund and the Vanguard Intermediate-Term Corporate Bond Fund were rated between A through Baa3. The Vanguard GNMA Fund was rated equal to the U.S. Government or Aaa. The STAROhio investment was rated AAAm by S&P. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service.

**Concentration of Credit Risk** is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations.

The following is the City's allocation as of December 31, 2019; Vanguard Short-Term Corporate Bond Fund – 7.3%, Vanguard Intermediate Term Corporate Bond Fund – 10.2%, Vanguard GNMA Fund – 12.2%, and STAROhio – 70.3%.

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

<i>Government-Wide Financial Statements</i>	
Cash and investments	\$ 46,233,558
<i>Fund Financial Statements</i>	
Cash and investments	\$ 40,653,187
<i>Proprietary Fund Financial Statements</i>	
Cash and investments	5,580,371
<i>Statement of Fiduciary Net Position</i>	
Cash	126,393
Total	\$ 46,359,951

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

Receivables consist of the following at December 31, 2019:

	Income Taxes	Property Taxes	Special Assess- ments	Other	Gross Receivables	Allowance for uncol- lectibles	Net
Governmental Activities							
Governmental Funds							
General Fund	\$ 11,454,725	\$ 1,611,305	\$ -	\$ 383,456	\$ 13,449,486	\$ (26,604)	\$ 13,422,882
Special Assessment Bond Retirement Fund	-	-	8,143,178	-	8,143,178	(52,445)	8,090,733
Other Governmental Funds	-	4,754,582	55,996	145,047	4,955,625	(75,437)	4,880,188
Total Receivables	<u>\$ 11,454,725</u>	<u>\$ 6,365,887</u>	<u>\$ 8,199,174</u>	<u>\$ 528,503</u>	<u>\$ 26,548,289</u>	<u>\$ (154,486)</u>	<u>\$ 26,393,803</u>

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

Governmental fund financial statements report deferred inflows of resources pertaining to receivables that are not considered to be available to liquidate liabilities of the current period. Revenue recognition is also deferred with respect to grant revenues that have been received, but all eligibility requirements have not been met. For purposes of the government-wide financial statements, the availability criteria is not considered in determining deferred inflows of resources. The various components of deferred inflows of resources reported in the accompanying financial statements were as follows:

	<b>Government-Wide Statement of Net Position</b>	<b>Governmental Funds Balance Sheet</b>
Governmental Funds:		
General Fund:		
Property tax receivable	\$ 1,507,538	\$ 1,592,091
Income tax receivable	-	3,612,960
State shared revenue receivable	-	620,126
Total general fund	<u>1,507,538</u>	<u>5,825,177</u>
Special Assessment Bond Retirement Fund:		
Special assessment receivable	-	<u>8,490,243</u>
Other Governmental Funds:		
Property tax receivable	4,508,291	4,694,031
Special assessment receivable	-	46,233
State shared revenue receivable	-	1,386,429
Payments in lieu of taxes receivable	<u>1,400,000</u>	<u>1,400,000</u>
Total other governmental funds	<u>5,908,291</u>	<u>7,526,693</u>
Total deferred inflows of resources	<u>\$ 7,415,829</u>	<u>\$ 21,842,113</u>

### NOTE 5 – MUNICIPAL COURT

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

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

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

### NOTE 6 – CAPITAL ASSETS

**Capital Asset Activity:** Capital asset activity for the year ended December 31, 2019 was as follows:

	Balance December 31, 2018	Additions	Deductions	Balance December 31, 2019
	(Amounts in 000's)			
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 66,526	\$ 4,588	\$ (28)	\$ 71,086
Construction in progress	10,260	4,144	(6,709)	7,695
Total capital assets, not being depreciated	<u>76,786</u>	<u>8,732</u>	<u>(6,737)</u>	<u>78,781</u>
Capital assets, being depreciated:				
Land improvements	7,737	31	-	7,768
Buildings and improvements	45,642	-	(10)	45,632
Equipment	28,306	1,866	(1,379)	28,793
Infrastructure	130,854	2,559	-	133,413
Cost	<u>212,539</u>	<u>4,456</u>	<u>(1,389)</u>	<u>215,606</u>
Less accumulated depreciation for:				
Land improvements	(6,740)	(103)	-	(6,843)
Buildings and improvements	(27,186)	(1,048)	10	(28,224)
Equipment	(20,056)	(1,548)	1,331	(20,273)
Infrastructure	(60,968)	(2,796)	-	(63,764)
Total accumulated depreciation	<u>(114,950)</u>	<u>(5,495)</u>	<u>1,341</u>	<u>(119,104)</u>
Total accumulated assets being depreciated, net	<u>97,589</u>	<u>(1,039)</u>	<u>(48)</u>	<u>96,502</u>
Capital Assets, net	<u>\$ 174,375</u>	<u>\$ 7,693</u>	<u>\$ (6,785)</u>	<u>\$ 175,283</u>

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

	<u>(Amounts in 000's)</u>
Governmental Activities:	
General government	\$ 175
Police	479
Fire	628
Streets and highways	3,426
Parks and recreation	786
Engineering and building	<u>1</u>
Total depreciation expense charged to governmental activities	<u>\$ 5,495</u>

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

A summary of the changes in the debt and other long-term obligations of the City during the year ended December 31, 2019 is as follows:

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

	Balance January 1, 2019	Additions	(Reductions)	Balance December 31, 2019	Due Within One Year
<b>Governmental Activities</b>					
General Obligation Bonds due through 2037 2% to 5%	\$ 24,625,000	\$ 7,930,000	\$ (1,640,000)	\$ 30,915,000	\$ 2,010,000
Special Assessment Bonds due through 2029, 2% to 7.15%	6,445,000	-	(725,000)	5,720,000	765,000
Unamortized Premium on Debt	196,527	44,832	(21,976)	219,383	-
Other obligations:					
Compensated absences	2,318,538	69,860	(61,806)	2,326,592	231,696
Claims and judgements	3,679,370	330,075	(539,445)	3,470,000	24,750
OWDA and OPWC loans	669,604	124,710	(58,070)	736,244	38,688
Net Pension Liability:					
OPERS	16,850,547	11,628,562	-	28,479,109	-
OP&F	38,011,026	11,454,260	-	49,465,286	-
Net OPEB Liability:					
OPERS	11,412,000	1,877,918	-	13,289,918	-
OP&F	35,090,321	-	(29,571,798)	5,518,523	-
Total Debt and Long-Term Obligations	<u>\$ 139,297,933</u>	<u>\$ 33,460,217</u>	<u>\$ (32,618,095)</u>	<u>\$ 140,140,055</u>	<u>\$ 3,070,134</u>

During December 2019 the City issued \$7,930,000 of Various Purpose Improvement Bonds dated as of December 23, 2019 with interest rates varying from 2.0% to 3.0%. The proceeds were used to pay for a portion of the cost of improvements for Headlands area streets (\$4,875,000) and for the cost of constructing the emergency regional response facility (\$2,035,000), and the new cemetery office and maintenance building (\$1,020,000). The bonds were issued for a twenty-year period with final maturity during fiscal year 2039. These bonds will be retired through the City's Debt Service Fund.

During January 2018 the City issued \$9,805,000 of Various Purpose Bonds dated as of January 24, 2018 with interest rates varying from 2.0% to 3.0%. The proceeds were used to finance certain capital and infrastructure improvements and to reimburse the City's general fund for \$2,500,000 expended in prior years for the cost of acquiring the real estate formerly known as Springbrook Gardens.

During 2007, the City finalized a 20 year, 3.00% interest rate loan through the Ohio Water Development Authority in the amount of \$287,656. The outstanding principal balance at December 31, 2019 is \$112,806. The City also made principal payments on its seven existing Ohio Public Works Commission 20 year, 0% loans during 2019. The Chillicothe Road Widening & Resurfacing loan, the Hopkins Road Bridge development loan, the Kellogg Creek Culvert Improvement loan, the Stoneybrook Culvert Improvement loan, the SR306 Concrete Repair loan, the Murray Avenue Storm Sewer Improvement loan and the Plaza Boulevard Extension loan have outstanding December 31, 2019 principal amounts of \$9,507, \$137,456, \$17,059, \$32,500, \$32,206, \$131,250 and \$138,750 respectively. At the end of the year, the City had two outstanding projects provided through OPWC loan funding that are not complete and final amortization schedules are not provided as of year-end. As of December 31, 2019 the total loan amounts received for the outstanding projects are reported in the previous schedule.

# **CITY OF MENTOR, OHIO**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019**

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

For governmental funds, compensated absences and net pension and OPEB liability are generally liquidated by the fund where the corresponding employee's salary and pension and OPEB expenditure is recorded. There is no repayment schedule for the net pension liability and net OPEB liability; however, the general fund is the primary fund used to liquidate these liabilities. See Notes 13 and 14 for further information regarding net pension liability and net OPEB liability.

Bonds payable at December 31, 2019 are comprised of the following issues:

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

	<u>Amount of Original Issuance</u>	<u>Bonds Outstanding December 31, 2019</u>
<b>Governmental Activities Obligations:</b>		
General unvoted obligations:		
2011 Various Purpose Bonds due in annual installments ranging from \$175,000 to \$270,000 through 2030 plus interest rates varying between 2.0% and 3.375%	\$ 4,355,000	\$ 2,685,000
2015 Various Purpose Bonds due in annual installments ranging from \$85,000 to \$695,000 through 2035 plus interest rates varying between 1.0% and 3.125%	9,690,000	7,120,000
2017 Various Purpose Improvement and Refunding Bonds due in annual installments ranging from \$130,000 to \$385,000 through 2037 plus interest rates varying between 2.0% and 3.0%	4,545,000	4,285,000
2018 Various Purpose Bonds due in annual installments ranging from \$445,000 to \$545,000 through 2037 plus interest rates varying between 2.0% and 3.0%	9,805,000	8,895,000
2019 Various Purpose Bonds due in annual installments ranging from \$345,000 to \$465,000 through 2039 plus interest rates varying between 2.0% and 3.0%	<u>7,930,000</u>	<u>7,930,000</u>
 Total general obligation bonds	 <u>36,325,000</u>	 <u>30,915,000</u>
Special assessment obligations:		
2002 Tyler Boulevard Extension Bonds due in annual installments ranging from \$145,000 to \$375,000 through 2022, plus interest at rates varying between 3% to 4.7%	4,850,000	1,075,000
2008 Street Improvement Bonds due in annual installments ranging from \$225,000 to \$570,000 through 2028, plus interest at rates varying between 3.0% to 4.55%	7,505,000	4,280,000
2017 Various Purpose Improvement and Refunding Bonds due in annual installments ranging from \$130,000 to \$385,000 through 2037 plus interest rates varying between 2.0% and 3.0%	<u>375,000</u>	<u>365,000</u>
Total special assessment bonds	<u>12,730,000</u>	<u>5,720,000</u>
 Total bonds	 <u>\$ 49,055,000</u>	 <u>\$ 36,635,000</u>

All bonds outstanding are backed by the full faith and credit of the City. It is the City's policy to pay debt service on the special assessment bonds from the related special assessment levies

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

and any amounts being held in the Special Assessment Bond Retirement Fund, which are restricted for debt service.

The following is a summary of the City's future debt service requirements as of December 31, 2019:

Year Ending December 31	Governmental Activities						
	General Obligation Bonds		Special Assessment Bonds		OWDA and OPWC Loans		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2020	\$ 2,010,000	\$ 760,330	\$ 765,000	\$ 245,485	\$ 58,539	\$ 3,265	\$ 3,842,619
2021	2,015,000	726,431	795,000	213,180	59,022	2,783	3,811,416
2022	2,030,000	681,481	840,000	178,852	59,519	2,286	3,792,138
2023	2,085,000	636,025	485,000	142,253	60,031	1,773	3,410,082
2024	2,115,000	588,425	510,000	121,978	60,559	1,246	3,397,208
2025-2029	9,065,000	2,237,994	2,325,000	260,425	175,630	844	14,064,893
2030-2034	7,090,000	1,147,913	-	-	93,234	-	8,331,147
2035-2039	4,505,000	277,850	-	-	45,000	-	4,827,850
	<u>\$ 30,915,000</u>	<u>\$ 7,056,449</u>	<u>\$ 5,720,000</u>	<u>\$ 1,162,173</u>	<u>\$ 611,534</u>	<u>\$ 12,197</u>	<u>\$ 45,477,353</u>

Under the Ohio Revised Code, at December 31, 2019, the City legally could issue approximately \$56.3 million of additional, unvoted, general obligation debt.

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

As of December 31, 2019, there were no industrial revenue bonds outstanding. The City also acts as a conduit for the Lake County Communities Energy Special Improvement District. As of December 31, 2019, there was one special assessed bond series outstanding with an aggregate principal amount payable of \$1.595 million.

### NOTE 8 – COMPLIANCE AND ACCOUNTABILITY

At December 31, 2019, the Special Revenue Fund – Local Grants, and the Capital Projects Funds – Amphitheater, Springbrook Park, Woodnorton Way, Rice Detention Basin, Hendricks Hopkins Resurfacing, US20 Widening and Resurfacing, and Federal Grants - Other had deficit fund balances of \$40,613, \$1,162,425, \$373,382, \$134,266, \$161,953, \$150,142, \$390,814, and \$26,849, respectively. All deficits will be eliminated through transfers or the receipt of grant and bond proceeds during 2020. No other funds had deficit balances as of December 31, 2019.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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### NOTE 9 – RISK MANAGEMENT

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

The City is self-insured for the cost of collision claims resulting from the use of City vehicles, except for fire and rescue vehicles that remain insured through a private insurance company. In accordance with GASB Statement No. 10, claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims that meet these criteria are reported as liabilities in the government-wide statement of net position.

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

The City's financial activity relating to its self-insured risk is accounted for in the General Fund. Changes in the estimated claims payable for self-insured risk (vehicle collision claims) during the years ended December 31, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Estimated claims payable, January 1	\$ -	\$ -
Current year claims and changes in estimates	67,225	36,614
Claim payments	<u>(67,225)</u>	<u>(36,614)</u>
Estimated claims payable, December 31	<u>\$ -</u>	<u>\$ -</u>

**Insurance:** The City purchases insurance policies in varying amounts for general liability, property damage, and law enforcement and public officials' liability, including errors and omissions of the City's safety forces. Otherwise, the City is generally self-insured. Included in the coverage is an excess umbrella liability limit of \$10 million for each occurrence and annual aggregate. The City contracts with several different insurance companies, with either excellent or superior ratings. No material losses, including incurred but not reported losses, occurred in 2019. There was no significant decrease in any insurance coverages in 2019. In addition, there were no insurance settlements in excess of insurance coverage during the past three fiscal years.

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

The claims liability of \$3,470,000 reported in the fund at December 31, 2019, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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reported claim, be reported. Changes in the fund's claims liability amount in 2018 and 2019 were as follows:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2018	\$ 3,865,000	\$ 266,882	\$ 452,512	\$ 3,679,370
2019	3,679,370	330,075	539,445	3,470,000

In 2016, the City established a formal self-insurance program for its employer provided medical coverage to its employees. Previously, coverage was provided through commercial insurance provided by two different insurers. Activity is accounted for in the Self-Insurance Internal Service Fund, which is responsible for collecting all claims and fees, and other transactions affecting net position. Changes in the fund's claims liability amount in 2018 and 2019 were as follows:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2018	\$ 139,128	\$ 4,500,662	\$ 4,639,790	\$ -
2019	-	6,726,073	5,974,208	751,865

### NOTE 10 – CONTINGENCIES

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

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

### NOTE 11 – INTERFUND TRANSACTIONS AND BALANCES

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

1. Nonreciprocal interfund transfers – Flows of assets between funds without equivalent flows of assets in return and without a requirement for repayment. This includes transfers to subsidize various funds.
2. Nonreciprocal interfund reimbursements – Repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

For the year ended December 31, 2019 transfers (\$467,091 related to debt, \$43,976 related to grants, and \$336,730 related to fund closeouts, \$1,500,000 to subsidize Street Fund expenditures, and \$28,770 to cover the purchase of two police dogs) consisted of the following:

	<u>Transfers Out</u>	<u>Transfers In</u>
	<u>Total</u>	<u>Other Governmental Funds</u>
Governmental Funds:		
General	\$ (1,589,004)	\$ -
Other governmental	(787,563)	2,376,567
Total	<u>\$ (2,376,567)</u>	<u>\$ 2,376,567</u>

**Interfund balances:** Interfund balances at December 31, 2019 represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting records, and (3) payments between funds are made. All are expected to be paid within one year with the exception of an interfund loan from the General Obligation Bond Retirement Fund to the TIF Fund. In 2010, the City issued an internal treasury bond in the amount of \$346,862 for the cost of constructing Sterling Court. The interfund loan will be reimbursed through the transfer of available TIF funds over a 20 year period.

Interfund receivable and payable balances as of December 31, 2019 are as follows:

	<u>Receivable Fund</u>	<u>Payable Fund</u>		
		<u>Total</u>	<u>Special Assessment Bond Retirement Fund</u>	<u>Other Governmental Funds</u>
Governmental Funds:				
General	\$ 12,592,203	\$ 67,390	\$ 12,524,813	\$ 12,592,203
Other governmental	232,550	5,123	227,427	232,550
Total	<u>\$ 12,824,753</u>	<u>\$ 72,513</u>	<u>\$ 12,752,240</u>	<u>\$ 12,824,753</u>

### NOTE 12 – TAXES

**Income Taxes** – A two percent City income tax is levied on substantially all income earned within the City. On March 15, 2016, the two percent income tax was renewed by the voters for an indefinite period, without an expiration date. In addition, the residents of the City are required to pay City income tax on income they earn outside the City; however, full credit is allowed for all income taxes these residents pay to other municipalities. Employers within the City are required to withhold income tax on employee compensation and remit the tax to an intermediary collection agency (Regional Income Tax Agency) at least quarterly. Corporations and self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the collection agency. The collection agency remits taxes collected for the City each month, net of a charge for the cost of services and a credit for interest earned on amounts collected between remittances.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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**Property Taxes** – Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property (other than public utility) in one calendar year are levied in October of the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued by appraisal every six years and, three years after each revaluation, all property values are reviewed and revised, as necessary, as part of a triennial update based on recent sales of properties. The last revaluation was completed in 2018. Real property taxes are payable annually or semi-annually. If paid annually, payment is due February 19; if paid semiannually, the first payment is due January 20, with the remainder payable July 17. In certain instances, State statute permits earlier or later payment dates to be established.

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

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

The assessed value upon which the 2018 levy (collected in 2019) was approximately \$1.6 billion. Ohio law limits unvoted property taxation, combined for all overlapping taxing authorities, to 10 mills. The City's current share of the unvoted property tax is 3 mills of assessed value, and the City's total property tax levy, including all voted levies is 4.50 mills of assessed value.

### NOTE 13 – DEFINED BENEFIT PENSION PLANS

#### ***Net Pension Liability (Asset)***

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

The net pension liability (asset) represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension. GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

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

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

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information including requirement for reduced and unreduced benefits):

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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

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

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

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the members' contributions plus or minus the investment gains or losses resulting from the members' investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contributions benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earning vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the Annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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

	<u>State and Local</u>
<b>2019 Statutory Maximum Contribution Rates</b>	
Employer	14.0%
Employee *	10.0%
<b>2019 Actual Contribution Rates</b>	
Employer:	
Pension **	14.0%
Post employment Health Care Benefits **	<u>0.0%</u>
Total Employer	<u>14.0%</u>
Employee	<u>10.0%</u>

\* Member contributions within combined plan are not used to fund the defined benefit retirement allowance.

\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions was \$1,986,358 for fiscal year ending December 31, 2019. Of this amount, \$127,683 is reported as an intergovernmental payable.

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

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

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

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service requirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3 percent or the percent increase, if any, in the Consumer Price Index over the 13 month period ending on September 30<sup>th</sup> of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.

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

	<u>Police</u>	<u>Firefighters</u>
<b>2019 Statutory Maximum Contribution Rates</b>		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
<b>2019 Actual Contribution Rates</b>		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	<u>0.50%</u>	<u>0.50%</u>
Total Employer	<u>19.50%</u>	<u>24.00%</u>
Employee	<u>12.25%</u>	<u>12.25%</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$2,960,440 for 2019. Of this amount, \$196,482 is reported as an intergovernmental payable.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2018 and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F Police	OP&F Fire	Total
Proportion of the Net Pension Liability (Asset) Prior Measurement Date	0.107410%	0.04726%	0.2971186%	0.3222106%	
Proportion of the Net Pension Liability (Asset) Current Measurement Date	0.103984%	0.04698%	0.2857880%	0.3202080%	
Change in Proportionate Share	-0.003426%	-0.00028%	-0.011331%	-0.002003%	
Proportionate Share of the Net Pension Liability/(Asset)	\$ 28,479,109	\$ (52,536)	\$ 23,327,852	\$ 26,137,434	\$ 77,891,859
Pension Expense	\$ 5,883,959	\$ 13,980	\$ 2,940,038	\$ 3,445,523	\$ 12,283,500

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F Police	OP&F Fire	Total
<b>Deferred Outflows of Resources</b>				
Net difference between projected and actual earnings on pension plan investments	\$ 3,876,730	\$ 2,873,971	\$ 3,220,110	\$ 9,970,811
Differences between expected and actual experience	1,314	958,448	1,073,883	2,033,645
Changes of assumptions	2,490,899	618,452	692,939	3,802,290
Changes in proportion and differences between City contributions and proportionate share of contributions City contributions subsequent to the measurement date	528	158,462	79,289	238,279
	1,986,358	1,360,833	1,599,607	4,946,798
Total Deferred Outflows of Resources	\$ 8,355,829	\$ 5,970,166	\$ 6,665,828	\$ 20,991,823
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$ 395,407	\$ 21,783	\$ 24,407	\$ 441,597
Changes in proportion and differences between City contributions and proportionate share of contributions	461,564	953,639	241,920	1,657,123
Total Deferred Inflows of Resources	\$ 856,971	\$ 975,422	\$ 266,327	\$ 2,098,720

\$4,946,798 reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

	OPERS	OP&F Police	OP&F Fire	Total
Year Ending December 31:				
2020	\$ 2,299,814	\$ 1,215,885	\$ 1,513,716	\$ 5,029,415
2021	1,058,755	587,437	809,572	2,455,764
2022	357,749	647,907	937,129	1,942,785
2023	1,800,396	1,135,880	1,454,614	4,390,890
2024	(1,960)	46,802	84,863	129,705
Thereafter	(2,254)	-	-	(2,254)
 Total	 \$ 5,512,500	 \$ 3,633,911	 \$ 4,799,894	 \$ 13,946,305

### Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 10.75 percent including wage inflation Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 3 percent, simple through 2018, then 2.15 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change was effective beginning with the 2018 valuation.

