

2017

THE CITY OF MENTOR, OHIO Comprehensive Annual Financial Report For the Year Ended December 31, 2017

CITY OF
MENTOR, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

ISSUED BY THE DEPARTMENT OF FINANCE

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

CITY OF MENTOR, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED DECEMBER 31, 2017 TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal -----	1
Principal City Officials -----	8
Department of Finance Staff -----	9
Organization Chart -----	10
Certificate of Achievement for Excellence in Financial Reporting -----	11
FINANCIAL SECTION	
Independent Auditor's Report -----	13
Management's Discussion and Analysis -----	17
BASIC FINANCIAL INFORMATION	
Government Wide Financial Statements:	
Statement of Net Position -----	35
Statement of Activities -----	36
Fund Financial Statements:	
Balance Sheet – Governmental Funds -----	37
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position -----	38
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds -----	39
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities -----	40
Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund - Budget and Actual (Non-GAAP Budgetary Basis) -----	41
Statement of Fund Net Position – Proprietary Fund -----	42
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund -----	43
Statement of Cash Flows – Proprietary Fund -----	44
Statement of Fiduciary Net Position – Fiduciary Funds -----	45
Statement of Changes in Fiduciary Net Position – Fiduciary Funds -----	46
Notes to the Basic Financial Statements -----	47
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the City's Proportionate Share of the Net Pension Liability Ohio Public Employees Retirement System -----	87
Schedule of the City's Proportionate Share of the Net Pension Liability Ohio Police and Fire Pension Fund -----	88
Schedule of City Contributions – Ohio Public Employees Retirement System -----	89
Schedule of City Contributions – Ohio Police and Fire Pension Fund -----	90
Notes to the Required Supplementary Information -----	91

CITY OF MENTOR, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED DECEMBER 31, 2017 TABLE OF CONTENTS

	Page
SUPPLEMENTARY INFORMATION	
Individual Fund Schedules of Revenues and Expenditures – Budget and Actual (Non-GAAP Budgetary Basis):	
Major Funds	
General Fund-----	93
Special Assessment Bond Retirement Fund-----	95
Combining Statements and Individual Fund Schedules:	
Description of Nonmajor Governmental Funds -----	96
Combining Statements – Nonmajor Governmental Funds	
Combining Balance Sheet -----	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -----	113
Combining Statement of Changes in Assets and Liabilities – Agency Funds -----	126
Schedules of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis) Nonmajor Funds:	
Street Fund -----	127
TIF Fund -----	128
Police Pension Fund -----	129
Fire Pension Fund -----	130
Fire Levy Fund -----	131
Senior Citizens Services Levy Fund -----	132
Community Recreation Facilities Fund -----	133
Cemetery Fund -----	134
Economic Development Fund -----	135
Subdivision Street Tree Fund -----	136
Street Lighting Fund -----	137
Court Computer Fund -----	138
Court Special Projects Fund -----	139
Enforcement and Education Fund -----	140
Court Probation Services Fund -----	141
Indigent Driver Alcohol Treatment Fund -----	142
Indigent Driver Alcohol Monitoring Fund -----	143
Law Enforcement Trust Fund -----	144
Payroll Stabilization Fund -----	145
Police Canine Fund -----	146
Seat Belt Grant Fund -----	147
VOCA Victims Assistance Grant Fund -----	148
CDBG NSP Fund -----	149
Community Development Block Grant Fund -----	150
Forfeited Property – U.S. Department of Justice Fund -----	151
Council Donation Fund -----	152
Police Donation Fund -----	153
Fire Donation Fund -----	154
Senior Citizens Activities Fund -----	155

CITY OF MENTOR, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED DECEMBER 31, 2017 TABLE OF CONTENTS

	Page
SUPPLEMENTARY INFORMATION (Continued)	
Parks and Recreation Donation Fund -----	156
Cultural Fund -----	157
Beautification Fund -----	158
Local Grant Fund-----	159
General Obligation Bond Retirement Fund -----	160
Plaza Boulevard Extension Fund -----	161
Amphitheater Fund -----	162
Springbrook Park Fund -----	163
Two Town Detention Basin Fund -----	164
Roosevelt Culvert Fund -----	165
Rice Detention Basin Fund -----	166
Jackson Street Fund -----	167
Murray Avenue Fund -----	168
Marigold Road Fund -----	169
State Grants - Other Fund -----	170
Heisley Road Improvement – Phase III Fund -----	171
Newell Creek Bikeway Fund -----	172
I90/SR 615 Interchange Fund -----	173
SR 306 Resurfacing Fund -----	174
US20 Widening/Resurfacing Fund -----	175
SR84 Resurfacing Fund -----	176
Federal Grants – Other Fund -----	177

