

**CITY OF MENTOR
LAKE COUNTY, OHIO**

SINGLE AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2018**

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

OHIO AUDITOR OF STATE
KEITH FABER



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Members of Council
City of Mentor
8500 Civic Center Boulevard
Mentor, Ohio 44060

We have reviewed the *Independent Auditor's Report* of the City of Mentor, Lake County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 12, 2019

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**CITY OF MENTOR
LAKE COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

Certified Public Accountants

5240 East 98th Street

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Ohio Society of Certified Public Accountants

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

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

The Honorable Keith Faber
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mentor, Lake County, Ohio, (the City) as of and for the year ended December 31, 2018, 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 26, 2019, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and the City understated general obligation and special assessment bonds and reclassified revenue between governmental funds as of December 31, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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



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

June 26, 2019

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

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Garfield Hts., Ohio 44125*

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

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

The Honorable Keith Faber
Auditor of State
State of Ohio

Report on Compliance for Each Major Federal Program

We have audited the City of Mentor, Lake County, Ohio's (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended December 31, 2018. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Mentor complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

We have also audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 26, 2019, which contained unmodified opinions on those financial statements, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and the City understated general obligation and special assessment bonds and reclassified revenue between governmental funds as of December 31, 2017. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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



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

June 26, 2019

**CITY OF MENTOR
LAKE COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Number	Total Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
<i>Direct Program</i>			
CDBG-Entitlement Grants Cluster:			
Community Development Block Grants-Entitlement Grants	14.218	B-17-MC-39-0033	\$ 141,327
Total CDBG/Entitlement Grants Cluster			<u>141,327</u>
Total U.S. Department of Housing and Urban Development			<u>141,327</u>
<u>U.S. Department of Justice</u>			
<i>Passed Through the Ohio Office of Criminal Justice Services</i>			
Crime Victims Assistance	16.575	2018-VOCA-109294160	30,169
Crime Victims Assistance	16.575	2019-VOCA-132135125	10,109
Total CFDA #16.575			<u>40,278</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-JG-A02-6912	<u>6,244</u>
<i>Direct Program</i>			
Bulletproof Vest Partnership Program	16.607	2006-BUBX-06134411	<u>3,338</u>
Total U.S. Department of Justice			<u>49,860</u>
<u>U.S. Department of Transportation</u>			
<i>Passed Through the Ohio Department of Transportation</i>			
Highway Planning and Construction Cluster:			
Highway Planning and Construction - US 20-9.47 Safety	20.205	Agreement 26791	1,706,801
Highway Planning and Construction - SR84-8.11 Johnnycake Ridge Road	20.205	Agreement 27913	56,564
Total Highway Planning and Construction Cluster			<u>1,763,365</u>
<i>Passed Through National Highway Traffic Safety Administration and Ohio Department of Public Safety</i>			
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP/STEP-2018-MENTOR POLICE DEPT-00053	<u>17,068</u>
State and Community Highway Safety	20.800	IDEP/STEP-2018-MENTOR POLICE DEPT-00053	<u>13,200</u>
Total U.S. Department of Transportation			<u>1,793,633</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,984,820</u>

See notes to the Schedule of Expenditures of Federal Awards.

**CITY OF MENTOR
LAKE COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Mentor, Ohio, under programs of the federal government for the year ended December 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Mentor, Ohio, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Mentor, Ohio.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: INDIRECT COST RATE

The City of Mentor, Ohio, has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4: MATCHING REQUIREMENTS

Certain federal programs require that the City contribute non-federal funds (matching funds) to support federally funded programs. The City has complied with the matching requirements. The expenditures of non-federal matching funds are not included on the Schedule.

**CITY OF MENTOR
LAKE COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

1. SUMMARY OF AUDITOR'S RESULTS

2018(i)	Type of Financial Statement Opinion	Unmodified
2018(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2018(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2018(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2018(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2018(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2018(v)	Type of Major Programs' Compliance Opinions	Unmodified
2018(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2018(vii)	Major Programs (list): Highway Planning and Construction Cluster - CFDA #20.205	
2018(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others
2018(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**CITY OF MENTOR
LAKE COUNTY, OHIO
SCHEDULE OF PRIOR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018**

The prior audit report, as of December 31, 2017, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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2018

City of Mentor

Comprehensive Annual Financial Report

For the Year Ended December 31, 2018

CITY OF
MENTOR, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

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, OHIO

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CITY OF MENTOR, OHIO

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CITY OF MENTOR, OHIO

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INTRODUCTION





City of Mentor

Council-manager
government since 1963

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

June 26, 2019

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, 2018. This report, prepared by the Department of Finance, includes the basic financial statements that summarize the various operations related to the City's 2018 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 2018 was performed by James G. Zupka, CPA Inc., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;

assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon its audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2018 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 2018, its local economic activity experienced steady growth as reflected in a modest (2.7%) 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 7th in the number of manufacturers and 8th in manufacturing employment in Ohio according to the 2012 Economic Census of Manufacturing, and 6th in the state in sales volume according to the 2012 Economic Census of Retail Trade. The average unemployment rate was a reasonably healthy 4.9% during 2018, with several months below the 4% threshold.

Current Projects and 2018 Accomplishments

In terms of roadway infrastructure improvements, the City provided for the repair and/or resurfacing of 25 streets. Capital improvement projects included: completion of the extension of Plaza Boulevard; final widening of Mentor Avenue from S.R. 615 to Murray Avenue by constructing a two-way left turn lane; rehabilitating Orchard Road from Woodridge Lane to Lake Overlook Drive; pavement repairs and overlay for Hopkins Road from U.S. 20 to S.R. 84; replacement of bridges at Hoose Road just east of King Memorial Road and at Hopkins Road over Martin Ohm Ditch; extending the right turn lane on Diamond Centre at Heisley Road eastward to the intersection with Emerald Court; and construction of turn lanes and new traffic signals at Tyler Boulevard and Center Street entrances to the new City Market site. Other improvements included the continuation of the city-wide sidewalk replacement program; further upgrades to decorative lighting in the Old Village District. Drainage projects undertaken in 2018 included final construction of the two-town detention basin between Jeremy Drive and Bellflower Road, and a dry detention basin located behind the former Dale R. Rice school; and replacement of storm sewer outfall for Brighton Road and Headlands Road out towards the lake. 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 8,791 calls for service in 2018. 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 8,450 members of the community in 2018. 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 2018, the Department administered, and Mentor City Council provided grant assistance to Signature Health Company, Inc., Malish Corporation, American Metal Coatings, Inc., Cardinal Auto Wash, Accurate Meta Sawing Service Company, MUM Industries, Inc., Quadrel Labeling Systems, and Orbis Corporation. The net impact of these grants is anticipated to result in \$36.2 million in investments, the retention or creation of 416 jobs and approximately \$23 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 resulted in 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 busy year. Membership at the Senior Center is over 4,800 members. The Department operated the festival titled Mentor CityFest for the sixth year in August 2018. Over 70 community and food vendors participated in the two-day event. The CityFest parade was one of the largest with nearly 100 community groups participating. Festival revenue through sponsorships was \$125,000.00. The summer pool season experienced over 70,000 total visitors. Over 3,000 children participated in the summer day camp programs. The golf course sand bunker renovation project was completed, including new installation equipped with drainage and top grade sand.

The Police Department hired four new officers in 2018 to replace recently retired officers. Two officers were sent to the Ohio Highway Patrol Academy for their basic police training; the other two started directly into the field training program. Final details were settled for implementation of a body worn camera program for patrol officers. This new tool will help document officer actions for use in investigative activity. In addition, these cameras will help protect officers and the City from frivolous complains and lawsuits. Work continued on the electronic ticketing project. This application, which is offered at no cost through the State of Ohio Department of Public Safety, will help streamline the ticketing process. It should be in use in early 2019. The public safety Communications Center underwent a complete physical makeover as well as installation of a new 911 phone system. The Center added two workstations, to bring the total to seven, each of which is equipped with state-of-the-art equipment. The new 911 system will enable seamless migration to future enhanced 911 functionality.

For the Future

The City's five-year (2019-2023) capital improvement program contains the following proposed expenditures:

Facility construction and improvements	\$ 6,961,600
Roadway construction and improvements	46,498,000
Traffic control	1,553,000
Sidewalk and bikeway improvements	2,805,000
Storm drainage	4,162,500
Park acquisition, development and improvement	2,720,000
Major capital equipment	8,633,750
Miscellaneous	<u>1,920,000</u>
	<u>\$ 75,253,850</u>

Of the proposed \$75,253,850 for the five-year period, \$30,048,400 (40%) is expected to be funded by the City. The remaining \$45,205,450 (60%) is expected to be funded primarily by Federal/State/County assistance.

Projects anticipated in 2019 include the following: pavement repairs and overlay for portions of Hopkins Road between Market Street and Hendricks Road, and Hendricks Road between S.R. 2 and White Oak; rehabilitating Belle Meadow Road and resurfacing Glen Lodge Road and Wake Robin Road; improvements to the bridge over S.R. 2 at S.R. 306, including the replacement of the safety fencing. Other improvements include the continuation of the city-wide sidewalk replacement program; further upgrades to decorative lighting in the Old Village District; storm sewer improvement at the north end of Maple Street, and also at the Ward Creek area on the border of the City of Mentor and City of Willoughby; and ditch relocation at the Hunter's Woods subdivision near I-90. 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; and infrastructure improvements at the shoreline of the lagoons to lessen erosion impact to the nature preserve and marina, including installation of approximately 600 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 may issue bond anticipation notes or bonds of approximately \$5.0 million during 2019 to finance certain capital and infrastructure improvements.

Relevant financial policies

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

Awards and Acknowledgements

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mentor for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2017. 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-four consecutive years (fiscal years 1984-2017). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

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

Sincerely,

A handwritten signature in cursive script that reads "David W. Malinowski".

David W. Malinowski, Director of Finance

CITY OF MENTOR, OHIO

PRINCIPAL CITY OFFICIALS DECEMBER 31, 2018

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

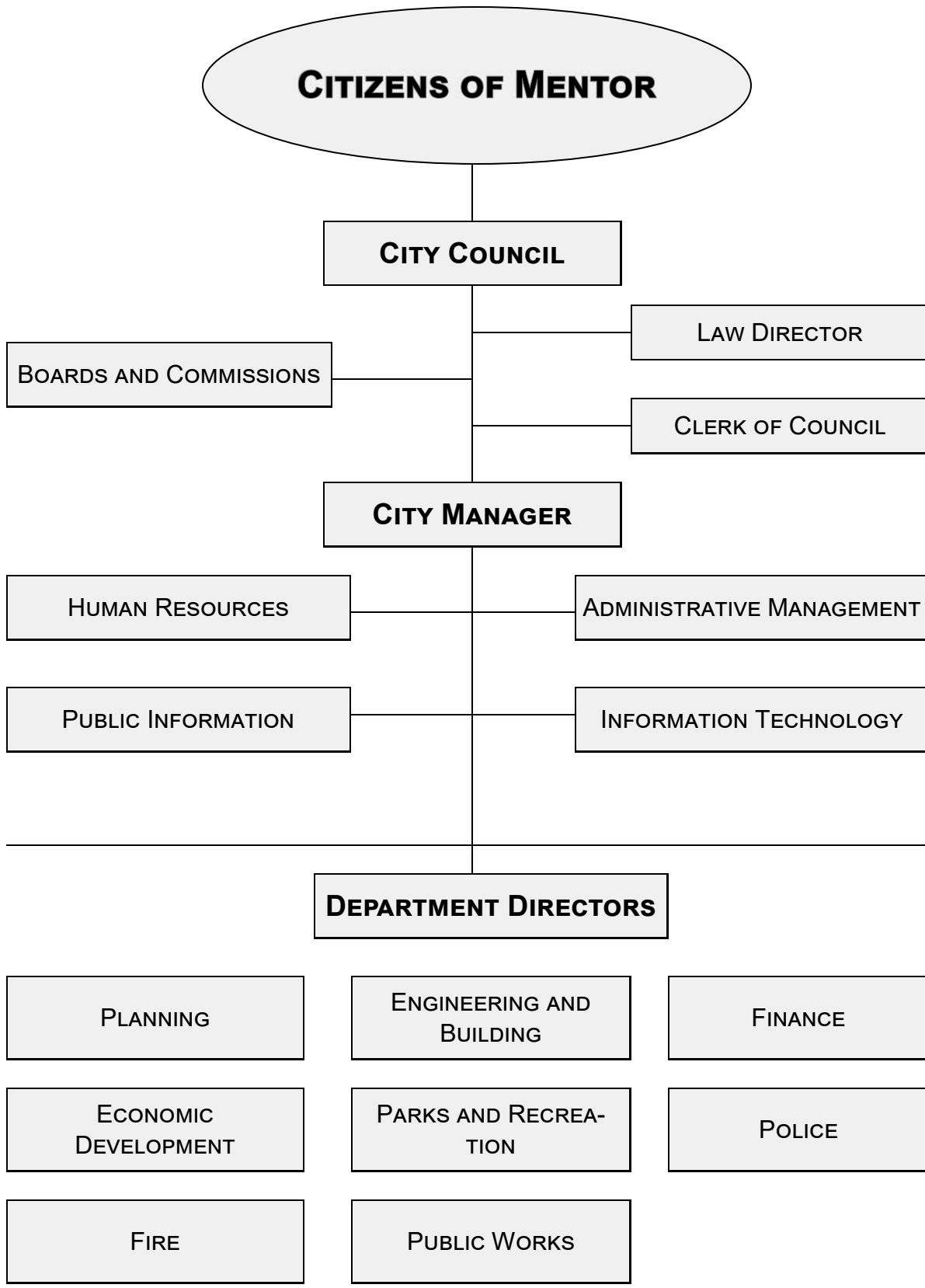
Judge, Mentor Municipal Court----- John F. Trebets

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 ----- Kevin Knight
Fire Chief ----- Robert M. Searles
Planning Director ----- Kathleen M. Mitchell

CITY OF MENTOR, OHIO

**DEPARTMENT OF FINANCE STAFF
DECEMBER 31, 2018**

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, 2017

Christopher P. Morrill

Executive Director/CEO





FINANCIAL INFORMATION



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

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

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

The Honorable Keith Faber
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mentor, Lake County, Ohio, (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mentor as of December 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the basic financial statements, during 2018, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Also, as discussed in Note 3, the City understated general obligation and special assessment bonds and reclassified revenue between governmental funds as of December 31, 2017. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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

June 26, 2019



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, 2018. 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, 2018 by approximately \$95.8 million (net position). All of the net position is accounted for as governmental activities. Of this amount, \$30.2 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 decreased by \$2.3 million during 2018.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$21.6 million and is available for spending at the City's discretion. The unassigned fund balance equals 39.7 percent of total current year general fund expenditures.
- The City's total debt and other long-term obligations decreased by \$3.1 million (2.2 percent) during the current fiscal year. The decrease was primarily related to the net effect of the bonds issued (\$9.8 million), retirement of bonds (\$2.3 million), loans issued (\$0.2 million), notes and loans paid (\$7.3 million), decreased compensated absence liability (\$0.5 million), decreased workers compensation liabilities (\$0.2 million) and reduction to net pension/OPEB liability (\$2.8 million).

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

The government-wide financial statement of activities distinguishes functions of the City that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City principally include: general government; police; fire; streets and highways; parks 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 52 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 50 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 2018 compared to 2017.

	Summary of Net Position	
	December 31, 2018	Restated December 31, 2017
Assets		
Current and other assets	\$ 67,434,465	\$ 67,944,612
Net Pension Asset	64,338	22,987
Capital Assets	174,375,340	168,261,024
Total Assets	241,874,143	236,228,623
Deferred Outflows of Resources		
Deferral on Refunding	45,701	83,842
Pension	9,513,692	16,579,500
OPEB	4,354,233	231,849
Total Deferred Outflows of Resources	13,913,626	16,895,191
Liabilities		
Current and other liabilities	5,885,602	5,640,726
Long term liabilities:		
Due within one year	2,810,959	2,349,050
Due in more than one year:		
Net Pension Liability	54,861,573	63,941,436
Net OPEB Liability	46,502,321	40,230,334
Other Amounts	35,123,080	35,871,130
Total Liabilities	145,183,535	148,032,676
Deferred Inflows of Resources		
Property Taxes	5,981,790	4,698,580
Payment in Lieu of Taxes	970,000	941,593
OPEB	1,424,376	-
Pension	6,378,511	1,310,056
Total Deferred Inflows of Resources	14,754,677	6,950,229
Net Position		
Net Investment in Capital Assets	142,439,209	136,899,308
Restricted	18,465,011	23,101,388
Unrestricted	(65,054,663)	(61,859,787)
Total Net Position	\$ 95,849,557	\$ 98,140,909

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27." For 2018, 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.

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation had the effect of restating net position at December 31, 2017 from \$138,364,394 to \$98,365,909 for governmental activities.

As a result of correcting an accounting error, the City also restated the net position at December 31, 2017 for long term liabilities in the amount of \$225,000. The correction had the effect of restating net position at December 31, 2017, from \$98,365,909 to \$98,140,909 for governmental activities.

Net position at December 31, 2018 was decreased by \$2,291,352.

Total assets and deferred outflows of resources increased \$2,663,955 from 2017 to 2018. The increase was primarily caused by an increase in capital assets and other assets of \$5.7 million and a net decrease in deferred outflows of pension and OPEB resources of \$3.0 million.

Total liabilities and deferred inflows of resources increased by \$4,955,307. The increase was primarily attributable to a \$6.5 million increase in pension/OPEB deferred inflows, a \$1.3 million increase in property tax/PILOT deferred inflows and a \$2.8 million decrease in pension/OPEB liabilities.

The result of increased assets and deferred outflows of resources and increased liabilities and deferred inflows of revenues is a decrease in total net position of \$2,291,352. A portion of the City's net position (19.3 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 \$65.1 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

	2018	2017
Revenues		
Program Revenues:		
Charges for services	\$ 16,868,926	\$ 15,660,944
Operating grants and contributions	5,562,165	3,550,018
Capital grants and contributions	658,199	2,763,982
General Revenues:		
Municipal income taxes	43,614,088	43,380,853
Property taxes	4,955,299	4,991,884
Other local taxes	777,484	682,693
Payments in lieu of taxes	892,540	726,140
Grants and entitlements not restricted to specific programs	2,599,620	2,264,634
Unrestricted investment earnings	554,885	581,993
Other	979,496	688,775
Total Revenues	77,462,702	75,291,916
Expenses		
General government	9,783,557	11,323,070
Police	17,791,171	16,903,833
Fire	15,595,999	15,295,734
Streets and highways	18,451,295	22,720,873
Parks and recreation	9,915,522	10,239,656
Planning and development	3,956,188	3,908,087
Engineering and building	3,140,639	2,649,925
Interest and fiscal charges	1,119,683	835,607
Total Expenses	79,754,054	83,876,785
Change in net position	(2,291,352)	(8,584,869)
Net position at beginning of year - Restated	\$ 98,140,909	N/A
Net position at end of year	\$ 95,849,557	\$ 98,140,909

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$231,849 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$3,664,339. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	<u>Governmental Activities</u>
Total 2018 program expenses under GASB 75	79,754,054
OPEB expense under GASB 75	(3,664,339)
2018 contractually required contribution	<u>90,360</u>
Adjusted 2018 program expenses	76,180,075
Total 2017 program expenses under GASB 45	<u>83,876,785</u>
Increase in program expenses not related to OPEB	<u><u>7,696,710</u></u>

The decrease in net position of \$2.3 million in 2018 is a result of lower expenses in several functional areas, particularly General government due to less IT and telecommunications expenditures and less Streets and highways expenditures for large road projects completed and capitalized in 2018. Program revenues and General revenues were about \$2.2 million higher primarily due to more program revenues received from outside contractors on infrastructure projects and greater tax revenue collected during 2018. Operating grants and contributions increased as a result of securing primarily the infrastructure grant to repair Route U.S. 20.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

As of December 31, 2018, the City's governmental funds reported combined ending fund balances of \$36.6 million, a decrease of \$2.5 million from the prior year. The unassigned amount of \$18.5 million is available for spending at the City's discretion. The remainder of the combined fund balances is not available for general spending because it has already been 1) assigned (\$7.8 million), 2) committed (\$1.7 million), 3) restricted (\$7.4 million), or nonspendable (\$1.2 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, 2018, the unassigned fund balance of the General Fund was \$21.6 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 39.7 percent of total General Fund expenditures at December 31, 2018.

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.

There is a restatement of the Revenue and Fund Balances as of December 31, 2017 between the General Fund and the Forfeited Property – US Department of Justice Fund in the amount of \$119,088. There was no net effect on the Total Fund Balances for all Governmental Funds.

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

Years Ended December 31, 2018 and December 31, 2017

	<u>2018</u>	<u>Restated 2017</u>
Revenues:		
Property taxes	\$ 1,028,126	\$ 1,032,230
Municipal income taxes	43,321,075	42,862,290
Intergovernmental	2,004,985	1,970,866
Charges for services	6,415,726	6,415,069
Fines and forfeitures	857,594	874,765
Licenses, permits and inspections	1,789,521	1,655,456
Investment income	489,561	527,441
Donations and other	<u>484,653</u>	<u>337,491</u>
 Total Revenues	 <u>56,391,241</u>	 <u>55,675,608</u>
 Expenditures:		
General government	7,784,426	8,492,214
Police	13,091,264	13,077,002
Fire	11,269,160	10,557,410
Streets and highways	8,101,565	8,645,402
Parks and recreation	7,501,247	7,394,808
Planning and development	3,532,260	3,363,595
Engineering and building	1,947,305	2,011,498
Capital outlay	1,179,527	811,210
Debt service - principal retirement and other charges	<u>38,823</u>	<u>2,539,743</u>
 Total Expenditures	 <u>54,445,577</u>	 <u>56,892,882</u>
 Excess of revenues over expenditures	 1,945,664	 (1,217,274)
 Other financing sources (uses):		
Issuance of Notes	-	2,500,000
Transfers out	<u>(546,085)</u>	<u>(1,195,106)</u>
 Total other financing sources (uses)	 <u>(546,085)</u>	 <u>1,304,894</u>
 Net change in fund balance	 1,399,579	 87,620
 Fund balance at beginning of year	 30,161,858	 30,165,509
 Change in inventory	 <u>316,671</u>	 <u>(91,271)</u>
 Fund balance at end of year	 <u>\$ 31,878,108</u>	 <u>\$ 30,161,858</u>

Analysis of General Fund Revenues

General Fund revenues totaled \$56.4 million in 2018, an increase of approximately 1.3% from 2017. 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>
2017	\$ 1,382,528	\$ 52,948	\$ 1,435,476
2018	\$ 1,379,801	\$ 53,907	\$ 1,433,708

Property tax revenues were flat for 2018 as compared to 2017.

Municipal Income Taxes

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

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

Income tax revenue increased approximately \$0.5 million in 2018 versus the comparable amount in 2017 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 1.7% in 2018 primarily due to an increase in state shared revenues derived from liquor permits.

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

Pursuant to the Ohio Revised Code, State LGF revenues are divided into county and municipal portions. The county portion, the larger of the two, is distributed to each of the State’s 88 counties and is allocated based upon a statutory formula utilizing county population and county municipal property values. Once received by a county, the funds can either be distributed to all subdivisions using the statutory formula or the county and its subdivisions may agree upon an alternate method for allocating the funds. Lake County and its recipient communities have chosen the latter method, which is comprised of a base allocation and an excess allocation. The excess allocation takes into account such factors as assessed value per capita, per capita income, population density and the number of individuals receiving public assistance. The municipal portion of the LGF is distributed directly by the State to those municipalities that collect an income tax. A municipality receives its share of the funds based upon its percentage of total municipal income taxes collected throughout the state in a given year. In 2018, the City had LGF revenue of \$1.6 million.

Charges for Services

Revenue from charges for services were flat for 2018 as compared to 2017.

Licenses, Permits and Inspections

Revenue from licenses, permits and inspections increased by \$134,065, approximately 8.1% in 2018 primarily due to more cable television franchise fee revenue.

Investment Income

Investment income in 2018 was \$489,561, down from \$527,441 in 2017. The change was due to the following three factors. The City had an average of \$37.4 million invested during 2018 versus \$34.8 million in 2017, which increased investment income by about \$50,000. Secondly, a higher effective yield on the portfolio of about 0.66% during 2018 caused an increase of about \$212,000. Finally, the incremental change in the fair market value of the City’s corporate bond funds caused the remaining decrease of \$300,000.