The total pension asset in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 8.25 percent including wage inflation Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 3 percent, simple through 2018, then 2.15 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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

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

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

During 2018, OPERS managed investments in three investment portfolios: The Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was at a loss of 2.94 percent for 2018.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

**Discount Rate** For 2018, the discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. For 2017, the discount rate used to measure the total pension liability was 7.5 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

City's proportionate share of the net pension liability/(asset)	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Traditional Pension Plan	\$ 42,071,926	\$ 28,479,109	\$ 17,183,356
Combined Plan	(17,383)	(52,536)	(77,990)

### Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018 and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were:

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increase and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2018, are present below:

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple, 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

Mortality rates for active members were based on the RP-2014 Total employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68 - 77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disables Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Mortality rates for active members were based on the RP-2014 Total employee and Healthy Annuitant Mortality Tables rolled back to 2006, and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60 - 69	60	45
70 - 79	75	70
80 and up	100	90

The most recent experience study was completed January 1, 2016.

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

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018 are summarized below:

Asset Class	Target Allocation	30 year Expected Real Rate of Return **
Cash and Cash Equivalents	- %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Core Fixed Income *	23.00	2.60
U.S. Inflation Linked Bonds *	17.00	2.30
High Yield Fixed Income	7.00	4.80
Real Estate	12.00	6.10
Private Markets	8.00	8.40
Master Limited Partnerships	8.00	6.40
Private Credit	5.00	7.50
Real Assets	8.00	7.00
 Total	 120.00 %	

Note: Assumptions are geometric

\* levered 2x

\*\* numbers are net of expected inflation

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

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

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

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 65,018,710	\$ 49,465,286	\$ 36,468,155

### NOTE 14 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

#### ***Net OPEB Liability***

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

The net OPEB liability represents the City's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

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

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care was no longer being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution was \$23,768 for 2019.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contractually required contribution to OP&F was \$69,845 for 2019.

### ***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018 and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	
Proportion of the Net OPEB Liability:			
Prior Measurement Date	0.106310%	0.621320%	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.101935%	0.605996%	
Change in Proportionate Share	<u>-0.0043750%</u>	<u>-0.0153240%</u>	
			<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$ 13,289,918	\$ 5,518,523	\$ 18,808,441
OPEB Expense	\$ 1,068,152	\$ (27,277,937)	\$ (26,209,785)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

	OPERS	OP&F	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ 4,500	\$ -	\$ 4,500
Changes of assumptions	428,483	2,860,536	3,289,019
Net difference between projected and actual earnings on pension plan investments	609,264	186,808	796,072
City contributions subsequent to the measurement date	<u>23,768</u>	<u>69,845</u>	<u>93,613</u>
Total Deferred Outflows of Resources	<u>\$ 1,066,015</u>	<u>\$ 3,117,189</u>	<u>\$ 4,183,204</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ 36,059	\$ 147,854	\$ 183,913
Changes of assumptions	-	1,527,788	1,527,788
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>269,621</u>	<u>662,507</u>	<u>932,128</u>
Total Deferred Inflows of Resources	<u>\$ 305,680</u>	<u>\$ 2,338,149</u>	<u>\$ 2,643,829</u>

\$93,613 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2020	\$ 324,890	\$ 135,208	\$ 460,098
2021	7,781	135,208	142,989
2022	96,969	135,209	232,178
2023	306,927	191,711	498,638
2024	0	102,632	102,632
Thereafter	<u>0</u>	<u>9,227</u>	<u>9,227</u>
Total	<u>\$ 736,567</u>	<u>\$ 709,195</u>	<u>\$ 1,445,762</u>

### **Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	3.71 percent
Current measurement date	3.71 percent
Prior Measurement date	3.31 percent
Health Care Cost Trend Rate:	
Current measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Prior Measurement date	7.25 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change was effective for the 2018 valuation.

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

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

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

During 2018, OPERS managed investments in three investment portfolios: The Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 5.6 percent for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	100.00 %	5.16 %

**Discount Rate:** A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate:** The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the City's

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.960%)	Current Discount Rate (3.960%)	1% Increase (4.960%)
City's proportionate share of the net OPEB liability	\$ 17,002,758	\$ 13,289,918	\$ 10,337,228

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate:*** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuary's project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 12,774,494	\$ 13,289,918	\$ 13,883,547

### ***Actuarial Assumptions – OP&F***

OP&F's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018 and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	4.66 percent
Prior measurement date	3.24 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five-year period ended December 31, 2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 year Expected Real Rate of Return **</u>
Cash and Cash Equivalents	0.00%	0.80%
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Core Fixed Income *	23.00	2.60
U.S. Inflation Linked Bonds *	17.00	2.30
High Yield Fixed Income	7.00	4.80
Real Estate	12.00	6.10
Private Markets	8.00	8.40
Master Limited Partnerships	8.00	6.40
Private Credit	5.00	7.50
Real Assets	<u>8.00</u>	7.00
Total	<u><u>120.00%</u></u>	

Note: Assumptions are geometric

\* levered 2x

\*\* numbers are net of expected inflation

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

**CITY OF MENTOR, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019**

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**Discount Rate:** A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate:** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$ 6,723,067	\$ 5,518,523	\$ 4,507,412

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate:** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

**Changes between Measurement Date and Report Date**

Beginning January 1, 2019 OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend-based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years.

# CITY OF MENTOR, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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### NOTE 15 – TAX ABATEMENT DISCLOSURES

As of December 31, 2019, the City of Mentor provided tax incentives under two programs: The Community Reinvestment Area (CRA) and the Mentor Incentive Tax Credit program.

**Real Estate tax abatements:** Pursuant to Ohio Revised Code Chapter 3735.65-.70, the City established its first Community Reinvestment Area in 1984 with amendments in 1987, 1988 and 2015. A second CRA was created in 1988 encompassing the area of the Great Lakes Mall. Both CRAs provide for administratively-approved applications for a five-year duration at 100%. A third CRA was created in 2010 under ORC 5709 for the Old Village area. City Council authorizes the property tax abatement through passage of a public ordinance, based upon each business' investment criteria, and through a contractual application process with each business including proof that the improvements have been made. The abatement equals an agreed-upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The establishment of the Community Reinvestment area gave the City the ability to maintain and expand businesses located in the City and created new jobs by abating assessed valuation of properties, from new or improved commercial or industrial real estate. The City of Mentor would contract with the Mentor Exempted School District for payments in lieu of taxes when required by Section 5709.82 of the Ohio Revised Code. The total amount of taxes abated (for the five-year period ending December 31, 2019) equals \$138,224.

**Income tax abatement programs:** Pursuant to Ohio Revised Code Chapter 718 and City ordinance, the City provides an incentive to eligible companies based upon their gross annual payroll, the amount of income tax generated annually and the number of jobs created or retained by the business. The abatement is administered as a refundable credit against the municipal income tax liability based upon the company's payroll taxes. Also, the time period of the incentive in years, is determined by how many new jobs are to be created by the company. For the calendar year ended December 31, 2019, the total amount of taxes abated through this program equaled \$1,230,000.

### NOTE 16 – SUBSEQUENT EVENTS

In January 2020, the City issued \$9,480,000 of General Obligation Bonds for the purpose of refunding previously issued bonds, including the outstanding amounts owed for the series 2011 and series 2015 bonds. The City does not anticipate issuing any additional debt in 2020 beyond the \$9,480,000.

In March 2020, the United States and the State of Ohio declared a state of emergency due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City of Mentor. The impact on the City of Mentor's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**CITY OF MENTOR, OHIO**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/ASSET  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST SIX YEARS <sup>(1)</sup>**

<b>Traditional Plan</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City's Proportion of the Net Pension Liability	0.103984%	0.107410%	0.108275%	0.112568%	0.111160%	0.111160%
City's Proportionate Share of the Net Pension Liability	\$28,479,109	\$16,850,547	\$24,587,411	\$19,498,199	\$13,407,139	\$13,104,316
City's Covered Payroll	\$14,032,250	\$14,189,062	\$13,996,375	\$13,953,450	\$13,673,367	\$13,662,131
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	202.95%	118.76%	175.67%	139.74%	98.05%	95.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
<b>Combined Plan</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City's Proportion of the Net Pension (Asset)	0.046982%	0.047261%	0.041302%	0.042870%	0.032691%	0.032691%
City's Proportionate Share of the Net Pension (Asset)	(\$52,536)	(\$64,338)	(\$22,987)	(\$20,861)	(\$12,586)	(\$3,430)
City's Covered Payroll	\$200,686	\$193,554	\$160,767	\$155,375	\$120,400	\$98,846
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	26.18%	33.24%	14.30%	13.43%	10.45%	3.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	126.64%	137.28%	116.55%	116.90%	114.83%	104.33%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

**CITY OF MENTOR, OHIO**

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

<b>Police</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City's Proportion of the Net Pension Liability	0.285788%	0.2971186%	0.3006210%	0.3104294%	0.3016210%	0.3016210%
City's Proportionate Share of the Net Pension Liability	\$23,327,852	\$18,235,508	\$19,041,032	\$19,970,139	\$15,625,226	\$14,689,889
City's Covered Payroll	\$7,198,611	\$7,232,774	\$7,217,895	\$7,135,279	\$6,643,853	\$8,102,149
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	324.06%	252.12%	263.80%	279.88%	235.18%	181.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%	66.77%	71.71%	73.00%
<b>Fire</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City's Proportion of the Net Pension Liability	0.320208%	0.3222106%	0.3207028%	0.3262644%	0.3253824%	0.3253824%
City's Proportionate Share of the Net Pension Liability	\$26,137,434	\$19,775,518	\$20,312,993	\$20,988,818	\$16,856,165	\$15,847,144
City's Covered Payroll	\$6,806,838	\$6,561,889	\$6,369,421	\$6,266,813	\$5,975,817	\$6,798,497
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	383.99%	301.37%	318.91%	334.92%	282.07%	233.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%	66.77%	71.71%	73.00%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

**CITY OF MENTOR, OHIO**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CITY CONTRIBUTIONS - PENSION  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST SEVEN YEARS <sup>(1)</sup>**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Contractually Required Contributions</u>							
Traditional Plan	\$ 1,956,591	\$ 1,964,515	\$ 1,844,578	\$ 1,679,565	\$ 1,674,414	\$ 1,640,804	\$ 1,776,077
Combined Plan	29,767	28,096	25,162	19,292	18,645	14,448	12,850
Total Required Contributions	\$1,986,358	\$1,992,611	\$1,869,740	\$1,698,857	\$1,693,059	\$1,655,252	\$1,788,927
Contributions in Relation to the Contractually Required Contribution	<u>(\$1,986,358)</u>	<u>(\$1,992,611)</u>	<u>(\$1,869,740)</u>	<u>(\$1,698,857)</u>	<u>(\$1,693,059)</u>	<u>(\$1,655,252)</u>	<u>(\$1,788,927)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>						
<u>City's Covered Payroll</u>							
Traditional Plan	\$13,975,650	\$14,032,250	\$14,189,062	\$13,996,375	\$13,953,450	\$13,673,367	\$13,662,131
Combined Plan	\$212,621	\$200,686	\$193,554	\$160,767	\$155,375	\$120,400	\$98,846
<u>Pension Contributions as a Percentage of Covered Payroll</u>							
Traditional Plan	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
Combined Plan	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

See accompanying notes to the required supplementary information

CITY OF MENTOR, OHIO

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CITY CONTRIBUTIONS - PENSION  
 OHIO POLICE AND FIRE PENSION FUND  
 LAST TEN YEARS <sup>(1)</sup>

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>Contractually Required Contributions</u>										
Police	\$1,360,833	\$1,367,736	\$1,374,227	\$1,371,400	\$1,355,703	\$1,262,332	\$1,274,468	\$814,932	\$786,098	\$795,207
Fire	\$1,599,607	\$1,542,044	\$1,496,814	\$1,472,701	\$1,404,317	\$1,368,230	\$1,375,336	\$1,023,405	\$970,230	\$995,264
Total Required Contributions	\$2,960,440	\$2,909,780	\$2,871,041	\$2,844,101	\$2,760,020	\$2,630,562	\$2,649,804	\$1,838,337	\$1,756,328	\$1,790,471
Contributions in Relation to the Contractually Required Contribution	(\$2,960,440)	(\$2,909,780)	(\$2,871,041)	(\$2,844,101)	(\$2,760,020)	(\$2,630,562)	(\$2,649,804)	(\$1,838,337)	(\$1,756,328)	(\$1,790,471)
Contribution Deficiency / (Excess)	<u>\$0</u>									
City's Covered Payroll										
Police	\$7,162,279	\$7,198,611	\$7,232,774	\$7,217,895	\$7,135,279	\$6,643,853	\$8,102,149	\$6,391,624	\$6,165,475	\$6,236,918
Fire	\$6,806,838	\$6,561,889	\$6,369,421	\$6,266,813	\$5,975,817	\$5,822,255	\$6,798,497	\$5,932,783	\$5,624,522	\$5,769,646
<u>Pension Contributions as a Percentage of Covered Payroll</u>										
Police	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	15.73%	12.75%	12.75%	12.75%
Fire	23.50%	23.50%	23.50%	23.50%	23.50%	23.50%	20.23%	17.25%	17.25%	17.25%

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

See accompanying notes to the required supplementary information

**CITY OF MENTOR, OHIO**

**REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
 OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST THREE YEARS \***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.101935%	0.105090%	0.106310%
City's Proportionate Share of the Net OPEB Liability	\$ 13,289,918	\$ 11,412,000	\$ 10,737,671
City's Covered Payroll	\$ 14,771,895	\$ 14,885,647	\$ 14,691,232
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	89.97%	76.66%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	54.04%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

**CITY OF MENTOR, OHIO**

**REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
 OHIO POLICE AND FIRE PENSION FUND  
 LAST THREE YEARS \***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.605996%	0.619329%	0.621320%
City's Proportionate Share of the Net OPEB Liability	\$ 5,518,523	\$ 35,090,321	\$ 29,492,663
City's Covered Payroll	\$ 13,760,500	\$ 13,602,195	\$ 13,484,708
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	40.10%	257.98%	218.71%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.57%	14.13%	15.96%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

**CITY OF MENTOR**

**REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CITY CONTRIBUTIONS - OPEB  
 OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST FIVE YEARS \***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 23,768	\$ 21,558	\$ 163,838	\$ 304,497	\$ 283,325
Contributions in Relation to the Contractually Required Contribution	<u>(23,768)</u>	<u>(21,558)</u>	<u>(163,838)</u>	<u>(304,497)</u>	<u>(283,325)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 14,612,705	\$ 14,771,895	\$ 14,885,647	\$ 14,691,232	\$ 14,674,955
Contributions as a Percentage of Covered Payroll	0.16%	0.15%	1.10%	2.07%	1.93%

**CITY OF MENTOR**

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually Required Contribution	\$ 69,845	\$ 68,802	\$ 68,011	\$ 67,034	\$ 65,554	\$ 62,869	\$ 432,505	\$ 831,109	\$ 795,072	\$ 810,442
Contributions in Relation to the Contractually Required Contribution	<u>(69,845)</u>	<u>(68,802)</u>	<u>(68,011)</u>	<u>(67,034)</u>	<u>(65,554)</u>	<u>(62,869)</u>	<u>(432,505)</u>	<u>(831,109)</u>	<u>(795,072)</u>	<u>(810,442)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>						
City Covered Payroll	\$ 13,969,117	\$ 13,760,500	\$ 13,602,195	\$ 13,484,708	\$ 13,111,096	\$ 12,466,108	\$ 14,900,646	\$ 12,324,407	\$ 11,789,997	\$ 12,006,564
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	3.62%	6.75%	6.75%	6.75%

# CITY OF MENTOR, OHIO

## NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED DECEMBER 31, 2019

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

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

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014-2019.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%.

#### ***Net OPEB Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2018-2019.

*Changes in assumptions:* For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time.

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

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

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014-2019.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the investment rate of return was reduced from 8.25 percent to 8.00 percent (b) the projected salary

# CITY OF MENTOR, OHIO

## NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED DECEMBER 31, 2019

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increases was reduced from 4.25% to 3.75% (c) the payroll increases was reduced from 3.75% to 3.25% (d) the inflation assumptions was reduced from 3.25% to 2.75% (e) the cost of living adjustments was reduced from 2.60% to 2.20% (f) rates of withdrawal, disability and service retirement were updated to reflect recent experience (g) mortality rates were updated to the RP-2014 Total Employee and Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2016 (h) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2016. For 2019; There have been no OP&F pension plan amendments adopted or changes in assumptions between the measurement date and the report date that would have impacted the actuarial valuation of the pension plan as of the measurement date.

### ***Net OPEB Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2018. For 2019, see below regarding changes to stipend-based model.

*Changes in assumptions:* For 2018, the single discount rate changed from 3.79 percent to 3.24 percent. For 2019, the changes of assumptions were: (a) beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years (b) beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%

**CITY OF MENTOR, OHIO**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Property taxes	\$ 1,791,000	\$ 1,839,562	\$ 48,562
Municipal income tax	43,700,000	45,565,403	1,865,403
Intergovernmental	1,921,600	2,140,645	219,045
Charges for services	6,601,200	6,751,822	150,622
Fines and forfeitures	829,500	942,837	113,337
Licenses, permits and inspections	1,684,500	1,528,565	(155,935)
Investment income	750,000	889,300	139,300
Other	739,600	770,801	31,201
Total revenues	<u>58,017,400</u>	<u>60,428,935</u>	<u>2,411,535</u>
<b>EXPENDITURES:</b>			
<b>GENERAL GOVERNMENT:</b>			
Council:			
Employee compensation	173,797	165,641	8,156
Other	188,429	79,611	108,818
Total council	<u>362,226</u>	<u>245,252</u>	<u>116,974</u>
Court:			
Employee compensation	896,480	798,783	97,697
Other	268,867	205,738	63,129
Total court	<u>1,165,347</u>	<u>1,004,521</u>	<u>160,826</u>
City manager:			
Employee compensation	1,418,359	1,205,107	213,252
Other	2,178,685	1,804,203	374,482
Total city manager	<u>3,597,044</u>	<u>3,009,310</u>	<u>587,734</u>
Finance:			
Employee compensation	720,623	718,968	1,655
Other	2,062,690	1,773,569	289,121
Total finance	<u>2,783,313</u>	<u>2,492,537</u>	<u>290,776</u>
Legal:			
Employee compensation	415,834	362,343	53,491
Other	203,280	121,137	82,143
Total legal	<u>619,114</u>	<u>483,480</u>	<u>135,634</u>
Other	<u>600,000</u>	<u>597,475</u>	<u>2,525</u>
Total general government	<u>9,127,044</u>	<u>7,832,575</u>	<u>1,294,469</u>

Continued

**CITY OF MENTOR, OHIO**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>POLICE:</b>			
Employee compensation	\$ 9,860,040	\$ 9,185,067	\$ 674,973
Other	<u>3,049,212</u>	<u>2,605,155</u>	<u>444,057</u>
Total police	<u>12,909,252</u>	<u>11,790,222</u>	<u>1,119,030</u>
<b>FIRE:</b>			
Employee compensation	8,029,953	7,764,769	265,184
Other	<u>2,568,023</u>	<u>2,417,674</u>	<u>150,349</u>
Total fire	<u>10,597,976</u>	<u>10,182,443</u>	<u>415,533</u>
<b>STREETS AND HIGHWAYS:</b>			
Employee compensation	3,795,210	3,503,061	292,149
Other	<u>5,006,079</u>	<u>4,598,524</u>	<u>407,555</u>
Total streets and highways	<u>8,801,289</u>	<u>8,101,585</u>	<u>699,704</u>
<b>PARKS, RECREATION AND PUBLIC FACILITIES:</b>			
Employee compensation	3,970,495	3,632,875	337,620
Other	<u>5,276,506</u>	<u>4,394,135</u>	<u>882,371</u>
Total parks, recreation and public facilities	<u>9,247,001</u>	<u>8,027,010</u>	<u>1,219,991</u>
<b>ECONOMIC AND COMMUNITY DEVELOPMENT:</b>			
Employee compensation	949,347	847,699	101,648
Other	<u>5,528,577</u>	<u>5,403,855</u>	<u>124,722</u>
Total economic and community development	<u>6,477,924</u>	<u>6,251,554</u>	<u>226,370</u>
<b>ENGINEERING AND BUILDING:</b>			
Employee compensation	1,021,070	940,585	80,485
Other	<u>1,398,222</u>	<u>1,011,885</u>	<u>386,337</u>
Total engineering and building	<u>2,419,292</u>	<u>1,952,470</u>	<u>466,822</u>
<b>DEBT SERVICE</b>			
Other	<u>100,000</u>	<u>61,804</u>	<u>38,196</u>
Total expenditures	<u>59,679,778</u>	<u>54,199,663</u>	<u>5,480,115</u>
Excess (deficiency) of revenues over expenditures	(1,662,378)	6,229,272	7,891,650
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	9,500,000	9,402,176	(97,824)
Advances out	(12,770,000)	(12,769,367)	633
Transfers out	<u>(8,027,000)</u>	<u>(8,007,084)</u>	<u>19,916</u>
Total other financing sources (uses)	<u>(11,297,000)</u>	<u>(11,374,275)</u>	<u>(77,275)</u>
NET CHANGE IN FUND BALANCE	(12,959,378)	(5,145,003)	7,814,375
Adjustment for prior year encumbrances	4,692,148	4,692,148	-
FUND BALANCES, BEGINNING OF YEAR	<u>8,557,727</u>	<u>8,557,727</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 290,497</u>	<u>\$ 8,104,872</u>	<u>\$ 7,814,375</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, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Special assessments	\$ 1,237,903	\$ 993,976	\$ (243,927)
<b>EXPENDITURES:</b>			
Debt service:			
Principal retirement	725,000	725,000	-
Interest and other charges	316,090	307,328	8,762
Total expenditures	<u>1,041,090</u>	<u>1,032,328</u>	<u>8,762</u>
Excess (deficiency) of revenues over expenditures	196,813	(38,352)	(235,165)
<b>OTHER FINANCING SOURCES:</b>			
Advances in	-	60,000	60,000
Total other financing sources	<u>-</u>	<u>60,000</u>	<u>60,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	196,813	21,648	(175,165)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>1,024</u>	<u>1,024</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 197,837</u>	<u>\$ 22,672</u>	<u>\$ (175,165)</u>

# CITY OF MENTOR, OHIO

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

Street Fund	Required by the Ohio Revised Code to account for that portion of the motor vehicle registration fees and state gasoline tax restricted for the construction, maintenance, and repairs of streets and highways.
TIF Fund	To account for the monies received through tax increment financing to finance the construction of public infrastructure improvements which will benefit new commercial and industrial development.
Police Pension Fund	To accumulate property taxes levied toward partial payment of the current liability for police disability and pension benefits.
Fire Pension Fund	To accumulate property taxes levied toward partial payment of the current liability for fire fighters' disability and pension benefits.
Fire Levy Fund	To accumulate property taxes levied for the purpose of providing and maintaining fire equipment and for the payment of salaries and expenses of permanent and part-time firefighters.
Senior Citizens Services Levy Fund	To account for property taxes levied by Lake County and distributed to the City for the purpose of providing funding for senior citizen projects and operating costs of the City's Senior Citizens Center.
Community Recreation Facilities Fund	To provide funds for projects relating to recreational facilities.
Cemetery Fund	To account for monies received from the sale of cemetery lots and restricted for the enlargement, improvement, embellishment, and care of cemetery grounds.