STATISTICAL SECTION

Statistical Section – Contents -----	179
Net Position by Components (Accrual Basis) – Last Ten Fiscal Years -----	180
Changes in Net Position (Accrual Basis) – Last Ten Fiscal Years -----	181
Fund Balances, Governmental Funds (Modified Accrual Basis) – Last Eight Fiscal Years ---	183
Fund Balances, Governmental Funds (Modified Accrual Basis) – Prior Two Fiscal Years ----	184
Changes in Fund Balances, Governmental Funds (Modified Accrual Basis) – Last Ten Fiscal Years -----	185
Assessed Valuation and Estimated Actual Values of Taxable Property – Last Ten Fiscal Years -----	186
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years-----	187
Principal Property Tax Payers – Current Year and Nine Years Ago-----	188
Property Tax Levies and Collections – Real and Public Utility Property Only – Last Ten Fiscal Years -----	189
Income Tax Revenue Base and Collections (Cash Basis) – Last Ten Fiscal Years and Top Ten Income Tax Withholders – Current Year and Nine Years Ago -----	190
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years -----	191

CITY OF MENTOR, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED DECEMBER 31, 2017 TABLE OF CONTENTS

	Page
STATISTICAL SECTION (Continued)	
Ratios of Net General Bonded Debt to Assessed Valuation and Net Bonded Debt per Capita – Last Ten Fiscal Years -----	192
Direct and Overlapping Debt – December 31, 2017 -----	193
Legal Debt Margin – Last Ten Fiscal Years -----	194
Pledged-Revenue Coverage – Last Ten Fiscal Years -----	195
Demographic and Economic Statistics – Last Ten Fiscal Years -----	196
Principal Employers – Current Year and Nine Years Ago -----	197
Full-Time City Government Employees by Function/Program – Last Ten Fiscal Years -----	198
Operating Indicators by Function/Program – Last Ten Fiscal Years -----	199
Capital Assets Statistics by Function/Program – Last Ten Fiscal Years -----	200





INTRODUCTION





City of Mentor

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

Council-manager
government since 1963

June 1, 2018

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, 2017. This report, prepared by the Department of Finance, includes the basic financial statements that summarize the various operations related to the City's 2017 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 2017 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, 2017, 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, 2017 are fairly presented, in all material respects, in conformity with GAAP. The Independent Auditor's Report is presented as the first component of the financial section of this document.

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

Profile of the Government

The City

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

City Government

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

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

Financial Reporting Entity

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

Under these provisions, the City's financial reporting entity acts as a single rather than multi-component unit. The provisions permit the entity to include all funds, agencies, and boards and

commissions that, by definition, comprise components within the primary government itself. For the City, these components include police and fire protection services, municipal court, planning and engineering, zoning code enforcements, street maintenance, traffic control, parks and recreation, building inspection and economic and community development.

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

Accounting and Financial Reporting

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

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

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

Budget Control

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

Factors Affecting Financial Condition

Local Economic Indicators

The information presented in the financial statements should be considered in the context of the economic climate within which the City operates. The City's economic condition tends to reflect the broader national economy. During 2017, its local economic activity experienced steady growth as reflected in a modest (3.7%) 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.

Current Projects and 2017 Accomplishments

In terms of roadway infrastructure improvements, the City provided for the repair and/or resurfacing of 24 streets. Capital improvement projects included: final construction of the extension of Plaza Boulevard; continued widening of Mentor Avenue from S.R. 615 to Murray Avenue by constructing a two-way left turn lane; rehabilitating Marigold Road from Woodridge Lane to Lake Overlook Drive; replacement of the wearing surface on the Garfield Road Bridge over I-90; installing a waterline from the cul-de-sac at Tin Man Road to the main at Tyler Boulevard; resurfacing S.R. 84 from Center Street to S.R. 306; and final completion of the construction of turn lanes at the Mentor Avenue and Garfield Park/Lucretia Court intersection. Other improvements included the continuation of the City-wide sidewalk replacement program and upgrades to decorative lighting in the Old Village District. Drainage projects undertaken in 2017 included necessary field surveying and information mapping to assemble the required base maps as part of the Mentor City Stormwater Drainage Permit application to the Ohio EPA. Other storm drainage improvements included replacement of storm sewer on Midland Road from Mentor Avenue to Crossfield Road; and the dredging of Garfield Park pond. Major Park improvement projects include: infrastructure development for the Springbrook Park, and final completion of construction of the new amphitheater on the main Civic Center Campus.