Donations and Other

Revenue from donations and other increased by \$147,162 during 2018, 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 \$55.0 million in 2018, a decrease of 5.33% from 2017. The amount of expenditures and other uses by function on a modified accrual basis for the year ended December 31, 2018, including the increases (decreases) over the prior year, are shown in the following table:

Expenditures and Other Uses	2018	Total	2017	Total	Increase (Decrease) Over 2017	Change
	(\$ Amounts in 000's)					
Current:						
General Government	\$ 7,785	14.16%	\$ 8,492	14.62%	\$ (707)	-8.33%
Police	13,091	23.81%	13,077	22.51%	14	0.11%
Fire	11,269	20.49%	10,557	18.17%	712	6.74%
Streets and highways	8,102	14.73%	8,645	14.89%	(543)	-6.28%
Parks and recreation	7,501	13.64%	7,395	12.73%	106	1.43%
Planning and development	3,532	6.42%	3,364	5.79%	168	4.99%
Engineering and building	1,947	3.54%	2,012	3.46%	(65)	-3.23%
Capital outlay	1,180	2.15%	811	1.40%	369	45.50%
Debt Service - principal retirement	39	0.07%	2,540	4.37%	(2,501)	-98.46%
Transfers out	<u>546</u>	<u>0.99%</u>	<u>1,195</u>	<u>2.06%</u>	<u>(649)</u>	<u>-54.31%</u>
Total expenditures and other financing uses	<u>\$ 54,992</u>	<u>100.00%</u>	<u>\$ 58,088</u>	<u>100.00%</u>	<u>\$ (3,096)</u>	<u>-5.33%</u>

General government expenditures were lower as a result of major investment in a new city-wide phone system and information technology during the previous year 2017.

The Fire Department expenditures were higher as a result of the general fund absorbing more employee compensation during 2018 because of a smaller offset to the Fire Levy Fund.

The Streets and highways and Engineering and building expenditures were lower because of less spending on sidewalk and drainage projects in 2018. Expenditures for the function of Planning and development increased because of higher recorded expenditures for economic incentive grants during 2018.

Capital outlay increased as a result of equipment purchases in the Police Department, including the new dispatch center and vehicles.

Debt Service principal retirement was lower due to the retirement of the bond anticipation note for \$2.5 million during 2017.

Transfers out decreased as a result of less transfers required to close out funds in 2018.

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

Employee Compensation and Labor Relations

As of December 31, 2018, and 2017, the City had approximately 339 and 344 full-time employees, respectively. As of December 31, 2018, approximately 213 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 – 61, the Ohio Patrolmen's Benevolent Assn., representing three units – 85, and the International Assn. of Firefighters Local 1845 – 67.

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>
2018	\$ 28,616,170
2017	\$ 28,080,801

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 14 and 15 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 14 and 15 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>2018</u>	<u>2017</u>
	(in thousands)	
Paid by City to		
OPERS	\$ 2,074	\$ 2,087
OP&F	<u>2,908</u>	<u>2,937</u>
Total paid by City	<u>4,982</u>	<u>5,024</u>
Paid by Employees to		
OPERS	1,482	1,548
OP&F	<u>1,644</u>	<u>1,719</u>
Total paid by Employees	<u>3,126</u>	<u>3,267</u>
Total	<u>\$ 8,108</u>	<u>\$ 8,291</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 \$5.1 million, a 7.3 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 - \$2,500,000; various grants and other - \$3,000,000). The General Fund will be reimbursed next year from revenue to be received from outside funding sources for advances that were not repaid in 2018.
- Expenditures were necessary for upgrades to the Police Department Dispatch Center - \$200,000; offset with less expenditures required for tax collection agency fees - \$600,000.

The difference between the original and final amended budget for the City's General Fund revenues, including advances in, was an increase of \$3.4 million, an increase of 5.3 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 \$2.0 million from the previous year.
- Income from park programs and facility rentals was higher than anticipated. There was an increase of approximately \$0.7 million.
- Income from permits issued was higher than anticipated. There was an increase of approximately \$0.4 million from the previous year.
- Investment income was higher than anticipated. There was an increase of approximately \$0.3 million from the previous year.

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 \$5.3 million. The following functions reported favorable material variances (rounded to the nearest \$100,000):

- General government – The Finance Department incurred less expenditures for tax collection agency fees and claims (\$200,000); City Council and the Municipal Court incurred less expenditures for operational costs (\$300,000); City Manager and Information Technology Department incurred less operational costs (\$400,000); Contingency for emergency expenditures were not used (\$100,000); transfers out expenditures that were not used (\$500,000).
- 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 (\$200,000).
- Fire – Employee compensation and benefits were under budget primarily because of unfilled positions during the year, (\$200,000); 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 (\$400,000); and less expenditures for maintenance and repair of certain infrastructure projects (\$200,000).
- 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 (\$500,000).
- Planning and development – Employee compensation and benefits were under budget primarily because of partially unfilled positions during the year (\$300,000); and less expenditures for economic incentive grants (\$300,000).
- 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 (\$200,000).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets: The City's investment in capital assets as of December 31, 2018 equaled \$174.4 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 2018 was 3.6 percent. A summary of the City's capital assets at December 31, 2018 and December 31, 2017 is as follows:

	2018	2017
	Capital Assets, Net of Accumulated Depreciation	Capital Assets, Net of Accumulated Depreciation
Land	\$ 66,526,517	\$ 66,074,488
Land improvements	997,618	1,119,342
Buildings and improvements	18,455,723	19,558,699
Equipment	8,248,102	7,877,421
Infrastructure	69,887,303	64,875,145
Construction in progress	10,260,077	8,755,931
Total	<u>\$ 174,375,340</u>	<u>\$ 168,261,026</u>

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

- Land – purchased properties along Plaza Boulevard during the project to extend the roadway.
- 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 (\$1.9 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 (\$2.7 million) with \$7.7 million in new construction and improvements.
- Construction in progress - \$8.5 million increase for major improvement projects – Springbrook Gardens Park, Two-Town Detention Basin, and U.S. Route 20 Resurfacing offset by \$7.0 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 7 to the financial statements.

Long-term debt. As of December 31, 2018, the City had total bond, notes and loans outstanding of \$31.9 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, 2018 is summarized below.

	Restated Balance January 1, 2018	Debt Issued	Debt Retired	Balance December 31, 2018
		(in thousands)		
General Obligation Bonds	\$ 16,440	\$ 9,805	\$ (1,620)	\$ 24,625
Special Assessment Bonds	7,130	-	(685)	6,445
Unamortized Premium on Debt	208	64	(76)	196
OWDA/OPWC Loans	573	150	(54)	669
Notes Payable	<u>7,235</u>	<u>-</u>	<u>(7,235)</u>	<u>-</u>
Total Government Activities	<u>\$ 31,586</u>	<u>\$ 10,019</u>	<u>\$ (9,670)</u>	<u>\$ 31,935</u>

The funds used to meet the debt service requirements of the City's general obligation bonds are from certain ad valorem taxes and other revenue sources. Ad valorem taxes, the primary source of funds, amounted to \$2.1 million in 2018 which represented 63% 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 37% 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 2018 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, 2018 was:

Net General Bonded Debt	\$ 23,677,316
Ratio of Net Bonded Debt to Assessed Valuation	1.65%
Net General Bonded Debt Per Capita	\$ 502.48

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 \$125,717,802 and unvoted debt limit (5.5 percent) is

\$54,032,410. 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 8 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 2019 projects a year-end unencumbered balance of \$5.3 million. This includes estimated income tax collections of \$42.2 million which is less than the record year actual 2018 collections. For the four months through April 30, 2019, income tax collections were up 2.9% from the comparable 2018 period. The general fund unencumbered balance at April 30, 2019 was \$11.7 million.

NEED ADDITIONAL INFORMATION

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



BASIC FINANCIAL INFORMATION



CITY OF MENTOR, OHIO
STATEMENT OF NET POSITION
December 31, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 34,812,873
Receivables, net of allowance for doubtful accounts	26,822,885
Due from other governments	3,386,973
Inventory	910,235
Prepaid items	823,978
Net pension asset	64,338
Land held for resale	677,521
Nondepreciable capital assets	76,786,594
Depreciable capital assets, net of accumulated depreciation	97,588,746
Total assets	<u>241,874,143</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	45,701
Pension	9,513,692
OPEB	4,354,233
Total deferred outflows of resources	<u>13,913,626</u>
LIABILITIES	
Accounts payable and accrued liabilities	5,319,475
Deposits	566,127
Long-term obligations:	
Due within one year	2,810,959
Due in more than one year:	
Net pension liability	54,861,573
Net OPEB liability	46,502,321
Other amounts	35,123,080
Total liabilities	<u>145,183,535</u>
DEFERRED INFLOWS OF RESOURCES	
Property tax	5,981,790
PILOT	970,000
OPEB	1,424,376
Pension	6,378,511
Total deferred inflows of resources	<u>14,754,677</u>
NET POSITION	
Net investment in capital assets	142,439,209
Restricted for:	
Debt service	10,749,598
Capital projects	1,739,075
Streets and public safety	5,976,338
Unrestricted	(65,054,663)
Total net position	<u>\$ 95,849,557</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, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General Government	\$ 9,783,557	\$ 2,819,811	\$ 83,366	\$ -	\$ (6,880,380)
Police	17,791,171	1,717,139	133,253	-	(15,940,779)
Fire	15,595,999	2,572,257	176,349	500,000	(12,347,393)
Streets and highways	18,451,295	2,985,618	4,709,172	158,199	(10,598,306)
Parks and recreation	9,915,522	5,419,111	313,419	-	(4,182,992)
Planning and development	3,956,188	297,822	141,356	-	(3,517,010)
Engineering and building	3,140,639	1,057,168	5,250	-	(2,078,221)
Interest and fiscal charges	1,119,683	-	-	-	(1,119,683)
Total governmental activities	<u>79,754,054</u>	<u>16,868,926</u>	<u>5,562,165</u>	<u>658,199</u>	<u>(56,664,764)</u>
General revenues:					
Municipal income taxes					43,614,088
Property taxes levied for:					
General purpose					1,051,625
Special revenue					1,849,560
Debt service					2,054,114
Other local taxes					777,484
Payments in lieu of taxes					892,540
Grants and entitlements not restricted to specific programs					2,599,620
Unrestricted investment earnings					554,885
Other					979,496
Total general revenues					<u>54,373,412</u>
Change in net position					(2,291,352)
Net position at beginning of year - Restated					<u>98,140,909</u>
Net position at end of year					<u>\$ 95,849,557</u>

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

**CITY OF MENTOR, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018**

	General	Special Assessment Bond Retirement	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 15,677,095	\$ 1,025	\$ 14,765,367	\$ 30,443,487
Receivables, net	13,246,568	8,964,092	4,612,225	26,822,885
Due from other funds	9,225,012	-	696,274	9,921,286
Due from other governments	943,244	-	2,443,729	3,386,973
Inventory	910,235	-	-	910,235
Prepaid items	282,835	-	1,698	284,533
Land held for resale	-	677,521	-	677,521
Total assets	<u>\$ 40,284,989</u>	<u>\$ 9,642,638</u>	<u>\$ 22,519,293</u>	<u>\$ 72,446,920</u>
LIABILITIES				
Accounts Payable	\$ 475,484	\$ -	\$ 1,579,555	\$ 2,055,039
Accrued payroll and employee benefits	1,777,751	-	-	1,777,751
Accrued liabilities	3,486	-	-	3,486
Matured Compensated Absences	28,869	-	-	28,869
Construction, security and bid deposits	566,127	-	-	566,127
Due to other funds	-	12,513	9,908,773	9,921,286
Due to other governments	-	139,570	-	139,570
Total liabilities	<u>2,851,717</u>	<u>152,083</u>	<u>11,488,328</u>	<u>14,492,128</u>
DEFERRED INFLOWS OF RESOURCES				
Property tax	1,774,201	-	4,207,589	5,981,790
PILOT	-	-	970,000	970,000
Unavailable Revenue - Delinquent property tax	54,263	-	64,420	118,683
Unavailable Revenue - Income tax	3,083,407	-	-	3,083,407
Unavailable Revenue - Other	-	-	219,089	219,089
Unavailable Revenue - Shared revenue	643,293	-	927,596	1,570,889
Unavailable Revenue - Special Assessment	-	9,363,602	17,676	9,381,278
Total deferred inflow of resources	<u>5,555,164</u>	<u>9,363,602</u>	<u>6,406,370</u>	<u>21,325,136</u>
Total liabilities and deferred inflows of resources	<u>8,406,881</u>	<u>9,515,685</u>	<u>17,894,698</u>	<u>35,817,264</u>
FUND BALANCES				
Nonspendable	1,193,070	-	1,698	1,194,768
Restricted	-	126,953	7,277,233	7,404,186
Committed	1,231,789	-	466,744	1,698,533
Assigned	7,863,345	-	-	7,863,345
Unassigned (deficits)	21,589,904	-	(3,121,080)	18,468,824
Total fund balances	<u>\$ 31,878,108</u>	<u>\$ 126,953</u>	<u>\$ 4,624,595</u>	<u>\$ 36,629,656</u>
Total liabilities and fund balances	<u>\$ 40,284,989</u>	<u>\$ 9,642,638</u>	<u>\$ 22,519,293</u>	<u>\$ 72,446,920</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, 2018**

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

Total fund balances - governmental funds		\$ 36,629,656
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. (See note 7.)		174,375,340
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		1,229,461
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	9,513,692	
Deferred Inflows - Pension	(6,378,511)	
Net Pension Liability/Asset	(54,797,235)	
Deferred Outflows - OPEB	4,354,233	
Deferred Inflows - OPEB	(1,424,376)	
Net OPEB Liability/Asset	<u>(46,502,321)</u>	
		(95,234,518)
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	45,701	
Unavailable revenues	<u>14,373,346</u>	
		14,419,047
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds. (See note 8.)		
Long term obligations	(37,934,039)	
Internal service portion	3,679,370	
Accrued vacation	(1,238,209)	
Accrued interest	<u>(76,551)</u>	
		(35,569,429)
Net position of governmental activities		<u>\$ 95,849,557</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, 2018**

	General	Special Assessment Bond Retirement	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 1,028,126	\$ -	\$ 3,882,077	\$ 4,910,203
Municipal Income Tax	43,321,075	-	-	43,321,075
Other Local Taxes	-	-	767,498	767,498
Payments in Lieu of Taxes	-	-	892,540	892,540
Intergovernmental	2,004,985	-	6,961,008	8,965,993
Charges for services	6,415,726	-	631,867	7,047,593
Fines and forfeitures	857,594	-	312,513	1,170,107
Licenses, permits, and inspections	1,789,521	-	9,500	1,799,021
Special Assessments	-	1,006,619	1,349,413	2,356,032
Investment Income	489,561	-	65,324	554,885
Donations and other	484,653	-	8,690	493,343
Total revenues	<u>56,391,241</u>	<u>1,006,619</u>	<u>14,880,430</u>	<u>72,278,290</u>
EXPENDITURES				
Current:				
General Government	7,784,426	33,839	399,313	8,217,578
Police	13,091,264	-	549,293	13,640,557
Fire	11,269,160	-	814,438	12,083,598
Streets and highways	8,101,565	-	6,459,102	14,560,667
Parks and recreation	7,501,247	-	584,708	8,085,955
Planning and development	3,532,260	-	247,606	3,779,866
Engineering and building	1,947,305	-	880,404	2,827,709
Debt service:				
Principal retirement	38,823	700,043	8,855,000	9,593,866
Interest and fiscal charges	-	310,065	782,894	1,092,959
Bond Issuance Costs	-	-	1,500	1,500
Capital outlay:				
General Government	246,824	-	-	246,824
Police	638,892	-	90,892	729,784
Fire	47,908	-	764,175	812,083
Streets and highways	144,804	-	5,061,005	5,205,809
Parks and recreation	81,524	-	3,387,933	3,469,457
Engineering and building	19,575	-	746,837	766,412
Total expenditures	<u>54,445,577</u>	<u>1,043,947</u>	<u>29,625,100</u>	<u>85,114,624</u>
Excess (deficiency) of revenues over expenditures	<u>1,945,664</u>	<u>(37,328)</u>	<u>(14,744,670)</u>	<u>(12,836,334)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	-	-	9,805,000	9,805,000
Premium on bonds	-	-	63,995	63,995
Issuance of OPWC Loan	-	-	150,000	150,000
Transfers In	-	20,000	1,125,161	1,145,161
Transfers Out	(546,085)	-	(599,076)	(1,145,161)
Total other financing sources (uses)	<u>(546,085)</u>	<u>20,000</u>	<u>10,545,080</u>	<u>10,018,995</u>
Net change in fund balances	1,399,579	(17,328)	(4,199,590)	(2,817,339)
Fund balances - beginning - Restated	30,161,858	144,281	8,824,185	39,130,324
Change in Inventory	316,671	-	-	316,671
Fund balances - ending	<u>\$ 31,878,108</u>	<u>\$ 126,953</u>	<u>\$ 4,624,595</u>	<u>\$ 36,629,656</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 TO THE STATEMENT OF ACTIVITIES OF GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 2018

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

Net change in fund balances - total governmental funds \$ (2,817,339)

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

Capital asset additions	\$11,537,829	
Current year depreciation	<u>(5,404,314)</u>	6,133,515

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. (19,201)

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	338,109	
Intergovernmental	132,087	
Special Assessment	(1,272,866)	
Other	<u>100,929</u>	(701,741)

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. (450,353)

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

Pension	4,902,391	
OPEB	<u>90,360</u>	4,992,751

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	(7,915,440)	
OPEB	<u>(3,664,339)</u>	(11,579,779)

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. 942,340

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. 1,208,453

Changes in net position of governmental activities \$ (2,291,354)

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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:				
Property taxes	\$ 1,101,000	\$ 1,101,000	\$ 1,028,126	\$ (72,874)
Municipal income tax	40,560,000	42,560,000	43,343,101	783,101
Intergovernmental	1,683,000	1,923,767	1,992,448	68,681
Charges for services	5,736,900	6,347,700	6,415,561	67,861
Fines and forfeitures	748,000	766,133	895,676	129,543
Licenses, permits and inspections	1,424,000	1,554,000	1,658,622	104,622
Investment income	420,000	720,000	797,326	77,326
Other	146,600	230,253	239,992	9,739
Total revenues	<u>51,819,500</u>	<u>55,202,853</u>	<u>56,370,852</u>	<u>1,167,999</u>
EXPENDITURES:				
Function:				
General government	9,370,154	8,508,555	7,473,707	1,034,848
Police	12,738,120	13,141,220	12,194,947	946,273
Fire	10,520,423	10,380,423	10,032,737	347,686
Streets and highways	8,621,963	8,586,963	7,965,652	621,311
Parks and recreation	8,204,297	8,363,023	7,453,479	909,544
Planning and development	6,629,263	6,629,263	6,022,839	606,424
Engineering and building	2,344,641	2,370,640	2,086,127	284,513
Debt Service:				
Principal retirement	100,000	100,000	38,823	61,177
Total expenditures	<u>58,528,861</u>	<u>58,080,087</u>	<u>53,268,311</u>	<u>4,811,776</u>
Excess (deficiency) of revenues over expenditures	(6,709,361)	(2,877,234)	3,102,541	5,979,775
OTHER FINANCING SOURCES (USES):				
Advances in	11,500,000	11,500,000	12,174,585	674,585
Advances out	(4,200,000)	(9,786,490)	(9,783,980)	2,510
Transfers out	(6,840,000)	(6,775,100)	(6,286,085)	489,015
Total other financing sources (uses)	<u>460,000</u>	<u>(5,061,590)</u>	<u>(3,895,480)</u>	<u>1,166,110</u>
NET CHANGE IN FUND BALANCE	(6,249,361)	(7,938,824)	(792,939)	7,145,885
Adjustment for prior year encumbrances	4,240,444	4,240,444	4,240,444	-
FUND BALANCES, BEGINNING OF YEAR - Restated	<u>5,110,222</u>	<u>5,110,222</u>	<u>5,110,222</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,101,305</u>	<u>\$ 1,411,842</u>	<u>\$ 8,557,727</u>	<u>\$ 7,145,885</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, 2018**

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
ASSETS	
Current assets:	
Cash and investments	\$ 4,369,386
Prepaid items	539,445
Total assets	<u>\$ 4,908,831</u>
LIABILITIES	
Current liabilities:	
Claims Payable	109,645
Noncurrent liabilities:	
Employee benefits payable	3,569,725
Total liabilities	<u>3,679,370</u>
NET POSITION	
Unrestricted	1,229,461
Total net position	<u>\$ 1,229,461</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, 2018

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
OPERATING REVENUES	
Charges for services	\$ 5,400,000
Donations and other	495,514
Total operating revenues	<u>5,895,514</u>
OPERATING EXPENSES	
Employee Benefits	<u>4,953,174</u>
Total operating expenses	<u>4,953,174</u>
Operating income	942,340
Change in net position	942,340
Total net position - beginning	287,121
Total net position - ending	<u>\$ 1,229,461</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, 2018

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Charges for Services	\$ 5,400,000
Donations and other	495,514
Payments to vendors	<u>(5,191,261)</u>
Net cash provided (used) by operating activities	<u>704,253</u>
Net increase (decrease) in cash and cash equivalents	704,253
Cash and cash equivalents - beginning of year	3,665,134
Cash and cash equivalents - end of the year	<u><u>\$ 4,369,387</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating Income	\$ 942,340
Changes in assets and liabilities:	
(Increase) decrease in prepaid items	86,671
Increase (decrease) in claims paid and accrued employee benefits	<u>(324,758)</u>
Net cash provided (used) by operating activities	<u><u>\$ 704,253</u></u>

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

CITY OF MENTOR, OHIO
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2018

	Cemetery Bequest and Endowment Private-Purpose Trust Fund	Municipal Court Agency Fund
ASSETS		
Cash and investments	\$ 22,542	\$ 106,080
LIABILITIES		
Deposits held and due to others	-	106,080
NET POSITION		
Held in trust for decoration of specific graves	\$ 22,542	\$ -

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

CITY OF MENTOR, OHIO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended December 31, 2018

	<u>Cemetery Bequest and Endowment Private- Purpose Trust Fund</u>
ADDITIONS	
Investment Income	\$ 503
Total additions	<u>503</u>
DEDUCTIONS	
General expenses	<u>462</u>
Total deductions	<u>462</u>
Net increase in fiduciary net position	41
Net Position -- beginning of the year	<u>22,501</u>
Net Position -- end of the year	<u><u>\$ 22,542</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, 2018

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, 2018 and for the year then ended have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) applicable to local governments. The Governmental Accounting Standards Board (“GASB”) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB’s Codification of Governmental Accounting and Financial Reporting Standards (“GASB Codification”).

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Government-wide and fund financial statements

GASB Statement No. 34 established new requirements and a new reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use 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, 2018

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, 2018

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 2018, 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, 2018

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 2018, 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 2018, the City did not utilize any enterprise funds.
2. **Internal Service Funds** - Internal service funds are used to report activity for the financing of goods or services provided by one department to other departments or to other governments on a cost-reimbursement basis. During 2011, the City established, with Resolution No. 11-R-107, an internal service fund known as the Workers' Compensation Fund to account for the operation of the retrospective ratings plan for Workers' Compensation. During 2016, the City established, with Resolution 16-R-102, an internal service fund known as the Self Insurance Fund to account for the operation of a self-insurance program.

FIDUCIARY FUNDS

1. **Private-purpose Trust Funds** - Private-purpose trust funds are used to account for trust arrangements which benefit individuals, private organizations, or other governments. For accounting measurement purposes, the private-purpose trust funds are accounted for in essentially the same manner as proprietary funds. The City accounts for the cost of decorating specific graves as designated by individual donors in a Cemetery Bequest and Endowment Fund.
2. **Agency Funds** - Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature (assets and deferred outflows of resources equal liabilities and deferred inflows of revenues) and do not involve the measurement of results of operations. The City's agency fund accounts for the Mentor Municipal Court.
3. **Other Fiduciary Funds** - Other fiduciary funds include pension trust funds and investment trust funds. During 2018, 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, 2018

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, 2018

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, 2018, 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 2018 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, 2018

<u>Net Change in Fund Balance</u>	
Budget Basis	\$ (792,939)
Adjustments:	
Revenue accruals	(6,439)
Advances in	(12,174,585)
Advances out	9,783,980
Expenditure accruals	290,112
Funds with separate legally adopted budgets	(392,698)
Encumbrances	<u>4,692,148</u>
GAAP Basis	<u>\$ 1,399,579</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, 2018, the City's commitments for encumbrances in the governmental funds were as follows:

	Encumbrances <u>Outstanding</u>
General	\$ 4,692,148
Nonmajor funds	<u>7,316,083</u>
Total	<u>\$ 12,008,231</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.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

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

Prepays: Payments made to vendors for services that will benefit periods beyond December 31, 2018, 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, 2018

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, 2018

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, 2018

Fund Balances	General	Special Assessment Bond Retirement	Other Governmental Funds	Total
<i>Nonspendable</i>				
Inventories	\$ 910,235	\$ -	\$ -	\$ 910,235
Prepaid items	282,835	-	1,698	284,533
<i>Total Nonspendable</i>	<u>1,193,070</u>	<u>-</u>	<u>1,698</u>	<u>1,194,768</u>
<i>Restricted for</i>				
Land held for resale	-	-	-	-
Parks and recreation	-	-	606,358	606,358
Safety forces	-	-	1,701,374	1,701,374
Streets and highways	-	-	1,385,619	1,385,619
Street lighting	-	-	295,031	295,031
Planning and development	-	-	2,032,810	2,032,810
Debt service	-	-	1,144,211	1,144,211
Issue II	-	126,953	-	126,953
Other	-	-	111,830	111,830
<i>Total Restricted</i>	<u>-</u>	<u>126,953</u>	<u>7,277,233</u>	<u>7,404,186</u>
<i>Committed to</i>				
Payroll stabilization	1,231,789	-	-	1,231,789
Parks and recreation	-	-	425,212	425,212
Street trees	-	-	41,532	41,532
<i>Total Committed</i>	<u>1,231,789</u>	<u>-</u>	<u>466,744</u>	<u>1,698,533</u>
<i>Assigned to</i>				
Parks and recreation	419,774	-	-	419,774
Safety forces	440,365	-	-	440,365
Streets and highways	556,454	-	-	556,454
Engineering and building	283,098	-	-	283,098
Planning and development	2,734,792	-	-	2,734,792
General government	142,932	-	-	142,932
Planned 2018 appropriations	3,285,930	-	-	3,285,930
<i>Total Assigned</i>	<u>7,863,345</u>	<u>-</u>	<u>-</u>	<u>7,863,345</u>
<i>Unassigned (Deficit)</i>	<u>21,589,904</u>	<u>-</u>	<u>(3,121,080)</u>	<u>18,468,824</u>
Total Fund Balances	<u>\$ 31,878,108</u>	<u>\$ 126,953</u>	<u>\$ 4,624,595</u>	<u>\$ 36,629,656</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, 2018

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 14 and 15.