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

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.
Court Special Projects Fund	To accumulate filing fees collected for special projects of the Mentor Municipal Court.
Enforcement and Education Fund	To account for fines received from the Mentor Municipal Court to be used by the Mentor Police Department to cover costs incurred in enforcing DUI laws and educating the public regarding such laws.
Court Probation Services Fund	To accumulate probation fees collected for the operation of Mentor Municipal Court's Probation Department.
Indigent Driver Alcohol Treatment Fund	To account for fines and fees received from the Mentor Municipal Court and the Ohio Department of Alcohol and Drug Addiction Services for the purpose of providing indigent drivers with alcohol and/or drug treatment.
Indigent Driver Alcohol Monitoring Fund	To account for fines and fees received from the Mentor Municipal Court and the Ohio Department of Alcohol and Drug Addiction Services for the purpose of providing indigent drivers with alcohol and/or drug monitoring devices.
Law Enforcement Trust Fund	To account for monies received from the seizure and sale of contraband and property used in criminal activity.

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

Payroll Stabilization Fund	To account for the accumulation of resources for termination benefits and for the payment of salaries during any fiscal year when the number of pay periods exceeds the usual and customary number of pay periods. This fund is combined with General Fund on a GAAP basis as a result of the implementation of GASB-S54.
Police Canine Fund	To account for monies received for the Police Department's canine unit.
Seat Belt Grant Fund	To account for monies received from the Ohio Department of Highway Safety for the encouragement of seat belt use.
VOCA Victims Assistance Grant Fund	To account for monies received from the Crime Victims Assistance Office to assist victims of crime.
CDBG NSP Fund	To account for monies received from the U.S. Department of Housing and Urban Development for neighborhood stabilization.
Community Development Block Grant Fund	To account for monies received from the U.S. Department of Housing and Urban Development for various community development block grant programs.
Forfeited Property—U.S. Department of Justice Fund	To account for shared federally forfeited property proceeds received from the U.S. Department of Justice.
Council Donation Fund	To account for donations from various sources and individuals to be used to support specific purposes or programs provided by City Council.
Police Donation Fund	To account for donations from various sources and individuals to be used to support specific purposes or programs provided by the Police Department.
Fire Donation Fund	To account for donations from various sources and individuals to be used to support specific purposes or programs provided by the Fire Department.
Parks and Recreation Donation Fund	To account for donations from various sources and individuals to be used to support specific purposes or programs provided by the Parks and Recreation Department.

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

Senior Citizens Activities Fund

To account for donations and user fees from various sources and individuals to be used to support specific purposes provided by the Mentor Senior Citizens Center. This fund is combined with General Fund on a GAAP basis as a result of the implementation of GASB-S54.

Cultural Fund

To account for donations and user fees from various sources and individuals to be used to support specific purposes or programs provided by the Wildwood Cultural Center. This fund is combined with General Fund on a GAAP basis as a result of the implementation of GASB-S54.

Beautification Fund

To account for donations and user fees from various sources and individuals to be used to support specific purposes or programs provided by the City of Mentor's Beautification Commission. This fund is combined with General Fund on a GAAP basis as a result of the implementation of GASB-S54.

Local Grant Fund

To account for the financing of various small local grants.

## **DEBT SERVICE FUNDS**

General Obligation Bond Retirement Fund

To accumulate property taxes levied toward payment of outstanding general obligation debt.

## **CAPITAL PROJECT FUNDS**

Plaza Boulevard Extension Fund

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

Amphitheater Fund

To account for the financing of construction of a new amphitheater at Civic Center Park.

Springbrook Park Fund

To account for the financing of construction and improvements made to the property purchased by the City in 2014 for the purpose of developing a new park.

Woodnorton Way Fund

To account for the financing of construction of a new road.

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

Two-Town Detention Basin Fund	To account for the financing of the construction of a detention basin to attenuate peak flows in Two-Town Ditch and reduce flooding for residential property downstream.
Rice Detention Basin Fund	To account for the financing of the construction of a detention basin at the former Rice Elementary School property to reduce flooding for residential property.
Marigold Road Fund	To account for the financing of the reconstruction and/or rehabilitation for failing Marigold Road in the Headlands Area.
Hopkins Road Resurfacing Fund	To account for the financing of resurfacing of Hopkins Road.
Headlands Street Rehab Orchard Road	To account for the financing of Headlands street rehab for Orchard Road.
Emergency Regional Response Facility Fund	To account for the financing of the Emergency Regional Response Facility.
Belle Meadow Road Fund	To account for the financing of reconstruction and/or rehabilitation for Belle Meadow Road in the Headlands area.
Hendricks/Hopkins Resurfacing	To account for the financing of resurfacing of the Hendricks/Hopkins Road area.
Brooksdale Road Fund	To account for the financing of rehabilitation for Brooksdale Road in the Headlands area.
State Grants – Other Fund	To account for the financing of various small state grants.
Heisley Road Improvement – Phase III Fund	To account for the financing of the widening of Heisley Road to four through lanes between Jackson Street and Mentor Avenue.
US 20 Widening and Resurfacing Fund	To account for the financing of widening and resurfacing US20 from SR615 to just east of the intersection at Hart Street.
Federal Grants – Other Fund	To account for the financing of various small federal grants.

**CITY OF MENTOR, OHIO  
 COMBINING GOVERNMENTAL BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SUMMARY BY FUND TYPE  
 December 31, 2019**

	Special revenue funds	Debt service funds	Capital projects funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 11,775,166	\$ 552,821	\$ 12,801,035	\$ 25,129,022
Receivables, net	2,935,155	1,884,277	60,756	4,880,188
Due from other funds	5,123	227,427	-	232,550
Due from other governments	3,266,954	87,915	161,480	3,516,349
Prepaid items	2,312	-	-	2,312
Total assets	<u>\$ 17,984,710</u>	<u>\$ 2,752,440</u>	<u>\$ 13,023,271</u>	<u>\$ 33,760,421</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 215,793	\$ -	\$ 206,745	\$ 422,538
Due to other funds	4,191,815	-	8,560,425	12,752,240
Total liabilities	<u>4,407,608</u>	<u>-</u>	<u>8,767,170</u>	<u>13,174,778</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax	2,700,134	1,808,157	-	4,508,291
PILOT	1,400,000	-	-	1,400,000
Unavailable Revenue - Delinquent property tax	109,620	76,120	-	185,740
Unavailable Revenue - Shared revenue	1,298,514	87,915	-	1,386,429
Unavailable Revenue - Special Assessment	46,233	-	-	46,233
Total deferred inflow of resources	<u>5,554,501</u>	<u>1,972,192</u>	<u>-</u>	<u>7,526,693</u>
Total liabilities and deferred inflows of resources	<u>9,962,109</u>	<u>1,972,192</u>	<u>8,767,170</u>	<u>20,701,471</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	2,312	-	-	2,312
Restricted	7,354,855	780,248	6,655,932	14,791,035
Committed	706,047	-	-	706,047
Unassigned	(40,613)	-	(2,399,831)	(2,440,444)
Total fund balances (deficits)	<u>\$ 8,022,601</u>	<u>\$ 780,248</u>	<u>\$ 4,256,101</u>	<u>\$ 13,058,950</u>
Total liabilities and fund balances (deficits)	<u>\$ 17,984,710</u>	<u>\$ 2,752,440</u>	<u>\$ 13,023,271</u>	<u>\$ 33,760,421</u>

**CITY OF MENTOR, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2019**

	Street	TIF	Police Pension	Fire Pension
<b>ASSETS</b>				
Cash and investments	\$ 2,326,517	\$ 1,764,529	\$ 63,007	\$ 63,007
Receivables, net	-	-	425,719	425,719
Due from other funds	-	-	-	-
Due from other governments	1,702,822	1,400,000	24,373	24,373
Prepaid items	-	-	-	-
Total assets	<u>\$ 4,029,339</u>	<u>\$ 3,164,529</u>	<u>\$ 513,099</u>	<u>\$ 513,099</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 134,010	\$ 80,681	\$ -	\$ -
Due to other funds	1,800,000	227,427	-	-
Total liabilities	<u>1,934,010</u>	<u>308,108</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax	-	-	409,098	409,098
PILOT	-	1,400,000	-	-
Unavailable Revenue - Delinquent property tax	-	-	16,621	16,621
Unavailable Revenue - Shared revenue	1,134,524	-	24,373	24,373
Unavailable Revenue - Special Assessment	-	-	-	-
Total deferred inflow of resources	<u>1,134,524</u>	<u>1,400,000</u>	<u>450,092</u>	<u>450,092</u>
Total liabilities and deferred inflows of resources	<u>3,068,534</u>	<u>1,708,108</u>	<u>450,092</u>	<u>450,092</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	-	-	-
Restricted	960,805	1,456,421	63,007	63,007
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>\$ 960,805</u>	<u>\$ 1,456,421</u>	<u>\$ 63,007</u>	<u>\$ 63,007</u>
Total liabilities and fund balances (deficits)	<u>\$ 4,029,339</u>	<u>\$ 3,164,529</u>	<u>\$ 513,099</u>	<u>\$ 513,099</u>

Continued

**CITY OF MENTOR, OHIO  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 December 31, 2019**

	Fire Levy	Senior Citizens Service Levy	Community Recreation Facilities	Cemetery
<b>ASSETS</b>				
Cash and investments	\$ 1,592,886	\$ 393,488	\$ 608,539	\$ 1,222,755
Receivables, net	1,956,045	-	58,500	-
Due from other funds	2,271	-	-	-
Due from other governments	110,244	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 3,661,446</u>	<u>\$ 393,488</u>	<u>\$ 667,039</u>	<u>\$ 1,222,755</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax	1,881,938	-	-	-
PILOT	-	-	-	-
Unavailable Revenue - Delinquent property tax	76,378	-	-	-
Unavailable Revenue - Shared revenue	110,244	-	-	-
Unavailable Revenue - Special Assessment	-	-	-	-
Total deferred inflow of resources	<u>2,068,560</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>2,068,560</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	-	-	-
Restricted	1,592,886	393,488	-	1,222,755
Committed	-	-	667,039	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>\$ 1,592,886</u>	<u>\$ 393,488</u>	<u>\$ 667,039</u>	<u>\$ 1,222,755</u>
Total liabilities and fund balances (deficits)	<u>\$ 3,661,446</u>	<u>\$ 393,488</u>	<u>\$ 667,039</u>	<u>\$ 1,222,755</u>

Continued

**CITY OF MENTOR, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2019**

	Economic Development	Subdivision Street Tree	Street Lighting	Court Computer
<b>ASSETS</b>				
Cash and investments	\$ 11,325	\$ 39,008	\$ 2,004,403	\$ 99,263
Receivables, net	-	-	43,381	5,182
Due from other funds	-	-	2,852	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	1,170
Total assets	<u>\$ 11,325</u>	<u>\$ 39,008</u>	<u>\$ 2,050,636</u>	<u>\$ 105,615</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	1,700,000	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1,700,000</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax	-	-	-	-
PILOT	-	-	-	-
Unavailable Revenue - Delinquent property tax	-	-	-	-
Unavailable Revenue - Shared revenue	-	-	-	-
Unavailable Revenue - Special Assessment	-	-	46,233	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>46,233</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,746,233</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	-	-	1,170
Restricted	11,325	-	304,403	104,445
Committed	-	39,008	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>\$ 11,325</u>	<u>\$ 39,008</u>	<u>\$ 304,403</u>	<u>\$ 105,615</u>
Total liabilities and fund balances (deficits)	<u>\$ 11,325</u>	<u>\$ 39,008</u>	<u>\$ 2,050,636</u>	<u>\$ 105,615</u>

Continued

**CITY OF MENTOR, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2019**

	Court Special Projects	Enforcement and Education	Court Probation Services	Indigent Driver Alcohol Treatment
<b>ASSETS</b>				
Cash and investments	\$ 292,120	\$ 13,668	\$ 101,215	\$ 63,759
Receivables, net	10,332	618	5,589	925
Due from other funds	-	-	-	-
Due from other governments	-	-	-	5,000
Prepaid items	1,142	-	-	-
Total assets	<u>\$ 303,594</u>	<u>\$ 14,286</u>	<u>\$ 106,804</u>	<u>\$ 69,684</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,102	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>1,102</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax	-	-	-	-
PILOT	-	-	-	-
Unavailable Revenue - Delinquent property tax	-	-	-	-
Unavailable Revenue - Shared revenue	-	-	-	5,000
Unavailable Revenue - Special Assessment	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Total liabilities and deferred inflows of resources	<u>1,102</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	1,142	-	-	-
Restricted	301,350	14,286	106,804	64,684
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>\$ 302,492</u>	<u>\$ 14,286</u>	<u>\$ 106,804</u>	<u>\$ 64,684</u>
Total liabilities and fund balances (deficits)	<u>\$ 303,594</u>	<u>\$ 14,286</u>	<u>\$ 106,804</u>	<u>\$ 69,684</u>

Continued

**CITY OF MENTOR, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2019**

	Indigent Driver Alcohol Monitoring	Law Enforcement Trust	Police Canine	Seat Belt Grant
<b>ASSETS</b>				
Cash and investments	\$ 126,279	\$ 73,640	\$ 16,698	\$ 5,832
Receivables, net	2,770	375	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 129,049</u>	<u>\$ 74,015</u>	<u>\$ 16,698</u>	<u>\$ 5,832</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax	-	-	-	-
PILOT	-	-	-	-
Unavailable Revenue - Delinquent property tax	-	-	-	-
Unavailable Revenue - Shared revenue	-	-	-	-
Unavailable Revenue - Special Assessment	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	-	-	-
Restricted	129,049	74,015	16,698	5,832
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>\$ 129,049</u>	<u>\$ 74,015</u>	<u>\$ 16,698</u>	<u>\$ 5,832</u>
Total liabilities and fund balances (deficits)	<u>\$ 129,049</u>	<u>\$ 74,015</u>	<u>\$ 16,698</u>	<u>\$ 5,832</u>

Continued

**CITY OF MENTOR, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2019**

	VOCA Victims Assistance Grant	CDBG NSP	Community Development Block Grant	Forfeited Property - U.S. Department of Justice
<b>ASSETS</b>				
Cash and investments	\$ 6,420	\$ 385,116	\$ 259,062	\$ 54,763
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	142	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 6,420</u>	<u>\$ 385,116</u>	<u>\$ 259,204</u>	<u>\$ 54,763</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	253,766	-
Total liabilities	<u>-</u>	<u>-</u>	<u>253,766</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax	-	-	-	-
PILOT	-	-	-	-
Unavailable Revenue - Delinquent property tax	-	-	-	-
Unavailable Revenue - Shared revenue	-	-	-	-
Unavailable Revenue - Special Assessment	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>253,766</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	-	-	-
Restricted	6,420	385,116	5,438	54,763
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>\$ 6,420</u>	<u>\$ 385,116</u>	<u>\$ 5,438</u>	<u>\$ 54,763</u>
Total liabilities and fund balances (deficits)	<u>\$ 6,420</u>	<u>\$ 385,116</u>	<u>\$ 259,204</u>	<u>\$ 54,763</u>

Continued

**CITY OF MENTOR, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2019**

	Council Donation	Police Donation	Fire Donation	Parks and Recreation Donation
<b>ASSETS</b>				
Cash and investments	\$ 675	\$ 13,987	\$ 423	\$ 2,773
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 675</u>	<u>\$ 13,987</u>	<u>\$ 423</u>	<u>\$ 2,773</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax	-	-	-	-
PILOT	-	-	-	-
Unavailable Revenue - Delinquent property tax	-	-	-	-
Unavailable Revenue - Shared revenue	-	-	-	-
Unavailable Revenue - Special Assessment	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	-	-	-
Restricted	675	13,987	423	2,773
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>\$ 675</u>	<u>\$ 13,987</u>	<u>\$ 423</u>	<u>\$ 2,773</u>
Total liabilities and fund balances (deficits)	<u>\$ 675</u>	<u>\$ 13,987</u>	<u>\$ 423</u>	<u>\$ 2,773</u>

Continued

**CITY OF MENTOR, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2019**

	Local Grants	Total Nonmajor Special revenue funds
<b>ASSETS</b>		
Cash and investments	\$ 170,009	\$ 11,775,166
Receivables, net	-	2,935,155
Due from other funds	-	5,123
Due from other governments	-	3,266,954
Prepaid items	-	2,312
Total assets	<u>\$ 170,009</u>	<u>\$ 17,984,710</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ -	\$ 215,793
Due to other funds	210,622	4,191,815
Total liabilities	<u>210,622</u>	<u>4,407,608</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property tax	-	2,700,134
PILOT	-	1,400,000
Unavailable Revenue - Delinquent property tax	-	109,620
Unavailable Revenue - Shared revenue	-	1,298,514
Unavailable Revenue - Special Assessment	-	46,233
Total deferred inflow of resources	<u>-</u>	<u>5,554,501</u>
Total liabilities and deferred inflows of resources	<u>210,622</u>	<u>9,962,109</u>
<b>FUND BALANCES (DEFICITS)</b>		
Nonspendable	-	2,312
Restricted	-	7,354,855
Committed	-	706,047
Unassigned	(40,613)	(40,613)
Total fund balances (deficits)	<u>\$ (40,613)</u>	<u>\$ 8,022,601</u>
Total liabilities and fund balances (deficits)	<u>\$ 170,009</u>	<u>\$ 17,984,710</u>

**CITY OF MENTOR, OHIO  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUNDS  
 December 31, 2019**

	<u>General Obligation Bond Retirement</u>
<b>ASSETS</b>	
Cash and investments	\$ 552,821
Receivables, net	1,884,277
Due from other funds	227,427
Due from other governments	87,915
Total assets	<u>\$ 2,752,440</u>
<b>LIABILITIES</b>	
Total liabilities	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property tax	1,808,157
Unavailable Revenue - Delinquent property tax	76,120
Unavailable Revenue - Shared revenue	87,915
Total deferred inflow of resources	<u>1,972,192</u>
Total liabilities and deferred inflows of resources	<u>1,972,192</u>
<b>FUND BALANCES (DEFICITS)</b>	
Restricted	780,248
Total fund balances (deficits)	<u>\$ 780,248</u>
Total liabilities and fund balances (deficits)	<u>\$ 2,752,440</u>

**CITY OF MENTOR, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
December 31, 2019**

	Plaza Boulevard Extension	Amphitheater	Springbrook Park	Woodnorton Way
<b>ASSETS</b>				
Cash and investments	\$ 468,516	\$ -	\$ 732,157	\$ 661,516
Receivables, net	-	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 468,516</u>	<u>\$ -</u>	<u>\$ 732,157</u>	<u>\$ 661,516</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 105,539	\$ 65,782
Due to other funds	-	1,162,425	1,000,000	730,000
Total liabilities	<u>-</u>	<u>1,162,425</u>	<u>1,105,539</u>	<u>795,782</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>1,162,425</u>	<u>1,105,539</u>	<u>795,782</u>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	468,516	-	-	-
Unassigned deficits	-	(1,162,425)	(373,382)	(134,266)
Total fund balances (deficits)	<u>\$ 468,516</u>	<u>\$ (1,162,425)</u>	<u>\$ (373,382)</u>	<u>\$ (134,266)</u>
Total liabilities and fund balances (deficits)	<u>\$ 468,516</u>	<u>\$ -</u>	<u>\$ 732,157</u>	<u>\$ 661,516</u>

Continued

**CITY OF MENTOR, OHIO  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 December 31, 2019**

	Two Town Detention Basin	Rice Detention Basin	Marigold Road	Hopkins Road Resurfacing
<b>ASSETS</b>				
Cash and investments	\$ 216,952	\$ 238,047	\$ 97,137	\$ -
Receivables, net	-	-	60,756	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 216,952</u>	<u>\$ 238,047</u>	<u>\$ 157,893</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ (1)	\$ -
Due to other funds	-	400,000	-	-
Total liabilities	<u>-</u>	<u>400,000</u>	<u>(1)</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>400,000</u>	<u>(1)</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	216,952	-	157,894	-
Unassigned deficits	-	(161,953)	-	-
Total fund balances (deficits)	<u>\$ 216,952</u>	<u>\$ (161,953)</u>	<u>\$ 157,894</u>	<u>\$ -</u>
Total liabilities and fund balances (deficits)	<u>\$ 216,952</u>	<u>\$ 238,047</u>	<u>\$ 157,893</u>	<u>\$ -</u>