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 8,157 calls for service in 2017. 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 8,000 members of the community in 2017. The Fire Prevention Bureau continues to work closely with the business community on a daily basis.

The Economic and Community Development Department actively promoted the benefits of business location in the City. In 2017, the Department administered, and Mentor City Council provided grant assistance to DeNora Tech, Citywide Solutions, Inc., Alloy Bellows, Monode

Marking Products and Axelix Health Consultation, Inc. The net impact of these grants are anticipated to result in \$32.1 million in investments, the retention or creation of 169 jobs and approximately \$9.8 million in new payroll. The department continues to actively promote the international trade and export initiative within the city and the attraction of new retail establishments. In addition, City Council approved the creation of a Community Entertainment District (CED) encompassing much of Great Lakes Mall, which could result in \$20-25 million in new development over the next 24 months. The Department also participated in the drafting of a Development Agreement with VOH-Mentor, LLC which will result in an estimated \$20 million in private development at Center Street and Tyler Blvd.

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

The Department of Parks, Recreation and Public Facilities had another busy year. Over 190 golfers played in the Chili Open in January. 1,009 pool passes were sold in 2017, totaling 2,714 members. Membership at the Senior Center is over 4,800 members. The sixth year of the community garden at Wildwood Park saw 32 gardening sites used. The Department operated the festival titled Mentor CityFest for the fifth year in August 2017. Over, 15,000 people attended the event. Sponsorship for the recreation events was \$65,000. The fifth year of the Natural Resources Division deer culling program in 2017 netted 42 deer being culled for a total of over 1,995 lbs. of meat being donated to the Cleveland Food Bank.

The Police Department continued moving forward with technological upgrades in 2017. Research was completed to select a body worn camera system to suit the needs of the department. One product was selected and ordered late in the year. This new tool will be put in service in 2018. An electronic ticketing solution was sought to help streamline the process of issuing traffic citations and getting the applicable information delivered to our records management system and appropriate courts. An application was found and selected. The application is offered through the State of Ohio Department of Public Safety and is available at no cost to the city. This will also be put into use in 2018. The patrol division remained active during the year with, among other efforts, the successful Retail Theft Deterrence Program. This effort combats theft from local retailers that is driven primarily by the surge in illegal drug use. The program has been very successful over the past couple years to the point that other agencies throughout the country have contacted our department for information on how the program works.

For the Future

The City's five-year (2018-2022) capital improvement program contains the following proposed expenditures:

Facility construction and improvements	\$ 9,299,000
Roadway construction and improvements	37,217,180
Traffic control	1,448,000
Sidewalk and bikeway improvements	3,059,800
Storm drainage	4,722,500
Park acquisition, development and improvement	7,175,000
Major capital equipment	8,898,620
Miscellaneous	1,750,000
	<u>\$ 73,570,100</u>

Of the proposed \$73,570,100 for the five-year period, \$37,283,200 (51%) is expected to be funded by the City. The remaining \$36,286,900 (49%) is expected to be funded primarily by Federal/State/County assistance.

Projects anticipated in 2018 include the following: 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; and extending the right turn lane on Diamond Center 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 include the continuation of the city-wide sidewalk replacement program; further upgrades to decorative lighting in the Old Village District; storm drainage improvements with the construction of the two-town detention basin between Jeremy Drive and Bellflower Road, and a dry detention basin located behind the former Dale R. Rice school; replacement of storm sewer outfall for Brighton Road and Headlands Road out towards the lake; and ditch relocation at the Hunter's Woods subdivision near I-90. Major facility and property improvements include design and planning for a new regional response facility located on the west side of S.R. 306 adjacent to Fire Station #4; construction of a new office and maintenance garage located on the grounds at the cemetery; and site development for the new Springbrook Park.

Long-term financial planning

The City's long-term financial planning considers maintaining a healthy general fund balance reserve during the preparation of its capital budget and operating budget. The City issued Bonds of approximately \$9.8 million during 2018 to finance certain capital and infrastructure improvements and to reimburse the general fund for the cost of acquiring real estate in prior years. The City does not anticipate issuing any additional debt in 2019 beyond the \$9.8 million.