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, 2018, but which were levied to finance year 2019 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 14 and 15)

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.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION

During this year, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, Statement No. 86, *Certain Debt Extinguishment Issues*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the City's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

GASB 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. These changes were incorporated in the City's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 75 established standards for measuring and recognizing Postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2017:

	Governmental Activities
Net Position December 31, 2017	\$ 138,364,394
Adjustments:	
Net OPEB Liability	(40,230,334)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>231,849</u>
Restated Net Position December 31, 2017	\$ <u>98,365,909</u>
(Prior to correction for long-term debt)	

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements were not available.

The City understated General Obligation and Special Assessment Bonds due as of December 31, 2017 as a result of the advance refunding of the various purpose Bond Series 2009 during 2017. The effect of the restatement had the following effect on net position as reported December 31, 2017:

	Governmental Activities
Net Position December 31, 2017	\$ 98,365,909
Adjustment:	
Bonds due	<u>(225,000)</u>
Restated Net Position December 31, 2017	\$ <u>98,140,909</u>

There is a restatement of the Fund Balances as of December 31, 2017 between the General Fund and the Special Revenue Fund – Forfeited Property – US Department of Justice Fund in the amount of \$119,088 to record revenue in the proper fund.

	General Fund	Forfeited Property Fund	Total Nonmajor Governmental Funds
Fund Balance December 31, 2017	30,042,770	268,117	8,943,273
Adjustment	<u>119,088</u>	<u>(119,088)</u>	<u>(119,088)</u>
Restated Fund Balance December 31, 2017	<u>30,161,858</u>	<u>149,029</u>	<u>8,824,185</u>

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

There was no net effect on the Total Fund Balances for all Governmental Funds. There is a corresponding restatement to the General Fund on a Non-GAAP Budgetary Basis increasing the Fund balance by \$119,088.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the 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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

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 2018, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be 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, 2018.

At year-end, the carrying amount of the City's deposits including certificates of deposit was \$4,022,297 and the bank balance was \$4,845,443. Of the bank balance, \$707,705 was covered by Federal depository insurance and \$4,137,738 was uninsured. Of the remaining uninsured

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

bank balance, \$4,137,738 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 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, 2018, 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	\$ 2,967,317	\$ -	\$ 2,967,317	\$ -
Vanguard Intermediate-Term Corporate Bond Fund	3,979,575	-	-	3,979,575
Vanguard GNMA Fund	4,939,065	-	-	4,939,065
STAROhio	19,033,241	19,033,241	-	-
Total Portfolio	<u>\$ 30,919,198</u>	<u>\$ 19,033,241</u>	<u>\$ 2,967,317</u>	<u>\$ 8,918,640</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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed.

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

The credit ratings assigned to the three mutual funds were obtained from Barclays Capital using ratings derived from Moody's Investors Service, Fitch Ratings, and Standard & Poor's. Approximately 73% to 76% of the portfolios are rated as follows: The Vanguard Short-Term Corporate Bond Fund and the Vanguard Intermediate-Term Corporate Bond Fund were rated A or better. The Vanguard GNMA Fund was rated equal to the U.S. Government or Aaa. The STAROhio investment was rated AAAM by S&P. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service.

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

The following is the City's allocation as of December 31, 2018; Vanguard Short-Term Corporate Bond Fund – 9.6%, Vanguard Intermediate Term Corporate Bond Fund – 12.9%, Vanguard GNMA Fund – 16.0%, and STAROhio – 61.5%.

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

<i>Government-Wide Financial Statements</i>	
Cash and investments	<u>\$ 34,812,873</u>
<i>Fund Financial Statements</i>	
Cash and investments	\$ 30,443,487
<i>Proprietary Fund Financial Statements</i>	
Cash and investments	4,369,386
<i>Statement of Fiduciary Net Position</i>	
Cash	<u>128,622</u>
Total	<u>\$ 34,941,495</u>

NOTE 5 – RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables consist of the following at December 31, 2018:

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

	Income Taxes	Property Taxes	Special Assess- ments	Other	Gross Receivables	Allowance for uncol- lectibles	Net
Governmental Activities							
Governmental Funds							
General Fund	\$ 10,874,354	\$ 1,852,387	\$ -	\$ 551,140	\$ 13,277,881	\$ (31,313)	\$ 13,246,568
Special Assessment							
Bond Retirement Fund	-	-	8,998,182	-	8,998,182	(34,090)	8,964,092
Other Governmental Funds	-	4,343,686	23,612	327,663	4,694,961	(82,736)	4,612,225
Total Receivables	<u>\$ 10,874,354</u>	<u>\$ 6,196,073</u>	<u>\$ 9,021,794</u>	<u>\$ 878,803</u>	<u>\$ 26,971,024</u>	<u>\$ (148,139)</u>	<u>\$ 26,822,885</u>

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:

	Government-Wide Statement of Net Position	Governmental Funds Balance Sheet
Governmental Funds:		
General Fund:		
Property tax receivable	\$ 1,774,201	\$ 1,828,464
Income tax receivable	-	3,083,407
Cable TV franchise fees	-	-
State shared revenue receivable	-	643,293
Total general fund	<u>1,774,201</u>	<u>5,555,164</u>
Special Assessment Bond Retirement Fund:		
Special assessment receivable	-	9,363,602
Other Governmental Funds:		
Property tax receivable	4,207,589	4,272,009
Special assessment receivable	-	17,676
State shared revenue receivable	-	927,596
Other receivable	-	219,089
Payments in lieu of taxes receivable	970,000	970,000
Total other governmental funds	<u>5,177,589</u>	<u>6,406,370</u>
Total deferred inflows of resources	<u>\$ 6,951,790</u>	<u>\$ 21,325,136</u>

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

NOTE 6 – MUNICIPAL COURT

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

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

NOTE 7 – CAPITAL ASSETS

Capital Asset Activity: Capital asset activity for the year ended December 31, 2018 was as follows:

	<u>Balance December 31, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2018</u>
	(Amounts in 000's)			
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 66,074	\$ 452	\$ -	\$ 66,526
Construction in progress	8,756	8,512	(7,008)	10,260
Total capital assets, not being depreciated	<u>74,830</u>	<u>8,964</u>	<u>(7,008)</u>	<u>76,786</u>
Capital assets, being depreciated:				
Land improvements	7,728	9	-	7,737
Buildings and improvements	45,642	-	-	45,642
Equipment	26,515	1,866	(75)	28,306
Infrastructure	123,147	7,707	-	130,854
Cost	<u>203,032</u>	<u>9,582</u>	<u>(75)</u>	<u>212,539</u>
Less accumulated depreciation for:				
Land improvements	(6,609)	(124)	(7)	(6,740)
Buildings and improvements	(26,083)	(1,110)	7	(27,186)
Equipment	(18,636)	(1,476)	56	(20,056)
Infrastructure	(58,273)	(2,695)	-	(60,968)
Total accumulated depreciation	<u>(109,601)</u>	<u>(5,405)</u>	<u>56</u>	<u>(114,950)</u>
Total accumulated assets being depreciated, net	<u>93,431</u>	<u>4,177</u>	<u>(19)</u>	<u>97,589</u>
Capital Assets, net	<u>\$ 168,261</u>	<u>\$ 13,141</u>	<u>\$ (7,027)</u>	<u>\$ 174,375</u>

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

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

	<u>(Amounts in 000's)</u>
Governmental Activities:	
General government	\$ 189
Police	442
Fire	622
Streets and highways	3,312
Parks, recreation and public facilities	839
Engineering and building	<u>1</u>
Total depreciation expense charged to governmental activities	<u>\$ 5,405</u>

NOTE 8 – DEBT

A. Short Term Obligations

Changes in the City's note activity for the year ended December 31, 2018 were as follows:

	Balance January 1, 2018	Additions	(Reductions)	Balance December 31, 2018
2017 Various Purpose - 2.25%	\$ 265,000	\$ -	\$ (265,000)	\$ -
Total Notes Payable	<u>\$ 265,000</u>	<u>\$ -</u>	<u>\$ (265,000)</u>	<u>\$ -</u>

In April 2017, the City issued \$7,500,000 of Various Purpose Bond Anticipation notes with an interest rate of 2.25% maturing January 26, 2018 for the purpose of financing certain capital and infrastructure improvements and to reimburse the City's general fund for \$2,500,000 expended in prior years for the cost of acquiring the real estate formerly known as Springbrook Gardens. \$265,000 of these notes are considered short-term and the remaining \$7,235,000 are considered long term. All legal steps were taken to refinance the notes, including the issuance of bonds in January of 2018.

B. Long Term Obligations

A summary of the changes in the debt and other long-term obligations of the City during the year ended December 31, 2018 is as follows:

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

	Restated Balance January 1, 2018	Additions	(Reductions)	Balance December 31, 2018	Due Within One Year
Governmental Activities					
General Obligation Bonds due through 2037 2% to 5%	\$ 16,440,000	\$ 9,805,000	\$ (1,620,000)	\$ 24,625,000	\$ 1,640,000
Special Assessment Bonds due through 2029, 2% to 7.15%	7,130,000	-	(685,000)	6,445,000	725,000
Unamortized Premium on Debt	208,247	63,994	(75,714)	196,527	-
Other obligations:					
Compensated absences	2,768,464	68,866	(518,792)	2,318,538	278,243
Claims and judgements	3,865,000	266,882	(452,512)	3,679,370	109,645
Notes Payable	7,235,000	-	(7,235,000)	-	-
OWDA and OPWC loans	573,469	150,000	(53,865)	669,604	58,071
Net Pension Liability:					
OPERS	24,587,411	3,446,312	(11,183,176)	16,850,547	-
OP&F	39,354,025	4,459,343	(5,802,342)	38,011,026	-
Net OPEB Liability:					
OPERS - Restated	10,737,671	932,924	(258,595)	11,412,000	-
OP&F - Restated	29,492,663	5,597,658	-	35,090,321	-
Total Debt and Long-Term Obligations	<u>\$ 142,391,950</u>	<u>\$ 24,790,979</u>	<u>\$ (27,884,996)</u>	<u>\$ 139,297,933</u>	<u>\$ 2,810,959</u>

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 April 2017 the City issued \$7,500,000 of Various Purpose Bond Anticipation Notes dated as of April 26, 2017 with an interest rate of 2.25%. 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. The notes were issued for a nine-month period with a due date of January 26, 2018. Although these notes have a term of one year or less, a portion is reported as a long-term obligation as it was refinanced in January 2018 with the issuance of bonds.

During November 2017 the City issued \$4,920,000 of Various Purpose Improvement and Refunding Bonds dated as of November 22, 2017 with interest rates varying from 2.0% to 3.0%. The proceeds were used to advance refund \$2,670,000 of the outstanding 2009 bond issue with interest rates from 2.0% to 4.5% and for the development of Springbrook Park. The advanced refunding met the requirements of an in-substance debt defeasance and the bonds were removed from the City's government wide financial statements. As a result of the advance refunding the aggregate difference in debt service between the refunding debt and the refunded debt equaled approximately \$200,000.

In a prior year, the City defeased a bond issue by creating a separate irrevocable trust fund. New debt was issued and the proceeds were used to purchase U.S. government securities that were placed in the trust fund. The investments and earnings from the investments are sufficient to fully

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. The outstanding balance is \$2,905,000 on December 31, 2018.

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, 2018 is \$128,303. The City also made principal payments on its six existing Ohio Public Works Commission 20 year, 0% loans during 2018. 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, and the Murray Avenue Storm Sewer Improvement loan have outstanding December 31, 2018 principal amounts of \$11,091, \$157,093, \$18,765, \$35,000, \$34,352 and \$138,750 respectively. During 2018, the City finalized a \$150,000 20-year, 0% interest loan through the Ohio Public Works Commission for the Plaza Boulevard Extension. The outstanding principal amount on that loan is \$146,250 on December 31, 2018.

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 14 and 15 for further information regarding net pension liability and net OPEB liability.

Bonds payable at December 31, 2018 are comprised of the following issues:

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

	Amount of Original Issuance	Bonds Outstanding December 31, 2018
Governmental Activities Obligations:		
General unvoted obligations:		
2009 Various Purpose Bonds due in annual installments ranging from \$130,000 to \$260,000 through 2029 plus interest at rates varying between 2.0% and 4.5%	3,745,000	200,000
2011 Various Purpose Bonds due in annual installments ranging from \$175,000 to \$270,000 through 2030 plus interest rates varying between 2.0% and 3.375%	4,355,000	2,915,000
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	7,750,000
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	4,420,000
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%	<u>9,805,000</u>	<u>9,340,000</u>
Total general obligation bonds	<u>32,140,000</u>	<u>24,625,000</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	1,400,000
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	4,650,000
2009 Various Purpose Bonds due in annual installments ranging from \$130,000 to \$260,000 through 2029 plus interest at rates varying between 2.0% and 4.5%	590,000	25,000
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>370,000</u>
Total special assessment bonds	<u>13,320,000</u>	<u>6,445,000</u>
Total bonds	<u>\$ 45,460,000</u>	<u>\$ 31,070,000</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, 2018

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, 2018:

Year Ending December 31	Governmental Activities						
	General Obligation Bonds		Special Assessment Bonds		OWDA and OPWC Loans		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2019	\$ 1,640,000	\$ 627,845	\$ 725,000	\$ 276,090	\$ 58,071	\$ 3,734	\$ 3,330,740
2020	1,650,000	590,550	765,000	245,485	58,539	3,265	3,312,839
2021	1,670,000	556,400	795,000	213,180	59,022	2,783	3,296,385
2022	1,685,000	521,800	840,000	178,853	59,519	2,286	3,287,458
2023	1,725,000	486,694	485,000	142,253	60,031	1,773	2,900,751
2024-2028	7,535,000	1,863,894	2,795,000	381,402	214,829	2,090	12,792,215
2029-2033	5,505,000	939,488	40,000	1,000	97,440	-	6,582,928
2034-2038	3,215,000	222,613	-	-	62,153	-	3,499,766
	<u>\$ 24,625,000</u>	<u>\$ 5,809,284</u>	<u>\$ 6,445,000</u>	<u>\$ 1,438,263</u>	<u>\$ 669,604</u>	<u>\$ 15,931</u>	<u>\$ 39,003,082</u>

Under the Ohio Revised Code, at December 31, 2018, the City legally could issue approximately \$54.0 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, 2018, 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, 2018, there was one special assessed bond series outstanding with an aggregate principal amount payable of \$1.940 million.

NOTE 9 – COMPLIANCE AND ACCOUNTABILITY

At December 31, 2018, the Special Revenue Funds – Street, and Local Grants, and the Capital Projects Funds – Amphitheater, Rice Detention Basin, Hopkins Road Resurfacing, Headlands Street Rehab Orchard, Heisley Road Improvement Phase III, US20 Widening and Resurfacing, Federal Grants - Other had deficit fund balances of \$354,860, \$36,531, \$1,512,425, \$86,190, \$183,201, \$503,413, \$36,336, \$386,146, and \$21,978, respectively. All deficits will be eliminated through transfers or the receipt of grant and bond proceeds during 2019. No other funds had deficit balances as of December 31, 2018.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

NOTE 10 – RISK MANAGEMENT

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

The City is self-insured for the cost of collision claims resulting from the use of City vehicles, except for fire and rescue vehicles that remain insured through a private insurance company. In accordance with GASB Statement No. 10, claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. 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, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Estimated claims payable, January 1	\$ -	\$ -
Current year claims and changes in estimates	36,614	43,020
Claim payments	<u>(36,614)</u>	<u>(43,020)</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 2018. There was no significant decrease in any insurance coverages in 2018. 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 \$3,679,370 reported in the fund at December 31, 2018, 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, 2018

reported claim, be reported. Changes in the fund's claims liability amount in 2017 and 2018 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>
2017	\$ 3,713,000	\$ 921,785	\$ 769,785	\$ 3,865,000
2018	3,865,000	266,882	452,512	3,679,370

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 2017 and 2018 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>
2017	\$ 140,944	\$ 5,068,827	\$ 5,070,643	\$ 139,128
2018	139,128	4,500,662	4,639,790	-

NOTE 11 – CONTINGENCIES

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

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

NOTE 12 – INTERFUND TRANSACTIONS AND BALANCES

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

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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

For the year ended December 31, 2018 transfers (\$590,445 related to debt, \$36,481 related to grants, and \$518,235 related to fund closeouts) consisted of the following:

	Transfers Out	Transfers In		
		Other Governmental Funds	Special Assessment Bond Retirement Fund	Total
Governmental Funds:				
General	\$ (546,085)	\$ -	\$ -	\$ -
Other governmental	(599,076)	1,125,161	-	1,125,161
Special Assessment Bond Retirement Fund	-	-	20,000	20,000
Total	\$ (1,145,161)	\$ 1,125,161	\$ 20,000	\$ 1,145,161

Interfund balances: Interfund balances at December 31, 2018 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, 2018 are as follows:

	Receivable Fund	Payable Fund		
		Special Assessment Bond Retirement Fund	Other Governmental Funds	Total
Governmental Funds:				
General	\$ 9,225,012	\$ -	\$ -	\$ -
Special Assessment Bond Retirement	-	12,513	-	12,513
General Obligation Bond Retirement	243,151	-	-	-
Other governmental	453,123	-	9,908,773	9,908,773
Total	\$ 9,921,286	\$ 12,513	\$ 9,908,773	\$ 9,921,286

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

NOTE 13 – TAXES

Income Taxes – A two percent City income tax is levied on substantially all income earned within the City. On March 6, 2012, the two percent income tax was renewed by the voters for a five year period through December 31, 2017. On March 15, 2016, the two percent income tax was renewed by the voters for an indefinite period, without an expiration date. In addition, the residents of the City are required to pay City income tax on income they earn outside the City; however, full credit is allowed for all income taxes these residents pay to other municipalities. Employers within the City are required to withhold income tax on employee compensation and remit the tax to an intermediary collection agency (Regional Income Tax Agency) at least quarterly. Corporations and self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the collection agency. The collection agency remits taxes collected for the City each month, net of a charge for the cost of services and a credit for interest earned on amounts collected between remittances.

Property Taxes – Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property (other than public utility) in one calendar year are levied in October of the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued by appraisal every six years and, three years after each revaluation, all property values are reviewed and revised, as necessary, as part of a triennial update based on recent sales of properties. The last revaluation was completed in 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 2017 levy (collected in 2018) was approximately \$1.4 billion. Ohio law limits unvoted property taxation, combined for all overlapping taxing authorities, to 10 mills. The City's current share of the unvoted property tax is 3 mills of assessed value, and the City's total property tax levy, including all voted levies is 4.50 mills of assessed value.

NOTE 14 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability/(asset) reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, 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.

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.

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. City 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.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

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):

Group A	Group B	Group C
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
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit.	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit.	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit.
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30.	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30.	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35.

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

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

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

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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

	<u>State and Local</u>
2018 Statutory Maximum Contribution Rates	
Employer	14.0%
Employee *	10.0%
2018 Actual Contribution Rates	
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 \$1,992,611 for fiscal year ending December 31, 2018. Of this amount, \$115,806 is reported as an intergovernmental payable.

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

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (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 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.

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,

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

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

Under normal service retirement, retired members who are at least 55 years old and have been receiving 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 and statutory survivors.

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

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

	<u>Police</u>	<u>Firefighters</u>
2018 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2018 Actual Contribution Rates		
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 \$2,909,780 for 2018. Of this amount, \$176,402 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2017 and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net pension liability was based on the City's share of

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

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	0.108275%	0.04130%	0.3006210%	0.3207028%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.107410%	0.04726%	0.2971186%	0.3222106%	
Change in Proportionate Share	<u>-0.000865%</u>	<u>0.00596%</u>	<u>-0.003502%</u>	<u>0.001508%</u>	
Proportionate Share of the Net Pension Liability/(Asset)	\$ 16,850,547	\$ (64,338)	\$ 18,235,508	\$ 19,775,518	\$ 54,797,235
Pension Expense	\$ 3,446,312	\$ 9,785	\$ 2,128,059	\$ 2,331,284	\$ 7,915,440

At December 31, 2018, 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
Deferred Outflows of Resources				
Differences between expected and actual experience	\$ 17,208	\$ 276,736	\$ 300,106	\$ 594,050
Changes of assumptions	2,019,367	794,617	861,724	3,675,708
Changes in proportion and differences between City contributions and proportionate share of contributions	9,231	230,820	101,492	341,543
City contributions subsequent to the measurement date	<u>1,992,611</u>	<u>1,367,736</u>	<u>1,542,044</u>	<u>4,902,391</u>
Total Deferred Outflows of Resources	<u>\$4,038,417</u>	<u>\$2,669,909</u>	<u>\$2,805,366</u>	<u>\$9,513,692</u>
Deferred Inflows of Resources				
Net difference between projected and actual earnings on pension plan investments	\$3,627,744	\$630,809	\$684,083	\$4,942,636
Differences between expected and actual experience	351,238	32,989	35,773	420,000
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>289,360</u>	<u>524,504</u>	<u>202,011</u>	<u>1,015,875</u>
Total Deferred Inflows of Resources	<u>\$4,268,342</u>	<u>\$1,188,302</u>	<u>\$921,867</u>	<u>\$6,378,511</u>

\$4,902,391 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, 2019. Other amounts reported as deferred

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OPF Police	OPF Fire	Total
2019	\$ 1,291,013	\$ 412,209	\$ 470,533	\$ 2,173,755
2020	(413,777)	246,362	290,683	123,268
2021	(1,599,376)	(407,001)	(417,863)	(2,424,240)
2022	(1,492,661)	(341,812)	(289,468)	(2,123,941)
2023	(2,576)	162,950	230,982	391,356
Thereafter	(5,159)	41,163	56,588	92,592
Total	<u>\$ (2,222,536)</u>	<u>\$ 113,871</u>	<u>\$ 341,455</u>	<u>\$ (1,767,210)</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 (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, 2017, 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	7.5 percent
Actuarial Cost Method	Individual Entry Age

The total pension asset in the December 31, 2017, 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	7.5 percent
Actuarial Cost Method	Individual Entry Age

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

Mortality rates were based on the RP-2014 Health Annuitant Mortality table. For males, Health Annuitant Mortality tables were used, adjusted for mortality improvement back to the observant period base of 2006 and then established the base year as 2015. For females, Health Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. 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.

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.

OPERS manages 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 is 16.82 percent for 2017.

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 2017 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	23.00 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other investments	18.00	5.26
Total	100.00 %	5.66 %

CITY OF MENTOR, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

Discount Rate The discount rate used to measure the total pension liability was 7.5 percent, post-experience study results. 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 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 calculated using the current period discount rate assumption of 7.5 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 (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

City's proportionate share of the net pension liability/(asset)	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Traditional Pension Plan	\$29,922,278	\$ 16,850,547	\$5,952,662
Combined Plan	(\$34,973)	\$ (64,338)	(\$84,597)

Changes Between Measurement Date and Report Date

In October 2018, the OPERS Board adopted certain assumption changes which will impact their calculation prepared as of January 1, 2018. The most significant change is a reduction in the assumed actuarial rate of return from 7.50 percent to 7.20 percent. Although the exact amount of these changes is not known, it has the potential to impact, the City’s net pension liability.

Actuarial Assumptions – OPF

OP&F’s total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017 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.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, follow:

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

Valuation Date	January 1, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Increases	3.25 percent
Inflation Assumptions	2.75 percent
Cost of Living Adjustments	2.20 percent and 3.00 percent Simple

Mortality rates for active members were based on the RP2014 Total employee and Healthy Annuitant Mortality Tables rolled back to 2006 and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent. For disabled retirees, the mortality rates were based on the RP2014 Disabled Mortality Tables rolled back to 2006 and projected with the Conduent Modified 2016 Improvement Scale.