Continued

**CITY OF MENTOR, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
December 31, 2019**

	Headlands Street Rehab Orchard	Emergency Regional Response Facility	Belle Meadow	Hendricks Hopkins Resurfacing
<b>ASSETS</b>				
Cash and investments	\$ 2,039,341	\$ 2,397,955	\$ 3,896,562	\$ 231,811
Receivables, net	-	-	-	-
Due from other governments	-	-	35,114	9,139
Total assets	<u>\$ 2,039,341</u>	<u>\$ 2,397,955</u>	<u>\$ 3,931,676</u>	<u>\$ 240,950</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 5,590	\$ -	\$ 25,584	\$ 1,092
Due to other funds	1,800,000	-	2,425,000	390,000
Total liabilities	<u>1,805,590</u>	<u>-</u>	<u>2,450,584</u>	<u>391,092</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>1,805,590</u>	<u>-</u>	<u>2,450,584</u>	<u>391,092</u>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	233,751	2,397,955	1,481,092	-
Unassigned deficits	-	-	-	(150,142)
Total fund balances (deficits)	<u>\$ 233,751</u>	<u>\$ 2,397,955</u>	<u>\$ 1,481,092</u>	<u>\$ (150,142)</u>
Total liabilities and fund balances (deficits)	<u>\$ 2,039,341</u>	<u>\$ 2,397,955</u>	<u>\$ 3,931,676</u>	<u>\$ 240,950</u>

Continued

**CITY OF MENTOR, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
December 31, 2019**

	<u>Brooksdale Road</u>	<u>State Grants - Other</u>	<u>Heisley Road Improvement - Phase III</u>	<u>US20 Widening Resurfacing</u>
<b>ASSETS</b>				
Cash and investments	\$ 1,601,230	\$ 98,542	\$ -	\$ 93,332
Receivables, net	-	-	-	-
Due from other governments	-	-	-	117,227
Total assets	<u>\$ 1,601,230</u>	<u>\$ 98,542</u>	<u>\$ -</u>	<u>\$ 210,559</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ 1,373
Due to other funds	-	-	-	600,000
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>601,373</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>601,373</u>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	1,601,230	98,542	-	-
Unassigned deficits	-	-	-	(390,814)
Total fund balances (deficits)	<u>\$ 1,601,230</u>	<u>\$ 98,542</u>	<u>\$ -</u>	<u>\$ (390,814)</u>
Total liabilities and fund balances (deficits)	<u>\$ 1,601,230</u>	<u>\$ 98,542</u>	<u>\$ -</u>	<u>\$ 210,559</u>

Continued

**CITY OF MENTOR, OHIO  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 December 31, 2019**

	Federal Grants - Other	Total Nonmajor Capital projects funds
<b>ASSETS</b>		
Cash and investments	\$ 27,937	\$ 12,801,035
Receivables, net	-	60,756
Due from other governments	-	161,480
Total assets	<u>\$ 27,937</u>	<u>\$ 13,023,271</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 1,786	\$ 206,745
Due to other funds	53,000	8,560,425
Total liabilities	<u>54,786</u>	<u>8,767,170</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Total deferred inflow of resources	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>54,786</u>	<u>8,767,170</u>
<b>FUND BALANCES (DEFICITS)</b>		
Restricted	-	6,655,932
Unassigned deficits	(26,849)	(2,399,831)
Total fund balances (deficits)	<u>\$ (26,849)</u>	<u>\$ 4,256,101</u>
Total liabilities and fund balances (deficits)	<u>\$ 27,937</u>	<u>\$ 13,023,271</u>

**CITY OF MENTOR, OHIO  
COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
SUMMARY BY FUND TYPE  
For the Year Ended December 31, 2019**

	Special revenue funds	Debt service funds	Capital projects funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 2,790,558	\$ 1,556,929	\$ -	\$ 4,347,487
Other Local Taxes	765,374	-	-	765,374
Payments in Lieu of Taxes	1,163,661	-	-	1,163,661
Intergovernmental	3,959,621	185,483	892,859	5,037,963
Charges for services	79,252	-	594,375	673,627
Fines and forfeitures	318,160	-	-	318,160
Licenses, permits, and inspections	14,000	-	-	14,000
Special Assessments	1,389,630	-	-	1,389,630
Investment Income	59,783	12,442	-	72,225
Donations and other	167,477	20	-	167,497
Total revenues	<u>10,707,516</u>	<u>1,754,874</u>	<u>1,487,234</u>	<u>13,949,624</u>
<b>EXPENDITURES</b>				
Current:				
General Government	210,048	17,019	173,042	400,109
Police	595,200	-	42,298	637,498
Fire	861,106	-	8,562	869,668
Streets and highways	4,335,736	-	2,178,770	6,514,506
Parks and recreation	437,415	-	92,111	529,526
Planning and development	189,696	-	-	189,696
Engineering and building	147,715	-	450,794	598,509
Debt service:				
Principal retirement	-	1,624,954	-	1,624,954
Interest and fiscal charges	-	638,787	-	638,787
Capital outlay:				
General Government	14,510	-	-	14,510
Police	8,722	-	-	8,722
Fire	806,704	-	71,976	878,680
Streets and highways	1,360,175	-	331,921	1,692,096
Parks and recreation	116,733	-	259,902	376,635
Engineering and building	161,140	-	68,779	229,919
Total expenditures	<u>9,244,900</u>	<u>2,280,760</u>	<u>3,678,155</u>	<u>15,203,815</u>
Excess (deficiency) of revenues over expenditures	<u>1,462,616</u>	<u>(525,886)</u>	<u>(2,190,921)</u>	<u>(1,254,191)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	1,020,000	-	6,910,000	7,930,000
Premium on bonds	-	44,832	-	44,832
Issuance of OPWC Loans	-	-	124,710	124,710
Transfers In	1,637,461	117,091	622,015	2,376,567
Transfers Out	(787,563)	-	-	(787,563)
Total other financing sources (uses)	<u>1,869,898</u>	<u>161,923</u>	<u>7,656,725</u>	<u>9,688,546</u>
Net change in fund balances	3,332,514	(363,963)	5,465,804	8,434,355
Fund balances - beginning	4,690,087	1,144,211	(1,209,703)	4,624,595
Fund balances - ending	<u>\$ 8,022,601</u>	<u>\$ 780,248</u>	<u>\$ 4,256,101</u>	<u>\$ 13,058,950</u>

**CITY OF MENTOR, OHIO  
COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2019**

	Street	TIF	Police Pension	Fire Pension
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ 424,548	\$ 424,548
Other Local Taxes	-	-	-	-
Payments in Lieu of Taxes	-	1,163,661	-	-
Intergovernmental	3,114,086	-	50,586	50,586
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special Assessments	-	-	-	-
Investment Income	48,662	-	-	-
Donations and other	13,217	-	-	-
Total revenues	<u>3,175,965</u>	<u>1,163,661</u>	<u>475,134</u>	<u>475,134</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Police	-	-	458,618	-
Fire	-	-	-	458,618
Streets and highways	2,973,100	-	-	-
Parks and recreation	-	-	-	-
Planning and development	-	7,892	-	-
Engineering and building	-	147,715	-	-
Capital outlay:				
General Government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	387,200	786,199	-	-
Parks and recreation	-	-	-	-
Engineering and building	-	70,415	-	-
Total expenditures	<u>3,360,300</u>	<u>1,012,221</u>	<u>458,618</u>	<u>458,618</u>
Excess (deficiency) of revenues over expenditures	<u>(184,335)</u>	<u>151,440</u>	<u>16,516</u>	<u>16,516</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	-	-	-	-
Transfers In	1,500,000	-	-	-
Transfers Out	-	(318,368)	-	-
Total other financing sources (uses)	<u>1,500,000</u>	<u>(318,368)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,315,665	(166,928)	16,516	16,516
Fund balances - beginning	(354,860)	1,623,349	46,491	46,491
Fund balances - ending	<u>\$ 960,805</u>	<u>\$ 1,456,421</u>	<u>\$ 63,007</u>	<u>\$ 63,007</u>

Continued

**CITY OF MENTOR, OHIO  
COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2019**

	Fire Levy	Senior Citizens Service Levy	Community Recreation Facilities	Cemetery
<b>REVENUES</b>				
Property Taxes	\$ 1,941,462	\$ -	\$ -	\$ -
Other Local Taxes	-	-	765,374	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	227,737	365,000	-	-
Charges for services	-	-	-	37,100
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special Assessments	-	-	-	-
Investment Income	-	-	-	-
Donations and other	-	-	576	-
Total revenues	<u>2,169,199</u>	<u>365,000</u>	<u>765,950</u>	<u>37,100</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	14,921
Police	-	-	-	-
Fire	400,055	-	-	-
Streets and highways	-	-	-	-
Parks and recreation	-	373,691	63,504	-
Planning and development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay:				
General Government	-	-	-	-
Police	-	-	-	-
Fire	806,704	-	-	-
Streets and highways	-	-	-	-
Parks and recreation	-	-	110,619	6,114
Engineering and building	-	-	-	-
Total expenditures	<u>1,206,759</u>	<u>373,691</u>	<u>174,123</u>	<u>21,035</u>
Excess (deficiency) of revenues over expenditures	<u>962,440</u>	<u>(8,691)</u>	<u>591,827</u>	<u>16,065</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	-	-	-	1,020,000
Transfers In	-	8,691	-	-
Transfers Out	-	-	(350,000)	-
Total other financing sources (uses)	<u>-</u>	<u>8,691</u>	<u>(350,000)</u>	<u>1,020,000</u>
Net change in fund balances	962,440	-	241,827	1,036,065
Fund balances - beginning	630,446	393,488	425,212	186,690
Fund balances - ending	<u>\$ 1,592,886</u>	<u>\$ 393,488</u>	<u>\$ 667,039</u>	<u>\$ 1,222,755</u>

Continued

**CITY OF MENTOR, OHIO  
COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2019**

	Economic Development	Subdivision Street Tree	Street Lighting	Court Computer
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	42,152	-	-	-
Fines and forfeitures	-	-	-	64,632
Licenses, permits, and inspections	-	14,000	-	-
Special Assessments	-	-	1,389,630	-
Investment Income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>42,152</u>	<u>14,000</u>	<u>1,389,630</u>	<u>64,632</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	58,099
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	-	16,524	1,202,757	-
Parks and recreation	-	-	-	-
Planning and development	79,841	-	-	-
Engineering and building	-	-	-	-
Capital outlay:				
General Government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	-	-	186,776	-
Parks and recreation	-	-	-	-
Engineering and building	-	-	90,725	-
Total expenditures	<u>79,841</u>	<u>16,524</u>	<u>1,480,258</u>	<u>58,099</u>
Excess (deficiency) of revenues over expenditures	<u>(37,689)</u>	<u>(2,524)</u>	<u>(90,628)</u>	<u>6,533</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	-	-	-	-
Transfers In	-	-	100,000	-
Transfers Out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Net change in fund balances	(37,689)	(2,524)	9,372	6,533
Fund balances - beginning	49,014	41,532	295,031	99,082
Fund balances - ending	<u>\$ 11,325</u>	<u>\$ 39,008</u>	<u>\$ 304,403</u>	<u>\$ 105,615</u>

Continued

**CITY OF MENTOR, OHIO  
COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2019**

	Court Special Projects	Enforcement and Education	Court Probation Services	Indigent Driver Alcohol Treatment
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	129,140	5,689	66,959	15,955
Licenses, permits, and inspections	-	-	-	-
Special Assessments	-	-	-	-
Investment Income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>129,140</u>	<u>5,689</u>	<u>66,959</u>	<u>15,955</u>
<b>EXPENDITURES</b>				
Current:				
General Government	42,406	-	70,701	1,450
Police	-	6,433	-	-
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks and recreation	-	-	-	-
Planning and development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay:				
General Government	-	-	14,510	-
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks and recreation	-	-	-	-
Engineering and building	-	-	-	-
Total expenditures	<u>42,406</u>	<u>6,433</u>	<u>85,211</u>	<u>1,450</u>
Excess (deficiency) of revenues over expenditures	<u>86,734</u>	<u>(744)</u>	<u>(18,252)</u>	<u>14,505</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(119,195)	-	-	-
Total other financing sources (uses)	<u>(119,195)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(32,461)	(744)	(18,252)	14,505
Fund balances - beginning	334,953	15,030	125,056	50,179
Fund balances - ending	<u>\$ 302,492</u>	<u>\$ 14,286</u>	<u>\$ 106,804</u>	<u>\$ 64,684</u>

Continued

**CITY OF MENTOR, OHIO  
COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2019**

	Indigent Driver Alcohol Monitoring	Law Enforcement Trust	Police Canine	Seat Belt Grant
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	25,762	10,023	-	-
Licenses, permits, and inspections	-	-	-	-
Special Assessments	-	-	-	-
Investment Income	-	-	-	-
Donations and other	-	-	620	-
Total revenues	<u>25,762</u>	<u>10,023</u>	<u>620</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General Government	22,405	-	-	-
Police	-	54,460	32,925	463
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks and recreation	-	-	-	-
Planning and development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay:				
General Government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks and recreation	-	-	-	-
Engineering and building	-	-	-	-
Total expenditures	<u>22,405</u>	<u>54,460</u>	<u>32,925</u>	<u>463</u>
Excess (deficiency) of revenues over expenditures	<u>3,357</u>	<u>(44,437)</u>	<u>(32,305)</u>	<u>(463)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	-	-	-	-
Transfers In	-	-	28,770	-
Transfers Out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>28,770</u>	<u>-</u>
Net change in fund balances	3,357	(44,437)	(3,535)	(463)
Fund balances - beginning	125,692	118,452	20,233	6,295
Fund balances - ending	<u>\$ 129,049</u>	<u>\$ 74,015</u>	<u>\$ 16,698</u>	<u>\$ 5,832</u>

Continued

**CITY OF MENTOR, OHIO  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN  
 FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 For the Year Ended December 31, 2019**

	VOCA Victims Assistance Grant	CDBG NSP	Community Development Block Grant	Forfeited Property - U.S. Department of Justice
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	40,293	-	107,373	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special Assessments	-	-	-	-
Investment Income	-	9,143	-	1,978
Donations and other	-	15,554	-	-
Total revenues	<u>40,293</u>	<u>24,697</u>	<u>107,373</u>	<u>1,978</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Police	39,676	-	-	-
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks and recreation	-	-	-	-
Planning and development	-	-	101,963	-
Engineering and building	-	-	-	-
Capital outlay:				
General Government	-	-	-	-
Police	-	-	-	8,722
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks and recreation	-	-	-	-
Engineering and building	-	-	-	-
Total expenditures	<u>39,676</u>	<u>-</u>	<u>101,963</u>	<u>8,722</u>
Excess (deficiency) of revenues over expenditures	<u>617</u>	<u>24,697</u>	<u>5,410</u>	<u>(6,744)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	617	24,697	5,410	(6,744)
Fund balances - beginning	5,803	360,419	28	61,507
Fund balances - ending	<u>\$ 6,420</u>	<u>\$ 385,116</u>	<u>\$ 5,438</u>	<u>\$ 54,763</u>

Continued

**CITY OF MENTOR, OHIO  
COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2019**

	Council Donation	Police Donation	Fire Donation	Parks and Recreation Donation
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special Assessments	-	-	-	-
Investment Income	-	-	-	-
Donations and other	-	75	-	91
Total revenues	<u>-</u>	<u>75</u>	<u>-</u>	<u>91</u>
<b>EXPENDITURES</b>				
Current:				
General Government	66	-	-	-
Police	-	2,552	-	-
Fire	-	-	475	-
Streets and highways	-	-	-	-
Parks and recreation	-	-	-	220
Planning and development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay:				
General Government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks and recreation	-	-	-	-
Engineering and building	-	-	-	-
Total expenditures	<u>66</u>	<u>2,552</u>	<u>475</u>	<u>220</u>
Excess (deficiency) of revenues over expenditures	<u>(66)</u>	<u>(2,477)</u>	<u>(475)</u>	<u>(129)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(66)	(2,477)	(475)	(129)
Fund balances - beginning	741	16,464	898	2,902
Fund balances - ending	<u>\$ 675</u>	<u>\$ 13,987</u>	<u>\$ 423</u>	<u>\$ 2,773</u>

Continued

**CITY OF MENTOR, OHIO  
COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2019**

	<u>Local Grants</u>	<u>Total Nonmajor Special revenue funds</u>
<b>REVENUES</b>		
Property Taxes	\$ -	\$ 2,790,558
Other Local Taxes	-	765,374
Payments in Lieu of Taxes	-	1,163,661
Intergovernmental	3,960	3,959,621
Charges for services	-	79,252
Fines and forfeitures	-	318,160
Licenses, permits, and inspections	-	14,000
Special Assessments	-	1,389,630
Investment Income	-	59,783
Donations and other	137,344	167,477
Total revenues	<u>141,304</u>	<u>10,707,516</u>
<b>EXPENDITURES</b>		
Current:		
General Government	-	210,048
Police	73	595,200
Fire	1,958	861,106
Streets and highways	143,355	4,335,736
Parks and recreation	-	437,415
Planning and development	-	189,696
Engineering and building	-	147,715
Capital outlay:		
General Government	-	14,510
Police	-	8,722
Fire	-	806,704
Streets and highways	-	1,360,175
Parks and recreation	-	116,733
Engineering and building	-	161,140
Total expenditures	<u>145,386</u>	<u>9,244,900</u>
Excess (deficiency) of revenues over expenditures	<u>(4,082)</u>	<u>1,462,616</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Issuance of Bonds	-	1,020,000
Transfers In	-	1,637,461
Transfers Out	-	<u>(787,563)</u>
Total other financing sources (uses)	<u>-</u>	<u>1,869,898</u>
Net change in fund balances	(4,082)	3,332,514
Fund balances - beginning	<u>(36,531)</u>	<u>4,690,087</u>
Fund balances - ending	<u>\$ (40,613)</u>	<u>\$ 8,022,601</u>

**CITY OF MENTOR, OHIO  
COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS  
For the Year Ended December 31, 2019**

	General Obligation Bond Retirement
<b>REVENUES</b>	
Property Taxes	\$ 1,556,929
Intergovernmental	185,483
Investment Income	12,442
Donations and other	20
Total revenues	<u>1,754,874</u>
<b>EXPENDITURES</b>	
Current:	
General Government	17,019
Debt service:	
Principal retirement	1,624,954
Interest and fiscal charges	638,787
Capital outlay:	
Total expenditures	<u>2,280,760</u>
Excess (deficiency) of revenues over expenditures	<u>(525,886)</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Premium on bonds	44,832
Transfers In	117,091
Total other financing sources (uses)	<u>161,923</u>
Net change in fund balances	(363,963)
Fund balances - beginning	1,144,211
Fund balances - ending	<u>\$ 780,248</u>

**CITY OF MENTOR, OHIO  
COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
For the Year Ended December 31, 2019**

	Plaza Boulevard Extension	Amphitheater	Springbrook Park	Woodnorton Way
<b>REVENUES</b>				
Intergovernmental	\$ 57	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Total revenues	<u>57</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	-	-	-	59,220
Parks and recreation	-	-	92,111	-
Engineering and building	-	-	-	75,046
Capital outlay:				
Fire	-	-	-	-
Streets and highways	17,871	-	-	-
Parks and recreation	-	-	259,902	-
Engineering and building	-	-	44,647	-
Total expenditures	<u>17,871</u>	<u>-</u>	<u>396,660</u>	<u>134,266</u>
Excess (deficiency) of revenues over expenditures	<u>(17,814)</u>	<u>-</u>	<u>(396,660)</u>	<u>(134,266)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	-	-	-	-
Issuance of OPWC Loans	-	-	-	-
Transfers In	-	350,000	-	-
Total other financing sources (uses)	<u>-</u>	<u>350,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(17,814)	350,000	(396,660)	(134,266)
Fund balances - beginning	486,330	(1,512,425)	23,278	-
Fund balances - ending	<u>\$ 468,516</u>	<u>\$ (1,162,425)</u>	<u>\$ (373,382)</u>	<u>\$ (134,266)</u>

Continued

**CITY OF MENTOR, OHIO  
COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
For the Year Ended December 31, 2019**

	Two Town Detention Basin	Rice Detention Basin	Marigold Road	Hopkins Road Resurfacing
<b>REVENUES</b>				
Intergovernmental	\$ 7,036	\$ -	\$ -	\$ 9,371
Charges for services	-	-	34,555	-
Total revenues	<u>7,036</u>	<u>-</u>	<u>34,555</u>	<u>9,371</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	-	17,981	143,692	-
Parks and recreation	-	-	-	-
Engineering and building	-	-	9,818	17,872
Capital outlay:				
Fire	-	-	-	-
Streets and highways	48,615	115,140	-	-
Parks and recreation	-	-	-	-
Engineering and building	3,071	11,130	-	-
Total expenditures	<u>51,686</u>	<u>144,251</u>	<u>153,510</u>	<u>17,872</u>
Excess (deficiency) of revenues over expenditures	<u>(44,650)</u>	<u>(144,251)</u>	<u>(118,955)</u>	<u>(8,501)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	-	-	-	-
Issuance of OPWC Loans	-	68,488	56,222	-
Transfers In	-	-	-	191,702
Total other financing sources (uses)	<u>-</u>	<u>68,488</u>	<u>56,222</u>	<u>191,702</u>
Net change in fund balances	(44,650)	(75,763)	(62,733)	183,201
Fund balances - beginning	261,602	(86,190)	220,627	(183,201)
Fund balances - ending	<u>\$ 216,952</u>	<u>\$ (161,953)</u>	<u>\$ 157,894</u>	<u>\$ -</u>