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

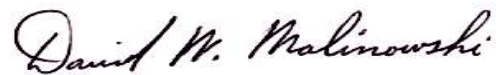
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mentor for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2016. The Certificate of Achievement 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-three consecutive years (fiscal years 1984-2016). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

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

Sincerely,

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

David W. Malinowski, Director of Finance

CITY OF MENTOR, OHIO

PRINCIPAL CITY OFFICIALS DECEMBER 31, 2017

Mentor City Council

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

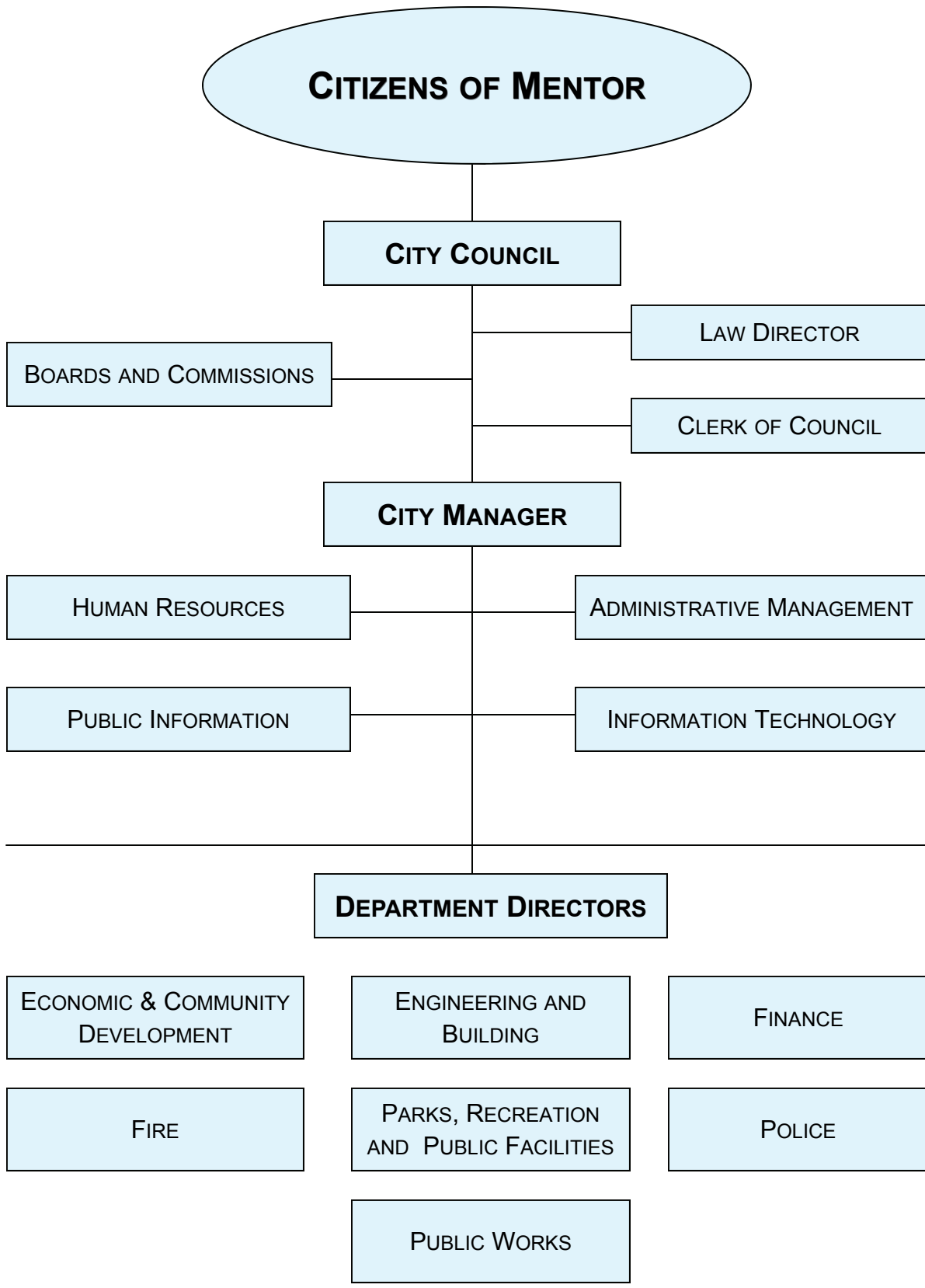
Judge, Mentor Municipal Court ----- John F. Trebets

Law Director ----- Richard A. Hennig
Clerk of Council ----- Julie A. Schiavoni
City Manager ----- Kenneth J. Filipiak
Assistant City Manager ----- Anthony J. Zampedro
Director of Finance ----- David W. Malinowski
Director of Public Works ----- Matthew S. Schweikert
Director of Parks, Recreation and Public Facilities ----- Kenneth S. Kaminski
City Engineer ----- Dave Swiger
Chief of Police ----- Kevin Knight
Fire Chief ----- Robert M. Searles
Director of Economic and Community Development ----- Ronald M. Traub