The most recent experience study was completed January 1, 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 year Expected Real Rate of Return **</u>	<u>30 year Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	4.22 %	4.36 %
Non-US Equity	16.00	4.41	5.59
Core Fixed Income *	23.00	1.57	2.71
U.S. Inflation Linked Bonds *	17.00	0.98	2.52
High Yield	7.00	2.94	4.71
Real Estate	12.00	5.58	6.34
Private Markets	8.00	6.67	8.08
Master Limited Partnerships	8.00	7.50	79.93
Private Credit	5.00	6.93	7.26
Real Assets	8.00	6.88	7.24
Total	<u>120.00 %</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 their relationship

CITY OF MENTOR, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

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.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City’s proportionate share of the net pension liability	\$ 52,693,248	\$ 38,011,026	\$ 26,036,329

NOTE 15 – 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.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

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 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. 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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, 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. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. 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 2018 was 4.0 percent.

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

The City's contractually required contribution was \$21,558 for 2018.

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. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government 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 or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

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.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

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 2018, 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 and is limited by the provisions of Sections 115 and 401(h).

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 \$68,585 for 2018. Of this amount, \$801 is reported as an intergovernmental payable.

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, 2016, rolled forward to the measurement date of December 31, 2017, 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, 2017 and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. 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.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

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

	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net OPEB Liability:			
Current Measurement of Date	0.106310%	0.621320%	
Prior Measurement Date	0.105090%	0.619329%	
Change in Proportionate Share	0.0012200%	0.0019909%	
			<u>Total</u>
Proportionate Share of the Net Pension Liability	\$11,412,000	\$35,090,321	\$46,502,321
OPEB Expense	\$932,924	\$2,731,415	\$3,664,339

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$8,890	\$0	\$8,890
Changes of assumptions	830,914	3,424,069	4,254,983
City contributions subsequent to the measurement date	<u>21,558</u>	<u>68,802</u>	<u>90,360</u>
Total Deferred Outflows of Resources	<u>\$861,362</u>	<u>\$3,492,871</u>	<u>\$4,354,233</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$176,981	\$176,981
Net difference between projected and actual earnings on OPEB plan investments	850,118	230,980	1,081,098
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>84,443</u>	<u>81,854</u>	<u>166,297</u>
Total Deferred Inflows of Resources	<u>\$934,561</u>	<u>\$489,815</u>	<u>\$1,424,376</u>

\$90,360 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:

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2019	\$148,611	\$405,009	\$553,620
2020	148,611	405,009	553,620
2021	(179,448)	405,009	225,561
2022	(212,531)	405,009	192,478
2023	0	462,754	462,754
Thereafter	<u>0</u>	<u>851,464</u>	<u>851,464</u>
Total	<u>(\$94,757)</u>	<u>\$2,934,254</u>	<u>\$2,839,497</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 sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. 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	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

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 2017, 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 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 15.2 percent for 2017.

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 2017 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 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	100.00 %	4.98 %

Discount Rate: A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. 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),

CITY OF MENTOR, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

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 6.50 percent and a municipal bond rate of 3.31 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 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, 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 3.85 percent, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City’s proportionate share of the net OPEB liability	\$15,161,334	\$11,412,000	\$8,378,826

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 2018 is 7.50 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 actuaries 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	\$10,918,851	\$11,412,000	\$11,921,410

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

Changes Between Measurement Date and Report Date

In October 2018, the OPERS Board adopted certain assumption changes which will impact their valuation prepared as of January 1, 2018. The most significant change is a reduction on the assumed actuarial rate of return from 6.50 percent to 6.0 percent. Although the exact amount of these changes is not known, it has the potential to impact the City's net OPEB liability.

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017 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 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, 2017, with actuarial liabilities rolled forward to December 31, 2017
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	3.24 percent
Prior measurement date	3.79 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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

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.

<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 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.

<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 prior experience study was completed December 31, 2011.

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, 2017, follow:

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00%	0.00%
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected Securities *	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	120.00%	

Note: Assumptions are geometric.

* levered 2x

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.

Discount Rate: The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, 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 3.24 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 (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$43,863,324	\$35,090,321	\$28,339,880

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate: Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

Year	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	1% Decrease	Current Rates	1% Increase
City's proportionate share of the net OPEB liability	\$27,258,792	\$35,090,321	\$45,644,571

Changes between Measurement Date and Report Date

In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. 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. The impact to the City's NOL is not known.

NOTE 16 – TAX ABATEMENT DISCLOSURES

As of December 31, 2018, the City of Mentor provided tax incentives under two programs: The Community Reinvestment Area (CRA) and the Mentor Incentive Tax Credit program.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

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, 2018) equals \$212,042.

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, 2018, the total amount of taxes abated through this program equaled \$810,000.



**REQUIRED SUPPLEMENTARY
INFORMATION**



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 FIVE YEARS ⁽¹⁾**

Traditional Plan	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.107410%	0.108275%	0.112568%	11.116000%	11.116000%
City's Proportionate Share of the Net Pension Liability	\$16,850,547	\$24,587,411	\$19,498,199	\$13,407,139	\$13,104,316
City's Covered Payroll	\$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	118.76%	175.67%	139.74%	98.05%	95.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%
Combined Plan	2018	2017	2016	2015	2014
City's Proportion of the Net Pension (Asset)	0.472610%	0.041302%	0.042870%	0.032691%	0.032691%
City's Proportionate Share of the Net Pension (Asset)	(\$64,338)	(\$22,987)	(\$20,861)	(\$12,586)	(\$3,430)
City's Covered Payroll	\$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	33.24%	14.30%	13.43%	10.45%	3.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	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 FIVE YEARS ⁽¹⁾**

Police	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.2971186%	0.3006210%	0.3104294%	0.3016210%	0.3016210%
City's Proportionate Share of the Net Pension Liability	\$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
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	253.32%	263.26%	276.68%	218.99%	221.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	71.71%	73.00%
Fire	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.3222106%	0.3207028%	0.3262644%	0.3253824%	0.3253824%
City's Proportionate Share of the Net Pension Liability	\$19,775,518	\$20,312,993	\$20,988,818	\$16,856,165	\$15,847,144
City's Covered Payroll	\$6,561,889	\$6,369,421	\$6,266,813	\$5,975,817	\$5,822,255
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	301.37%	318.91%	334.92%	282.07%	272.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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 SIX YEARS ⁽¹⁾**

	<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	1,964,515	1,844,578	1,679,565	1,674,414	1,640,804	1,776,077
Combined Plan	28,096	25,162	19,292	18,645	14,448	12,850
Total Required Contributions	\$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	(\$1,992,611)	(\$1,869,740)	(\$1,698,857)	(\$1,693,059)	(\$1,655,252)	(\$1,788,927)
Contribution Deficiency / (Excess)	\$0	\$0	\$0	\$0	\$0	\$0
<u>City's Covered Payroll</u>						
Traditional Plan	\$14,032,250	\$14,189,062	\$13,996,375	\$13,953,450	\$13,673,367	\$13,662,131
Combined Plan	\$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%	13.00%	12.00%	12.00%	12.00%	13.00%
Combined Plan	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 ⁽¹⁾

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>Contractually Required Contributions</u>										
Police	\$1,367,736	\$1,374,227	\$1,371,400	\$1,355,703	\$1,262,332	\$1,274,468	\$814,932	\$786,098	\$795,207	\$792,956
Fire	\$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	\$999,343
Total Required Contributions	\$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	\$1,792,299
Contributions in Relation to the Contractually Required Contribution	(\$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)	(\$1,792,299)
Contribution Deficiency / (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City's Covered Payroll										
Police	\$7,198,611	\$7,232,774	\$7,217,895	\$7,135,279	\$6,643,853	#DIV/0!	\$6,391,624	\$6,165,475	\$6,236,918	\$6,219,263
Fire	\$6,561,889	\$6,369,421	\$6,266,813	\$5,975,817	\$5,822,255	#DIV/0!	\$5,932,783	\$5,624,522	\$5,769,646	\$5,793,293
<u>Pension Contributions as a Percentage of Covered Payroll</u>										
Police	19.00%	19.00%	19.00%	19.00%	19.00%	[1]	12.75%	12.75%	12.75%	12.75%
Fire	23.50%	23.50%	23.50%	23.50%	23.50%	[1]	17.25%	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 TWO YEARS ***

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

* 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 TWO YEARS *

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

* 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 FOUR YEARS ***

	2018	2017	2016	2015
Contractually Required Contribution	\$ 21,558	\$ 163,838	\$ 304,497	\$ 283,325
Contributions in Relation to the Contractually Required Contribution	<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>
City Covered Payroll	\$ 14,771,895	\$ 14,885,647	\$ 14,691,232	\$ 14,674,955
Contributions as a Percentage of Covered Payroll	0.15%	1.10%	2.07%	1.93%

* Information prior to 2015 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

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually Required Contribution	\$ 68,802	\$ 68,011	\$ 67,034	\$ 65,554	\$ 62,869	\$ 432,505	\$ 831,109	\$ 795,072	\$ 810,442	\$ 810,847
Contributions in Relation to the Contractually Required Contribution	(68,802)	(68,011)	(67,034)	(65,554)	(62,869)	(432,505)	(831,109)	(795,072)	(810,442)	(810,847)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Covered Payroll	\$ 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	\$ 12,012,556
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%	3.62%	6.75%	6.75%	6.75%	6.75%

See accompanying notes to the required supplementary information.

CITY OF MENTOR, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED DECEMBER 31, 2018

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2018.

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.

Net OPEB Liability

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

Changes in assumptions: For 2018, the single discount rate changed from 4.23 percent to 3.85 percent

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 2014-2018.

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 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.

CITY OF MENTOR, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED DECEMBER 31, 2018

Net OPEB Liability

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

Changes in assumptions: For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.



SUPPLEMENTARY INFORMATION

CITY OF MENTOR, OHIO
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Property taxes	\$ 1,101,000	\$ 1,028,126	\$ (72,874)
Municipal income tax	42,560,000	43,343,101	783,101
Intergovernmental	1,923,767	1,992,448	68,681
Charges for services	6,347,700	6,415,561	67,861
Fines and forfeitures	766,133	895,676	129,543
Licenses, permits and inspections	1,554,000	1,658,622	104,622
Investment income	720,000	797,326	77,326
Other	230,253	239,992	9,739
Total revenues	<u>55,202,853</u>	<u>56,370,852</u>	<u>1,167,999</u>
EXPENDITURES:			
GENERAL GOVERNMENT:			
Council:			
Employee compensation	172,185	164,227	7,958
Other	137,933	96,818	41,115
Total council	<u>310,118</u>	<u>261,045</u>	<u>49,073</u>
Court:			
Employee compensation	922,893	753,625	169,268
Other	268,246	189,145	79,101
Total court	<u>1,191,139</u>	<u>942,770</u>	<u>248,369</u>
City manager:			
Employee compensation	1,381,564	1,234,341	147,223
Other	2,052,225	1,839,569	212,656
Total city manager	<u>3,433,789</u>	<u>3,073,910</u>	<u>359,879</u>
Finance:			
Employee compensation	691,151	684,196	6,955
Other	1,610,682	1,392,817	217,865
Total finance	<u>2,301,833</u>	<u>2,077,013</u>	<u>224,820</u>
Legal:			
Employee compensation	408,685	389,953	18,732
Other	180,191	149,116	31,075
Total legal	<u>588,876</u>	<u>539,069</u>	<u>49,807</u>
Other	<u>682,800</u>	<u>579,900</u>	<u>102,900</u>
Total general government	<u>8,508,555</u>	<u>7,473,707</u>	<u>1,034,848</u>

Continued

CITY OF MENTOR, OHIO
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
POLICE:			
Employee compensation	\$ 9,726,034	\$ 9,090,537	\$ 635,497
Other	3,415,186	3,104,410	310,776
Total police	<u>13,141,220</u>	<u>12,194,947</u>	<u>946,273</u>
FIRE:			
Employee compensation	7,815,247	7,593,183	222,064
Other	2,565,176	2,439,554	125,622
Total fire	<u>10,380,423</u>	<u>10,032,737</u>	<u>347,686</u>
STREETS AND HIGHWAYS:			
Employee compensation	3,793,609	3,446,499	347,110
Other	4,793,354	4,519,153	274,201
Total streets and highways	<u>8,586,963</u>	<u>7,965,652</u>	<u>621,311</u>
PARKS AND RECREATION:			
Employee compensation	3,845,911	3,504,238	341,673
Other	4,517,112	3,949,241	567,871
Total parks, recreation and public facilities	<u>8,363,023</u>	<u>7,453,479</u>	<u>909,544</u>
PLANNING AND DEVELOPMENT:			
Employee compensation	1,027,247	809,481	217,766
Other	5,602,016	5,213,358	388,658
Total economic and community development	<u>6,629,263</u>	<u>6,022,839</u>	<u>606,424</u>
ENGINEERING AND BUILDING:			
Employee compensation	1,002,353	945,891	56,462
Other	1,368,287	1,140,236	228,051
Total engineering and building	<u>2,370,640</u>	<u>2,086,127</u>	<u>284,513</u>
DEBT SERVICE			
Other	100,000	38,823	61,177
Total expenditures	<u>58,080,087</u>	<u>53,268,311</u>	<u>4,811,776</u>
Excess (deficiency) of revenues over expenditures	(2,877,234)	3,102,541	5,979,775
OTHER FINANCING SOURCES (USES):			
Advances in	11,500,000	12,174,585	674,585
Advances out	(9,786,490)	(9,783,980)	2,510
Transfers out	(6,775,100)	(6,286,085)	489,015
Total other financing sources (uses)	<u>(5,061,590)</u>	<u>(3,895,480)</u>	<u>1,166,110</u>
NET CHANGE IN FUND BALANCE	(7,938,824)	(792,939)	7,145,885
Adjustment for prior year encumbrances	4,240,444	4,240,444	-
FUND BALANCES, BEGINNING OF YEAR - Restated	5,110,222	5,110,222	-
FUND BALANCES, END OF YEAR	<u>\$ 1,411,842</u>	<u>\$ 8,557,727</u>	<u>\$ 7,145,885</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Special assessments	\$ 1,251,128	\$ 1,006,619	\$ (244,509)
EXPENDITURES:			
Debt service:			
Principal retirement	700,043	700,043	-
Interest and other charges	370,471	343,905	26,566
Total expenditures	<u>1,070,514</u>	<u>1,043,948</u>	<u>26,566</u>
NET CHANGE IN FUND BALANCE	180,614	(37,329)	(217,943)
OTHER FINANCING SOURCES:			
Transfers in	-	20,000	20,000
Total other financing sources	<u>-</u>	<u>20,000</u>	<u>20,000</u>
NET CHANGE IN FUND BALANCE	180,614	(17,329)	(197,943)
FUND BALANCES, BEGINNING OF YEAR	<u>18,353</u>	<u>18,353</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 198,967</u>	<u>\$ 1,024</u>	<u>\$ (197,943)</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.

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.

CAPITAL PROJECT FUNDS (Continued)

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.
Murray Avenue Storm Sewer Imp. Fund	To account for the financing of storm sewer improvements on Murray Avenue from Forestview Avenue to US20 including a portion of Forestview Avenue.
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.
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.
SR 306 Resurfacing Fund	To account for the financing of resurfacing SR306 between SR84 and SR283.
US 20 Widening and Resurfacing Fund	To account for the financing of widening and resurfacing US20 from SR615 to just east of the intersection at Hart Street.
SR 84 Resurfacing Fund	To account for the resurfacing of SR84 between SR306 and SR615.
Federal Grants – Other Fund	To account for the financing of various small federal grants.

**CITY OF MENTOR, OHIO
 COMBINING GOVERNMENTAL BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SUMMARY BY FUND TYPE
 December 31, 2018**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 6,536,178	\$ 901,060	\$ 7,328,129	\$ 14,765,367
Receivables, net	2,860,866	1,518,047	233,312	4,612,225
Due from other funds	453,123	243,151	-	696,274
Due from other governments	2,240,731	91,741	111,257	2,443,729
Prepaid items	1,698	-	-	1,698
Total assets	<u>\$ 12,092,596</u>	<u>\$ 2,753,999</u>	<u>\$ 7,672,698</u>	<u>\$ 22,519,293</u>
LIABILITIES				
Accounts Payable	\$ 312,345	\$ -	\$ 1,267,210	\$ 1,579,555
Due to other funds	2,512,671	-	7,396,102	9,908,773
Total liabilities	<u>2,825,016</u>	<u>-</u>	<u>8,663,312</u>	<u>11,488,328</u>
DEFERRED INFLOWS OF RESOURCES				
Property tax	2,712,633	1,494,956	-	4,207,589
PILOT	970,000	-	-	970,000
Unavailable Revenue - Delinquent property tax	41,329	23,091	-	64,420
Unavailable Revenue - Other	-	-	219,089	219,089
Unavailable Revenue - Shared revenue	835,855	91,741	-	927,596
Unavailable Revenue - Special Assessment	17,676	-	-	17,676
Total deferred inflow of resources	<u>4,577,493</u>	<u>1,609,788</u>	<u>219,089</u>	<u>6,406,370</u>
Total liabilities and deferred inflows of resources	<u>7,402,509</u>	<u>1,609,788</u>	<u>8,882,401</u>	<u>17,894,698</u>
FUND BALANCES				
Nonspendable	1,698	-	-	1,698
Restricted	4,613,036	1,144,211	1,519,986	7,277,233
Committed	466,744	-	-	466,744
Unassigned deficits	(391,391)	-	(2,729,689)	(3,121,080)
Total fund balances	<u>\$ 4,690,087</u>	<u>\$ 1,144,211</u>	<u>\$ (1,209,703)</u>	<u>\$ 4,624,595</u>
Total liabilities and fund balances (deficits)	<u>\$ 12,092,596</u>	<u>\$ 2,753,999</u>	<u>\$ 7,672,698</u>	<u>\$ 22,519,293</u>

**CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2018**

	Street	TIF	Police Pension	Fire Pension
ASSETS				
Cash and investments	\$ 818,094	\$ 1,561,343	\$ 46,491	\$ 46,491
Receivables, net	-	-	414,249	414,249
Due from other funds	-	448,000	-	-
Due from other governments	1,061,591	970,000	24,900	24,900
Prepaid items	-	-	-	-
Total assets	<u>\$ 1,879,685</u>	<u>\$ 2,979,343</u>	<u>\$ 485,640</u>	<u>\$ 485,640</u>
LIABILITIES				
Accounts Payable	\$ 63,315	\$ 142,843	\$ -	\$ -
Due to other funds	1,500,000	243,151	-	-
Total liabilities	<u>1,563,315</u>	<u>385,994</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Property tax	-	-	407,956	407,956
PILOT	-	970,000	-	-
Unavailable Revenue - Delinquent property tax	-	-	6,293	6,293
Unavailable Revenue - Shared revenue	671,230	-	24,900	24,900
Unavailable Revenue - Special Assessment	-	-	-	-
Total deferred inflow of resources	<u>671,230</u>	<u>970,000</u>	<u>439,149</u>	<u>439,149</u>
 Total liabilities and deferred inflows of resources	 <u>2,234,545</u>	 <u>1,355,994</u>	 <u>439,149</u>	 <u>439,149</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	1,623,349	46,491	46,491
Committed	-	-	-	-
Unassigned deficits	(354,860)	-	-	-
Total fund balances	<u>\$ (354,860)</u>	<u>\$ 1,623,349</u>	<u>\$ 46,491</u>	<u>\$ 46,491</u>
 Total liabilities and fund balances (deficits)	 <u>\$ 1,879,685</u>	 <u>\$ 2,979,343</u>	 <u>\$ 485,640</u>	 <u>\$ 485,640</u>

Continued

**CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2018**

	Fire Levy	Senior Citizens Service Levy	Community Recreation Facilities	Cemetery
ASSETS				
Cash and investments	\$ 630,446	\$ 349,450	\$ 371,070	\$ 188,685
Receivables, net	1,923,193	-	67,728	-
Due from other funds	2,271	-	-	-
Due from other governments	97,739	44,038	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 2,653,649</u>	<u>\$ 393,488</u>	<u>\$ 438,798</u>	<u>\$ 188,685</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 1,995
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,995</u>
DEFERRED INFLOWS OF RESOURCES				
Property tax	1,896,721	-	-	-
PILOT	-	-	-	-
Unavailable Revenue - Delinquent property tax	28,743	-	-	-
Unavailable Revenue - Shared revenue	97,739	-	13,586	-
Unavailable Revenue - Special Assessment	-	-	-	-
Total deferred inflow of resources	<u>2,023,203</u>	<u>-</u>	<u>13,586</u>	<u>-</u>
 Total liabilities and deferred inflows of resources	 <u>2,023,203</u>	 <u>-</u>	 <u>13,586</u>	 <u>1,995</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	630,446	393,488	-	186,690
Committed	-	-	425,212	-
Unassigned deficits	-	-	-	-
Total fund balances	<u>\$ 630,446</u>	<u>\$ 393,488</u>	<u>\$ 425,212</u>	<u>\$ 186,690</u>
 Total liabilities and fund balances (deficits)	 <u>\$ 2,653,649</u>	 <u>\$ 393,488</u>	 <u>\$ 438,798</u>	 <u>\$ 188,685</u>

Continued

**CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2018**

	Economic Development	Subdivision Street Tree	Street Lighting	Court Computer
ASSETS				
Cash and investments	\$ 49,014	\$ 41,532	\$ 695,031	\$ 93,203
Receivables, net	-	-	14,824	4,181
Due from other funds	-	-	2,852	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	1,698
Total assets	<u>\$ 49,014</u>	<u>\$ 41,532</u>	<u>\$ 712,707</u>	<u>\$ 99,082</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	400,000	-
Total liabilities	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Property tax	-	-	-	-
PILOT	-	-	-	-
Unavailable Revenue - Delinquent property tax	-	-	-	-
Unavailable Revenue - Shared revenue	-	-	-	-
Unavailable Revenue - Special Assessment	-	-	17,676	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>17,676</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>417,676</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	1,698
Restricted	49,014	-	295,031	97,384
Committed	-	41,532	-	-
Unassigned deficits	-	-	-	-
Total fund balances	<u>\$ 49,014</u>	<u>\$ 41,532</u>	<u>\$ 295,031</u>	<u>\$ 99,082</u>
Total liabilities and fund balances (deficits)	<u>\$ 49,014</u>	<u>\$ 41,532</u>	<u>\$ 712,707</u>	<u>\$ 99,082</u>

Continued

**CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2018**

	Court Special Projects	Enforcement and Education	Court Probation Services	Indigent Driver Alcohol Treatment
ASSETS				
Cash and investments	\$ 326,581	\$ 14,705	\$ 117,315	\$ 59,152
Receivables, net	8,372	325	7,741	4,327
Due from other funds	-	-	-	-
Due from other governments	-	-	-	3,500
Prepaid items	-	-	-	-
Total assets	<u>\$ 334,953</u>	<u>\$ 15,030</u>	<u>\$ 125,056</u>	<u>\$ 66,979</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 13,300
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,300</u>
DEFERRED INFLOWS OF RESOURCES				
Property tax	-	-	-	-
PILOT	-	-	-	-
Unavailable Revenue - Delinquent property tax	-	-	-	-
Unavailable Revenue - Shared revenue	-	-	-	3,500
Unavailable Revenue - Special Assessment	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,500</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,800</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	334,953	15,030	125,056	50,179
Committed	-	-	-	-
Unassigned deficits	-	-	-	-
Total fund balances	<u>\$ 334,953</u>	<u>\$ 15,030</u>	<u>\$ 125,056</u>	<u>\$ 50,179</u>
Total liabilities and fund balances (deficits)	<u>\$ 334,953</u>	<u>\$ 15,030</u>	<u>\$ 125,056</u>	<u>\$ 66,979</u>

Continued

**CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2018**

	Indigent Driver Alcohol Monitoring	Law Enforcement Trust	Police Canine	Seat Belt Grant
ASSETS				
Cash and investments	\$ 124,452	\$ 118,015	\$ 20,233	\$ 6,295
Receivables, net	1,240	437	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 125,692</u>	<u>\$ 118,452</u>	<u>\$ 20,233</u>	<u>\$ 6,295</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
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>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	125,692	118,452	20,233	6,295
Committed	-	-	-	-
Unassigned deficits	-	-	-	-
Total fund balances	<u>\$ 125,692</u>	<u>\$ 118,452</u>	<u>\$ 20,233</u>	<u>\$ 6,295</u>
Total liabilities and fund balances (deficits)	<u>\$ 125,692</u>	<u>\$ 118,452</u>	<u>\$ 20,233</u>	<u>\$ 6,295</u>