Continued

**CITY OF MENTOR, OHIO  
COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
For the Year Ended December 31, 2019**

	Headlands Street Rehab Orchard	Emergency Regional Response Facility	Belle Meadow	Hendricks Hopkins Resurfacing
<b>REVENUES</b>				
Intergovernmental	\$ 407,593	\$ -	\$ 35,114	\$ 132,033
Charges for services	559,820	-	-	-
Total revenues	967,413	-	35,114	132,033
<b>EXPENDITURES</b>				
Current:				
General Government	23,770	29,768	23,770	-
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	1,659,194	-	25,584	273,099
Parks and recreation	-	-	-	-
Engineering and building	172,285	24,337	129,668	9,076
Capital outlay:				
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks and recreation	-	-	-	-
Engineering and building	-	-	-	-
Total expenditures	1,855,249	54,105	179,022	282,175
Excess (deficiency) of revenues over expenditures	(887,836)	(54,105)	(143,908)	(150,142)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	1,625,000	2,035,000	1,625,000	-
Issuance of OPWC Loans	-	-	-	-
Transfers In	-	-	-	-
Total other financing sources (uses)	1,625,000	2,035,000	1,625,000	-
Net change in fund balances	737,164	1,980,895	1,481,092	(150,142)
Fund balances - beginning	(503,413)	417,060	-	-
Fund balances - ending	\$ 233,751	\$ 2,397,955	\$ 1,481,092	\$ (150,142)

Continued

**CITY OF MENTOR, OHIO  
COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
For the Year Ended December 31, 2019**

	Brooksdale Road	State Grants - Other	Heisley Road Improvement - Phase III	US20 Widening Resurfacing
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 109,075	\$ -	\$ 155,558
Charges for services	-	-	-	-
Total revenues	-	109,075	-	155,558
<b>EXPENDITURES</b>				
Current:				
General Government	23,770	71,963	1	-
Police	-	6,752	-	-
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks and recreation	-	-	-	-
Engineering and building	-	12,692	-	-
Capital outlay:				
Fire	-	47,210	-	-
Streets and highways	-	-	-	150,295
Parks and recreation	-	-	-	-
Engineering and building	-	-	-	9,931
Total expenditures	23,770	138,617	1	160,226
Excess (deficiency) of revenues over expenditures	(23,770)	(29,542)	(1)	(4,668)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	1,625,000	-	-	-
Issuance of OPWC Loans	-	-	-	-
Transfers In	-	16,995	36,337	-
Total other financing sources (uses)	1,625,000	16,995	36,337	-
Net change in fund balances	1,601,230	(12,547)	36,336	(4,668)
Fund balances - beginning	-	111,089	(36,336)	(386,146)
Fund balances - ending	\$ 1,601,230	\$ 98,542	\$ -	\$ (390,814)

Continued

**CITY OF MENTOR, OHIO  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN  
 FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 For the Year Ended December 31, 2019**

	Federal Grants - Other	Total Nonmajor Capital projects funds
<b>REVENUES</b>		
Intergovernmental	\$ 37,022	\$ 892,859
Charges for services	-	594,375
Total revenues	<u>37,022</u>	<u>1,487,234</u>
<b>EXPENDITURES</b>		
Current:		
General Government	-	173,042
Police	35,546	42,298
Fire	8,562	8,562
Streets and highways	-	2,178,770
Parks and recreation	-	92,111
Engineering and building	-	450,794
Capital outlay:		
Fire	24,766	71,976
Streets and highways	-	331,921
Parks and recreation	-	259,902
Engineering and building	-	68,779
Total expenditures	<u>68,874</u>	<u>3,678,155</u>
Excess (deficiency) of revenues over expenditures	<u>(31,852)</u>	<u>(2,190,921)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Issuance of Bonds	-	6,910,000
Issuance of OPWC Loans	-	124,710
Transfers In	26,981	622,015
Total other financing sources (uses)	<u>26,981</u>	<u>7,656,725</u>
Net change in fund balances	(4,871)	5,465,804
Fund balances - beginning	(21,978)	(1,209,703)
Fund balances - ending	<u>\$ (26,849)</u>	<u>\$ 4,256,101</u>

**CITY OF MENTOR, OHIO**  
**AGENCY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**Year Ended December 31, 2019**

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	<u>Balance</u> <u>January 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 2019</u>
<b>Municipal Court Fund:</b>				
ASSETS:				
Cash	\$ 106,080	\$ 1,128,202	\$ 1,130,493	\$ 103,789
LIABILITIES:				
Deposits held and due to others	\$ 106,080	\$ 1,128,202	\$ 1,130,493	\$ 103,789

**CITY OF MENTOR, OHIO**  
**STREET FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 2,410,000	\$ 2,949,366	\$ 539,366
Investment income	40,000	48,662	8,662
Total revenues	<u>2,450,000</u>	<u>2,998,028</u>	<u>548,028</u>
<b>EXPENDITURES:</b>			
Engineering and building	8,126	3,126	5,000
Streets and highways	3,874,498	3,640,459	234,039
Total expenditures	<u>3,882,624</u>	<u>3,643,585</u>	<u>239,039</u>
Excess (deficiency) of revenues over expenditures	(1,432,624)	(645,557)	787,067
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	1,800,000	1,800,000	-
Transfers in	1,500,000	1,500,000	-
Advances out	(1,500,000)	(1,500,000)	-
Total other financing sources (uses)	<u>1,800,000</u>	<u>1,800,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	367,376	1,154,443	787,067
Adjustment for prior year encumbrances	300,624	300,624	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>517,473</u>	<u>517,473</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 1,185,473</u>	<u>\$ 1,972,540</u>	<u>\$ 787,067</u>

**CITY OF MENTOR, OHIO**

**TIF FUND**

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

**(NON-GAAP BUDGETARY BASIS)**

**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Payments in Lieu of Taxes	\$ 1,163,661	\$ 1,163,661	\$ -
<b>EXPENDITURES:</b>			
Economic and community development	14,000	7,892	6,108
Streets and highways	1,889,979	1,737,003	152,976
Engineering and building	442,122	338,122	104,000
Total expenditures	<u>2,346,101</u>	<u>2,083,017</u>	<u>263,084</u>
Excess (deficiency) of revenues over expenditures	(1,182,440)	(919,356)	263,084
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	448,000	448,000	-
Advances out	(15,724)	(15,724)	-
Transfers out	(700,000)	(318,368)	381,632
Total other financing sources (uses)	<u>(267,724)</u>	<u>113,908</u>	<u>381,632</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,450,164)	(805,448)	644,716
Adjustment for prior year encumbrances	1,152,049	1,152,049	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>409,296</u>	<u>409,296</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 111,181</u>	<u>\$ 755,897</u>	<u>\$ 644,716</u>

**CITY OF MENTOR, OHIO**  
**POLICE PENSION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 47,000	\$ 50,544	\$ 3,544
Property taxes	<u>365,908</u>	<u>424,591</u>	<u>58,683</u>
Total revenues	<u>412,908</u>	<u>475,135</u>	<u>62,227</u>
<b>EXPENDITURES:</b>			
Police	<u>458,908</u>	<u>458,618</u>	<u>290</u>
NET CHANGE IN FUND BALANCE	(46,000)	16,517	62,517
FUND BALANCES, BEGINNING OF YEAR	<u>46,492</u>	<u>46,492</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 492</u>	<u>\$ 63,009</u>	<u>\$ 62,517</u>

**CITY OF MENTOR, OHIO**  
**FIRE PENSION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 47,000	\$ 50,544	\$ 3,544
Property taxes	365,908	424,591	58,683
Total revenues	<u>412,908</u>	<u>475,135</u>	<u>62,227</u>
EXPENDITURES:			
Fire	<u>458,908</u>	<u>458,618</u>	<u>290</u>
NET CHANGE IN FUND BALANCE	(46,000)	16,517	62,517
FUND BALANCES, BEGINNING OF YEAR	<u>46,492</u>	<u>46,492</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 492</u>	<u>\$ 63,009</u>	<u>\$ 62,517</u>

**CITY OF MENTOR, OHIO**  
**FIRE LEVY FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 100,000	\$ 227,544	\$ 127,544
Property taxes	2,064,539	1,941,655	(122,884)
Total revenues	<u>2,164,539</u>	<u>2,169,199</u>	<u>4,660</u>
<b>EXPENDITURES:</b>			
Fire:			
Employee compensation	337,414	337,414	-
Other	897,676	879,538	18,138
Total expenditures	<u>1,235,090</u>	<u>1,216,952</u>	<u>18,138</u>
Excess (deficiency) of revenues over expenditures	929,449	952,247	22,798
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	(500,000)	-	500,000
Total other financing sources (uses)	<u>(500,000)</u>	<u>-</u>	<u>500,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	429,449	952,247	522,798
Adjustment for prior year encumbrances	527,676	527,676	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>102,770</u>	<u>102,770</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u><u>\$ 1,059,895</u></u>	<u><u>\$ 1,582,693</u></u>	<u><u>\$ 522,798</u></u>

**CITY OF MENTOR, OHIO**  
**SENIOR CITIZENS SERVICES LEVY FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 315,000	\$ 417,729	\$ 102,729
EXPENDITURES:			
Parks, recreation and public facilities:			
Employee compensation	140,000	140,000	-
Other	233,691	233,691	-
Total expenditures	<u>373,691</u>	<u>373,691</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(58,691)	44,038	102,729
FUND BALANCES, BEGINNING OF YEAR	<u>349,451</u>	<u>349,451</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 290,760</u>	<u>\$ 393,489</u>	<u>\$ 102,729</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, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Donations and other	\$ -	\$ 576	\$ 576
Other local taxes	670,000	761,016	91,016
Total revenues	<u>670,000</u>	<u>761,592</u>	<u>91,592</u>
<b>EXPENDITURES:</b>			
Parks, recreation and public facilities	<u>598,878</u>	<u>281,732</u>	<u>317,146</u>
Excess (deficiency) of revenues over expenditures	71,122	479,860	408,738
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(278,878)</b>	<b>129,860</b>	<b>408,738</b>
Adjustment for prior year encumbrances	50,000	50,000	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>321,071</u>	<u>321,071</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u><u>\$ 92,193</u></u>	<u><u>\$ 500,931</u></u>	<u><u>\$ 408,738</u></u>

**CITY OF MENTOR, OHIO**  
**CEMETERY FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Charges for services	\$ 30,000	\$ 37,100	\$ 7,100
<b>EXPENDITURES:</b>			
General Government	20,000	14,921	5,079
Parks, recreation and public facilities	8,325	8,325	-
Total expenditures	<u>28,325</u>	<u>23,246</u>	<u>5,079</u>
Excess (deficiency) of revenues over expenditures	1,675	13,854	12,179
<b>OTHER FINANCING SOURCES (USES):</b>			
Issuance of Bonds	1,020,000	1,020,000	-
Total other financing sources (uses)	<u>1,020,000</u>	<u>1,020,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,021,675	1,033,854	12,179
Adjustment for prior year encumbrances	8,325	8,325	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>180,360</u>	<u>180,360</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 1,210,360</u>	<u>\$ 1,222,539</u>	<u>\$ 12,179</u>

**CITY OF MENTOR, OHIO**  
**ECONOMIC DEVELOPMENT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	\$ 48,000	\$ 42,152	\$ (5,848)
EXPENDITURES:			
Economic and community development	97,000	86,891	10,109
NET CHANGE IN FUND BALANCE	(49,000)	(44,739)	4,261
Adjustment for prior year encumbrances	24,000	24,000	-
FUND BALANCES, BEGINNING OF YEAR	25,015	25,015	-
FUND BALANCES, END OF YEAR	<u>\$ 15</u>	<u>\$ 4,276</u>	<u>\$ 4,261</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, 2019**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Licenses, permits and inspections	\$ 10,000	\$ 14,000	\$ 4,000
EXPENDITURES:			
Parks, recreation and public facilities	20,000	16,524	3,476
NET CHANGE IN FUND BALANCE	(10,000)	(2,524)	7,476
FUND BALANCES, BEGINNING OF YEAR	41,532	41,532	-
FUND BALANCES, END OF YEAR	<u>\$ 31,532</u>	<u>\$ 39,008</u>	<u>\$ 7,476</u>

**CITY OF MENTOR, OHIO**  
**STREET LIGHTING FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Special assessments	\$ 1,375,000	\$ 1,389,630	\$ 14,630
<b>EXPENDITURES:</b>			
Streets and highways	3,167,866	3,024,032	143,834
Engineering and building	151,497	151,497	-
Total expenditures	<u>3,319,363</u>	<u>3,175,529</u>	<u>143,834</u>
Excess (deficiency) of revenues over expenditures	(1,944,363)	(1,785,899)	158,464
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	1,700,000	1,700,000	-
Transfers in	100,000	100,000	-
Advances out	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,400,000</u>	<u>1,400,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(544,363)	(385,899)	158,464
Adjustment for prior year encumbrances	224,363	224,363	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>470,670</u>	<u>470,670</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 150,670</u>	<u>\$ 309,134</u>	<u>\$ 158,464</u>

**CITY OF MENTOR, OHIO**  
**COURT COMPUTER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 60,000	\$ 63,631	\$ 3,631
EXPENDITURES:			
General government			
Employee compensation	50,000	38,151	11,849
Other	99,650	19,420	80,230
Total expenditures	<u>149,650</u>	<u>57,571</u>	<u>92,079</u>
NET CHANGE IN FUND BALANCE	(89,650)	6,060	95,710
Adjustment for prior year encumbrances	300	300	-
FUND BALANCES, BEGINNING OF YEAR	<u>92,903</u>	<u>92,903</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,553</u>	<u>\$ 99,263</u>	<u>\$ 95,710</u>

**CITY OF MENTOR, OHIO**  
**COURT SPECIAL PROJECTS FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 120,000	\$ 127,180	\$ 7,180
EXPENDITURES:			
General government	300,378	50,235	250,143
Excess (deficiency) of revenues over expenditures	(180,378)	76,945	257,323
OTHER FINANCING SOURCES (USES):			
Transfers out	(123,770)	(119,195)	4,575
Total other financing sources (uses)	(123,770)	(119,195)	4,575
NET CHANGE IN FUND BALANCE	(304,148)	(42,250)	261,898
Adjustment for prior year encumbrances	378	378	-
FUND BALANCES, BEGINNING OF YEAR	326,203	326,203	-
FUND BALANCES, END OF YEAR	<u>\$ 22,433</u>	<u>\$ 284,331</u>	<u>\$ 261,898</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, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 5,000	\$ 5,396	\$ 396
EXPENDITURES:			
Police	19,590	6,433	13,157
NET CHANGE IN FUND BALANCE	(14,590)	(1,037)	13,553
Adjustment for prior year encumbrances	4,590	4,590	-
FUND BALANCES, BEGINNING OF YEAR	10,115	10,115	-
FUND BALANCES, END OF YEAR	<u>\$ 115</u>	<u>\$ 13,668</u>	<u>\$ 13,553</u>

**CITY OF MENTOR, OHIO**  
**COURT PROBATION SERVICES FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 75,000	\$ 69,111	\$ (5,889)
EXPENDITURES:			
General government:			
Employee compensation	45,000	45,000	-
Other	143,750	40,211	103,539
Total expenditures	<u>188,750</u>	<u>85,211</u>	<u>103,539</u>
NET CHANGE IN FUND BALANCE	(113,750)	(16,100)	97,650
FUND BALANCES, BEGINNING OF YEAR	<u>117,315</u>	<u>117,315</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,565</u>	<u>\$ 101,215</u>	<u>\$ 97,650</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, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Fines and forfeitures	\$ 10,000	\$ 10,022	\$ 22
Intergovernmental	<u>7,000</u>	<u>9,336</u>	<u>2,336</u>
Total revenues	<u>17,000</u>	<u>19,358</u>	<u>2,358</u>
<b>EXPENDITURES:</b>			
General government	<u>60,000</u>	<u>14,750</u>	<u>45,250</u>
NET CHANGE IN FUND BALANCE	(43,000)	4,608	47,608
FUND BALANCES, BEGINNING OF YEAR	<u>59,151</u>	<u>59,151</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 16,151</u>	<u>\$ 63,759</u>	<u>\$ 47,608</u>

**CITY OF MENTOR, OHIO**  
**INDIGENT DRIVER ALCOHOL MONITORING FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 10,000	\$ 24,232	\$ 14,232
EXPENDITURES:			
General government	120,000	22,405	97,595
NET CHANGE IN FUND BALANCE	(110,000)	1,827	111,827
FUND BALANCES, BEGINNING OF YEAR	124,451	124,451	-
FUND BALANCES, END OF YEAR	<u>\$ 14,451</u>	<u>\$ 126,278</u>	<u>\$ 111,827</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, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 5,000	\$ 10,085	\$ 5,085
EXPENDITURES:			
Police	78,000	54,460	23,540
NET CHANGE IN FUND BALANCE	(73,000)	(44,375)	28,625
FUND BALANCES, BEGINNING OF YEAR	118,015	118,015	-
FUND BALANCES, END OF YEAR	<u>\$ 45,015</u>	<u>\$ 73,640</u>	<u>\$ 28,625</u>

**CITY OF MENTOR, OHIO**  
**PAYROLL STABILIZATION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Economic and community development	100	97	3
Fire	125,000	113,002	11,998
General government	32,000	18,069	13,931
Parks, recreation and public facilities	50,000	-	50,000
Police	125,000	113,451	11,549
Streets and highways	100,000	29,850	70,150
Engineering and building	24,900	1,464	23,436
Total expenditures	<u>457,000</u>	<u>275,933</u>	<u>181,067</u>
Excess (deficiency) of revenues over expenditures	(457,000)	(275,933)	181,067
OTHER FINANCING SOURCES:			
Transfers in	340,000	418,080	78,080
Total other financing sources	<u>340,000</u>	<u>418,080</u>	<u>78,080</u>
NET CHANGE IN FUND BALANCE	(117,000)	142,147	259,147
FUND BALANCES, BEGINNING OF YEAR	<u>1,231,790</u>	<u>1,231,790</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,114,790</u>	<u>\$ 1,373,937</u>	<u>\$ 259,147</u>

**CITY OF MENTOR, OHIO**  
**POLICE CANINE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ 1,000	\$ 620	\$ (380)
EXPENDITURES:			
Police	37,270	32,925	4,345
Excess (deficiency) of revenues over expenditures	(36,270)	(32,305)	3,965
OTHER FINANCING SOURCES (USES):			
Transfers in	25,000	28,770	3,770
Total other financing sources (uses)	25,000	28,770	3,770
NET CHANGE IN FUND BALANCE	(11,270)	(3,535)	7,735
FUND BALANCES, BEGINNING OF YEAR	20,233	20,233	-
FUND BALANCES, END OF YEAR	<u>\$ 8,963</u>	<u>\$ 16,698</u>	<u>\$ 7,735</u>

**CITY OF MENTOR, OHIO**  
**SEAT BELT GRANT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Police	6,200	1,928	4,272
NET CHANGE IN FUND BALANCE	(6,200)	(1,928)	4,272
FUND BALANCES, BEGINNING OF YEAR	6,295	6,295	-
FUND BALANCES, END OF YEAR	<u>\$ 95</u>	<u>\$ 4,367</u>	<u>\$ 4,272</u>

**CITY OF MENTOR, OHIO**  
**VOCA VICTIMS ASSISTANCE GRANT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 41,011	\$ 43,663	\$ 2,652
EXPENDITURES:			
Police:			
Employee Compensation	40,435	39,258	1,177
Other	576	417	159
Total Expenditures	<u>41,011</u>	<u>39,675</u>	<u>1,336</u>
NET CHANGE IN FUND BALANCE	-	3,988	3,988
FUND BALANCES, BEGINNING OF YEAR	<u>2,433</u>	<u>2,433</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,433</u>	<u>\$ 6,421</u>	<u>\$ 3,988</u>

**CITY OF MENTOR, OHIO**  
**CDBG NSP FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Investment income	\$ 8,000	\$ 9,143	\$ 1,143
Donations and other	-	15,554	\$ 15,554
Total revenues	<u>8,000</u>	<u>24,697</u>	<u>16,697</u>
<b>EXPENDITURES:</b>			
Economic and community development	<u>368,000</u>	<u>-</u>	<u>368,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(360,000)</b>	<b>24,697</b>	<b>384,697</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>360,419</u>	<u>360,419</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u><u>\$ 419</u></u>	<u><u>\$ 385,116</u></u>	<u><u>\$ 384,697</u></u>

**CITY OF MENTOR, OHIO**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 175,076	\$ 117,924	\$ (57,152)
EXPENDITURES:			
Economic and community development			
Employee compensation	6,140	6,140	-
Other	349,410	292,819	56,591
Total expenditures	<u>355,550</u>	<u>298,959</u>	<u>56,591</u>
Excess (deficiency) of revenues over expenditures	(180,474)	(181,035)	(561)
OTHER FINANCING SOURCES (USES):			
Advances in	224,496	253,766	29,270
Advances out	(224,496)	(193,030)	31,466
Total other financing sources (uses)	<u>-</u>	<u>60,736</u>	<u>60,736</u>
NET CHANGE IN FUND BALANCE	(180,474)	(120,299)	60,175
Adjustment for prior year encumbrances	26,708	26,708	
FUND BALANCES, BEGINNING OF YEAR	<u>155,657</u>	<u>155,657</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,891</u>	<u>\$ 62,066</u>	<u>\$ 60,175</u>

**CITY OF MENTOR, OHIO**  
**FORFEITED PROPERTY - U.S. DEPARTMENT OF JUSTICE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Investment income	<u>\$1,000</u>	<u>\$1,978</u>	<u>\$978</u>
EXPENDITURES:			
Police	<u>133,000</u>	<u>99,614</u>	<u>33,386</u>
NET CHANGE IN FUND BALANCE	(132,000)	(97,636)	34,364
Adjustment for prior year encumbrances	100,000	100,000	-
FUND BALANCES, BEGINNING OF YEAR	<u>52,399</u>	<u>52,399</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 20,399</u>	<u>\$ 54,763</u>	<u>\$ 34,364</u>