CITY OF MENTOR, OHIO

**DEPARTMENT OF FINANCE STAFF
DECEMBER 31, 2017**

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
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, 2016

Christopher P. Morill

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 Dave Yost
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mentor, Lake County, Ohio, (the City) as of and for the year ended December 31, 2017, 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, 2017, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City'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 1, 2018, 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 1, 2018



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, 2017. 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, 2017 by approximately \$138.4 million (net position). All of the net position is accounted for as governmental activities. Of this amount, \$26.8 million (unrestricted net position prior to reporting the net pension liability) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net position decreased by \$8.6 million during 2017.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$21.7 million and is available for spending at the City's discretion. The unassigned fund balance equals 38.2 percent of total current year general fund expenditures.
- The City's total debt and other long-term obligations increased by \$8.1 million (8.7 percent) during the current fiscal year. The increase was primarily related to the net effect of the bonds issued (\$4.9 million), retirement of bonds (\$5.4 million), notes issued (\$7.2 million), notes paid (\$3.0 million), increased compensated absence liability (\$0.6 million), increased workers compensation liabilities (\$0.2 million) and additional net pension liability (\$3.5 million).

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position looks at the City as a whole. The following table provides a summary of the City's net position for 2017 compared to 2016.

	<u>Summary of Net Position</u>	
	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Assets		
Current and other assets	\$ 67,944,612	\$ 66,646,023
Net Pension Asset	22,987	20,861
Capital Assets	168,261,024	169,916,847
Total Assets	<u>236,228,623</u>	<u>236,583,731</u>
Deferred Outflows of Resources		
Deferral on Refunding	83,842	146,425
Pension	16,579,500	17,474,946
Total Deferred Outflows of Resources	<u>16,663,342</u>	<u>17,621,371</u>
Liabilities		
Current and other liabilities	5,640,726	7,309,516
Long term liabilities:		
Due within one year	2,349,050	3,346,054
Due in more than one year:		
Net Pension Liability	63,941,436	60,457,156
Other Amounts	35,646,130	29,974,490
Total Liabilities	<u>107,577,342</u>	<u>101,087,216</u>
Deferred Inflows of Resources		
Intergovernmental Revenue	-	127,869
Property Taxes	4,698,580	4,699,835
Payment in Lieu of Taxes	941,593	837,000
Pension	1,310,056	503,919
Total Deferred Inflows of Resources	<u>6,950,229</u>	<u>6,168,623</u>
Net Position		
Net Investment in Capital Assets	136,899,308	140,413,994
Restricted	23,326,388	21,459,302
Unrestricted	(21,861,302)	(14,924,033)
Total Net Position	<u>\$ 138,364,394</u>	<u>\$ 146,949,263</u>

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

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

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

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

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

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

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

Net position at December 31, 2017 was decreased by \$8,584,869.

Total assets and deferred outflows of resources decreased \$1,313,137 from 2016 to 2017. The decrease was primarily caused by a decrease in capital assets of \$1.6 million.

Total liabilities and deferred inflows of resources increased by \$7,271,732. The increase was primarily attributable to an increase in the net pension liability by \$3.5 million and a \$0.5 million increase in pension deferred inflows, and a \$5.6 million increase in current and other liabilities, mostly related to bond anticipation notes issued during 2017.

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 \$8,584,869. A portion of the City's net position (16.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$21.9 million. The deficit is primarily the result of the City's implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pension – an Amendment of GASB Statement 27" (GASB 68).

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

Changes in Net Position

	2017	2016
Revenues		
Program Revenues:		
Charges for services	\$ 15,660,944	\$ 15,922,052
Operating grants and contributions	3,550,018	4,453,697
Capital grants and contributions	2,763,982	4,564,468
General Revenues:		
Municipal income taxes	43,380,853	42,014,148
Property taxes	4,991,884	5,185,517
Other local taxes	682,693	628,145
Payments in lieu of taxes	726,140	490,529
Grants and entitlements not restricted to specific programs	2,264,634	4,789,030
Unrestricted investment earnings	581,993	488,385
Other	688,775	1,214,899
 Total Revenues	 75,291,916	 79,750,870
 Expenses		
General government	11,323,070	9,367,082
Police	16,903,833	16,427,987
Fire	15,295,734	15,126,018
Streets and highways	22,720,873	18,817,008
Parks, recreation and public facilities	10,239,656	10,285,152
Economic and community development	3,908,087	3,447,472
Engineering and building	2,649,925	2,356,039
Interest and fiscal charges	835,607	1,032,166
 Total Expenses	 83,876,785	 76,858,924
 Increases (Decreases) in net position	 (8,584,869)	 2,891,946
 Net position at beginning of year	 \$ 146,949,263	 \$ 144,057,317
 Net position at end of year	 \$ 138,364,394	 \$ 146,949,263