Continued

**CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2018**

	VOCA Victims Assistance Grant	CDBG NSP	Community Development Block Grant	Forfeited Property - U.S. Department of Justice
ASSETS				
Cash and investments	\$ 2,433	\$ 360,419	\$ 182,365	\$ 152,399
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	3,370	-	10,693	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 5,803</u>	<u>\$ 360,419</u>	<u>\$ 193,058</u>	<u>\$ 152,399</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 90,892
Due to other funds	-	-	193,030	-
Total liabilities	<u>-</u>	<u>-</u>	<u>193,030</u>	<u>90,892</u>
DEFERRED INFLOWS OF RESOURCES				
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>193,030</u>	<u>90,892</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	5,803	360,419	28	61,507
Committed	-	-	-	-
Unassigned deficits	-	-	-	-
Total fund balances	<u>\$ 5,803</u>	<u>\$ 360,419</u>	<u>\$ 28</u>	<u>\$ 61,507</u>
Total liabilities and fund balances (deficits)	<u>\$ 5,803</u>	<u>\$ 360,419</u>	<u>\$ 193,058</u>	<u>\$ 152,399</u>

Continued

**CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2018**

	<u>Council Donation</u>	<u>Police Donation</u>	<u>Fire Donation</u>	<u>Parks and Recreation Donation</u>
ASSETS				
Cash and investments	\$ 741	\$ 16,464	\$ 898	\$ 2,902
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 741</u>	<u>\$ 16,464</u>	<u>\$ 898</u>	<u>\$ 2,902</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
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>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	741	16,464	898	2,902
Committed	-	-	-	-
Unassigned deficits	-	-	-	-
Total fund balances	<u>\$ 741</u>	<u>\$ 16,464</u>	<u>\$ 898</u>	<u>\$ 2,902</u>
Total liabilities and fund balances (deficits)	<u>\$ 741</u>	<u>\$ 16,464</u>	<u>\$ 898</u>	<u>\$ 2,902</u>

Continued

**CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2018**

	<u>Local Grants</u>	<u>Total Nonmajor Special revenue funds</u>
ASSETS		
Cash and investments	\$ 139,959	\$ 6,536,178
Receivables, net	-	2,860,866
Due from other funds	-	453,123
Due from other governments	-	2,240,731
Prepaid items	-	1,698
Total assets	<u>\$ 139,959</u>	<u>\$ 12,092,596</u>
LIABILITIES		
Accounts Payable	\$ -	\$ 312,345
Due to other funds	176,490	2,512,671
Total liabilities	<u>176,490</u>	<u>2,825,016</u>
DEFERRED INFLOWS OF RESOURCES		
Property tax	-	2,712,633
PILOT	-	970,000
Unavailable Revenue - Delinquent property tax	-	41,329
Unavailable Revenue - Shared revenue	-	835,855
Unavailable Revenue - Special Assessment	-	17,676
Total deferred inflow of resources	<u>-</u>	<u>4,577,493</u>
 Total liabilities and deferred inflows of resources	 <u>176,490</u>	 <u>7,402,509</u>
FUND BALANCES		
Nonspendable	-	1,698
Restricted	-	4,613,036
Committed	-	466,744
Unassigned deficits	(36,531)	(391,391)
Total fund balances	<u>\$ (36,531)</u>	<u>\$ 4,690,087</u>
 Total liabilities and fund balances (deficits)	 <u>\$ 139,959</u>	 <u>\$ 12,092,596</u>

**CITY OF MENTOR, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 December 31, 2018**

	<u>General Obligation Bond Retirement</u>
ASSETS	
Cash and investments	\$ 901,060
Receivables, net	1,518,047
Due from other funds	243,151
Due from other governments	91,741
Total assets	<u>\$ 2,753,999</u>
LIABILITIES	
Total liabilities	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	
Property tax	1,494,956
Unavailable Revenue - Delinquent property tax	23,091
Unavailable Revenue - Shared revenue	91,741
Total deferred inflow of resources	<u>1,609,788</u>
Total liabilities and deferred inflows of resources	<u>1,609,788</u>
FUND BALANCES	
Restricted	1,144,211
Total fund balances	<u>\$ 1,144,211</u>
Total liabilities and fund balances (deficits)	<u>\$ 2,753,999</u>

**CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2018**

	Plaza Boulevard Extension	Amphitheater	Springbrook Park	Two Town Detention Basin
ASSETS				
Cash and investments	\$ 500,211	\$ -	\$ 1,593,226	\$ 298,074
Receivables, net	-	-	-	-
Due from other governments	-	-	-	2,596
Total assets	<u>\$ 500,211</u>	<u>\$ -</u>	<u>\$ 1,593,226</u>	<u>\$ 300,670</u>
LIABILITIES				
Accounts Payable	\$ 13,881	\$ -	\$ 569,948	\$ 39,068
Due to other funds	-	1,512,425	1,000,000	-
Total liabilities	<u>13,881</u>	<u>1,512,425</u>	<u>1,569,948</u>	<u>39,068</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Other	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>13,881</u>	<u>1,512,425</u>	<u>1,569,948</u>	<u>39,068</u>
FUND BALANCES				
Restricted	486,330	-	23,278	261,602
Unassigned deficits	-	(1,512,425)	-	-
Total fund balances	<u>\$ 486,330</u>	<u>\$ (1,512,425)</u>	<u>\$ 23,278</u>	<u>\$ 261,602</u>
Total liabilities and fund balances (deficits)	<u>\$ 500,211</u>	<u>\$ -</u>	<u>\$ 1,593,226</u>	<u>\$ 300,670</u>

Continued

**CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2018**

	Rice Detention Basin	Murray Avenue	Marigold Road	Hopkins Road Resurfacing
ASSETS				
Cash and investments	\$ 312,930	\$ -	\$ 383,135	\$ 273,280
Receivables, net	-	-	14,223	-
Due from other governments	880	-	3,268	6,513
Total assets	<u>\$ 313,810</u>	<u>\$ -</u>	<u>\$ 400,626</u>	<u>\$ 279,793</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ (1)	\$ 14,994
Due to other funds	400,000	-	180,000	448,000
Total liabilities	<u>400,000</u>	<u>-</u>	<u>179,999</u>	<u>462,994</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Other	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>400,000</u>	<u>-</u>	<u>179,999</u>	<u>462,994</u>
FUND BALANCES				
Restricted	-	-	220,627	-
Unassigned deficits	(86,190)	-	-	(183,201)
Total fund balances	<u>\$ (86,190)</u>	<u>\$ -</u>	<u>\$ 220,627</u>	<u>\$ (183,201)</u>
Total liabilities and fund balances (deficits)	<u>\$ 313,810</u>	<u>\$ -</u>	<u>\$ 400,626</u>	<u>\$ 279,793</u>

Continued

**CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2018**

	Headlands Street Rehab Orchard	Emergency Regional Response Facility	State Grants - Other	Heisley Road Improvement - Phase III
ASSETS				
Cash and investments	\$ 2,539,895	\$ 426,736	\$ 119,339	\$ 38,664
Receivables, net	219,089	-	-	-
Due from other governments	75,414	-	-	-
Total assets	<u>\$ 2,834,398</u>	<u>\$ 426,736</u>	<u>\$ 119,339</u>	<u>\$ 38,664</u>
LIABILITIES				
Accounts Payable	\$ 417,722	\$ 9,676	\$ -	\$ -
Due to other funds	2,701,000	-	8,250	75,000
Total liabilities	<u>3,118,722</u>	<u>9,676</u>	<u>8,250</u>	<u>75,000</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Other	219,089	-	-	-
Total deferred inflow of resources	<u>219,089</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>3,337,811</u>	<u>9,676</u>	<u>8,250</u>	<u>75,000</u>
FUND BALANCES				
Restricted	-	417,060	111,089	-
Unassigned deficits	(503,413)	-	-	(36,336)
Total fund balances	<u>\$ (503,413)</u>	<u>\$ 417,060</u>	<u>\$ 111,089</u>	<u>\$ (36,336)</u>
Total liabilities and fund balances (deficits)	<u>\$ 2,834,398</u>	<u>\$ 426,736</u>	<u>\$ 119,339</u>	<u>\$ 38,664</u>

Continued

**CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2018**

	SR306 Resurfacing	US20 Widening/Resurfacing	SR84 Resurfacing	Federal Grants - Other
ASSETS				
Cash and investments	\$ -	\$ 600,875	\$ -	\$ 241,764
Receivables, net	-	-	-	-
Due from other governments	-	18,957	-	3,629
Total assets	<u>\$ -</u>	<u>\$ 619,832</u>	<u>\$ -</u>	<u>\$ 245,393</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 5,978	\$ -	\$ 195,944
Due to other funds	-	1,000,000	-	71,427
Total liabilities	<u>-</u>	<u>1,005,978</u>	<u>-</u>	<u>267,371</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Other	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>1,005,978</u>	<u>-</u>	<u>267,371</u>
FUND BALANCES				
Restricted	-	-	-	-
Unassigned deficits	-	(386,146)	-	(21,978)
Total fund balances	<u>\$ -</u>	<u>\$ (386,146)</u>	<u>\$ -</u>	<u>\$ (21,978)</u>
Total liabilities and fund balances (deficits)	<u>\$ -</u>	<u>\$ 619,832</u>	<u>\$ -</u>	<u>\$ 245,393</u>

Continued

**CITY OF MENTOR, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2018**

	Total Nonmajor Capital projects funds
ASSETS	
Cash and investments	\$ 7,328,129
Receivables, net	233,312
Due from other governments	111,257
Total assets	<u>\$ 7,672,698</u>
LIABILITIES	
Accounts Payable	\$ 1,267,210
Due to other funds	7,396,102
Total liabilities	<u>8,663,312</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Other	<u>219,089</u>
Total deferred inflow of resources	<u>219,089</u>
Total liabilities and deferred inflows of resources	<u>8,882,401</u>
FUND BALANCES	
Restricted	1,519,986
Unassigned deficits	<u>(2,729,689)</u>
Total fund balances	<u>\$ (1,209,703)</u>
Total liabilities and fund balances (deficits)	<u>\$ 7,672,698</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, 2018**

	Special revenue funds	Debt service funds	Capital projects funds	Total Nonmajor Governmental Funds
REVENUES				
Property Taxes	\$ 1,828,287	\$ 2,053,790	\$ -	\$ 3,882,077
Other Local Taxes	767,498	-	-	767,498
Payments in Lieu of Taxes	892,540	-	-	892,540
Intergovernmental	3,270,591	252,068	3,438,349	6,961,008
Charges for services	81,032	-	550,835	631,867
Fines and forfeitures	312,513	-	-	312,513
Licenses, permits, and inspections	9,500	-	-	9,500
Special Assessments	1,349,413	-	-	1,349,413
Investment Income	53,705	11,619	-	65,324
Donations and other	8,690	-	-	8,690
Total revenues	<u>8,573,769</u>	<u>2,317,477</u>	<u>3,989,184</u>	<u>14,880,430</u>
EXPENDITURES				
Current:				
General Government	214,495	22,544	162,274	399,313
Police	471,947	-	77,346	549,293
Fire	814,438	-	-	814,438
Streets and highways	4,180,835	-	2,278,267	6,459,102
Parks and recreation	541,590	-	43,118	584,708
Planning and development	247,606	-	-	247,606
Engineering and building	19,244	-	861,160	880,404
Debt service:				
Principal retirement	1,200,000	1,620,000	6,035,000	8,855,000
Interest and fiscal charges	20,250	656,330	106,314	782,894
Bond Issuance Costs	-	1,500	-	1,500
Capital outlay:				
Police	90,892	-	-	90,892
Fire	568,231	-	195,944	764,175
Streets and highways	2,040,000	-	3,021,005	5,061,005
Parks and recreation	173,510	-	3,214,423	3,387,933
Engineering and building	139,538	-	607,299	746,837
Total expenditures	<u>10,722,576</u>	<u>2,300,374</u>	<u>16,602,150</u>	<u>29,625,100</u>
Excess (deficiency) of revenues over expenditures	<u>(2,148,807)</u>	<u>17,103</u>	<u>(12,612,966)</u>	<u>(14,744,670)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	1,215,000	-	8,590,000	9,805,000
Premium on bonds	-	63,995	-	63,995
Issuance of OPWC Loan	-	-	150,000	150,000
Transfers In	100,000	120,445	904,716	1,125,161
Transfers Out	(599,076)	-	-	(599,076)
Total other financing sources (uses)	<u>715,924</u>	<u>184,440</u>	<u>9,644,716</u>	<u>10,545,080</u>
Net change in fund balances	(1,432,883)	201,543	(2,968,250)	(4,199,590)
Fund balances - beginning - Restated	6,122,970	942,668	1,758,547	8,824,185
Fund balances - ending	<u>\$ 4,690,087</u>	<u>\$ 1,144,211</u>	<u>\$ (1,209,703)</u>	<u>\$ 4,624,595</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, 2018**

	Street	TIF	Police Pension	Fire Pension	Fire Levy
REVENUES					
Property Taxes	\$ -	\$ -	\$ 385,160	\$ 385,160	\$ 1,057,967
Other Local Taxes	-	-	-	-	-
Payments in Lieu of Taxes	-	892,540	-	-	-
Intergovernmental	2,576,268	-	47,261	47,261	109,166
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Licenses, permits, and inspections	-	-	-	-	-
Special Assessments	-	-	-	-	-
Investment Income	42,262	-	-	-	-
Donations and other	-	-	-	-	-
Total revenues	<u>2,618,530</u>	<u>892,540</u>	<u>432,421</u>	<u>432,421</u>	<u>1,167,133</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Police	-	-	413,217	-	-
Fire	-	-	-	413,217	397,018
Streets and highways	2,880,592	-	-	-	-
Parks and recreation	-	-	-	-	-
Planning and development	-	13,648	-	-	-
Engineering and building	19,244	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay:					
Police	-	-	-	-	-
Fire	-	-	-	-	568,231
Streets and highways	590,028	842,091	-	-	-
Parks and recreation	-	-	-	-	-
Engineering and building	-	121,035	-	-	-
Total expenditures	<u>3,489,864</u>	<u>976,774</u>	<u>413,217</u>	<u>413,217</u>	<u>965,249</u>
Excess (deficiency) of revenues over expenditures	<u>(871,334)</u>	<u>(84,234)</u>	<u>19,204</u>	<u>19,204</u>	<u>201,884</u>
OTHER FINANCING SOURCES (USES)					
Issuance of Bonds	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	(155,296)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(155,296)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(871,334)	(239,530)	19,204	19,204	201,884
Fund balances - beginning - Restated	516,474	1,862,879	27,287	27,287	428,562
Fund balances - ending	<u>\$ (354,860)</u>	<u>\$ 1,623,349</u>	<u>\$ 46,491</u>	<u>\$ 46,491</u>	<u>\$ 630,446</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, 2018**

	Senior Citizens Service Levy	Community Recreation Facilities	Cemetery	Economic Development	Subdivision Street Tree
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	767,498	-	-	-
Payments in Lieu of Taxes	-	-	-	-	-
Intergovernmental	300,000	-	-	-	-
Charges for services	-	-	26,775	53,557	-
Fines and forfeitures	-	-	-	-	-
Licenses, permits, and inspections	-	-	-	-	9,500
Special Assessments	-	-	-	-	-
Investment Income	-	-	-	-	-
Donations and other	-	-	-	-	-
Total revenues	<u>300,000</u>	<u>767,498</u>	<u>26,775</u>	<u>53,557</u>	<u>9,500</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Streets and highways	-	-	-	-	-
Parks and recreation	294,160	203,124	-	-	44,306
Planning and development	-	-	-	77,076	-
Engineering and building	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay:					
Police	-	-	-	-	-
Fire	-	-	-	-	-
Streets and highways	-	-	-	-	-
Parks and recreation	-	108,340	65,170	-	-
Engineering and building	-	-	-	-	-
Total expenditures	<u>294,160</u>	<u>311,464</u>	<u>65,170</u>	<u>77,076</u>	<u>44,306</u>
Excess (deficiency) of revenues over expenditures	<u>5,840</u>	<u>456,034</u>	<u>(38,395)</u>	<u>(23,519)</u>	<u>(34,806)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of Bonds	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	(350,000)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(350,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	5,840	106,034	(38,395)	(23,519)	(34,806)
Fund balances - beginning - Restated	387,648	319,178	225,085	72,533	76,338
Fund balances - ending	<u>\$ 393,488</u>	<u>\$ 425,212</u>	<u>\$ 186,690</u>	<u>\$ 49,014</u>	<u>\$ 41,532</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, 2018**

	Street Lighting	Court Computer	Court Special Projects	Enforcement and Education	Court Probation Services
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	58,571	117,092	5,676	83,128
Licenses, permits, and inspections	-	-	-	-	-
Special Assessments	1,349,413	-	-	-	-
Investment Income	-	-	-	-	-
Donations and other	-	-	-	-	-
Total revenues	<u>1,349,413</u>	<u>58,571</u>	<u>117,092</u>	<u>5,676</u>	<u>83,128</u>
EXPENDITURES					
Current:					
General Government	12,980	61,158	20,843	-	73,702
Police	-	-	-	5,210	-
Fire	-	-	-	-	-
Streets and highways	1,253,696	-	-	-	-
Parks and recreation	-	-	-	-	-
Planning and development	-	-	-	-	-
Engineering and building	-	-	-	-	-
Debt service:					
Principal retirement	1,200,000	-	-	-	-
Interest and fiscal charges	20,250	-	-	-	-
Capital outlay:					
Police	-	-	-	-	-
Fire	-	-	-	-	-
Streets and highways	607,881	-	-	-	-
Parks and recreation	-	-	-	-	-
Engineering and building	18,503	-	-	-	-
Total expenditures	<u>3,113,310</u>	<u>61,158</u>	<u>20,843</u>	<u>5,210</u>	<u>73,702</u>
Excess (deficiency) of revenues over expenditures	<u>(1,763,897)</u>	<u>(2,587)</u>	<u>96,249</u>	<u>466</u>	<u>9,426</u>
OTHER FINANCING SOURCES (USES)					
Issuance of Bonds	1,215,000	-	-	-	-
Transfers In	100,000	-	-	-	-
Transfers Out	-	-	(93,780)	-	-
Total other financing sources (uses)	<u>1,315,000</u>	<u>-</u>	<u>(93,780)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(448,897)	(2,587)	2,469	466	9,426
Fund balances - beginning - Restated	743,928	101,669	332,484	14,564	115,630
Fund balances - ending	<u>\$ 295,031</u>	<u>\$ 99,082</u>	<u>\$ 334,953</u>	<u>\$ 15,030</u>	<u>\$ 125,056</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, 2018**

	Indigent Driver Alcohol Treatment	Indigent Driver Alcohol Monitoring	Law Enforcement Trust	Police Canine	Seat Belt Grant
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	13,205	21,723	13,118	-	-
Licenses, permits, and inspections	-	-	-	-	-
Special Assessments	-	-	-	-	-
Investment Income	-	-	-	-	-
Donations and other	-	-	-	8,290	-
Total revenues	<u>13,205</u>	<u>21,723</u>	<u>13,118</u>	<u>8,290</u>	<u>-</u>
EXPENDITURES					
Current:					
General Government	28,199	17,353	-	-	-
Police	-	-	-	1,005	-
Fire	-	-	-	-	-
Streets and highways	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Planning and development	-	-	-	-	-
Engineering and building	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay:					
Police	-	-	-	-	-
Fire	-	-	-	-	-
Streets and highways	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Engineering and building	-	-	-	-	-
Total expenditures	<u>28,199</u>	<u>17,353</u>	<u>-</u>	<u>1,005</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(14,994)</u>	<u>4,370</u>	<u>13,118</u>	<u>7,285</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Issuance of Bonds	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(14,994)	4,370	13,118	7,285	-
Fund balances - beginning - Restated	65,173	121,322	105,334	12,948	6,295
Fund balances - ending	<u>\$ 50,179</u>	<u>\$ 125,692</u>	<u>\$ 118,452</u>	<u>\$ 20,233</u>	<u>\$ 6,295</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, 2018

	VOCA Victims Assistance Grant	CDBG NSP	Community Development Block Grant	Forfeited Property - U.S. Department of Justice	Council Donation
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-	-
Intergovernmental	40,279	-	141,356	-	-
Charges for services	-	-	-	-	700
Fines and forfeitures	-	-	-	-	-
Licenses, permits, and inspections	-	-	-	-	-
Special Assessments	-	-	-	-	-
Investment Income	-	8,073	-	3,370	-
Donations and other	-	-	-	-	-
Total revenues	<u>40,279</u>	<u>8,073</u>	<u>141,356</u>	<u>3,370</u>	<u>700</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	260
Police	51,405	-	-	-	-
Fire	-	-	-	-	-
Streets and highways	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Planning and development	-	15,554	141,328	-	-
Engineering and building	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay:					
Police	-	-	-	90,892	-
Fire	-	-	-	-	-
Streets and highways	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Engineering and building	-	-	-	-	-
Total expenditures	<u>51,405</u>	<u>15,554</u>	<u>141,328</u>	<u>90,892</u>	<u>260</u>
Excess (deficiency) of revenues over expenditures	<u>(11,126)</u>	<u>(7,481)</u>	<u>28</u>	<u>(87,522)</u>	<u>440</u>
OTHER FINANCING SOURCES (USES)					
Issuance of Bonds	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(11,126)	(7,481)	28	(87,522)	440
Fund balances - beginning - Restated	16,929	367,900	-	149,029	301
Fund balances - ending	<u>\$ 5,803</u>	<u>\$ 360,419</u>	<u>\$ 28</u>	<u>\$ 61,507</u>	<u>\$ 741</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, 2018**

	Police Donation	Fire Donation	Parks and Recreation Donation	Local Grants	Total Nonmajor Special revenue funds
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,828,287
Other Local Taxes	-	-	-	-	767,498
Payments in Lieu of Taxes	-	-	-	-	892,540
Intergovernmental	-	-	-	9,000	3,270,591
Charges for services	-	-	-	-	81,032
Fines and forfeitures	-	-	-	-	312,513
Licenses, permits, and inspections	-	-	-	-	9,500
Special Assessments	-	-	-	-	1,349,413
Investment Income	-	-	-	-	53,705
Donations and other	100	100	200	-	8,690
Total revenues	<u>100</u>	<u>100</u>	<u>200</u>	<u>9,000</u>	<u>8,573,769</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	214,495
Police	994	-	-	116	471,947
Fire	-	76	-	4,127	814,438
Streets and highways	-	-	-	46,547	4,180,835
Parks and recreation	-	-	-	-	541,590
Planning and development	-	-	-	-	247,606
Engineering and building	-	-	-	-	19,244
Debt service:					
Principal retirement	-	-	-	-	1,200,000
Interest and fiscal charges	-	-	-	-	20,250
Capital outlay:					
Police	-	-	-	-	90,892
Fire	-	-	-	-	568,231
Streets and highways	-	-	-	-	2,040,000
Parks and recreation	-	-	-	-	173,510
Engineering and building	-	-	-	-	139,538
Total expenditures	<u>994</u>	<u>76</u>	<u>-</u>	<u>50,790</u>	<u>10,722,576</u>
Excess (deficiency) of revenues over expenditures	<u>(894)</u>	<u>24</u>	<u>200</u>	<u>(41,790)</u>	<u>(2,148,807)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of Bonds	-	-	-	-	1,215,000
Transfers In	-	-	-	-	100,000
Transfers Out	-	-	-	-	(599,076)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>715,924</u>
Net change in fund balances	(894)	24	200	(41,790)	(1,432,883)
Fund balances - beginning - Restated	17,358	874	2,702	5,259	6,122,970
Fund balances - ending	<u>\$ 16,464</u>	<u>\$ 898</u>	<u>\$ 2,902</u>	<u>\$ (36,531)</u>	<u>\$ 4,690,087</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, 2018**

	General Obligation Bond Retirement
REVENUES	
Property Taxes	\$ 2,053,790
Intergovernmental	252,068
Investment Income	11,619
Total revenues	<u>2,317,477</u>
EXPENDITURES	
Current:	
General Government	22,544
Debt service:	
Principal retirement	1,620,000
Interest and fiscal charges	656,330
Bond Issuance Costs	1,500
Total expenditures	<u>2,300,374</u>
Excess (deficiency) of revenues over expenditures	<u>17,103</u>
OTHER FINANCING SOURCES	
Premium on bonds	63,995
Transfers In	120,445
Total other financing sources	<u>184,440</u>
Net change in fund balances	201,543
Fund balances - beginning	942,668
Fund balances - ending	<u>\$ 1,144,211</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, 2018**

	Plaza Boulevard Extension	Amphitheater	Springbrook Park	Two Town Detention Basin
REVENUES				
Intergovernmental	\$ 48,737	\$ -	\$ -	\$ 292,531
Charges for services	-	-	-	-
Total revenues	<u>48,737</u>	<u>-</u>	<u>-</u>	<u>292,531</u>
EXPENDITURES				
Current:				
General Government	6,355	-	42,626	11,325
Police	-	-	-	-
Streets and highways	-	-	-	-
Parks and recreation	-	-	-	-
Engineering and building	-	-	-	-
Debt service:				
Principal retirement	595,000	-	2,500,000	-
Interest and fiscal charges	11,813	-	42,188	-
Capital outlay:				
Fire				
Streets and highways	247,517	-	-	868,536
Parks and recreation	-	-	3,214,423	-
Engineering and building	95,967	-	164,439	117,162
Total expenditures	<u>956,652</u>	<u>-</u>	<u>5,963,676</u>	<u>997,023</u>
Excess (deficiency) of revenues over expenditures	<u>(907,915)</u>	<u>-</u>	<u>(5,963,676)</u>	<u>(704,492)</u>
OTHER FINANCING SOURCES				
Issuance of Bonds	595,000	-	3,990,000	1,060,000
Issuance of OPWC Loan	150,000	-	-	-
Transfers In	-	350,000	-	-
Total other financing sources	<u>745,000</u>	<u>350,000</u>	<u>3,990,000</u>	<u>1,060,000</u>
Net change in fund balances	(162,915)	350,000	(1,973,676)	355,508
Fund balances - beginning	649,245	(1,862,425)	1,996,954	(93,906)
Fund balances - ending	<u>\$ 486,330</u>	<u>\$ (1,512,425)</u>	<u>\$ 23,278</u>	<u>\$ 261,602</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, 2018**