**CITY OF MENTOR, OHIO**  
**COUNCIL DONATION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ 700	\$ -	\$ (700)
EXPENDITURES:			
General government	475	66	409
NET CHANGE IN FUND BALANCE	225	(66)	(291)
FUND BALANCES, BEGINNING OF YEAR	740	740	-
FUND BALANCES, END OF YEAR	<u>\$ 965</u>	<u>\$ 674</u>	<u>\$ (291)</u>

**CITY OF MENTOR, OHIO**  
**POLICE DONATION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ -	\$ 75	\$ 75
EXPENDITURES:			
Police	9,000	4,186	4,814
NET CHANGE IN FUND BALANCE	(9,000)	(4,111)	4,889
FUND BALANCES, BEGINNING OF YEAR	16,465	16,465	-
FUND BALANCES, END OF YEAR	<u>\$ 7,465</u>	<u>\$ 12,354</u>	<u>\$ 4,889</u>

**CITY OF MENTOR, OHIO**  
**FIRE DONATION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ -	\$ -	\$ -
EXPENDITURES:			
Fire	636	475	161
NET CHANGE IN FUND BALANCE	(636)	(475)	161
Adjustment for prior year encumbrances	36	36	-
FUND BALANCES, BEGINNING OF YEAR	862	862	-
FUND BALANCES, END OF YEAR	<u>\$ 262</u>	<u>\$ 423</u>	<u>\$ 161</u>

**CITY OF MENTOR, OHIO**  
**PARKS AND RECREATION DONATION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ 1,200	\$ 91	\$ (1,109)
EXPENDITURES:			
Parks, recreation and public facilities	2,485	220	2,265
NET CHANGE IN FUND BALANCE	(1,285)	(129)	1,156
FUND BALANCES, BEGINNING OF YEAR	2,903	2,903	-
FUND BALANCES, END OF YEAR	<u>\$ 1,618</u>	<u>\$ 2,774</u>	<u>\$ 1,156</u>

**CITY OF MENTOR, OHIO**  
**SENIOR CITIZENS ACTIVITIES FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ 300	\$ 8,290	\$ 7,990
EXPENDITURES:			
Parks, recreation and public facilities	13,500	2,564	10,936
NET CHANGE IN FUND BALANCE	(13,200)	5,726	18,926
FUND BALANCES, BEGINNING OF YEAR	27,845	27,845	-
FUND BALANCES, END OF YEAR	<u>\$ 14,645</u>	<u>\$ 33,571</u>	<u>\$ 18,926</u>

**CITY OF MENTOR, OHIO**  
**CULTURAL FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Charges for services	\$ 18,200	\$ 28,943	\$ 10,743
Donations and other	5,000	6,450	1,450
Total revenues	<u>23,200</u>	<u>35,393</u>	<u>12,193</u>
<b>EXPENDITURES:</b>			
Parks, recreation and public facilities:			
Employee compensation	2,500	-	2,500
Other	65,967	31,313	34,654
Total expenditures	<u>68,467</u>	<u>31,313</u>	<u>37,154</u>
NET CHANGE IN FUND BALANCE	(45,267)	4,080	49,347
Adjustment for prior year encumbrances	2,330	2,330	-
FUND BALANCES, BEGINNING OF YEAR	<u>68,968</u>	<u>68,968</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 26,031</u>	<u>\$ 75,378</u>	<u>\$ 49,347</u>

**CITY OF MENTOR, OHIO**  
**BEAUTIFICATION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Parks, recreation and public facilities	1,800	-	1,800
NET CHANGE IN FUND BALANCE	(1,800)	-	1,800
FUND BALANCES, BEGINNING OF YEAR	2,258	2,258	-
FUND BALANCES, END OF YEAR	<u>\$ 458</u>	<u>\$ 2,258</u>	<u>\$ 1,800</u>

**CITY OF MENTOR, OHIO**  
**LOCAL GRANT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Donations and other	\$ 341,966	\$ 141,304	\$ (200,662)
<b>EXPENDITURES:</b>			
Fire	2,014	1,958	56
General government	1,000	-	1,000
Police	886	73	813
Streets and highways	350,838	264,015	86,823
Total expenditures	<u>354,738</u>	<u>266,046</u>	<u>88,692</u>
Excess (deficiency) of revenues over expenditures	(12,772)	(124,742)	(111,970)
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	346,966	347,966	1,000
Transfers in	6,754	-	(6,754)
Advances out	(320,834)	(313,834)	7,000
Total other financing sources (uses)	<u>32,886</u>	<u>34,132</u>	<u>1,246</u>
<b>NET CHANGE IN FUND BALANCE</b>	20,114	(90,610)	(110,724)
Adjustment for prior year encumbrances	41,230	41,230	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>98,729</u>	<u>98,729</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 160,073</u>	<u>\$ 49,349</u>	<u>\$ (110,724)</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, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 151,400	\$ 185,327	\$ 33,927
Investment income	-	12,442	12,442
Property taxes	1,494,595	1,557,086	62,491
Donations and other	-	20	20
Total revenues	<u>1,645,995</u>	<u>1,754,875</u>	<u>108,880</u>
<b>EXPENDITURES:</b>			
Debt service:			
Principal retirement	1,655,724	1,655,724	-
Interest and other charges	695,942	655,806	40,136
Total expenditures	<u>2,351,666</u>	<u>2,311,530</u>	<u>40,136</u>
Excess (deficiency) of revenues over expenditures	(705,671)	(556,655)	149,016
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	-	15,724	15,724
Bond premium	45,000	44,832	(168)
Transfers in	117,090	117,090	-
Total other financing sources (uses)	<u>162,090</u>	<u>177,646</u>	<u>15,556</u>
NET CHANGE IN FUND BALANCE	(543,581)	(379,009)	164,572
FUND BALANCES, BEGINNING OF YEAR	<u>1,159,258</u>	<u>1,159,258</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 615,677</u>	<u>\$ 780,249</u>	<u>\$ 164,572</u>

**CITY OF MENTOR, OHIO**  
**PLAZA BOULEVARD EXTENSION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ 57	\$ 57
EXPENDITURES:			
Streets and highways	265,295	17,871	247,424
Engineering and building	14,762	13,881	881
Total expenditures	<u>280,057</u>	<u>31,752</u>	<u>248,305</u>
NET CHANGE IN FUND BALANCE	(280,057)	(31,695)	248,362
Adjustment for prior year encumbrances	276,557	276,557	-
FUND BALANCES, BEGINNING OF YEAR	<u>223,652</u>	<u>223,652</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 220,152</u>	<u>\$ 468,514</u>	<u>\$ 248,362</u>

**CITY OF MENTOR, OHIO**  
**AMPHITHEATER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:	-	-	-
OTHER FINANCING SOURCES (USES):			
Advances in	1,163,000	1,162,425	(575)
Transfers in	350,000	350,000	-
Advances out	(1,513,000)	(1,512,425)	575
Total other financing sources (uses)	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF MENTOR, OHIO**  
**SPRINGBROOK PARK FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Parks, recreation and public facilities			-
Employee compensation	15,777	3,826	11,951
Other	1,440,219	1,400,750	39,469
Engineering and building	147,418	147,418	-
Total expenditures	<u>1,603,414</u>	<u>1,551,994</u>	<u>51,420</u>
Excess (deficiency) of revenues over expenditures	(1,603,414)	(1,551,994)	51,420
OTHER FINANCING SOURCES (USES):			
Advances in	1,011,000	1,000,000	(11,000)
Advances out	(1,000,000)	(1,000,000)	-
Total other financing sources (uses)	<u>11,000</u>	<u>-</u>	<u>(11,000)</u>
NET CHANGE IN FUND BALANCE	(1,592,414)	(1,551,994)	40,420
Adjustment for prior year encumbrances	1,129,187	1,129,187	-
FUND BALANCES, BEGINNING OF YEAR	<u>464,039</u>	<u>464,039</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 812</u>	<u>\$ 41,232</u>	<u>\$ 40,420</u>

**CITY OF MENTOR, OHIO**  
**WOODNORTON WAY FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Streets and highways	625,417	625,417	-
Engineering and building	104,000	104,000	-
Total expenditures	<u>729,417</u>	<u>729,417</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(729,417)	(729,417)	-
OTHER FINANCING SOURCES (USES):			
Advances in	730,000	730,000	-
Total other financing sources (uses)	<u>730,000</u>	<u>730,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	583	583	-
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 583</u>	<u>\$ 583</u>	<u>\$ -</u>

**CITY OF MENTOR, OHIO**  
**TWO TOWN DETENTION BASIN FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ 9,632	\$ 9,632
EXPENDITURES:			
Streets and highways	166,477	166,477	-
Engineering and building	22,730	22,686	44
Total expenditures	<u>189,207</u>	<u>189,163</u>	<u>44</u>
NET CHANGE IN FUND BALANCE	(189,207)	(179,531)	9,676
Adjustment for prior year encumbrances	189,206	189,206	-
FUND BALANCES, BEGINNING OF YEAR	<u>108,868</u>	<u>108,868</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 108,867</u>	<u>\$ 118,543</u>	<u>\$ 9,676</u>

**CITY OF MENTOR, OHIO**  
**RICE DETENTION BASIN FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 48,141	\$ 51,388	\$ 3,247
<b>EXPENDITURES:</b>			
Streets and highways	148,662	148,662	-
Engineering and building	16,216	16,216	-
Total expenditures	<u>164,878</u>	<u>164,878</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(116,737)	(113,490)	3,247
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	350,500	400,000	49,500
Advances out	(400,000)	(400,000)	-
Total other financing sources (uses)	<u>(49,500)</u>	<u>-</u>	<u>49,500</u>
<b>NET CHANGE IN FUND BALANCE</b>	(166,237)	(113,490)	52,747
Adjustment for prior year encumbrances	164,878	164,878	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>148,052</u>	<u>148,052</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 146,693</u>	<u>\$ 199,440</u>	<u>\$ 52,747</u>

**CITY OF MENTOR, OHIO**  
**MARIGOLD ROAD FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Charges for services	\$ 19,640	\$ 78,002	\$ 58,362
Intergovernmental	86,267	16,043	(70,224)
Total revenues	<u>105,907</u>	<u>94,045</u>	<u>(11,862)</u>
<b>EXPENDITURES:</b>			
Streets and highways	143,692	143,692	-
Engineering and building	10,746	9,818	928
Total expenditures	<u>154,438</u>	<u>153,510</u>	<u>928</u>
Excess (deficiency) of revenues over expenditures	(48,531)	(59,465)	(10,934)
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances out	(180,000)	(180,000)	-
Total other financing sources (uses)	<u>(180,000)</u>	<u>(180,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(228,531)	(239,465)	(10,934)
Adjustment for prior year encumbrances	154,438	154,438	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>242,920</u>	<u>242,920</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 168,827</u>	<u>\$ 157,893</u>	<u>\$ (10,934)</u>

**CITY OF MENTOR, OHIO**  
**HOPKINS ROAD RESURFACING FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 215,783	\$ 15,884	\$ (199,899)
EXPENDITURES:			
Streets and highways	55,115	23,234	31,881
Engineering and building	26,165	9,632	16,533
Total expenditures	<u>81,280</u>	<u>32,866</u>	<u>48,414</u>
Excess (deficiency) of revenues over expenditures	134,503	(16,982)	(151,485)
OTHER FINANCING SOURCES (USES):			
Advances in	240,100	-	(240,100)
Transfers in	-	191,702	191,702
Advances out	(448,000)	(448,000)	-
Total other financing sources (uses)	<u>(207,900)</u>	<u>(256,298)</u>	<u>(48,398)</u>
NET CHANGE IN FUND BALANCE	(73,397)	(273,280)	(199,883)
Adjustment for prior year encumbrances	81,280	81,280	-
FUND BALANCES, BEGINNING OF YEAR	<u>192,000</u>	<u>192,000</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 199,883</u>	<u>\$ -</u>	<u>\$ (199,883)</u>

**CITY OF MENTOR, OHIO**  
**HEADLANDS STREET REHAB ORCHARD FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Charges for services	\$ 670,000	\$ 579,071	\$ (90,929)
Intergovernmental	519,000	463,756	(55,244)
Total revenues	<u>1,189,000</u>	<u>1,042,827</u>	<u>(146,173)</u>
<b>EXPENDITURES:</b>			
General government	30,000	23,770	6,230
Streets and highways	2,248,361	2,248,361	-
Engineering and building	243,815	243,815	-
Total expenditures	<u>2,522,176</u>	<u>2,515,946</u>	<u>6,230</u>
Excess (deficiency) of revenues over expenditures	(1,333,176)	(1,473,119)	(139,943)
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	1,800,000	1,800,000	-
Issuance of Bonds	1,625,000	1,625,000	-
Advances out	(2,701,000)	(2,701,000)	-
Total other financing sources (uses)	<u>724,000</u>	<u>724,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(609,176)	(749,119)	(139,943)
Adjustment for prior year encumbrances	2,492,176	2,492,176	-
FUND BALANCES, BEGINNING OF YEAR	<u>47,719</u>	<u>47,719</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,930,719</u>	<u>\$ 1,790,776</u>	<u>\$ (139,943)</u>

**CITY OF MENTOR, OHIO**  
**EMERGENCY REGIONAL RESPONSE FACILITY FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
General government	40,000	29,768	10,232
Engineering and building	95,191	42,676	52,515
Total expenditures	<u>135,191</u>	<u>72,444</u>	<u>62,747</u>
Excess (deficiency) of revenues over expenditures	(135,191)	(72,444)	62,747
OTHER FINANCING SOURCES (USES):			
Issuance of Bonds	2,270,000	2,035,000	(235,000)
Transfers in	500,000	-	(500,000)
Total other financing sources (uses)	<u>2,770,000</u>	<u>2,035,000</u>	<u>(735,000)</u>
NET CHANGE IN FUND BALANCE	2,634,809	1,962,556	(672,253)
Adjustment for prior year encumbrances	10,191	10,191	-
FUND BALANCES, BEGINNING OF YEAR	<u>416,545</u>	<u>416,545</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,061,545</u>	<u>\$ 2,389,292</u>	<u>\$ (672,253)</u>

**CITY OF MENTOR, OHIO**  
**BELLE MEADOW ROAD FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Charges for services	\$ 850,000	\$ -	\$ (850,000)
Intergovernmental	650,000	-	(650,000)
Total revenues	<u>1,500,000</u>	<u>-</u>	<u>(1,500,000)</u>
<b>EXPENDITURES:</b>			
General government	56,000	23,770	32,230
Streets and highways	2,890,000	1,973,816	916,184
Engineering and building	484,000	425,000	59,000
Total expenditures	<u>3,430,000</u>	<u>2,422,586</u>	<u>1,007,414</u>
Excess (deficiency) of revenues over expenditures	(1,930,000)	(2,422,586)	(492,586)
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	2,425,000	2,425,000	-
Issuance of Bonds	1,900,000	1,625,000	(275,000)
Total other financing sources (uses)	<u>4,325,000</u>	<u>4,050,000</u>	<u>(275,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	2,395,000	1,627,414	(767,586)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 2,395,000</u>	<u>\$ 1,627,414</u>	<u>\$ (767,586)</u>

**CITY OF MENTOR, OHIO**  
**HENDRICKS HOPKINS RESURFACING FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ -	\$ 122,894	\$ 122,894
<b>EXPENDITURES:</b>			
Streets and highways	350,000	345,428	4,572
Engineering and building	40,000	40,000	-
Total expenditures	<u>390,000</u>	<u>385,428</u>	<u>4,572</u>
Excess (deficiency) of revenues over expenditures	(390,000)	(262,534)	127,466
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	390,000	390,000	-
Total other financing sources (uses)	<u>390,000</u>	<u>390,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	127,466	127,466
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 127,466</u>	<u>\$ 127,466</u>

**CITY OF MENTOR, OHIO**  
**BROOKSDALE ROAD FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
General government	30,000	23,770	6,230
Total expenditures	<u>30,000</u>	<u>23,770</u>	<u>6,230</u>
OTHER FINANCING SOURCES (USES):			
Issuance of Bonds	1,625,000	1,625,000	-
Total other financing sources (uses)	<u>1,625,000</u>	<u>1,625,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,595,000	1,601,230	6,230
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,595,000</u>	<u>\$ 1,601,230</u>	<u>\$ 6,230</u>

**CITY OF MENTOR, OHIO**  
**STATE GRANTS - OTHER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 107,657	\$ 109,075	\$ 1,418
<b>EXPENDITURES:</b>			
Fire	47,210	47,210	-
General government:			
Employee compensation	51,210	51,210	-
Other	31,503	20,753	10,750
Police	16,972	6,752	10,220
Engineering and building:			
Employee compensation	2,776	2,776	-
Other	12,000	9,917	2,083
Total expenditures	<u>161,671</u>	<u>138,618</u>	<u>23,053</u>
Excess (deficiency) of revenues over expenditures	(54,014)	(29,543)	24,471
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	47,210	47,210	-
Transfers in	17,115	16,995	(120)
Advances out	(55,460)	(55,460)	-
Total other financing sources (uses)	<u>8,865</u>	<u>8,745</u>	<u>(120)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(45,149)	(20,798)	24,351
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>119,337</u>	<u>119,337</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 74,188</u>	<u>\$ 98,539</u>	<u>\$ 24,351</u>

**CITY OF MENTOR, OHIO**  
**HEISLEY ROAD IMPROVEMENT - PHASE III FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:	-	-	-
OTHER FINANCING SOURCES (USES):			
Transfers in	36,338	36,338	-
Advances out	(75,000)	(75,000)	-
Total other financing sources (uses)	<u>(38,662)</u>	<u>(38,662)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(38,662)	(38,662)	-
FUND BALANCES, BEGINNING OF YEAR	<u>38,662</u>	<u>38,662</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF MENTOR, OHIO**  
**US20 WIDENING/RESURFACING FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 825,000	\$ 57,288	\$ (767,712)
<b>EXPENDITURES:</b>			
Streets and highways	392,947	151,784	241,163
Engineering and building	16,669	16,667	2
Total expenditures	<u>409,616</u>	<u>168,451</u>	<u>241,165</u>
Excess (deficiency) of revenues over expenditures	415,384	(111,163)	(526,547)
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	300,000	600,000	300,000
Advances out	(1,000,000)	(1,000,000)	-
Total other financing sources (uses)	<u>(700,000)</u>	<u>(400,000)</u>	<u>300,000</u>
NET CHANGE IN FUND BALANCE	(284,616)	(511,163)	(226,547)
Adjustment for prior year encumbrances	159,616	159,616	-
FUND BALANCES, BEGINNING OF YEAR	<u>441,260</u>	<u>441,260</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 316,260</u>	<u>\$ 89,713</u>	<u>\$ (226,547)</u>

**CITY OF MENTOR, OHIO**  
**FEDERAL GRANTS - OTHER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended December 31, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 152,059	\$ 40,651	\$ (111,408)
<b>EXPENDITURES:</b>			
Fire	229,272	229,272	-
Police:			
Employee compensation	96,228	12,612	83,616
Other	63,433	21,148	42,285
Total expenditures	<u>388,933</u>	<u>263,032</u>	<u>125,901</u>
Excess (deficiency) of revenues over expenditures	(236,874)	(222,381)	14,493
<b>OTHER FINANCING SOURCES (USES):</b>			
Advances in	34,347	53,000	18,653
Transfers in	35,904	26,981	(8,923)
Advances out	(71,427)	(71,427)	-
Total other financing sources (uses)	<u>(1,176)</u>	<u>8,554</u>	<u>9,730</u>
<b>NET CHANGE IN FUND BALANCE</b>	(238,050)	(213,827)	24,223
Adjustment for prior year encumbrances	195,944	195,944	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>45,819</u>	<u>45,819</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 3,713</u>	<u>\$ 27,936</u>	<u>\$ 24,223</u>

# Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b><i>Financial Trends</i></b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>194 - 198</b>
<b><i>Revenue Capacity</i></b> These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	<b>199 - 203</b>
<b><i>Debt Capacity</i></b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	<b>204 - 208</b>
<b><i>Demographic and Economic Information</i></b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	<b>209 - 210</b>
<b><i>Operating Information</i></b> The schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	<b>211 - 213</b>

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

**CITY OF MENTOR, OHIO**  
*Net Position By Components*  
 12/31/2019  
 (Accrual Basis of Accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>GOVERNMENTAL ACTIVITIES</b>										
<b>Net Investment in Capital Assets</b>	\$ 138,002,503	\$ 142,439,209	\$ 136,899,308	\$ 140,413,994	\$ 137,257,572	\$141,298,558	\$ 136,760,173	\$ 137,357,473	\$ 137,998,058	\$ 140,546,570
<b>Restricted -</b>										
Debt Service	9,523,126	10,749,598	11,868,132	11,953,265	12,913,015	13,309,937	14,265,124	15,246,640	16,918,313	19,193,569
Capital Projects	6,655,932	1,739,075	4,367,153	1,845,743	1,425,815	467,369	1,516,773	820,719	1,862,140	896,332
Streets and Public Safety	9,476,970	5,976,338	7,091,103	7,660,294	6,951,013	8,059,778	8,464,341	7,766,991	6,346,121	4,891,288
<b>Unrestricted</b>	<u>(40,793,696)</u>	<u>(65,054,663)</u>	<u>(21,861,302)</u>	<u>(14,924,033)</u>	<u>(13,689,436)</u>	<u>23,738,323</u>	<u>26,367,394</u>	<u>26,679,496</u>	<u>22,903,072</u>	<u>21,781,098</u>
<i>Total Governmental Net Position</i>	<u>\$ 122,864,835</u>	<u>\$ 95,849,557</u>	<u>\$ 138,364,394</u>	<u>\$ 146,949,263</u>	<u>\$ 144,857,979</u>	<u>\$ 186,873,965</u>	<u>\$ 187,373,805</u>	<u>\$ 187,871,319</u>	<u>\$ 186,027,704</u>	<u>\$ 187,308,857</u>