The decrease in net position of \$8.6 million in 2017 is a result of higher expenses in most functional areas, particularly General government due to IT and new phone system expenditures and Streets and highways which had more large road projects in 2017, and lower program revenues for both operating and capital grants and contributions and lower general revenues for grants and entitlements not restricted to specific programs and other revenues with more revenue from collections of municipal income taxes.

The increase in net position of \$2.9 million in 2016 is a result of higher expenses in most functional areas, and higher program revenues and general revenues. Charges for services in Program Revenues and all categories in Expenses were higher by approximately \$5 million in 2016 as a result of the City's establishment of a Self Insurance Fund for medical insurance. Grant Revenues were received on a some very large road projects in 2016.

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, 2017, the City's governmental funds reported combined ending fund balances of \$39.1 million, an increase of \$3.2 million from the prior year. The unassigned amount of \$19.2 million is available for spending at the City's discretion. The remainder of the combined fund balances is not available for general spending because it has already been 1) assigned (\$6.1 million), 2) committed (\$1.7 million), 3) restricted (\$11.3 million), or nonspendable (\$0.9 million).

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

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

The General Fund is the chief operating fund of the City. At December 31, 2017, the unassigned fund balance of the General Fund was \$21.7 million. As a measure of the General Fund's liquidity, it is useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents 38.2 percent of total General Fund expenditures at December 31, 2017.

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

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

Years Ended December 31, 2017 and December 31, 2016

	<u>2017</u>	<u>2016</u>
Revenues:		
Property taxes	\$ 1,032,230	\$ 515,495
Municipal income taxes	42,862,290	40,647,970
Intergovernmental	1,851,778	1,829,805
Charges for services	6,415,069	6,384,459
Fines and forfeitures	874,765	910,878
Licenses, permits and inspections	1,655,456	1,748,650
Investment income	527,441	445,151
Donations and other	<u>337,491</u>	<u>1,000,199</u>
 Total Revenues	 <u>55,556,520</u>	 <u>53,482,607</u>
 Expenditures:		
General government	8,492,214	7,460,785
Police	13,077,002	13,068,614
Fire	10,557,410	10,491,325
Streets and highways	8,645,402	8,317,221
Parks, recreation and public facilities	7,394,808	7,474,782
Economic and community development	3,363,595	3,056,318
Engineering and building	2,011,498	1,855,919
Capital outlay	811,210	1,683,376
Debt service - principal retirement and other charges	<u>2,539,743</u>	<u>44,153</u>
 Total Expenditures	 <u>56,892,882</u>	 <u>53,452,493</u>
 Excess of revenues over expenditures	 (1,336,362)	 30,114
 Other financing sources (uses):		
Issuance of Notes	2,500,000	2,500,000
Transfers in	-	25,043
Transfers out	<u>(1,195,106)</u>	<u>(1,321,264)</u>
 Total other financing sources (uses)	 <u>1,304,894</u>	 <u>1,203,779</u>
 Net change in fund balance	 (31,468)	 1,233,893
 Fund balance at beginning of year	 30,165,509	 29,222,794
 Change in inventory	 <u>(91,271)</u>	 <u>(291,178)</u>
 Fund balance at end of year	 <u>\$ 30,042,770</u>	 <u>\$ 30,165,509</u>

Analysis of General Fund Revenues

General Fund revenues totaled \$55.6 million in 2017, an increase of approximately 3.9% from 2016. 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>
2016	\$ 1,378,653	\$ 49,670	\$ 1,428,323
2017	\$ 1,382,528	\$ 52,948	\$ 1,435,476

Property tax revenues increased by approximately 100.0% in 2017 principally due to reallocating 0.4 mills of available inside millage to the general fund from the general obligation bond retirement fund.

Municipal Income Taxes

Ohio law authorizes a municipal income tax on both business income (net profits from the operation of a business or profession) and employee wages, salaries, and other compensation at a rate of up to 1% without voter authorization and at a rate above 1% with voter authorization. The charter of the City of Mentor requires voter approval of any tax on income. On March 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 \$2.2 million in 2017 versus the comparable amount in 2016 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 1.2% in 2017 primarily due to a slight increase in state shared grant revenues.