	Rice Detention Basin	Murray Avenue	Marigold Road	Hopkins Road Resurfacing
REVENUES				
Intergovernmental	\$ 117,981	\$ -	\$ 303,629	\$ 139,208
Charges for services	-	-	550,835	-
Total revenues	<u>117,981</u>	<u>-</u>	<u>854,464</u>	<u>139,208</u>
EXPENDITURES				
Current:				
General Government	-	5,555	18,375	-
Police	-	-	-	-
Streets and highways	-	-	1,884,786	-
Parks and recreation	-	-	-	-
Engineering and building	-	47,754	219,254	322,409
Debt service:				
Principal retirement	-	520,000	1,720,000	-
Interest and fiscal charges	-	9,281	31,219	-
Capital outlay:				
Fire	-	-	-	-
Streets and highways	246,138	-	-	-
Parks and recreation	-	-	-	-
Engineering and building	4,087	-	-	-
Total expenditures	<u>250,225</u>	<u>582,590</u>	<u>3,873,634</u>	<u>322,409</u>
Excess (deficiency) of revenues over expenditures	<u>(132,244)</u>	<u>(582,590)</u>	<u>(3,019,170)</u>	<u>(183,201)</u>
OTHER FINANCING SOURCES				
Issuance of Bonds	-	520,000	1,720,000	-
Issuance of OPWC Loan	-	-	-	-
Transfers In	-	120,127	-	-
Total other financing sources	<u>-</u>	<u>640,127</u>	<u>1,720,000</u>	<u>-</u>
Net change in fund balances	(132,244)	57,537	(1,299,170)	(183,201)
Fund balances - beginning	46,054	(57,537)	1,519,797	-
Fund balances - ending	<u>\$ (86,190)</u>	<u>\$ -</u>	<u>\$ 220,627</u>	<u>\$ (183,201)</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, 2018**

	Headlands Street Rehab Orchard	Emergency Regional Response Facility	State Grants - Other	Heisley Road Improvement - Phase III
REVENUES				
Intergovernmental	\$ 75,414	\$ 500,000	\$ 101,160	\$ -
Charges for services	-	-	-	-
Total revenues	<u>75,414</u>	<u>500,000</u>	<u>101,160</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	-	-	70,507	7,531
Police	-	-	10,606	-
Streets and highways	393,481	-	-	-
Parks and recreation	-	-	500	-
Engineering and building	185,346	82,940	-	-
Debt service:				
Principal retirement	-	-	-	700,000
Interest and fiscal charges	-	-	-	11,813
Capital outlay:				
Fire	-	-	-	-
Streets and highways	-	-	-	3,900
Parks and recreation	-	-	-	-
Engineering and building	-	-	-	-
Total expenditures	<u>578,827</u>	<u>82,940</u>	<u>81,613</u>	<u>723,244</u>
Excess (deficiency) of revenues over expenditures	<u>(503,413)</u>	<u>417,060</u>	<u>19,547</u>	<u>(723,244)</u>
OTHER FINANCING SOURCES				
Issuance of Bonds	-	-	-	705,000
Issuance of OPWC Loan	-	-	-	-
Transfers In	-	-	11,057	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>11,057</u>	<u>705,000</u>
Net change in fund balances	(503,413)	417,060	30,604	(18,244)
Fund balances - beginning	-	-	80,485	(18,092)
Fund balances - ending	<u>\$ (503,413)</u>	<u>\$ 417,060</u>	<u>\$ 111,089</u>	<u>\$ (36,336)</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, 2018**

	SR306 Resurfacing	US20 Widening/Resurfa cing	SR84 Resurfacing	Federal Grants - Other
REVENUES				
Intergovernmental	\$ -	\$ 1,643,054	\$ 413	\$ 216,222
Charges for services	-	-	-	-
Total revenues	-	1,643,054	413	216,222
EXPENDITURES				
Current:				
General Government	-	-	-	-
Police	-	-	-	66,740
Streets and highways	-	-	-	-
Parks and recreation	-	-	-	42,618
Engineering and building	-	-	3,457	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay:				
Fire	-	-	-	195,944
Streets and highways	-	1,654,914	-	-
Parks and recreation	-	-	-	-
Engineering and building	-	225,644	-	-
Total expenditures	-	1,880,558	3,457	305,302
Excess (deficiency) of revenues over expenditures	-	(237,504)	(3,044)	(89,080)
OTHER FINANCING SOURCES				
Issuance of Bonds	-	-	-	-
Issuance of OPWC Loan	-	-	-	-
Transfers In	28,632	-	369,476	25,424
Total other financing sources	28,632	-	369,476	25,424
Net change in fund balances	28,632	(237,504)	366,432	(63,656)
Fund balances - beginning	(28,632)	(148,642)	(366,432)	41,678
Fund balances - ending	\$ -	\$ (386,146)	\$ -	\$ (21,978)

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, 2018**

	Total Nonmajor Capital projects funds
REVENUES	
Intergovernmental	\$ 3,438,349
Charges for services	550,835
Total revenues	<u>3,989,184</u>
EXPENDITURES	
Current:	
General Government	162,274
Police	77,346
Streets and highways	2,278,267
Parks and recreation	43,118
Engineering and building	861,160
Debt service:	
Principal retirement	6,035,000
Interest and fiscal charges	106,314
Capital outlay:	
Fire	195,944
Streets and highways	3,021,005
Parks and recreation	3,214,423
Engineering and building	607,299
Total expenditures	<u>16,602,150</u>
Excess (deficiency) of revenues over expenditures	<u>(12,612,966)</u>
OTHER FINANCING SOURCES	
Issuance of Bonds	8,590,000
Issuance of OPWC Loan	150,000
Transfers In	904,716
Total other financing sources	<u>9,644,716</u>
Net change in fund balances	(2,968,250)
Fund balances - beginning	<u>1,758,547</u>
Fund balances - ending	<u>\$ (1,209,703)</u>

CITY OF MENTOR, OHIO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended December 31, 2018

	<u>Balance</u> <u>1, 2018</u>	<u>January</u> <u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 2018</u>
<u>Municipal Court Fund:</u>				
ASSETS:				
Cash	\$ 113,279	\$ 1,173,523	\$ 1,180,722	\$ 106,080
LIABILITIES:				
Deposits held and due to others	\$ 113,279	\$ 1,173,523	\$ 1,180,722	\$ 106,080

CITY OF MENTOR, OHIO
STREET FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 2,525,000	\$ 2,579,196	\$ 54,196
Investment income	40,000	42,262	2,262
Total revenues	<u>2,565,000</u>	<u>2,621,458</u>	<u>56,458</u>
EXPENDITURES:			
Engineering and building	22,370	22,370	-
Streets and highways	3,830,714	3,805,963	24,751
Total expenditures	<u>3,853,084</u>	<u>3,828,333</u>	<u>24,751</u>
Excess (deficiency) of revenues over expenditures	(1,288,084)	(1,206,875)	81,209
OTHER FINANCING SOURCES (USES):			
Advances in	1,500,000	1,500,000	-
Advances out	(1,300,000)	(1,300,000)	-
Total other financing sources (uses)	<u>200,000</u>	<u>200,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,088,084)	(1,006,875)	81,209
Adjustment for prior year encumbrances	598,100	598,100	-
FUND BALANCES, BEGINNING OF YEAR	<u>926,248</u>	<u>926,248</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 436,264</u>	<u>\$ 517,473</u>	<u>\$ 81,209</u>

CITY OF MENTOR, OHIO
TIF FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Payments in Lieu of Taxes	\$ 900,000	\$ 892,540	\$ (7,460)
EXPENDITURES:			
Planning and development	13,700	13,647	53
Streets and highways	2,037,300	1,819,881	217,419
Engineering and building	207,369	207,369	-
Total expenditures	<u>2,258,369</u>	<u>2,040,897</u>	<u>217,472</u>
Excess (deficiency) of revenues over expenditures	(1,358,369)	(1,148,357)	210,012
OTHER FINANCING SOURCES (USES):			
Advances in	550,000	32,000	\$ (518,000)
Advances out	(463,046)	(463,046)	-
Transfers out	(785,100)	(155,296)	629,804
Total other financing sources (uses)	<u>(698,146)</u>	<u>(586,342)</u>	<u>111,804</u>
NET CHANGE IN FUND BALANCE	(2,056,515)	(1,734,699)	321,816
Adjustment for prior year encumbrances	59,998	59,998	-
FUND BALANCES, BEGINNING OF YEAR	<u>2,083,997</u>	<u>2,083,997</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 87,480</u>	<u>\$ 409,296</u>	<u>\$ 321,816</u>

CITY OF MENTOR, OHIO
POLICE PENSION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 45,000	\$ 47,261	\$ 2,261
Property taxes	368,400	385,160	16,760
Total revenues	<u>413,400</u>	<u>432,421</u>	<u>19,021</u>
EXPENDITURES:			
Police	<u>416,000</u>	<u>413,216</u>	<u>2,784</u>
NET CHANGE IN FUND BALANCE	(2,600)	19,205	21,805
FUND BALANCES, BEGINNING OF YEAR	<u>27,287</u>	<u>27,287</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 24,687</u>	<u>\$ 46,492</u>	<u>\$ 21,805</u>

CITY OF MENTOR, OHIO
FIRE PENSION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 45,000	\$ 47,261	\$ 2,261
Property taxes	368,400	385,160	16,760
Total revenues	<u>413,400</u>	<u>432,421</u>	<u>19,021</u>
EXPENDITURES:			
Fire	<u>416,000</u>	<u>413,216</u>	<u>2,784</u>
NET CHANGE IN FUND BALANCE	(2,600)	19,205	21,805
FUND BALANCES, BEGINNING OF YEAR	<u>27,287</u>	<u>27,287</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 24,687</u>	<u>\$ 46,492</u>	<u>\$ 21,805</u>

CITY OF MENTOR, OHIO
FIRE LEVY FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 108,000	\$ 109,165	\$ 1,165
Property taxes	1,057,514	1,057,968	454
Total revenues	<u>1,165,514</u>	<u>1,167,133</u>	<u>1,619</u>
EXPENDITURES:			
Fire:			
Employee compensation	337,414	337,414	-
Other	1,174,253	1,155,511	18,742
Total expenditures	<u>1,511,667</u>	<u>1,492,925</u>	<u>18,742</u>
NET CHANGE IN FUND BALANCE	(346,153)	(325,792)	20,361
Adjustment for prior year encumbrances	328,253	328,253	-
FUND BALANCES, BEGINNING OF YEAR	<u>100,309</u>	<u>100,309</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 82,409</u>	<u>\$ 102,770</u>	<u>\$ 20,361</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 300,000	\$ 313,766	\$ 13,766
EXPENDITURES:			
Parks and recreation:			
Employee compensation	140,000	140,000	-
Other	181,099	160,000	21,099
Total expenditures	<u>321,099</u>	<u>300,000</u>	<u>21,099</u>
NET CHANGE IN FUND BALANCE	(21,099)	13,766	34,865
Adjustment for prior year encumbrances	21,099	21,099	-
FUND BALANCES, BEGINNING OF YEAR	<u>314,586</u>	<u>314,586</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 314,586</u>	<u>\$ 349,451</u>	<u>\$ 34,865</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	\$ 719,000	\$ 761,674	\$ 42,674
EXPENDITURES:			
Parks and recreation	470,886	396,714	74,172
Excess (deficiency) of revenues over expenditures	248,114	364,960	116,846
OTHER FINANCING SOURCES (USES):			
Advances in	350,000	350,000	-
Advances out	(350,000)	(350,000)	-
Transfers out	(350,000)	(350,000)	-
Total other financing sources (uses)	(350,000)	(350,000)	-
NET CHANGE IN FUND BALANCE	(101,886)	14,960	116,846
Adjustment for prior year encumbrances	61,872	61,872	-
FUND BALANCES, BEGINNING OF YEAR	244,239	244,239	-
FUND BALANCES, END OF YEAR	\$ 204,225	\$ 321,071	\$ 116,846

CITY OF MENTOR, OHIO
CEMETERY FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	\$ 30,000	\$ 26,775	\$ (3,225)
EXPENDITURES:			
Parks and recreation	585,000	71,500	513,500
Excess (deficiency) of revenues over expenditures	(555,000)	(44,725)	510,275
OTHER FINANCING SOURCES (USES):			
Advances in	335,000	-	(335,000)
Transfers in	335,000	-	(335,000)
Advances out	(335,000)	-	335,000
Total other financing sources (uses)	335,000	-	(335,000)
NET CHANGE IN FUND BALANCE	(220,000)	(44,725)	175,275
FUND BALANCES, BEGINNING OF YEAR	225,085	225,085	-
FUND BALANCES, END OF YEAR	<u>\$ 5,085</u>	<u>\$ 180,360</u>	<u>\$ 175,275</u>

CITY OF MENTOR, OHIO
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	\$ 61,000	\$ 53,557	\$ (7,443)
EXPENDITURES:			
Planning and development	127,000	101,076	25,924
NET CHANGE IN FUND BALANCE	(66,000)	(47,519)	18,481
Adjustment for prior year encumbrances	5,000	5,000	-
FUND BALANCES, BEGINNING OF YEAR	67,534	67,534	-
FUND BALANCES, END OF YEAR	<u>\$ 6,534</u>	<u>\$ 25,015</u>	<u>\$ 18,481</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Licenses, permits and inspections	\$ 15,000	\$ 9,500	\$ (5,500)
EXPENDITURES:			
Parks and recreation	45,000	44,306	694
NET CHANGE IN FUND BALANCE	(30,000)	(34,806)	(4,806)
FUND BALANCES, BEGINNING OF YEAR	76,338	76,338	-
FUND BALANCES, END OF YEAR	<u>\$ 46,338</u>	<u>\$ 41,532</u>	<u>\$ (4,806)</u>

CITY OF MENTOR, OHIO
STREET LIGHTING FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Special assessments	\$ 1,358,000	\$ 1,349,413	\$ (8,587)
EXPENDITURES:			
Debt service:			
Principal retirement	1,200,000	1,200,000	-
Interest and other charges	20,250	20,250	-
General government	12,980	12,980	-
Streets and highways	3,220,826	1,934,442	1,286,384
Engineering and building	170,000	170,000	-
Total expenditures	<u>4,624,056</u>	<u>3,337,672</u>	<u>1,286,384</u>
Excess (deficiency) of revenues over expenditures	(3,266,056)	(1,988,259)	1,277,797
OTHER FINANCING SOURCES (USES):			
Advances in	1,212,000	400,000	(812,000)
Issuance of bonds	1,215,000	1,215,000	-
Transfers in	100,000	100,000	-
Advances out	(185,000)	(185,000)	-
Total other financing sources (uses)	<u>2,342,000</u>	<u>1,530,000</u>	<u>(812,000)</u>
NET CHANGE IN FUND BALANCE	(924,056)	(458,259)	465,797
Adjustment for prior year encumbrances	603,376	603,376	-
FUND BALANCES, BEGINNING OF YEAR	<u>325,553</u>	<u>325,553</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 4,873</u>	<u>\$ 470,670</u>	<u>\$ 465,797</u>

CITY OF MENTOR, OHIO
COURT COMPUTER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 60,000	\$ 58,435	\$ (1,565)
EXPENDITURES:			
General government			
Employee compensation	50,000	40,699	9,301
Other	99,350	21,582	77,768
Total expenditures	<u>149,350</u>	<u>62,281</u>	<u>87,069</u>
NET CHANGE IN FUND BALANCE	(89,350)	(3,846)	85,504
FUND BALANCES, BEGINNING OF YEAR	<u>96,749</u>	<u>96,749</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 7,399</u>	<u>\$ 92,903</u>	<u>\$ 85,504</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 120,000	\$ 116,810	\$ (3,190)
EXPENDITURES:			
General government	316,256	21,220	295,036
Excess (deficiency) of revenues over expenditures	(196,256)	95,590	291,846
OTHER FINANCING SOURCES (USES):			
Transfers out	(95,000)	(93,781)	1,219
Total other financing sources (uses)	(95,000)	(93,781)	1,219
NET CHANGE IN FUND BALANCE	(291,256)	1,809	293,065
Adjustment for prior year encumbrances	756	756	-
FUND BALANCES, BEGINNING OF YEAR	323,638	323,638	-
FUND BALANCES, END OF YEAR	<u>\$ 33,138</u>	<u>\$ 326,203</u>	<u>\$ 293,065</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 3,000	\$ 5,548	\$ 2,548
EXPENDITURES:			
Police	15,000	9,800	5,200
NET CHANGE IN FUND BALANCE	(12,000)	(4,252)	7,748
FUND BALANCES, BEGINNING OF YEAR	14,367	14,367	-
FUND BALANCES, END OF YEAR	<u>\$ 2,367</u>	<u>\$ 10,115</u>	<u>\$ 7,748</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 75,620	\$ 79,389	\$ 3,769
EXPENDITURES:			
General government:			
Employee compensation	65,250	48,784	16,466
Other	121,980	24,918	97,062
Total expenditures	<u>187,230</u>	<u>73,702</u>	<u>113,528</u>
NET CHANGE IN FUND BALANCE	(111,610)	5,687	117,297
FUND BALANCES, BEGINNING OF YEAR	<u>111,628</u>	<u>111,628</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 18</u>	<u>\$ 117,315</u>	<u>\$ 117,297</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 7,000	\$ 4,283	\$ (2,717)
Intergovernmental	10,000	5,660	(4,340)
Total revenues	<u>17,000</u>	<u>9,943</u>	<u>(7,057)</u>
EXPENDITURES:			
General government	<u>60,000</u>	<u>14,900</u>	<u>45,100</u>
NET CHANGE IN FUND BALANCE	(43,000)	(4,957)	38,043
FUND BALANCES, BEGINNING OF YEAR	<u>64,108</u>	<u>64,108</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 21,108</u>	<u>\$ 59,151</u>	<u>\$ 38,043</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 20,000	\$ 21,118	\$ 1,118
EXPENDITURES:			
General government	120,000	17,354	102,646
NET CHANGE IN FUND BALANCE	(100,000)	3,764	103,764
FUND BALANCES, BEGINNING OF YEAR	120,687	120,687	-
FUND BALANCES, END OF YEAR	<u>\$ 20,687</u>	<u>\$ 124,451</u>	<u>\$ 103,764</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 5,000	\$ 13,778	\$ 8,778
EXPENDITURES:			
Police	15,000	-	15,000
NET CHANGE IN FUND BALANCE	(10,000)	13,778	23,778
FUND BALANCES, BEGINNING OF YEAR	104,237	104,237	-
FUND BALANCES, END OF YEAR	<u>\$ 94,237</u>	<u>\$ 118,015</u>	<u>\$ 23,778</u>

CITY OF MENTOR, OHIO
PAYROLL STABILIZATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Planning and development	78,200	78,178	22
Fire	117,600	59,414	58,186
General government	57,200	56,964	236
Parks and recreation	50,000	37,084	12,916
Police	152,000	144,747	7,253
Streets and highways	60,000	22,860	37,140
Engineering and building	5,000	-	5,000
Total expenditures	<u>520,000</u>	<u>399,247</u>	<u>120,753</u>
Excess (deficiency) of revenues over expenditures	(520,000)	(399,247)	120,753
OTHER FINANCING SOURCES:			
Transfers in	340,000	340,000	-
Total other financing sources	<u>340,000</u>	<u>340,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(180,000)	(59,247)	120,753
FUND BALANCES, BEGINNING OF YEAR	<u>1,291,037</u>	<u>1,291,037</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,111,037</u>	<u>\$ 1,231,790</u>	<u>\$ 120,753</u>

CITY OF MENTOR, OHIO
POLICE CANINE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ 1,000	\$ 8,290	\$ 7,290
EXPENDITURES:			
Police	8,500	1,005	7,495
NET CHANGE IN FUND BALANCE	(7,500)	7,285	14,785
FUND BALANCES, BEGINNING OF YEAR	12,948	12,948	-
FUND BALANCES, END OF YEAR	<u>\$ 5,448</u>	<u>\$ 20,233</u>	<u>\$ 14,785</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Police	6,000	-	6,000
NET CHANGE IN FUND BALANCE	(6,000)	-	6,000
FUND BALANCES, BEGINNING OF YEAR	6,295	6,295	-
FUND BALANCES, END OF YEAR	<u>\$ 295</u>	<u>\$ 6,295</u>	<u>\$ 6,000</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 40,000	\$ 40,197	\$ 197
EXPENDITURES:			
Police:			
Employee Compensation	52,642	50,211	2,431
Other	1,194	1,194	-
Total Expenditures	<u>53,836</u>	<u>51,405</u>	<u>2,431</u>
Excess (deficiency) of revenues over expenditures	(13,836)	(11,208)	2,628
OTHER FINANCING SOURCES (USES):			
Advances in	11,000	10,009	(991)
Advances out	(59,460)	(59,460)	-
Total other financing sources (uses)	<u>(48,460)</u>	<u>(49,451)</u>	<u>(991)</u>
NET CHANGE IN FUND BALANCE	(62,296)	(60,659)	1,637
FUND BALANCES, BEGINNING OF YEAR	<u>63,092</u>	<u>63,092</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 796</u>	<u>\$ 2,433</u>	<u>\$ 1,637</u>

CITY OF MENTOR, OHIO
CDBG NSP FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Investment income	\$ 5,500	\$ 8,073	\$ 2,573
EXPENDITURES:			
Planning and development	373,394	15,554	357,840
NET CHANGE IN FUND BALANCE	(367,894)	(7,481)	360,413
Adjustment for prior year encumbrances	15,554	15,554	-
FUND BALANCES, BEGINNING OF YEAR	352,346	352,346	-
FUND BALANCES, END OF YEAR	<u>\$ 6</u>	<u>\$ 360,419</u>	<u>\$ 360,413</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 193,030	\$ 131,106	\$ (61,924)
EXPENDITURES:			
Planning and development:			
Employee compensation	6,058	6,058	-
Other	187,680	161,978	25,702
Total expenditures	<u>193,738</u>	<u>168,036</u>	<u>25,702</u>
Excess (deficiency) of revenues over expenditures	(708)	(36,930)	(36,222)
OTHER FINANCING SOURCES (USES):			
Advances in	1,200	193,030	191,830
Advances out	(215,000)	(215,000)	-
Total other financing sources (uses)	<u>(213,800)</u>	<u>(21,970)</u>	<u>191,830</u>
NET CHANGE IN FUND BALANCE	(214,508)	(58,900)	155,608
Adjustment for prior year encumbrances	708	708	
FUND BALANCES, BEGINNING OF YEAR	<u>213,849</u>	<u>213,849</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 49</u>	<u>\$ 155,657</u>	<u>\$ 155,608</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Investment income	<u>\$1,000</u>	<u>\$3,370</u>	<u>\$2,370</u>
EXPENDITURES:			
Police	<u>142,551</u>	<u>100,000</u>	<u>42,551</u>
NET CHANGE IN FUND BALANCE	(141,551)	(96,630)	44,921
Adjustment for prior year encumbrances	9,551	9,551	-
FUND BALANCES, BEGINNING OF YEAR	<u>139,478</u>	<u>139,478</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 7,478</u>	<u>\$ 52,399</u>	<u>\$ 44,921</u>

CITY OF MENTOR, OHIO
COUNCIL DONATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ 700	\$ 700	\$ -
EXPENDITURES:			
General government	475	261	214
NET CHANGE IN FUND BALANCE	225	439	214
FUND BALANCES, BEGINNING OF YEAR	301	301	-
FUND BALANCES, END OF YEAR	<u>\$ 526</u>	<u>\$ 740</u>	<u>\$ 214</u>

CITY OF MENTOR, OHIO
POLICE DONATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ 1,000	\$ 100	\$ (900)
EXPENDITURES:			
Police	9,000	993	8,007
NET CHANGE IN FUND BALANCE	(8,000)	(893)	7,107
FUND BALANCES, BEGINNING OF YEAR	17,358	17,358	-
FUND BALANCES, END OF YEAR	\$ 9,358	\$ 16,465	\$ 7,107