**CITY OF MENTOR, OHIO**  
*Changes in Net Position*  
 12/31/2019  
 (Accrual Basis of Accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 2,986,994	\$ 2,819,811	\$ 2,704,324	\$ 2,858,271	\$ 2,155,735	\$ 2,343,416	\$ 2,591,441	\$ 2,859,205	\$ 2,517,264	\$ 2,473,236
Police	1,933,441	1,717,139	1,771,577	1,786,625	125,394	298,684	629,535	722,001	647,865	136,909
Fire	3,111,823	2,572,257	2,724,188	2,778,618	1,228,735	1,480,433	1,937,513	2,027,511	1,876,345	1,442,054
Streets & Highways	2,748,505	2,985,618	2,064,896	1,984,987	1,177,684	1,133,114	1,424,203	1,365,463	1,251,159	1,080,564
Parks, Recreation & Public Facilities	5,304,365	5,419,111	4,946,887	5,093,697	4,309,898	4,433,544	4,472,734	4,483,983	4,219,193	4,192,731
Planning & Development	333,067	297,822	304,604	271,767	128,066	144,848	142,889	117,985	79,196	60,462
Engineering & Building	1,030,416	1,057,168	1,144,468	1,148,087	675,899	768,592	790,052	744,530	670,800	607,475
<i>Subtotal - Charges for Services</i>	<u>17,448,611</u>	<u>16,868,926</u>	<u>15,660,944</u>	<u>15,922,052</u>	<u>9,801,411</u>	<u>10,602,631</u>	<u>11,988,367</u>	<u>12,320,678</u>	<u>11,261,822</u>	<u>9,993,431</u>
Operating Grants and Contributions:										
General Government	72,418	83,366	70,607	185,170	55,371	356,674	505,247	43,264	190,468	45,317
Police	106,473	133,253	232,639	202,891	58,971	59,262	90,591	165,764	78,606	140,216
Fire	68,259	176,349	104,189	897,547	4,459	4,840	13,982	19,551	337,690	221,667
Streets & Highways	4,467,610	4,709,172	2,585,613	2,425,344	253,017	129,572	749,191	548,119	374,048	3,416,057
Parks, Recreation & Public Facilities	365,576	313,419	424,561	535,252	278,030	260,403	254,010	340,684	438,115	191,134
Planning & Development	122,927	141,356	132,409	196,093	205,426	150,052	218,902	613,097	1,128,963	201,388
Engineering & Building	2,250	5,250	-	11,400	591	-	-	-	-	383
<i>Subtotal - Operating Grants and Contributions</i>	<u>5,205,513</u>	<u>5,562,165</u>	<u>3,550,018</u>	<u>4,453,697</u>	<u>855,865</u>	<u>960,803</u>	<u>1,831,923</u>	<u>1,730,479</u>	<u>2,547,890</u>	<u>4,216,162</u>
Capital Grants and Contributions:										
General Government	-	-	-	-	-	33,527	-	-	-	-
Police	-	-	-	8,316	-	233,530	9,700	3,570	71,580	986,000
Fire	-	500,000	-	-	-	-	-	119,600	1,103,268	-
Streets & Highways	127,710	158,199	2,763,982	4,556,152	1,116,596	1,478,995	335,588	-	31,884	70,464
Parks, Recreation & Public Facilities	-	-	-	-	-	-	-	-	-	140,000
Engineering & Building	-	-	-	-	-	-	-	-	240	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
<i>Subtotal - Capital Grants and Contributions</i>	<u>127,710</u>	<u>658,199</u>	<u>2,763,982</u>	<u>4,564,468</u>	<u>1,116,596</u>	<u>1,746,052</u>	<u>345,288</u>	<u>123,170</u>	<u>1,206,972</u>	<u>1,196,464</u>
<i>Total Governmental Program Revenues</i>	<u>\$22,781,834</u>	<u>\$23,089,290</u>	<u>\$21,974,944</u>	<u>\$24,940,217</u>	<u>\$ 11,773,872</u>	<u>\$ 13,309,486</u>	<u>\$ 14,165,578</u>	<u>\$ 14,174,327</u>	<u>\$ 15,016,684</u>	<u>\$ 15,406,057</u>

**CITY OF MENTOR, OHIO**  
*Changes in Net Position (continued)*  
 12/31/2019  
 (Accrual Basis of Accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 11,655,718	\$ 9,783,557	\$ 11,323,070	\$ 9,367,082	\$ 8,010,257	\$ 7,608,355	\$ 6,969,458	\$ 7,270,605	\$ 7,191,527	\$ 7,232,734
Police	5,332,531	17,791,171	16,903,833	16,427,987	14,356,357	13,527,805	13,430,646	13,646,699	12,950,663	12,727,229
Fire	2,395,988	15,595,999	15,295,734	15,126,018	11,984,552	12,184,072	12,293,472	13,068,938	13,373,637	12,012,648
Streets and Highways	20,045,636	18,451,295	22,720,873	18,817,008	14,300,711	15,157,572	16,074,733	15,442,708	14,651,958	17,822,415
Parks, Recreation & Public Facilities	11,099,055	9,915,522	10,239,656	10,285,152	10,106,430	9,680,622	9,124,443	8,504,180	8,302,334	7,944,763
Planning & Development	4,074,852	3,956,188	3,908,087	3,447,472	3,154,279	2,873,766	2,394,608	2,688,382	2,128,528	1,953,020
Engineering & Building	3,482,872	3,140,639	2,649,925	2,356,039	1,895,626	2,004,928	2,316,314	1,680,518	2,094,279	2,245,519
Interest and Fiscal Charges	890,041	1,119,683	835,607	1,032,166	1,082,615	1,168,091	1,256,411	1,562,337	1,400,501	1,519,472
<i>Total Governmental Activities Expenses</i>	<u>58,976,693</u>	<u>79,754,054</u>	<u>83,876,785</u>	<u>76,858,924</u>	<u>64,890,827</u>	<u>64,205,211</u>	<u>63,860,085</u>	<u>63,864,367</u>	<u>62,093,427</u>	<u>63,457,800</u>
<b>Net (Expense)/Revenue</b>										
<i>Total Governmental Net Expense</i>	<u>(36,194,859)</u>	<u>(56,664,764)</u>	<u>(61,901,841)</u>	<u>(51,918,707)</u>	<u>(53,116,955)</u>	<u>(50,895,725)</u>	<u>(49,694,507)</u>	<u>(49,690,040)</u>	<u>(47,076,743)</u>	<u>(48,051,743)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Taxes:										
Municipal Income Taxes Levied	46,145,774	43,614,088	43,380,853	42,014,148	39,118,569	38,389,408	38,577,994	37,914,960	32,647,234	30,895,408
Property Taxes Levied										
<i>General Purposes</i>	1,869,851	1,051,625	984,273	570,255	763,762	707,790	708,495	1,453,136	1,853,917	1,637,370
<i>Special Revenue</i>	2,858,850	1,849,560	1,817,622	1,860,508	1,824,512	1,767,081	1,666,403	1,861,131	1,909,238	2,203,325
<i>Debt Service</i>	1,609,958	2,054,114	2,189,989	2,754,754	2,388,212	2,311,162	2,195,300	1,884,994	1,524,324	2,085,698
Other Local Taxes	751,788	777,484	682,693	628,145	602,640	568,536	544,058	514,501	477,642	437,875
Payments in Lieu of Taxes	1,163,661	892,540	726,140	490,529	490,817	478,572	407,065	662,591	203,186	230,725
Grants and Entitlements not Restricted to Specific Programs	2,592,016	2,599,620	2,264,634	4,789,030	5,001,823	5,463,036	5,673,886	6,419,066	6,285,208	7,115,438
Other Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Unrestricted Investment Earnings	1,468,224	554,885	581,993	488,385	218,794	665,650	(100,371)	684,403	790,645	982,759
Other	4,750,015	979,496	688,775	1,214,899	75,287	44,650	89,862	138,873	104,196	49,798
<i>Total Governmental Activities</i>	<u>63,210,137</u>	<u>54,373,412</u>	<u>53,316,972</u>	<u>54,810,653</u>	<u>50,484,416</u>	<u>50,395,885</u>	<u>49,762,692</u>	<u>51,533,655</u>	<u>45,795,590</u>	<u>45,638,396</u>
<i>Total Governmental General Revenues and Other Changes in Net Position</i>	<u>63,210,137</u>	<u>54,373,412</u>	<u>53,316,972</u>	<u>54,810,653</u>	<u>50,484,416</u>	<u>50,395,885</u>	<u>49,762,692</u>	<u>51,533,655</u>	<u>45,795,590</u>	<u>45,638,396</u>
<b>Change in Net Position</b>										
Governmental Activities	27,015,278	(2,291,352)	(8,584,869)	2,891,946	(2,632,539)	(499,840)	68,185	1,843,615	(1,281,153)	(2,413,347)
<i>Total Governmental Change in Net Position</i>	<u>\$ 27,015,278</u>	<u>\$ (2,291,352)</u>	<u>\$ (8,584,869)</u>	<u>\$ 2,891,946</u>	<u>\$ (2,632,539)</u>	<u>\$ (499,840)</u>	<u>\$ 68,185</u>	<u>\$ 1,843,615</u>	<u>\$ (1,281,153)</u>	<u>\$ (2,413,347)</u>

**CITY OF MENTOR, OHIO**  
*Fund Balances, Governmental Funds*  
 12/31/2019  
 (Modified Accrual Basis of Accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Fund</b>										
Nonspendable	\$ 1,473,091	\$ 1,193,070	\$ 884,653	\$ 937,735	\$ 1,158,489	\$ 894,279	\$ 567,849	\$ 690,160	\$ 632,706	\$ 703,444
Committed	1,373,936	1,231,789	1,291,036	1,351,244	1,216,132	2,469,531	2,402,465	2,245,778	817,000	-
Assigned	9,462,165	7,863,345	6,119,744	7,464,423	8,160,728	9,163,653	9,099,970	8,366,041	5,080,438	5,041,996
Unassigned	23,521,471	21,589,904	21,747,337	20,412,107	18,687,445	15,952,502	17,823,688	17,581,342	18,404,064	15,888,488
Total General Fund	<u>35,830,663</u>	<u>31,878,108</u>	<u>30,042,770</u>	<u>30,165,509</u>	<u>29,222,794</u>	<u>28,479,965</u>	<u>29,893,972</u>	<u>28,883,321</u>	<u>24,934,208</u>	<u>21,633,928</u>
<b>All Other Governmental Funds</b>										
Nonspendable	2,312	1,698	875	-	-	-	-	-	-	-
Restricted	14,879,635	7,404,186	11,266,829	7,732,804	8,044,196	6,066,048	7,044,072	6,583,635	6,982,595	4,828,350
Committed	706,047	466,744	395,516	206,037	577,267	355,064	182,354	733,437	578,649	510,106
Unassigned	(2,440,444)	(3,121,080)	(2,575,666)	(2,212,416)	(679,951)	(2,672,885)	(1,723,109)	(1,074,469)	(510,660)	(3,004,949)
Total All Other Governmental Funds	<u>13,147,550</u>	<u>4,751,548</u>	<u>9,087,554</u>	<u>5,726,425</u>	<u>7,941,512</u>	<u>3,748,227</u>	<u>5,503,317</u>	<u>6,242,603</u>	<u>7,050,584</u>	<u>2,333,507</u>
<b>Total Governmental Funds</b>	<u>\$ 48,978,213</u>	<u>\$ 36,629,656</u>	<u>\$ 39,130,324</u>	<u>\$ 35,891,934</u>	<u>\$ 37,164,306</u>	<u>\$ 32,228,192</u>	<u>\$ 35,397,289</u>	<u>\$ 35,125,924</u>	<u>\$ 31,984,792</u>	<u>\$ 23,967,435</u>

**CITY OF MENTOR, OHIO**  
*Changes in Fund Balances, Governmental Funds*  
 12/31/2019  
 (Modified Accrual Basis of Accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Revenues</b>										
Property Taxes	\$ 6,187,048	\$ 4,910,203	\$ 5,071,648	\$ 5,083,824	\$ 4,941,610	\$ 4,866,839	\$ 4,747,029	\$ 5,205,509	\$ 5,280,016	\$ 5,653,190
Municipal Income Taxes	45,616,221	43,321,075	42,862,290	40,647,970	41,221,505	38,838,792	38,062,383	36,506,741	33,763,684	31,076,262
Other Local Taxes	765,374	767,498	679,093	628,145	602,640	568,536	544,058	514,501	477,642	437,902
Payments in Lieu of Taxes	1,163,661	892,540	726,140	490,529	490,817	478,572	407,065	662,591	203,186	230,725
Intergovernmental	7,190,177	8,965,993	8,442,633	12,077,126	6,567,546	7,631,942	7,446,129	8,529,405	11,126,116	11,246,323
Charges for Services	7,425,449	7,047,593	6,494,899	6,476,748	5,708,882	5,928,141	5,934,695	5,994,561	5,815,572	5,867,129
Fines and Forfeitures	1,279,499	1,170,107	1,200,640	1,223,792	1,225,391	1,483,167	1,543,065	1,525,995	1,442,029	1,652,512
Licenses, Permits and Inspections	1,543,064	1,799,021	1,676,656	1,791,810	1,614,463	1,655,379	1,621,125	1,562,892	1,419,526	1,382,489
Special Assessments	2,383,605	2,356,032	2,260,283	2,212,317	2,342,056	2,002,261	2,204,230	2,095,209	2,546,624	2,206,866
Investment Income	1,468,224	554,885	581,993	488,385	218,794	665,650	(100,371)	684,403	790,645	982,759
Donations and Other	822,870	493,343	531,396	1,110,350	189,903	278,727	447,287	778,324	344,518	171,152
<b>Total Revenues</b>	<b>75,845,192</b>	<b>72,278,290</b>	<b>70,527,671</b>	<b>72,230,996</b>	<b>65,123,607</b>	<b>64,398,006</b>	<b>62,856,695</b>	<b>64,060,131</b>	<b>63,209,558</b>	<b>60,907,309</b>
<b>Expenditures</b>										
Current:										
General Government	8,824,860	8,217,578	9,015,853	7,784,059	7,233,222	7,113,745	6,698,211	6,850,550	6,892,217	7,045,850
Security of Persons and Property:										
Police	13,982,482	13,640,557	13,644,538	13,566,049	13,321,364	12,834,404	12,719,594	12,477,041	12,034,061	12,076,194
Fire	12,468,040	12,083,598	11,947,450	12,736,156	11,197,498	11,360,997	11,284,756	11,778,452	11,385,682	11,329,917
Streets & Highways	14,604,690	14,560,667	14,774,186	14,862,663	11,935,643	11,646,576	12,408,097	11,864,164	11,355,744	14,580,839
Parks, Recreation and Public Facilities	8,270,647	8,085,955	8,013,049	8,667,573	9,032,569	8,687,796	7,996,907	7,239,371	7,114,044	6,813,566
Planning and Development	3,591,848	3,779,866	3,533,565	3,264,323	3,158,699	2,865,376	2,387,632	2,652,103	2,084,967	1,946,043
Engineering and Building	2,503,876	2,827,709	2,265,487	2,106,260	1,895,502	2,015,105	2,304,524	1,728,800	2,010,053	2,214,863
Capital Outlay	4,182,866	11,230,369	6,907,088	9,125,288	4,643,960	7,594,659	2,571,347	2,383,744	2,554,372	2,201,521
Debt Service:										
Principal Retirement	2,408,025	9,593,866	5,797,174	3,076,746	2,741,330	2,518,781	2,758,388	2,630,509	2,695,139	2,549,781
Interest and Fiscal Charges	918,611	1,092,959	722,638	1,038,073	1,081,252	1,172,374	1,258,117	1,365,090	1,365,238	1,495,005
Bond Issuance Costs	-	1,500	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>71,755,945</b>	<b>85,114,624</b>	<b>76,621,028</b>	<b>76,227,190</b>	<b>66,241,039</b>	<b>67,809,813</b>	<b>62,387,573</b>	<b>60,969,824</b>	<b>59,491,517</b>	<b>62,253,579</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>4,089,247</u>	<u>(12,836,334)</u>	<u>(6,093,357)</u>	<u>(3,996,194)</u>	<u>(1,117,432)</u>	<u>(3,411,807)</u>	<u>469,122</u>	<u>3,090,307</u>	<u>3,718,041</u>	<u>(1,346,270)</u>
<b>Other Financing Sources (Uses)</b>										
Issuance of Bonds	7,930,000	9,805,000	2,250,000	-	5,565,000	-	-	-	4,355,000	-
Issuance of Notes/OPWC Loan Proceeds	124,710	150,000	7,385,000	3,015,000	11,596	-	-	50,000	-	-
Premium on Bonds	44,832	63,995	92,551	-	132,234	-	-	-	15,054	-
Bond refunding proceeds	-	-	2,670,000	-	4,125,000	-	-	-	-	-
Bond refund escrow payment	-	-	(2,624,533)	-	(4,077,813)	-	-	-	-	-
Transfers In	2,376,567	1,145,161	1,316,288	1,542,836	1,588,383	1,035,791	977,660	908,428	362,099	711,190
Transfers Out	(2,376,567)	(1,145,161)	(1,666,288)	(1,542,836)	(1,588,383)	(1,035,791)	(977,660)	(908,428)	(362,099)	(711,190)
Other	-	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>8,099,542</b>	<b>10,018,995</b>	<b>9,423,018</b>	<b>3,015,000</b>	<b>5,756,017</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>4,370,054</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 12,188,789</b>	<b>\$ (2,817,339)</b>	<b>\$ 3,329,661</b>	<b>\$ (981,194)</b>	<b>\$ 4,638,585</b>	<b>\$ (3,411,807)</b>	<b>\$ 469,122</b>	<b>\$ 3,140,307</b>	<b>\$ 8,088,095</b>	<b>\$ (1,346,270)</b>
Debt Service as a Percentage of Noncapital Expenditures	4.8%	14.5%	8.9%	6.3%	6.2%	6.2%	6.7%	6.8%	7.1%	6.8%

**CITY OF MENTOR, OHIO**  
*Assessed Valuation and Estimated Actual Values of Taxable Property*  
 12/31/2019

Tax Year/ Collection Year	Assessed Value			Total Taxable Assessed Value	Total Direct Tax Rate	Total Estimated Actual Real Property Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Other Real Estate & Public Utility Property	Tangible Personal Property				
2009/2010	\$ 1,477,190,810	\$ 36,652,720	\$ 888,073	\$ 1,514,731,603	4.50	\$ 4,220,545,171	35.89%
2010/2011	1,475,204,850	37,440,430	-	1,512,645,280	4.50	4,214,871,000	35.89%
2011/2012	1,469,235,210	38,586,070	-	1,507,821,280	4.50	4,197,814,886	35.92%
2012/2013	1,321,408,400	41,671,040	-	1,363,079,440	4.50	3,775,452,571	36.10%
2013/2014	1,326,669,050	45,563,900	-	1,372,232,950	4.50	3,790,483,000	36.20%
2014/2015	1,335,052,680	48,478,930	-	1,383,531,610	4.50	3,814,436,229	36.27%
2015/2016	1,378,653,230	49,669,630	-	1,428,322,860	4.50	3,939,009,229	36.26%
2016/2017	1,382,527,800	52,948,410	-	1,435,476,210	4.50	3,950,079,429	36.34%
2017/2018	1,379,800,820	53,907,020	-	1,433,707,840	4.50	3,942,288,057	36.37%
2018/2019	1,534,582,680	54,847,050	-	1,589,429,730	4.50	4,384,521,943	36.25%

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

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

**CITY OF MENTOR, OHIO**  
*Property Tax Rates - Direct and Overlapping Governments*  
 12/31/2019  
 Last Ten Fiscal Years

<u>Tax Year/ Collection Year</u>	<u>City of Mentor Direct Rates</u>				<u>Total</u>	<u>Mentor Exempted Village School District <sup>1</sup></u>	<u>Lake County</u>	<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>					
2009/2010	\$ 1.00	\$ 2.10	\$ 1.40	\$ 4.50	\$ 78.740	\$ 15.80	\$ 99.040	
2010/2011	1.40	2.10	1.00	4.50	78.710	15.80	99.010	
2011/2012	1.10	2.10	1.30	4.50	78.060	15.80	98.360	
2012/2013	0.60	2.10	1.80	4.50	79.800	15.30	99.600	
2013/2014	0.60	2.10	1.80	4.50	79.420	15.30	99.220	
2014/2015	0.60	2.10	1.80	4.50	79.420	15.30	99.220	
2015/2016	0.40	2.10	2.00	4.50	77.160	15.70	97.360	
2016/2017	0.80	2.10	1.60	4.50	84.010	15.70	104.210	
2017/2018	0.80	2.10	1.60	4.50	82.050	16.00	102.550	
2018/2019	1.30	2.10	1.10	4.50	83.300	16.78	104.580	

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

SOURCE: Office of the Lake County Auditor

**CITY OF MENTOR, OHIO**  
*Principal Property Tax Payers*  
 12/31/2019

<b>Taxpayer</b>	<b>2019</b>		<b>2010</b>	
	<b>Taxable Assessed Value</b>	<b>Percentage of Total City Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Cleveland Electric Illuminating Co.	\$ 27,396,400	1.72%	\$ 20,439,780	1.35%
Aqua Ohio/Consumers Ohio Water	17,929,440	1.13%	13,118,760	0.87%
Steris Corporation	10,275,620	0.65%	10,703,340	0.71%
American Transmission	6,829,980	0.43%	-	0.00%
DFG Mentor Erie Commons LLC	6,337,330	0.40%	-	0.00%
Points East	5,442,500	0.34%	7,307,240	0.48%
Inland Creekside Commons	4,361,910	0.27%	-	0.00%
F I Mentor I LLC	3,450,150	0.22%	4,603,940	0.30%
Deepwood North Company	3,194,100	0.20%	3,785,250	0.25%
Monarch Mentor LP	3,063,640	0.19%	-	0.00%
Simon Property Group Ltd Partnership	-	0.00%	27,595,230	1.82%
Michaels, Inc.	-	0.00%	3,466,810	0.23%
First Interstate	-	0.00%	4,882,590	0.32%
F I Mentor II Ltd.	-	0.00%	3,447,440	0.23%
<b>Total Principal Taxpayers</b>	<b>\$ 88,281,070</b>		<b>\$ 99,350,380</b>	
<b>Total Real City Property</b> (including other real estate and public utility property)	<b>\$ 1,589,429,730</b>		<b>\$ 1,513,843,530</b>	