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

Pursuant to the Ohio Revised Code, State LGF revenues are divided into county and municipal portions. The county portion, the larger of the two, is distributed to each of the State’s 88 counties and is allocated based upon a statutory formula utilizing county population and county municipal property values. Once received by a county, the funds can either be distributed to all subdivisions using the statutory formula or the county and its subdivisions may agree upon an alternate method for allocating the funds. Lake County and its recipient communities have chosen the latter method, which is comprised of a base allocation and an excess allocation. The excess allocation takes into account such factors as assessed value per capita, per capita income, population density and the number of individuals receiving public assistance. The municipal portion of the LGF is distributed directly by the State to those municipalities that collect an income tax. A municipality receives its share of the funds based upon its percentage of total municipal income taxes collected throughout the state in a given year. In 2017, the City had LGF revenue of \$1.6 million.

Charges for Services

Revenue from charges for services increased by \$30,610, approximately 0.5% in 2017 mostly due to sales of cemetery lots.

Licenses, Permits and Inspections

Revenue from licenses, permits and inspections decreased by \$93,194, approximately 5.3% in 2017 primarily due to less revenue from new subdivision testing fees.

Investment Income

Investment income in 2017 was \$527,441, up from \$445,151 in 2016. The change was due to the following three factors. The City had an average of \$34.8 million invested during 2017 versus \$37.4 million in 2016, which decreased investment income by about \$40,000. Secondly, a higher effective yield on the portfolio of about 0.39% during 2017 caused an increase of about \$130,000. Finally, the incremental change in the fair market value of the City’s corporate bond funds caused the remaining decrease of \$8,000.

Donations and Other

Revenue from donations and other decreased by \$662,708 during 2017, primarily due to less revenue received from the sale of assets.

Analysis of General Fund Expenditures

General Fund expenditures and other uses totaled \$58.1 million in 2017, an increase of 6.05% from 2016. The amount of expenditures and other uses by function on a modified accrual basis for the year ended December 31, 2017, including the increases (decreases) over the prior year, are shown in the following table:

Expenditures and Other Uses	2017	Total	2016	Total	Increase (Decrease) Over 2016	Change
	(\$ Amounts in 000's)					
Current:						
General Government	\$ 8,492	14.62%	\$ 7,461	13.62%	\$ 1,031	13.82%
Police	13,077	22.51%	13,069	23.86%	8	0.06%
Fire	10,557	18.18%	10,491	19.15%	66	0.63%
Streets and highways	8,645	14.88%	8,317	15.19%	328	3.94%
Parks, recreation and public facilities	7,395	12.73%	7,475	13.65%	(80)	-1.07%
Economic and community development	3,364	5.79%	3,056	5.58%	308	10.08%
Engineering and building	2,012	3.46%	1,856	3.39%	156	8.41%
Capital outlay	811	1.40%	1,684	3.07%	(873)	-51.84%
Debt Service - principal retirement	2,540	4.37%	44	0.08%	2,496	5672.73%
Transfers out	<u>1,195</u>	<u>2.06%</u>	<u>1,321</u>	<u>2.41%</u>	<u>(126)</u>	<u>-9.54%</u>
Total expenditures and other financing uses	<u>\$ 58,088</u>	<u>100.00%</u>	<u>\$ 54,774</u>	<u>100.00%</u>	<u>\$ 3,314</u>	<u>6.05%</u>

General government expenditures were higher as a result of major investment in a new city-wide phone system and information technology.

The Streets and highways and Engineering and building expenditures were higher because of more spending on sidewalk and drainage projects in 2017. Expenditures for the function of Economic and community development increased because of higher recorded expenditures for economic incentive grants during 2017.

Capital outlay decreased as a result of less capital improvement requirements throughout the Parks Department.

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

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

Employee Compensation and Labor Relations

As of December 31, 2017 and 2016, the City had approximately 344 and 339 full-time employees, respectively. As of December 31, 2017, approximately 221 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 – 60, the Ohio Patrolmen's Benevolent Assn., representing three units – 93, and the International Assn. of Firefighters Local 1845 – 68.