CITY OF MENTOR, OHIO
FIRE DONATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ -	\$ 100	\$ 100
EXPENDITURES:			
Fire	600	112	488
NET CHANGE IN FUND BALANCE	(600)	(12)	588
FUND BALANCES, BEGINNING OF YEAR	874	874	-
FUND BALANCES, END OF YEAR	<u>\$ 274</u>	<u>\$ 862</u>	<u>\$ 588</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ 500	\$ 200	\$ (300)
EXPENDITURES:			
Parks and recreation	2,462	-	2,462
NET CHANGE IN FUND BALANCE	(1,962)	200	2,162
FUND BALANCES, BEGINNING OF YEAR	2,703	2,703	-
FUND BALANCES, END OF YEAR	<u>\$ 741</u>	<u>\$ 2,903</u>	<u>\$ 2,162</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	\$ 2,150	\$ 1,796	\$ (354)
EXPENDITURES:			
Parks and recreation	3,950	1,207	2,743
NET CHANGE IN FUND BALANCE	(1,800)	589	2,389
FUND BALANCES, BEGINNING OF YEAR	27,256	27,256	-
FUND BALANCES, END OF YEAR	<u>\$ 25,456</u>	<u>\$ 27,845</u>	<u>\$ 2,389</u>

CITY OF MENTOR, OHIO
CULTURAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	\$ 20,200	\$ 21,301	\$ 1,101
Donations and other	6,000	3,731	(2,269)
Total revenues	<u>26,200</u>	<u>25,032</u>	<u>(1,168)</u>
EXPENDITURES:			
Parks and recreation:			
Employee compensation	7,000	1,710	5,290
Other	58,921	19,692	39,229
Total expenditures	<u>65,921</u>	<u>21,402</u>	<u>44,519</u>
NET CHANGE IN FUND BALANCE	(39,721)	3,630	43,351
Adjustment for prior year encumbrances	471	471	-
FUND BALANCES, BEGINNING OF YEAR	<u>64,867</u>	<u>64,867</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 25,617</u>	<u>\$ 68,968</u>	<u>\$ 43,351</u>

CITY OF MENTOR, OHIO
BEAUTIFICATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Parks and recreation	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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other	\$ 9,500	\$ 9,000	\$ (500)
EXPENDITURES:			
Police	1,002	116	886
Fire	10,000	9,467	533
Streets and highways	176,736	87,437	89,299
Total expenditures	<u>187,738</u>	<u>97,020</u>	<u>90,718</u>
Excess (deficiency) of revenues over expenditures	(178,238)	(88,020)	90,218
OTHER FINANCING SOURCES (USES):			
Advances in	176,490	176,490	-
Transfers in	250	-	(250)
Total other financing sources (uses)	<u>176,740</u>	<u>176,490</u>	<u>(250)</u>
NET CHANGE IN FUND BALANCE	(1,498)	88,470	89,968
Adjustment for prior year encumbrances	5,000	5,000	-
FUND BALANCES, BEGINNING OF YEAR	<u>5,259</u>	<u>5,259</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 8,761</u>	<u>\$ 98,729</u>	<u>\$ 89,968</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 227,765	\$ 252,068	\$ 24,303
Investment income	-	11,619	11,619
Property taxes	2,054,127	2,053,790	(337)
Total revenues	<u>2,281,892</u>	<u>2,317,477</u>	<u>35,585</u>
EXPENDITURES:			
Debt service:			
Principal retirement	1,661,046	1,635,046	26,000
Interest and other charges	776,702	665,328	111,374
Total expenditures	<u>2,437,748</u>	<u>2,300,374</u>	<u>137,374</u>
Excess (deficiency) of revenues over expenditures	(155,856)	17,103	172,959
OTHER FINANCING SOURCES (USES):			
Advances in	-	15,046	15,046
Bond premium	64,000	63,995	(5)
Transfers in	120,500	120,445	(55)
Total other financing sources (uses)	<u>184,500</u>	<u>199,486</u>	<u>14,986</u>
NET CHANGE IN FUND BALANCE	28,644	216,589	187,945
FUND BALANCES, BEGINNING OF YEAR	<u>942,669</u>	<u>942,669</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 971,313</u>	<u>\$ 1,159,258</u>	<u>\$ 187,945</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 67,624	\$ 67,624	\$ -
EXPENDITURES:			
Debt service:			
Principal retirement	700,000	700,000	-
Interest and other charges	11,813	11,813	-
General government	7,200	6,357	843
Streets and highways	731,208	611,269	119,939
Engineering and building	97,129	96,848	281
Total expenditures	<u>1,547,350</u>	<u>1,426,287</u>	<u>121,063</u>
Excess (deficiency) of revenues over expenditures	(1,479,726)	(1,358,663)	121,063
OTHER FINANCING SOURCES (USES):			
Advances in	45,000	-	(45,000)
Issuance of Notes	-	150,000	150,000
Issuance of Bonds	700,000	595,000	(105,000)
Advances out	(76,531)	(76,531)	-
Total other financing sources (uses)	<u>668,469</u>	<u>668,469</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(811,257)	(690,194)	121,063
Adjustment for prior year encumbrances	398,337	398,337	-
FUND BALANCES, BEGINNING OF YEAR	<u>515,509</u>	<u>515,509</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 102,589</u>	<u>\$ 223,652</u>	<u>\$ 121,063</u>

CITY OF MENTOR, OHIO
AMPHITHEATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES (USES):			
Advances in	1,513,000	1,512,425	(575)
Transfers in	350,000	350,000	-
Advances out	(1,961,000)	(1,961,000)	-
Total other financing sources (uses)	<u>(98,000)</u>	<u>(98,575)</u>	<u>(575)</u>
NET CHANGE IN FUND BALANCE	(98,000)	(98,575)	(575)
FUND BALANCES, BEGINNING OF YEAR	<u>98,575</u>	<u>98,575</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 575</u>	<u>\$ -</u>	<u>\$ (575)</u>

CITY OF MENTOR, OHIO
SPRINGBROOK PARK FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Debt service:			
Principal retirement	2,500,000	2,500,000	-
Interest and other charges	42,188	42,188	-
General government	42,626	42,626	-
Parks and recreation	4,495,406	3,655,179	840,227
Engineering and building	340,000	282,922	57,078
Total expenditures	<u>7,420,220</u>	<u>6,522,915</u>	<u>897,305</u>
Excess (deficiency) of revenues over expenditures	(7,420,220)	(6,522,915)	897,305
OTHER FINANCING SOURCES (USES):			
Advances in	1,000,000	1,000,000	-
Issuance of Notes	1,200,000	-	(1,200,000)
Issuance of Bonds	3,990,000	3,990,000	-
Advances out	(1,900,000)	(1,900,000)	-
Total other financing sources (uses)	<u>4,290,000</u>	<u>3,090,000</u>	<u>(1,200,000)</u>
NET CHANGE IN FUND BALANCE	(3,130,220)	(3,432,915)	(302,695)
Adjustment for prior year encumbrances	3,655,179	3,655,179	-
FUND BALANCES, BEGINNING OF YEAR	<u>241,775</u>	<u>241,775</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 766,734</u>	<u>\$ 464,039</u>	<u>\$ (302,695)</u>

CITY OF MENTOR, OHIO
TWO TOWN DETENTION BASIN
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ 289,935	\$ 289,935
EXPENDITURES:			
General government	11,324	11,324	-
Streets and highways	1,014,293	1,014,119	174
Engineering and building	122,630	121,718	912
Total expenditures	<u>1,148,247</u>	<u>1,147,161</u>	<u>1,086</u>
Excess (deficiency) of revenues over expenditures	(1,148,247)	(857,226)	291,021
OTHER FINANCING SOURCES (USES):			
Advances in	275,000	-	(275,000)
Issuance of Bonds	1,050,000	1,060,000	10,000
Transfers in	275,000	-	(275,000)
Advances out	(1,505,000)	(1,235,000)	270,000
Total other financing sources (uses)	<u>95,000</u>	<u>(175,000)</u>	<u>(270,000)</u>
NET CHANGE IN FUND BALANCE	(1,053,247)	(1,032,226)	21,021
Adjustment for prior year encumbrances	1,041,923	1,041,923	-
FUND BALANCES, BEGINNING OF YEAR	<u>99,171</u>	<u>99,171</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 87,847</u>	<u>\$ 108,868</u>	<u>\$ 21,021</u>

CITY OF MENTOR, OHIO
RICE DETENTION BASIN
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ 117,101	\$ 117,101
EXPENDITURES:			
Streets and highways	400,000	394,800	5,200
Engineering and building	65,029	65,029	-
Total expenditures	<u>465,029</u>	<u>459,829</u>	<u>5,200</u>
NET CHANGE IN FUND BALANCE	(465,029)	(342,728)	122,301
OTHER FINANCING SOURCES (USES):			
Advances in	665,000	400,000	(265,000)
Transfers in	415,000	-	(415,000)
Advances out	(665,000)	-	665,000
Total other financing sources (uses)	<u>415,000</u>	<u>400,000</u>	<u>(15,000)</u>
NET CHANGE IN FUND BALANCE	(50,029)	57,272	107,301
Adjustment for prior year encumbrances	50,029	50,029	-
FUND BALANCES, BEGINNING OF YEAR	<u>40,751</u>	<u>40,751</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 40,751</u>	<u>\$ 148,052</u>	<u>\$ 107,301</u>

CITY OF MENTOR, OHIO
MURRAY AVENUE
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Debt service:			
Principal retirement	550,000	550,000	-
Interest and other charges	9,281	9,281	-
General government	5,555	5,555	-
Engineering and building	47,754	47,754	-
Total expenditures	<u>612,590</u>	<u>612,590</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(612,590)	(612,590)	-
OTHER FINANCING SOURCES (USES):			
Advances in	35,000	30,000	(5,000)
Issuance of Bonds	520,000	520,000	-
Transfers in	124,400	120,127	(4,273)
Advances out	(105,000)	(105,000)	-
Total other financing sources (uses)	<u>574,400</u>	<u>565,127</u>	<u>(9,273)</u>
NET CHANGE IN FUND BALANCE	(38,190)	(47,463)	(9,273)
Adjustment for prior year encumbrances	23,073	23,073	-
FUND BALANCES, BEGINNING OF YEAR	<u>24,390</u>	<u>24,390</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 9,273</u>	<u>\$ -</u>	<u>\$ (9,273)</u>

CITY OF MENTOR, OHIO
MARIGOLD ROAD FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	\$ -	\$ 550,835	\$ 550,835
Intergovernmental	968,000	315,997	(652,003)
Total revenues	<u>968,000</u>	<u>866,832</u>	<u>(101,168)</u>
EXPENDITURES:			
Debt service:			
Principal retirement	1,850,000	1,850,000	-
Interest and other charges	31,219	31,219	-
General government	18,375	18,375	-
Streets and highways	2,203,440	2,203,440	-
Engineering and building	230,000	230,000	-
Total expenditures	<u>4,333,034</u>	<u>4,333,034</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(3,365,034)	(3,466,202)	(101,168)
OTHER FINANCING SOURCES (USES):			
Advances in	-	180,000	180,000
Issuance of Bonds	1,700,000	1,720,000	20,000
Advances out	(630,000)	(630,000)	-
Total other financing sources (uses)	<u>1,070,000</u>	<u>1,270,000</u>	<u>200,000</u>
NET CHANGE IN FUND BALANCE	(2,295,034)	(2,196,202)	98,832
Adjustment for prior year encumbrances	2,433,440	2,433,440	-
FUND BALANCES, BEGINNING OF YEAR	<u>5,682</u>	<u>5,682</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 144,088</u>	<u>\$ 242,920</u>	<u>\$ 98,832</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 199,900	\$ 132,695	\$ (67,205)
EXPENDITURES:			
Streets and highways	408,000	356,695	51,305
Engineering and building	40,000	32,000	8,000
Total expenditures	<u>448,000</u>	<u>388,695</u>	<u>59,305</u>
Excess (deficiency) of revenues over expenditures	(248,100)	(256,000)	(7,900)
OTHER FINANCING SOURCES (USES):			
Advances in	448,000	448,000	-
Transfers in	248,100	-	(248,100)
Advances out	(448,000)	-	448,000
Total other financing sources (uses)	<u>248,100</u>	<u>448,000</u>	<u>199,900</u>
NET CHANGE IN FUND BALANCE	-	192,000	192,000
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 192,000</u>	<u>\$ 192,000</u>

CITY OF MENTOR, OHIO
HEADLANDS STREET REHAB ORCHARD ROAD FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
General government	26,000	-	26,000
Streets and highways	2,249,000	2,248,361	639
Engineering and building	405,000	404,920	80
Total expenditures	<u>2,680,000</u>	<u>2,653,281</u>	<u>26,719</u>
Excess (deficiency) of revenues over expenditures	(2,680,000)	(2,653,281)	26,719
OTHER FINANCING SOURCES (USES):			
Advances in	2,701,000	2,701,000	-
Issuance of Notes	1,900,000	-	(1,900,000)
Advances out	(1,900,000)	-	1,900,000
Total other financing sources (uses)	<u>2,701,000</u>	<u>2,701,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	21,000	47,719	26,719
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 21,000</u>	<u>\$ 47,719</u>	<u>\$ 26,719</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 500,000	\$ 500,000	\$ -
EXPENDITURES:			
Engineering and building	100,000	83,455	16,545
NET CHANGE IN FUND BALANCE	400,000	416,545	16,545
FUND BALANCES, BEGINNING OF YEAR	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ 400,000</u>	<u>\$ 416,545</u>	<u>\$ 16,545</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 112,109	\$ 101,160	\$ (10,949)
EXPENDITURES:			
General government:			
Employee compensation	50,720	50,720	-
Other	20,673	19,788	885
Parks and recreation	54,474	500	53,974
Police	27,576	10,606	16,970
Engineering and building	13,500	-	13,500
Total expenditures	<u>166,943</u>	<u>81,614</u>	<u>85,329</u>
Excess (deficiency) of revenues over expenditures	\$ (54,834)	\$ 19,546	\$ 74,380
OTHER FINANCING SOURCES (USES):			
Advances in	8,250	8,250	-
Transfers in	29,452	11,057	(18,395)
Advances out	(53,695)	(53,695)	-
Total other financing sources (uses)	<u>(15,993)</u>	<u>(34,388)</u>	<u>(18,395)</u>
NET CHANGE IN FUND BALANCE	(70,827)	(14,842)	55,985
Adjustment for prior year encumbrances	500	500	-
FUND BALANCES, BEGINNING OF YEAR	<u>133,679</u>	<u>133,679</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 63,352</u>	<u>\$ 119,337</u>	<u>\$ 55,985</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 43,200	\$ -	\$ (43,200)
EXPENDITURES:			
Debt service:			
Principal retirement	700,000	700,000	-
Interest and other charges	11,813	11,813	-
General government	7,532	7,532	-
Streets and highways	3,900	3,900	-
Total expenditures	<u>723,245</u>	<u>723,245</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(680,045)	(723,245)	(43,200)
OTHER FINANCING SOURCES (USES):			
Advances in	-	75,000	75,000
Issuance of Bonds	700,000	705,000	5,000
Advances out	(75,000)	(75,000)	-
Total other financing sources (uses)	<u>625,000</u>	<u>705,000</u>	<u>80,000</u>
NET CHANGE IN FUND BALANCE	(55,045)	(18,245)	36,800
Adjustment for prior year encumbrances	3,900	3,900	-
FUND BALANCES, BEGINNING OF YEAR	<u>53,007</u>	<u>53,007</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,862</u>	<u>\$ 38,662</u>	<u>\$ 36,800</u>

CITY OF MENTOR, OHIO
SR306 RESURFACING
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	-	-	-
EXPENDITURES:	-	-	-
OTHER FINANCING SOURCES (USES):			
Transfers in	29,000	28,632	(368)
Advances out	(32,000)	(32,000)	-
Total other financing sources (uses)	<u>(3,000)</u>	<u>(3,368)</u>	<u>(368)</u>
NET CHANGE IN FUND BALANCE	(3,000)	(3,368)	(368)
FUND BALANCES, BEGINNING OF YEAR	<u>3,368</u>	<u>3,368</u>	-
FUND BALANCES, END OF YEAR	<u>\$ 368</u>	<u>\$ -</u>	<u>\$ (368)</u>

CITY OF MENTOR, OHIO
US20 WIDENING/RESURFACING
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 2,225,000	\$ 1,710,398	\$ (514,602)
EXPENDITURES:			
Streets and highways	1,966,052	1,899,862	66,190
Engineering and building	247,882	247,716	166
Total expenditures	<u>2,213,934</u>	<u>2,147,578</u>	<u>66,356</u>
Excess (deficiency) of revenues over expenditures	11,066	(437,180)	(448,246)
OTHER FINANCING SOURCES (USES):			
Advances in	-	1,000,000	1,000,000
Transfers in	408,000	-	(408,000)
Advances out	(2,550,000)	(2,550,000)	-
Total other financing sources (uses)	<u>(2,142,000)</u>	<u>(1,550,000)</u>	<u>592,000</u>
NET CHANGE IN FUND BALANCE	(2,130,934)	(1,987,180)	143,754
Adjustment for prior year encumbrances	2,096,934	2,096,934	-
FUND BALANCES, BEGINNING OF YEAR	<u>331,506</u>	<u>331,506</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 297,506</u>	<u>\$ 441,260</u>	<u>\$ 143,754</u>

CITY OF MENTOR, OHIO
SR84 RESURFACING
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 585,000	\$ 61,814	\$ (523,186)
EXPENDITURES:			
Streets and highways	200,926	82,146	118,780
Engineering and building	62,746	3,457	59,289
Total expenditures	<u>263,672</u>	<u>85,603</u>	<u>178,069</u>
Excess (deficiency) of revenues over expenditures	321,328	(23,789)	(345,117)
OTHER FINANCING SOURCES (USES):			
Transfers in	522,550	369,477	(153,073)
Advances out	(1,277,550)	(1,277,550)	-
Total other financing sources (uses)	<u>(755,000)</u>	<u>(908,073)</u>	<u>(153,073)</u>
NET CHANGE IN FUND BALANCE	(433,672)	(931,862)	(498,190)
Adjustment for prior year encumbrances	263,672	263,672	-
FUND BALANCES, BEGINNING OF YEAR	<u>668,190</u>	<u>668,190</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 498,190</u>	<u>\$ -</u>	<u>\$ (498,190)</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 275,538	\$ 230,833	\$ (44,705)
EXPENDITURES:			
Fire	222,320	195,944	26,376
Parks and recreation:			
Employee compensation	17,587	17,587	-
Other	25,033	25,033	-
Police:			
Employee compensation	64,150	48,296	15,854
Other	28,307	18,443	9,864
Total expenditures	<u>357,397</u>	<u>305,303</u>	<u>52,094</u>
Excess (deficiency) of revenues over expenditures	(81,859)	(74,470)	7,389
OTHER FINANCING SOURCES (USES):			
Advances in	247,320	247,776	456
Transfers in	39,239	25,424	(13,815)
Advances out	(247,320)	(201,349)	45,971
Total other financing sources (uses)	<u>39,239</u>	<u>71,851</u>	<u>32,612</u>
NET CHANGE IN FUND BALANCE	(42,620)	(2,619)	40,001
FUND BALANCES, BEGINNING OF YEAR	<u>48,438</u>	<u>48,438</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 5,818</u>	<u>\$ 45,819</u>	<u>\$ 40,001</u>





STATISTICAL INFORMATION

Statistical Section

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

<u>Contents</u>	<u>Page</u>
<i>Financial Trends</i> These schedules contain trend information to help the reader understand how the city’s financial performance and well-being have changed over time.	196 – 201
<i>Revenue Capacity</i> These schedules contain information to help the reader assess the factors affecting the city’s ability to generate its property and sales taxes.	202 - 206
<i>Debt Capacity</i> These schedules present information to help the reader assess the affordability of the city’s current levels of outstanding debt and the city’s ability to issue additional debt in the future.	207 - 211
<i>Demographic and Economic Information</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the city’s financial activities take place and to help make comparisons over time and with other governments.	212 - 213
<i>Operating Information</i> The schedules contain information about the city’s operations and resources to help the reader understand how the city’s financial information relates to the services the city provides and the activities it performs.	214 - 216

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
 12/31/2018
 (Accrual Basis of Accounting)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 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	\$ 143,332,857
Restricted -										
Debt Service	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	20,799,179
Capital Projects	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	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	5,272,319
Unrestricted (Deficit)	<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>	<u>20,317,849</u>
Total Governmental Net Position	<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>	<u>\$ 189,722,204</u>

CITY OF MENTOR, OHIO
Changes in Net Position
12/31/2018
(Accrual Basis of Accounting)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 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	\$ 2,518,135
Police	1,717,139	1,771,577	1,786,625	125,394	298,684	629,535	722,001	647,865	136,909	201,537
Fire	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	1,002,270
Streets & Highways	2,985,618	2,064,896	1,984,987	1,177,688	1,133,114	1,424,203	1,365,463	1,251,159	1,080,564	1,094,893
Parks, Recreation & Public Facilities	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	4,202,393
Economic & Community Development	297,822	304,604	271,767	128,066	144,848	142,889	117,985	79,196	60,462	64,594
Engineering & Building	1,057,168	1,144,488	1,148,087	675,899	768,592	790,052	744,530	670,800	607,475	493,255
Subtotal - Charges for Services	16,868,926	15,660,944	15,922,052	9,801,411	10,602,631	11,988,367	12,320,678	11,261,822	9,993,431	9,577,077
Operating Grants and Contributions:										
General Government	83,366	70,607	185,170	55,371	356,674	505,247	43,264	190,468	45,317	43,077
Police	133,253	232,639	202,891	58,971	59,262	90,591	165,764	78,606	140,216	71,067
Fire	176,349	104,189	897,547	4,459	4,840	13,982	19,551	337,690	221,667	48,748
Streets & Highways	4,709,172	2,585,613	2,425,344	253,017	129,572	749,191	548,119	374,048	3,416,057	281,441
Parks, Recreation & Public Facilities	313,419	424,561	535,252	278,030	260,403	254,010	340,684	438,115	191,134	299,751
Economic & Community Development	141,356	132,409	196,093	205,426	150,052	218,902	613,097	1,128,963	201,388	155,132
Engineering & Building	5,250	-	11,400	591	-	-	-	-	383	-
Subtotal - Operating Grants and Contributions	5,562,165	3,550,018	4,453,697	855,865	960,803	1,831,923	1,730,479	2,547,890	4,216,162	899,216
Capital Grants and Contributions:										
General Government	-	-	-	-	33,527	-	-	-	-	-
Police	-	-	8,316	-	233,530	9,700	3,570	71,580	986,000	6,640
Fire	500,000	-	-	-	-	-	119,600	1,103,268	-	-
Streets & Highways	158,199	2,763,982	4,556,152	1,116,596	1,478,995	335,588	-	31,884	70,464	352,618
Parks, Recreation & Public Facilities	-	-	-	-	-	-	-	-	140,000	69,432
Engineering & Building	-	-	-	-	-	-	-	240	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Subtotal - Capital Grants and Contributions	658,199	2,763,982	4,564,468	1,116,596	1,746,052	345,288	123,170	1,206,972	1,196,464	582,594
Total Governmental Activities Program Revenues	23,089,290	21,974,944	24,940,217	11,773,872	13,309,486	14,165,578	14,174,327	15,016,684	15,406,057	11,487,577
Total Governmental Program Revenues	\$23,089,290	\$21,974,944	\$24,940,217	\$11,773,872	\$13,309,486	\$14,165,578	\$14,174,327	\$15,016,684	\$15,406,057	\$11,487,577

CITY OF MENTOR, OHIO
Changes in Net Position (continued)
 12/31/2018
 (Accrual Basis of Accounting)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental Activities:										
General Government	\$ 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	\$ 7,185,265
Police	17,791,171	16,903,833	16,427,987	14,356,357	13,527,805	13,430,646	13,646,699	12,960,663	12,727,229	12,350,647
Fire	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	11,842,353
Streets and Highways	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	13,816,327
Parks, Recreation & Public Facilities	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	7,860,266
Economic & Community Development	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	764,306
Engineering & Building	3,140,639	2,649,925	2,356,039	1,895,626	2,004,928	2,316,314	1,680,518	2,094,279	2,455,519	2,057,180
Interest and Fiscal Charges	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	1,535,426
Total Governmental Activities Expenses	79,754,054	83,876,785	76,858,924	64,890,827	64,205,211	63,860,085	63,864,367	62,093,427	63,457,800	57,411,770
Net (Expense)/Revenue										
Total Governmental/Net Expense	(56,664,764)	(61,901,841)	(51,918,707)	(53,116,955)	(50,895,725)	(49,694,507)	(49,690,040)	(47,076,743)	(48,051,743)	(45,924,193)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Municipal Income Taxes Levied	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	29,690,527
Property Taxes Levied										
General Purposes	1,051,625	984,273	570,255	763,762	707,790	708,495	1,453,136	1,853,917	1,637,370	1,784,878
Special Revenue	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	2,165,635
Debt Service	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	2,018,418
Other Local Taxes	777,484	682,693	628,145	602,640	568,536	544,058	514,501	477,642	437,875	443,167
Payments in Lieu of Taxes	892,540	726,140	490,529	490,817	478,572	407,065	662,591	203,186	230,725	232,416
Grants and Entitlements not Restricted to Specific Programs	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	6,872,454
Other Grants and Contributions	554,885	581,993	488,385	218,794	665,650	(100,371)	684,403	790,645	982,759	20,047
Unrestricted Investment Earnings	979,496	688,775	1,214,899	75,287	44,650	89,862	138,873	104,196	49,798	982,064
Other										23,966
Total Governmental Activities	54,373,412	53,316,972	54,810,653	50,484,416	50,395,885	49,762,692	51,533,655	45,795,590	45,638,396	44,233,572
Total Governmental General Revenues and Other Changes in Net Position	54,373,412	53,316,972	54,810,653	50,484,416	50,395,885	49,762,692	51,533,655	45,795,590	45,638,396	44,233,572
Change in Net Position	(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)	(1,690,621)
Governmental Activities										
Total Governmental Change in Net Position	\$ (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)	\$ (1,690,621)