SOURCE: Office of the Lake County Auditor

**CITY OF MENTOR, OHIO**  
*Property Tax Levies and Collections*  
 12/31/2019  
 Last Ten Fiscal Years

<u>Tax Levy Year</u>	<u>Net Tax Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Outstanding Accumulated Delinquent Taxes*</u>	<u>Total Collections Including Delinquencies</u>	<u>Percentage of Total Collections to Net Levy</u>
		<u>Amount</u>	<u>Percentage of Levy</u>			
2009	\$ 5,700,055	\$ 5,500,109	96.5%	\$ 366,748	\$ 5,660,057	99.3%
2010	5,941,550	5,705,335	96.0%	236,363	5,846,045	98.4%
2011	6,113,523	6,091,491	99.6%	463,310	6,265,608	100.0%
2012	5,650,475	5,498,724	97.3%	392,423	5,819,122	100.0%
2013	5,707,233	5,562,713	97.5%	368,853	5,743,223	100.0%
2014	5,759,340	5,617,914	97.5%	317,823	5,759,721	100.0%
2015	5,953,360	5,814,560	97.7%	277,040	5,997,708	100.0%
2016	6,225,510	6,015,366	96.6%	303,484	6,225,622	100.0%
2017	6,390,820	6,193,841	96.9%	283,341	6,328,568	99.0%
2018	6,945,308	6,772,511	97.5%	262,866	6,912,527	99.5%

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

SOURCE: Office of the Lake County Auditor

**CITY OF MENTOR, OHIO**  
*Income Tax Revenue Base and Collections*  
 12/31/2019  
 (Cash Basis)

<u>Tax Year</u>	<u>Total Tax Collected</u>	<u>Tax from Withholding</u>	<u>Tax from Net Profit</u>	<u>Tax from Individuals</u>	<u>Tax Rate</u>
2019	\$ 45,565,403	\$ 34,748,105	\$ 6,540,540	\$ 4,276,758	2.0%
2018	43,343,101	32,941,996	6,435,924	3,965,181	2.0%
2017	42,203,505	31,118,649	7,457,228	3,627,628	2.0%
2016	40,689,034	30,209,930	6,515,370	3,963,734	2.0%
2015	40,481,382	30,021,915	7,006,449	3,453,018	2.0%
2014	39,217,649	28,945,756	6,985,227	3,286,666	2.0%
2013	37,692,133	27,516,312	6,879,021	3,296,800	2.0%
2012	36,100,204	26,173,532	6,685,108	3,241,564	2.0%
2011	33,223,250	24,915,470	5,070,758	3,237,022	2.0%
2010	30,612,474	23,214,076	4,252,395	3,146,003	2.0%

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

<u>2019</u>		<u>2010</u>	
<u>Rank</u>	<u>Name</u>	<u>Rank</u>	<u>Name</u>
1	Steris Corporation	1	Steris Corporation
2	Avery Dennison Corporation	2	Avery Dennison Corporation
3	Mentor Exempted Schools	3	Mentor Exempted Schools
4	Lincoln Electric	4	Lake County Auditor
5	Jim Brown Chevrolet	5	City of Mentor
6	Component Repair Technologies	6	PCC Airfoils Incorporated
7	City of Mentor	7	Classic
8	Lake County Auditor	8	Lincoln Electric Company
9	Buyers Products Company	9	Component Repair Technologies
10	U.S. Endoscopy	10	U.S. Endoscopy

Source: City of Mentor, Finance Department

**CITY OF MENTOR, OHIO**  
*Ratios of Outstanding Debt by Type*  
 12/31/2019

Year	Governmental Activities			Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Special Assessment Bonds	Bond Anticipation Notes and Other Loans Payable			
2010	\$ 18,310,006	\$ 11,599,237	\$ 3,347,346	\$ 33,256,589	2.87%	705
2011	20,854,387	10,730,613	572,208	32,157,208	2.26%	682
2012	18,826,580	10,163,420	586,700	29,576,700	1.99%	627
2013	16,699,216	9,570,784	548,312	26,818,312	1.79%	569
2014	14,792,294	8,997,706	509,532	24,299,532	1.59%	515
2015	18,475,926	8,394,074	511,139	27,381,139	1.75%	581
2016	16,075,000	7,760,000	3,484,393	27,319,393	1.71%	582
2017	16,448,247	7,105,000	7,808,469	31,361,716	1.93%	671
2018	24,821,527	6,445,000	669,604	31,936,131	1.88%	678
2019	31,134,383	5,720,000	736,244	37,590,627	2.21%	795

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

<sup>1</sup> See the schedule of Demographic and Economic Statistics for personal income and population data.

**CITY OF MENTOR, OHIO**

*Ratios of Net General Bonded Debt to Assessed Valuation and Net Bonded Debt per Capita  
12/31/2019*

<u>Year</u>	<u>Population <sup>1</sup></u>	<u>Assessed Value <sup>2</sup></u>	<u>Gross General Bond Debt</u>	<u>Less Balance in General Bond Retirement Fund</u>	<u>Total</u>	<u>Percentage of Net General Bonded Debt to Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>
2010	47,159	\$ 1,514,731,603	\$ 18,310,006	\$ 1,308,750	\$ 17,001,256	1.12%	\$ 360.51
2011	47,159	1,512,645,280	20,854,387	538,389	20,315,998	1.34%	430.80
2012	47,159	1,507,821,280	18,826,580	175,590	18,650,990	1.24%	395.49
2013	47,159	1,363,079,440	16,699,216	312,834	16,386,382	1.20%	347.47
2014	47,159	1,372,232,950	14,792,294	465,825	14,326,469	1.04%	303.79
2015	47,159	1,383,531,610	18,475,926	638,317	17,837,609	1.29%	378.24
2016	46,901	1,428,322,860	16,075,000	808,368	15,266,632	1.07%	325.51
2017	46,732	1,435,476,210	16,448,247	942,668	15,505,579	1.08%	331.80
2018	47,121	1,433,707,840	24,821,527	1,144,211	23,677,316	1.65%	502.48
2019	47,273	1,589,429,730	31,134,383	780,248	30,354,135	1.91%	642.10

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

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

**CITY OF MENTOR, OHIO**

*Direct and Overlapping Debt*

*December 31, 2019*

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	<u>Debt Outstanding</u>	<u>Percentage Applicable to City of Mentor</u>	<u>Amount Applicable to Taxpayers of City of Mentor</u>
Direct:			
City of Mentor	\$ 37,590,627	100.00%	\$ 37,590,627
Overlapping:			
Lake County	<u>7,395,000</u>	25.11%	<u>\$ 1,856,885</u>
Total Overlapping	<u>7,395,000</u>		<u>1,856,885</u>
 TOTAL	 <u>\$ 44,985,627</u>		 <u>\$ 39,447,512</u>

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

SOURCES

City of Mentor, Finance Department  
Office of the Lake County Auditor

**CITY OF MENTOR, OHIO**  
*Legal Debt Margin*  
*December 31, 2019*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Overall Legal Debt Limit (10.5 % of Assessed Valuation)	\$ 166,890,122	\$ 150,539,323	\$ 150,725,002	\$ 149,973,900	\$ 145,270,819	\$ 144,084,460	\$ 143,123,341	\$ 158,321,234	\$ 158,827,754	\$ 159,046,818
Net Debt Within 10.5% Limitations	<u>31,134,383</u>	<u>24,821,527</u>	<u>23,475,000</u>	<u>19,090,000</u>	<u>18,475,926</u>	<u>14,792,294</u>	<u>16,699,216</u>	<u>18,826,580</u>	<u>20,854,387</u>	<u>15,552,526</u>
Legal Debt Margin Within 10.5% Limitation	<u>135,755,739</u>	<u>125,717,796</u>	<u>127,250,002</u>	<u>130,883,900</u>	<u>126,794,893</u>	<u>\$ 129,292,166</u>	<u>\$ 126,424,125</u>	<u>\$ 139,494,654</u>	<u>\$ 137,973,367</u>	<u>\$ 143,494,292</u>
Total Net Debt Applicable to the 10.5% Limit as a Percentage of the Debt Limit	18.66%	16.49%	15.57%	12.73%	12.72%	10.27%	11.67%	11.89%	13.13%	9.78%
Unvoted Debt Limitation - 5.5% of Assessed Valuation	87,418,635	78,853,931	78,951,192	78,557,757	76,094,239	75,472,812	74,969,369	82,930,170	83,195,490	83,310,238
Debt Within 5.5% Limitations	<u>31,134,383</u>	<u>24,821,527</u>	<u>23,475,000</u>	<u>19,090,000</u>	<u>18,475,926</u>	<u>14,792,294</u>	<u>16,699,216</u>	<u>18,826,580</u>	<u>20,854,387</u>	<u>15,552,526</u>
Legal Debt Margin Within 5.5% Limitations	<u>\$ 56,284,252</u>	<u>\$ 54,032,404</u>	<u>\$ 55,476,192</u>	<u>\$ 59,467,757</u>	<u>\$ 57,618,313</u>	<u>\$ 60,680,518</u>	<u>\$ 58,270,153</u>	<u>\$ 64,103,590</u>	<u>\$ 62,341,103</u>	<u>\$ 67,757,712</u>
Total Debt Applicable to the 5.5% Limit as a Percentage of the Debt Limit	35.62%	31.48%	29.73%	24.30%	24.28%	19.60%	22.27%	22.70%	25.07%	18.67%

**LEGAL DEBT MARGIN CALCULATION FOR 2019**

Assessed Valuation	\$ 1,589,429,730
Overall Debt Limitation - 10.5% of Assessed Valuation	166,890,122
Gross Indebtedness	37,590,627
Less: OWDA/OPWC	736,244
Special Assessment Bonds & Notes	5,720,000
Net Debt Within 10.5% Limitations-General Obligation Bonds	<u>31,134,383</u>
Legal Debt Margin Within 10.5% Limitation	<u>\$ 135,755,739</u>
Unvoted Debt Limitation - 5.5% of Assessed Valuation	87,418,635
Gross Indebtedness Authorized by Council	31,134,383
Less Debt Outside Limitations-Voted	-
Debt Within 5.5% Limitations	<u>31,134,383</u>
Legal Debt Margin Within 5.5% Limitation	<u>\$ 56,284,252</u>

**CITY OF MENTOR, OHIO**

*Pledged-Revenue Coverage*

*December 31, 2019*

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***SPECIAL ASSESSMENT BONDS***

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<u>Year</u>	<u>Special Assessment Collections</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
2010	\$ 1,196,808	\$ 816,419	\$ 545,253	0.88
2011	1,572,556	866,861	497,061	1.15
2012	1,053,137	567,193	453,662	1.03
2013	1,066,176	592,636	432,144	1.04
2014	959,357	573,078	409,035	0.98
2015	1,253,733	603,632	386,707	1.27
2016	1,003,752	634,074	362,925	1.01
2017	971,519	650,000	337,121	0.98
2018	1,006,619	685,000	319,308	1.00
2019	993,975	725,000	276,090	0.99

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

**CITY OF MENTOR, OHIO**  
*Demographic and Economic Statistics*  
 December 31, 2019

<b>Year</b>	<b>Population<sup>1</sup></b>	<b>Total Personal Income<sup>2</sup></b>	<b>Per Capita Personal Income<sup>1</sup></b>	<b>Median Household Income<sup>1</sup></b>	<b>Unemployment Rate<sup>3</sup></b>
2010	47,159	\$ 1,159,734,128	\$ 24,592	\$ 65,322	6.9%
2011	47,159	1,422,126,804	30,156	62,546	5.8%
2012	47,159	1,485,649,977	31,503	65,044	5.4%
2013	47,159	1,499,231,769	31,791	65,446	5.2%
2014	47,159	1,531,960,115	32,485	65,888	5.9%
2015	47,159	1,562,660,624	33,136	67,983	4.7%
2016	46,901	1,596,369,337	34,037	69,902	4.3%
2017	46,732	1,627,161,508	34,819	70,058	4.0%
2018	47,121	1,695,696,306	35,986	70,625	4.2%
2019	47,273	1,697,195,246	35,902	69,069	4.2%

SOURCES:

<sup>1</sup> U.S. Bureau of Census 2000, 2010, 2016, 2017, and 2018 estimates

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

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

## CITY OF MENTOR, OHIO

*Principal Employers*

*December 31, 2019*

<u>Employer</u>	<u>2019</u>			<u>2010</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Steris	1,870	1	5.95%	857	2	2.54%
Avery Dennison	970	2	3.09%	450	5	1.34%
City of Mentor <sup>1</sup>	916	3	2.92%	837	3	2.48%
Mentor Public Schools	904	4	2.88%	1,018	1	3.02%
Classic Auto Group	624	5	1.99%	-	-	0.00%
Component Repair Technologies	481	6	1.53%	365	7	1.08%
Lincoln Electric	450	7	1.43%	345	9	1.02%
PCC Airfoils	341	8	1.09%	425	6	1.26%
Stahl's Transfer Express	337	9	1.07%	-	0	0.00%
NVHS International	327	10	1.04%	-	-	0.00%
Deepwood/Lake County MRDD	-	-	0.00%	460	4	1.37%
JC Penney Co.	-	-	0.00%	275	10	0.82%
U.S. Endoscopy	-	-	0.00%	360	8	1.07%
<b>Total Employees within the City:</b>	<u><u>31,411</u></u>			<u><u>33,696</u></u>		

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

**SOURCE:**

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

**CITY OF MENTOR, OHIO**

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

*December 31, 2019*

<b>Function/Program</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
General Government										
Council	1	1	1	1	1	1	1	1	1	2
Finance	11	11	11	11	11	11	11	12	12	10
City Manager/Personnel	12	13	15	15	14	12	13	13	13	14
Law	3	2	3	3	3	3	2	2	2	2
Engineering/Building*	12	12	12	12	12	10	12	13	18	19
Court	18	19	19	19	19	19	20	20	22	21
Security of Persons and Property										
Police	110	106	110	108	111	107	110	105	107	110
Fire	74	73	73	73	74	73	73	73	75	76
Public Health Services										
Cemetery	3	3	3	3	3	3	3	3	3	3
Parks, Recreation & Public Facilities	32	32	30	31	32	22	22	22	23	24
Economic & Community Development										
Economic Development/Planning*	12	10	12	12	12	13	14	13	9	8
Streets & Highways	56	57	55	56	55	65	67	65	64	69
Totals:	344	339	344	344	347	339	348	342	349	358

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

Source: City of Mentor Finance Department

**CITY OF MENTOR, OHIO**  
*Operating Indicators by Function/Program*  
 December 31, 2019

<b>Function/Program</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Governmental</b>										
General Government										
Council - Ordinances & Resolutions	118	127	165	140	120	148	122	138	124	138
Personnel - Civil Service Exams (taken)	167	254	11	332	-	155	134	158	136	29
Court - Number of Cases	9,111	9,178	9,894	9,491	7,807	8,267	10,733	10,968	10,962	12,506
Finance										
Number of A/P Checks Processed	9,168	9,519	9,468	9,623	10,852	10,833	11,156	8,885	9,034	9,593
Number of Purchase Orders Issued	1,148	1,300	1,379	1,633	1,547	2,379	3,521	3,997	4,364	4,074
Security of Persons and Property										
Police										
Criminal Arrests	1,383	1,689	2,058	1,830	1,956	2,200	3,514	3,281	2,241	2,433
Traffic Citations	5,536	4,871	5,408	5,473	6,063	6,394	7,028	6,617	6,838	7,974
Parking Citations	132	140	166	115	141	394	601	814	1,341	1,718
Fire - Total Number of Calls	8,745	8,791	8,157	7,852	7,714	7,508	7,148	7,264	6,975	6,579
Building & Engineering										
Building Permits Issued	3,578	3,729	3,999	3,972	2,401	4,007	3,431	3,336	3,194	2,576
Inspections - Residential	4,739	4,308	6,675	5,847	4,441	5,470	5,025	4,742	4,363	4,211
Inspections - Commercial	2,695	1,152	3,363	3,763	1,667	3,801	2,972	3,719	3,106	4,220
Inspections - ROW*	981	-	-	-	-	-	-	-	-	-
Parks, Recreation & Public Facilities										
Pools - Attendance	49,598	69,398	64,545	81,256	76,189	74,075	81,196	98,506	99,696	102,570
Senior Center - Program Participants	4,953	4,964	4,855	4,825	5,005	4,860	4,782	4,592	5,227	5,583
Golf Course - Rounds of Golf	30,644	29,809	30,343	34,597	32,636	28,493	31,536	39,354	35,720	40,168
Marina - Dock Rentals	442	533	533	539	538	538	539	539	528	519
Arena - Tournaments/Special Events	13	19	19	17	14	12	10	10	12	13
Arena - Number of Admissions	25,991	18,293	16,646	19,832	20,525	23,246	19,543	18,500	18,853	12,291
Cemetery - Number of Internments	234	245	258	220	247	226	229	200	204	227
Amphitheater - Concerts/Special Events	39	40	17	-	-	-	-	-	-	-
Streets and Highways										
Streets Resurfaced (miles)	7.17	6.45	6.80	5.90	7.70	4.18	7.73	7.47	0.33	2.60
Concrete Pavement Replacements (sq yd)	7,652	4,884	5,373	7,092	-	-	-	-	-	-
Concrete Pavement Replacements (cu yd)	-	-	-	-	1,196	785	1,504	608	130	57
Hazardous Ditch Enclosures (In ft)	-	-	-	-	-	-	-	-	-	1,900
Drainage Assistance Projects (In ft)	-	440	1,470	-	5,127	2,453	2,868	1,200	1,360	1,519

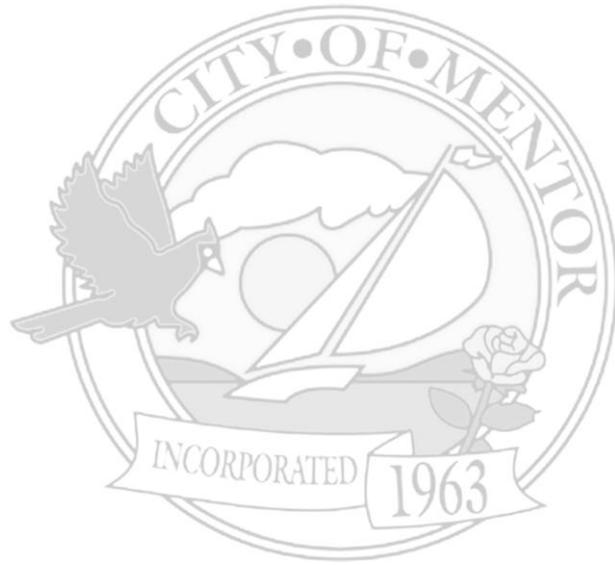
SOURCE: Various Mentor Departments

\* City started reporting Inspections - ROW in 2019.

**CITY OF MENTOR, OHIO**  
*Capital Assets Statistics by Function/Program*  
 December 31, 2019

<b>Function/Program</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2009</b>
<b>General Government</b>										
Square Footage of Municipal Center	52,465	52,465	52,465	52,465	52,465	52,465	52,465	52,465	52,465	52,465
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Buildings	35,997	35,997	35,997	35,997	35,997	35,997	35,997	35,997	35,997	35,997
Vehicles	49	50	50	52	47	48	46	47	47	46
ATV	3	3	3	2	1	1	1	1	1	1
<b>Fire</b>										
Stations	5	5	5	5	5	5	5	5	5	5
Square Footage of Buildings	56,308	56,308	56,308	56,308	56,308	56,308	56,308	56,308	56,308	56,308
Vehicles	38	38	38	37	41	33	41	41	41	41
<b>Recreation</b>										
Number of Parks	13	12	12	12	12	11	11	11	11	11
Number of Dog Parks	1	1	1	1	1	1	1	1	1	1
Number of Spray Parks	2	2	2	2	2	2	2	2	2	2
Number of Pools	3	3	3	3	3	3	3	3	3	3
Number of Ice Rinks	2	2	2	2	2	2	2	2	2	2
Number of Community Centers	6	6	6	6	6	6	6	6	6	6
Number of Tennis Courts	8	8	8	8	9	13	15	15	17	17
Number of Skateboarding Areas	2	2	2	2	1	1	1	1	2	2
Number of Baseball Diamonds	19	19	19	19	19	19	19	19	19	19
Number of Soccer Fields	12	12	12	12	12	12	12	12	12	12
Number of Basketball Courts	5	5	5	5	5	5	5	5	5	5
Number of Golf Courses	1	1	1	1	1	1	1	1	1	1
Number of Marinas	1	1	1	1	1	1	1	1	1	1
Number of Pickle Ball Courts	15	15	15	12	12	12	6	6	-	-
Number of Amphitheatres	1	1	1	-	-	-	-	-	-	-
Vehicles	35	42	47	35	35	15	15	15	15	15
Square Footage of PRPF Facilities	269,902	269,902	269,902	261,502	261,502	261,502	261,502	261,502	261,502	261,502
<b>Streets &amp; Highways</b>										
Streets (miles)	245	244	243	241	241	241	241	241	241	241
Number of Streetlights (per light bill)	5,448	5,552	5,460	5,420	5,420	5,408	5,408	5,408	5,408	5,254
Number of Traffic Signals	798	766	746	720	718	710	710	710	710	707
Number of Pedestrian Signals	514	514	508	480	474	472	472	472	472	470
Number of Signalized Intersections	95	93	92	88	87	86	86	86	86	85
Service Vehicles	67	67	67	67	67	67	67	67	67	70
Square Footage Buildings	74,000	74,000	74,000	74,000	74,000	72,053	72,053	72,053	72,053	72,053

SOURCE: Various Mentor Departments



# OHIO AUDITOR OF STATE KEITH FABER



**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 7, 2020**