CITY OF MENTOR, OHIO
Fund Balances, Governmental Funds
12/31/2018
(Modified Accrual Basis of Accounting)

	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund									
Nonspendable	1,193,070	884,653	937,735	1,158,489	894,279	567,849	690,160	632,706	703,444
Committed	1,231,789	1,291,036	1,351,244	1,216,132	2,469,531	2,402,465	2,245,778	817,000	-
Assigned	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	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	31,878,108	30,042,770	30,165,509	29,222,794	28,479,965	29,893,972	28,883,321	24,934,208	21,633,928
All Other Governmental Funds									
Nonspendable	1,698	875	-	-	-	-	-	-	-
Restricted	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	466,744	395,516	206,037	577,267	355,064	182,354	733,437	578,649	510,106
Unassigned	(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	4,751,548	9,087,554	5,726,425	7,941,512	3,748,227	5,503,317	6,242,603	7,050,584	2,333,507
Total Governmental Funds	36,629,656	39,130,324	35,891,934	37,164,306	32,228,192	35,397,289	35,125,924	31,984,792	23,967,435

Note: The City implemented GASB 54 in 2011

CITY OF MENTOR, OHIO
Fund Balances, Governmental Funds
 12/31/2018
 (Modified Accrual Basis of Accounting)

	2009
General Fund	
Reserved	\$ 2,162,956
Unreserved	17,781,308
Total General Fund	19,944,264
 All Other Governmental Funds	
Reserved	2,460,771
Unreserved, Reported in:	
Special Revenue Funds	3,587,542
Debt Service Fund	
Capital Projects Funds	(715,738)
Total All Other Governmental Funds	5,332,575
Total Governmental Funds	\$ 25,276,839

CITY OF MENTOR, OHIO
Changes in Fund Balances, Governmental Funds
 12/31/2018
 (Modified Accrual Basis of Accounting)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Property Taxes	\$ 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	\$ 5,968,931
Municipal Income Taxes	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	29,691,413
Other Local Taxes	767,498	679,093	628,145	602,640	568,536	544,058	514,501	477,642	437,902	443,137
Payments in Lieu of Taxes	892,540	726,140	490,529	490,817	478,572	407,065	662,591	203,186	230,725	232,416
Intergovernmental	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	8,454,989
Charges for Services	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	5,418,323
Fines and Forfeitures	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	1,521,951
Licenses, Permits and Inspections	1,799,021	1,676,656	1,791,810	1,614,463	1,655,379	1,621,125	1,582,892	1,419,526	1,382,489	1,380,055
Special Assessments	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	2,314,723
Investment Income	554,885	581,993	488,385	218,794	665,650	(100,371)	684,403	790,645	982,759	1,002,111
Donations and Other	493,343	531,396	1,110,350	189,903	278,727	447,287	778,324	344,518	171,152	143,618
Total Revenues	72,278,290	70,527,671	72,230,996	65,123,607	64,398,006	62,856,695	64,060,131	63,209,558	60,907,309	56,571,667
Expenditures										
Current:										
General Government	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	7,111,144
Security of Persons and Property:										
Police	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	11,847,987
Fire	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	11,141,863
Streets & Highways	14,560,667	14,774,186	14,862,663	11,935,643	11,646,576	12,408,097	11,864,164	11,365,744	14,580,839	10,618,043
Parks, Recreation and Public Facilities	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	6,786,499
Economic & Community Development	3,779,866	3,533,565	3,264,323	3,158,699	2,865,376	2,387,632	2,662,103	2,084,967	1,946,043	754,252
Engineering and Building	2,827,709	2,865,487	2,106,260	1,895,502	2,015,105	2,304,524	1,728,800	2,010,053	2,214,863	2,030,867
Capital Outlay	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	2,881,069
Debt Service:										
Principal Retirement	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	2,307,726
Interest and Fiscal Charges	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	1,499,620
Bond Issuance Costs	1,500	-	-	-	-	-	-	-	-	-
Total Expenditures	85,114,624	76,621,028	76,227,190	66,241,039	67,809,813	62,387,573	60,969,824	59,491,517	62,253,579	56,979,090
Excess of Revenues Over (Under) Expenditures	(12,836,334)	(6,093,357)	(3,996,194)	(1,117,432)	(3,411,807)	469,122	3,090,307	3,718,041	(1,346,270)	(407,423)
Other Financing Sources (Uses)										
Issuance of Bonds	9,805,000	2,250,000	-	5,565,000	-	-	-	4,355,000	-	4,335,000
Issuance of Notes/OPWC Loan Proceeds	150,000	7,385,000	3,015,000	11,596	-	-	50,000	-	-	34,116
Premium on Bonds	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	1,145,161	1,316,288	1,542,836	1,588,383	1,035,791	977,660	908,428	362,099	711,190	543,863
Transfers Out	(1,145,161)	(1,666,288)	(1,542,836)	(1,588,383)	(1,035,791)	(977,660)	(908,428)	(362,099)	(711,190)	(543,863)
Other	-	-	-	-	-	-	-	-	-	21,485
Total Other Financing Sources (Uses)	10,018,995	9,423,018	3,015,000	5,756,017	(3,411,807)	469,122	50,000	4,370,054	(1,346,270)	4,390,601
Net Change in Fund Balances	(2,817,339)	3,329,661	(981,194)	4,638,585	(3,411,807)	469,122	3,140,307	8,088,095	(1,346,270)	3,983,178
Debt Service as a Percentage of Noncapital Expenditures	13.0%	7.9%	4.7%	4.4%	4.2%	4.6%	4.5%	4.7%	4.3%	4.3%

CITY OF MENTOR, OHIO
Assessed Valuation and Estimated Actual Values of Taxable Property
 12/31/2018

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	Real Property	Public Utility Property	Tangible Personal Property				
2008/2009	1,603,670,200	34,261,250	1,776,147	1,639,707,597	4.50	4,581,914,857	35.79%			
2009/2010	1,477,190,810	36,652,720	888,073	1,514,731,603	4.50	4,220,545,171	35.89%			
2010/2011	1,475,204,850	37,440,430	-	1,512,645,280	4.50	4,214,871,000	35.89%			
2011/2012	1,469,235,210	38,586,070	-	1,507,821,280	4.50	4,197,814,886	35.92%			
2012/2013	1,321,408,400	41,671,040	-	1,363,079,440	4.50	3,775,452,571	36.10%			
2013/2014	1,326,669,050	45,563,900	-	1,372,232,950	4.50	3,790,483,000	36.20%			
2014/2015	1,335,052,680	48,478,930	-	1,383,531,610	4.50	3,814,436,229	36.27%			
2015/2016	1,378,653,230	49,669,630	-	1,428,322,860	4.50	3,939,009,229	36.26%			
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%			

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
 12/31/2018
 Last Ten Fiscal Years

Tax Year/ Collection Year	City of Mentor Direct Rates				Mentor Exempted Village School District ¹	Lake County	Total
	General Fund	Special Revenue Funds	Debt Service Funds	Total			
2008/2009	\$ 1.10	\$ 2.10	\$ 1.30	\$ 4.50	\$ 77.99	\$ 15.80	\$ 98.29
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	102.55

¹Includes Mentor Public Library

SOURCE: Office of the Lake County Auditor

CITY OF MENTOR, OHIO
Principal Property Tax Payers
12/31/2018

Taxpayer	2018		2009	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Cleveland Electric Illuminating Co.	\$ 27,396,400	1.72%	\$ 19,136,040	1.19%
Mall at Great Lake LLC/Simon Property	18,937,140	1.19%	27,595,230	1.71%
Aqua Ohio/Consumers Ohio Water	17,929,440	1.13%	11,991,450	0.74%
Steris Corporation	10,275,620	0.65%	10,703,340	0.66%
American Transmission Systems Inc.	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	0.45%
Inland Creekside Commons	4,361,910	0.27%	-	0.00%
F I Mentor I LLC	4,093,000	0.26%	-	0.00%
Michaels, Inc.	3,202,140	0.20%	3,466,810	0.22%
Deepwood North Company	3,194,100	0.20%	3,785,250	0.23%
GGPA State College 1998 LP	2,992,210	0.19%	-	0.00%
Lake Hospital Systems Inc.	2,919,820	0.18%	-	0.00%
BPC Realty Holdings LLC	2,892,990	0.18%	-	0.00%
Emervent Mentor LLC	2,823,940	0.18%	-	0.00%
Cleveland Cuyahoga	-	0.00%	7,339,250	0.46%
F I Mentor II Ltd.	-	0.00%	4,603,940	0.29%
First Interstate	-	0.00%	4,887,590	0.30%
NCP Westerly LLC	-	0.00%	9,682,230	0.60%
Total Principal Taxpayers	\$ 119,628,520		\$ 110,498,370	
Total Real City Property (including other real estate and public utility property)	\$ 1,589,429,730		\$ 1,612,299,820	

SOURCE: Office of the Lake County Auditor

CITY OF MENTOR, OHIO
Property Tax Levies and Collections
 12/31/2018
 Last Ten Fiscal Years

Tax Levy Year	Net Tax Levy	Collected within the Fiscal Year of the Levy		Outstanding Accumulated Delinquent Taxes*	Total Collections Including Delinquencies	Percentage of Total Collections to Net Levy
		Amount	Percentage of Levy			
2008	6,054,841	\$ 5,837,249	96.4%	\$ 315,279	\$ 5,972,604	98.6%
2009	5,700,055	5,500,109	96.5%	366,748	5,660,057	99.3%
2010	5,941,550	5,705,335	96.0%	236,363	5,846,045	98.4%
2011	6,113,523	6,091,491	99.6%	463,310	6,265,608	100.0%
2012	5,650,475	5,498,724	97.3%	392,423	5,819,122	100.0%
2013	5,707,233	5,562,713	97.5%	368,853	5,743,223	100.0%
2014	5,759,340	5,617,914	97.5%	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%

* 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
 12/31/2018
 (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>
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%
2009	30,666,110	23,605,928	3,515,344	3,544,838	2.0%

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

<u>2018</u>		<u>2009</u>	
<u>Rank</u>	<u>Name</u>	<u>Rank</u>	<u>Name</u>
1	Steris Corporation	1	Steris Corporation
2	Avery Dennison Corporation	2	Mentor Exempted Schools
3	Mentor Exempted Schools	3	Avery Dennison Corporation
4	Lincoln Electric Company	4	Lake County Auditor
5	Jim Brown Chevrolet	5	City of Mentor
6	City of Mentor	6	PCC Airfoils Incorporated
7	Component Repair Technologies	7	Classic
8	Lake County Auditor	8	Parker Hannifan Corp.
9	Minute Men Select	9	Component Repair Technologies
10	PCC Airfoils Incorporated	10	Lincoln Electric Company

Source: City of Mentor, Finance Department

CITY OF MENTOR, OHIO
Ratios of Outstanding Debt by Type
 12/31/2018

Year	Governmental Activities				Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Special Assessment Bonds	Bond Anticipation Notes and Other Loans Payable				
2009	19,991,107	12,413,893	642,126	33,047,126	2.67%	657	
2010	18,310,006	11,599,237	3,347,346	33,256,589	2.87%	705	
2011	20,854,387	10,730,613	572,208	32,157,208	2.26%	682	
2012	18,826,580	10,163,420	586,700	29,576,700	1.99%	627	
2013	16,699,216	9,570,784	548,312	26,818,312	1.79%	569	
2014	14,792,294	8,997,706	509,532	24,299,532	1.59%	515	
2015	18,475,926	8,394,074	511,139	27,381,139	1.75%	581	
2016	16,075,000	7,760,000	3,484,393	27,319,393	1.71%	582	
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	

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

¹ See the schedule of Demographic and Economic Statistics 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
12/31/2018*

Year	Population ¹	Assessed Value ²	Gross General Bond Debt	Less Balance in General Bond Retirement Fund	Total	Percentage of Net General Bonded Debt to Assessed Value	Net General Bonded Debt Per Capita
2009	50,278	1,639,707,597	19,991,107	1,521,782	18,469,325	1.13%	367.34
2010	47,159	1,514,731,603	18,310,006	1,308,750	17,001,256	1.12%	360.51
2011	47,159	1,512,645,280	20,854,387	538,389	20,315,998	1.34%	430.80
2012	47,159	1,507,821,280	18,826,580	175,590	18,650,990	1.24%	395.49
2013	47,159	1,363,079,440	16,699,216	312,834	16,386,382	1.20%	347.47
2014	47,159	1,372,232,950	14,792,294	465,825	14,326,469	1.04%	303.79
2015	47,159	1,383,531,610	18,475,926	638,317	17,837,609	1.29%	378.24
2016	46,901	1,428,322,860	16,075,000	808,368	15,266,632	1.07%	325.51
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

SOURCES: ¹ U.S. Bureau of Census 2000, 2010 and 2015

² Office of the Lake County Auditor

CITY OF MENTOR, OHIO

Direct and Overlapping Debt

December 31, 2018

	<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	\$ 31,936,131	100.00%	\$ 31,936,131
Overlapping:			
Lake County	8,405,000	24.51%	\$ 2,060,066
Total Overlapping	<u>8,405,000</u>		<u>2,060,066</u>
TOTAL	<u>\$ 40,341,131</u>		<u>\$ 33,996,197</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, 2018

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Overall Legal Debt Limit (10.5% of Assessed Valuation)	\$ 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	\$ 172,169,298
Net Debt Within 10.5% Limitations	24,821,527	23,475,000	19,090,000	18,475,926	14,792,294	16,699,216	18,826,580	20,854,387	15,552,526	19,991,107
Legal Debt Margin Within 10.5% Limitation	<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>	<u>152,178,191</u>
Total Net Debt Applicable to the 10.5% Limit as a Percentage of the Debt Limit	16.49%	15.57%	12.73%	12.72%	10.27%	11.67%	11.89%	13.13%	9.78%	11.61%
Unvoted Debt Limitation - 5.5% of Assessed Valuation	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	90,163,918
Debt Within 5.5% Limitations	24,821,527	23,475,000	19,090,000	18,475,926	14,792,294	16,699,216	18,826,580	20,854,387	15,552,526	19,991,107
Legal Debt Margin Within 5.5% Limitations	<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>	<u>70,182,811</u>
Total Debt Applicable to the 5.5% Limit as a Percentage of the Debt Limit	31.48%	29.73%	24.30%	24.28%	19.60%	22.27%	22.70%	25.07%	18.67%	22.17%

LEGAL DEBT MARGIN CALCULATION FOR 2018

Assessed Valuation	\$ 1,433,707,840
Overall Debt Limitation - 10.5% of Assessed Valuation	150,539,323
Gross Indebtedness	31,936,131
Less:	669,604
OWDA/OPWC	6,445,000
Special Assessment Bonds & Notes	24,821,527
Net Debt Within 10.5% Limitations-General Obligation Bonds	<u>24,821,527</u>
Legal Debt Margin Within 10.5% Limitation	<u>\$ 125,717,796</u>
Unvoted Debt Limitation - 5.5% of Assessed Valuation	78,853,931
Gross Indebtedness Authorized by Council	24,821,527
Less Debt Outside Limitations-Voted	-
Debt Within 5.5% Limitations	<u>24,821,527</u>
Legal Debt Margin Within 5.5% Limitation	<u>\$ 54,032,404</u>

CITY OF MENTOR, OHIO
Pledged-Revenue Coverage
December 31, 2018

SPECIAL ASSESSMENT BONDS

Year	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest	
2009	1,266,401	750,976	680,205	0.88
2010	1,196,808	816,419	545,253	0.88
2011	1,572,556	866,861	497,061	1.15
2012	1,053,137	567,193	453,662	1.03
2013	1,066,176	592,636	432,144	1.04
2014	959,357	573,078	409,035	0.98
2015	1,253,733	603,632	386,707	1.27
2016	1,003,752	634,074	362,925	1.01
2017	971,519	650,000	337,121	0.98
2018	1,006,619	685,000	319,308	1.00

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, 2018

Year	Population¹	Total Personal Income²	Per Capita Personal Income¹	Median Household Income¹	Unemployment Rate³
2009	50,278	1,236,436,576	24,592	65,322	7.8%
2010	47,159	1,159,734,128	24,592	65,322	6.9%
2011	47,159	1,422,126,804	30,156	62,546	5.8%
2012	47,159	1,485,649,977	31,503	65,044	5.4%
2013	47,159	1,499,231,769	31,791	65,446	5.2%
2014	47,159	1,531,960,115	32,485	65,888	5.9%
2015	47,159	1,562,660,624	33,136	67,983	4.7%
2016	46,901	1,596,369,337	34,037	69,902	4.3%
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%

SOURCES:

¹ U.S. Bureau of Census 2000, 2010, 2016, 2017, and 2018 estimates

² Computation of per capita personal income multiplied by population

³ Local Area Employment Statistics

CITY OF MENTOR, OHIO
Principal Employers
 December 31, 2018

<u>Employer</u>	<u>2018</u>			<u>2009</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	1,750	1	5.66%	796	3	2.36%
City of Mentor ¹	916	2	2.96%	851	2	2.53%
Mentor Public Schools	897	3	2.90%	1,016	1	3.02%
Avery Dennison	731	4	2.36%	450	6	1.34%
Classic Auto Group	624	5	2.02%	-	-	0.00%
Lincoln Electric	450	6	1.46%	327	8	0.97%
Component Repair Technologies	450	7	1.46%	308	9	0.91%
PCC Airfoils	325	8	1.05%	455	5	1.35%
Stahl's Transfer Express	300	9	0.97%	455	5	1.35%
Race Winning Brands	300	10	0.97%	-	-	0.00%
Deepwood Industries	-	-	0.00%	468	4	1.39%
JC Penney Co.	-	-	0.00%	275	10	0.82%
U.S. Endoscopy	-	-	0.00%	330	7	0.98%
Total Employees within the City:	<u><u>30,911</u></u>			<u><u>33,696</u></u>		

¹Includes 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, 2018

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
Council	1	1	1	1	1	1	1	1	2	2
Finance	11	11	11	11	11	11	12	12	10	11
City Manager/Personnel	13	15	15	14	12	13	13	13	14	15
Law	2	3	3	3	3	2	2	2	2	2
Engineering/Building*	12	12	12	12	10	12	13	18	19	20
Court	19	19	19	19	19	20	20	22	21	21
Security of Persons and Property										
Police	106	110	108	111	107	110	105	107	110	112
Fire	73	73	73	74	73	73	73	75	76	76
Public Health Services										
Cemetery	3	3	3	3	3	3	3	3	3	4
Parks, Recreation & Public Facilities	32	30	31	32	22	22	22	23	24	23
Economic & Community Development										
Economic Development/Planning*	10	12	12	12	13	14	13	9	8	8
Streets & Highways	57	55	56	55	65	67	65	64	69	72
Totals:	339	344	344	347	339	348	342	349	358	366

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, 2018

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental										
General Government										
Council - Ordinances & Resolutions	127	165	140	120	148	122	138	124	138	143
Personnel - Civil Service Exams (taken)	254	11	332	-	155	134	158	136	29	421
Court - Number of Cases	9,178	9,894	9,491	7,807	8,267	10,733	10,968	10,962	12,506	12,069
Finance										
Number of A/P Checks Processed	9,519	9,468	9,623	10,852	10,833	11,156	8,885	9,034	9,593	9,002
Number of Purchase Orders Issued	1,300	1,379	1,633	1,547	2,379	3,521	3,997	4,364	4,074	4,215
Security of Persons and Property										
Police										
Criminal Arrests	1,689	2,058	1,830	1,956	2,200	3,514	3,281	2,241	2,433	2,390
Traffic Citations	4,871	5,408	5,473	6,063	6,394	7,028	6,617	6,838	7,974	7,319
Parking Citations	140	166	115	141	394	601	814	1,341	1,718	1,588
Fire - Total Number of Calls	8,791	8,157	7,852	7,714	7,508	7,148	7,264	6,975	6,579	6,513
Building & Engineering										
Building Permits Issued	3,729	3,999	3,972	2,401	4,007	3,431	3,336	3,194	2,576	2,296
Inspections - Residential	4,308	6,675	5,847	4,441	5,470	5,025	4,742	4,363	4,211	4,691
Inspections - Commercial	1,152	3,363	3,763	1,667	3,801	2,972	3,719	3,106	4,220	3,957
Parks, Recreation & Public Facilities										
Pools - Attendance	69,398	64,545	81,256	76,189	74,075	81,196	98,506	99,696	102,570	83,426
Senior Center - Program Participants	4,964	4,855	4,825	5,005	4,860	4,782	4,592	5,227	5,583	5,439
Golf Course - Rounds of Golf	29,809	30,343	34,597	32,636	28,493	31,536	39,354	35,720	40,168	40,897
Marina - Dock Rentals	533	533	539	538	538	539	539	528	519	500
Arena - Tournaments/Special Events	19	19	17	14	12	10	10	12	13	9
Arena - Number of Admissions	18,293	16,646	19,832	20,525	23,246	19,543	18,500	18,853	12,291	12,609
Cemetery - Number of Internments	245	258	220	247	226	229	200	204	227	211
Amphitheater - Concerts/Special Events	40	17	-	-	-	-	-	-	-	-
Streets and Highways										
Streets Resurfaced (miles)	6.45	6.80	5.90	7.70	4.18	7.73	7.47	0.33	2.60	3.86
Concrete Pavement Replacements (sq yd)	4,884	5,373	7,092	-	-	-	-	-	-	-
Concrete Pavement Replacements (cu yd)	-	-	-	1,196	785	1,504	608	130	57	596
Hazardous Ditch Enclosures (ln ft)	-	-	-	-	-	-	-	-	1,900	2,385
Drainage Assistance Projects (ln ft)	440	1,470	-	5,127	2,453	2,868	1,200	1,360	1,519	5,407

CITY OF MENTOR, OHIO
Capital Assets Statistics by Function/Program
 December 31, 2018

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
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
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Buildings	35,997	35,997	35,997	35,997	35,997	35,997	35,997	35,997	35,997	35,997
Vehicles	50	50	52	47	48	46	47	47	46	46
ATV	3	3	2	1	1	1	1	1	1	1
Fire										
Stations	5	5	5	5	5	5	5	5	5	5
Square Footage of Buildings	56,308	56,308	56,308	56,308	56,308	56,308	56,308	56,308	56,308	56,308
Vehicles	38	38	37	41	33	41	41	41	41	41
Recreation										
Number of Parks	12	12	12	12	11	11	11	11	11	11
Number of Dog Parks	1	1	1	1	1	1	1	1	1	1
Number of Spray Parks	2	2	2	2	2	2	2	2	2	2
Number of Pools	3	3	3	3	3	3	3	3	3	3
Number of Ice Rinks	2	2	2	2	2	2	2	2	2	2
Number of Community Centers	6	6	6	6	6	6	6	6	6	6
Number of Tennis Courts	8	8	8	9	13	15	15	17	17	17
Number of Skateboarding Areas	2	2	2	1	1	1	1	2	2	2
Number of Baseball Diamonds	19	19	19	19	19	19	19	19	19	19
Number of Soccer Fields	12	12	12	12	12	12	12	12	12	12
Number of Basketball Courts	5	5	5	5	5	5	5	5	5	5
Number of Golf Courses	1	1	1	1	1	1	1	1	1	1
Number of Marinas	1	1	1	1	1	1	1	1	1	1
Number of Pickle Ball Courts	15	15	12	12	12	6	6	-	-	-
Number of Amphitheaters	1	1	-	-	-	-	-	-	-	-
Vehicles	42	47	35	35	15	15	15	15	15	15
Square Footage of PRPF Facilities	269,902	269,902	261,502	261,502	261,502	261,502	261,502	261,502	261,502	261,502
Streets & Highways										
Streets (miles)	244	243	241	241	241	241	241	241	241	241
Number of Streetlights (per light bill)	5,552	5,460	5,420	5,420	5,408	5,408	5,408	5,408	5,254	5,254
Number of Traffic Signals	766	746	720	718	710	710	710	710	707	707
Number of Pedestrian Signals	514	508	480	474	472	472	472	472	470	470
Number of Signalized Intersections	93	92	88	87	86	86	86	86	85	85
Service Vehicles	67	67	67	67	67	67	67	67	70	70
Square Footage Buildings	74,000	74,000	74,000	74,000	72,053	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
AUGUST 22, 2019**