There have been no work stoppages in the City within the last 20 years. The current three-year agreements with the labor unions, which represent the full-time employees, all expire in March 2020. The agreement covering the part-time firefighters expires in 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>
2017	\$ 28,080,801
2016	\$ 27,744,660

Employee Retirement Benefits

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

These two retirement systems are:

- Ohio Public Employees Retirement System (OPERS), created in 1935, represents state and local government employees not included in one of the other four state-mandated systems. More data on this pension fund is shown in Notes 13 and 14 of the financial statements.
- Ohio Police and Fire Pension Fund (OP&F), created in 1966, represents sworn personnel, not civilians, employed in police and fire divisions of Ohio's local governments. All of the City's full-time police and fire officers are members of this pension fund. More data on this pension fund is shown in Notes 13 and 14 of the financial statements.

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

	<u>2017</u>	<u>2016</u>
	(in thousands)	
Paid by City to		
OPERS	\$ 2,087	\$ 2,047
OP&F	<u>2,937</u>	<u>2,886</u>
Total paid by City	<u>5,024</u>	<u>4,933</u>
Paid by Employees to		
OPERS	1,548	1,463
OP&F	<u>1,719</u>	<u>1,638</u>
Total paid by Employees	<u>3,267</u>	<u>3,101</u>
Total	<u>\$ 8,291</u>	<u>\$ 8,034</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 \$13.2 million, a 19.9 percent increase in appropriations. The budget for general fund expenditures was increased as a result of underestimating original appropriations due to the following:

- Various capital project funds and grant funds required temporary cash advances from the General Fund. (Roadway infrastructure projects - \$5,400,000; various grants and other - \$4,200,000). The General Fund will be reimbursed next year from revenue to be received from outside funding sources for advances that were not repaid in 2017.
- Various capital project funds required cash transfers from the General Fund in order to close out roadway infrastructure projects - \$900,000; expenditures were necessary for the purchase of land at Springbrook Gardens Park - \$2,500,000; various other general government - \$200,000.

The difference between the original and final amended budget for the City's General Fund revenues, including advances in, was an increase of \$11.2 million, an increase of 19.2 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 \$2.2 million from the previous year.
- Advances in to the General Fund were \$3.5 million higher than anticipated. Temporary cash advances are issued from the general fund for various projects and then must be returned to the General Fund.
- Bond anticipation notes were issued for \$2.5 million. The notes were not included in the original revenue estimate for 2017.

The difference between the final amended budget and actual expenditures for the City's General Fund expenditures was a positive \$5.0 million. The following functions reported favorable material variances (rounded to the nearest \$100,000):

- General government – The Finance Department incurred less expenditures for tax collection agency fees and claims (\$300,000); City Council and the Municipal Court incurred less expenditures for operational costs (\$300,000); City Manager and Legal Department incurred less operational costs (\$300,000); Contingency for emergency expenditures were not used (\$500,000).
- Police – Employee compensation and benefits were under budget primarily because of unfilled positions during the year, (\$400,000); and operational costs were less than budgeted (\$100,000).
- Fire – Employee compensation and benefits were under budget primarily because of unfilled positions during the year, (\$400,000); and operational costs were less than budgeted (\$200,000).
- Streets and Highways – Employee compensation and benefits were under budget primarily because of unfilled positions during the year (\$400,000); and less expenditures for maintenance and repair of certain infrastructure projects (\$300,000).
- Parks, recreation and public facilities – Employee compensation and benefits were under budget primarily because of unfilled positions during the year (\$500,000); and less expenditures for maintenance and repairs on facilities throughout the City (\$500,000).
- Economic and community development – Employee compensation and benefits were under budget primarily because of partially unfilled positions during the year (\$100,000); and less expenditures for economic incentive grants (\$100,000).
- Engineering and Building – Employee compensation and benefits were under budget primarily because of unfilled positions during the year (\$200,000); 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, 2017 equaled \$168.3 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, equipment, infrastructure, and construction in progress. The total decrease in the City's investment in capital assets in 2017 was 1.0 percent. A summary of the City's capital assets at December 31, 2017 and December 31, 2016 is as follows:

	Balance January 1, 2017	Debt Issued	Debt Retired	Balance December 31, 2017
		(in thousands)		
General Obligation Bonds	\$ 16,075	\$ 4,545	\$ (4,380)	\$ 16,240
Special Assessment Bonds	7,760	375	(1,030)	7,105
Unamortized Premium on Debt	130	92	(14)	208
OWDA/OPWC Loans	469	150	(46)	573
Notes Payable	<u>3,015</u>	<u>7,235</u>	<u>(3,015)</u>	<u>7,235</u>
Total Government Activities	<u>\$ 27,449</u>	<u>\$ 12,397</u>	<u>\$ (8,485)</u>	<u>\$ 31,361</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 \$2.2 million in 2017 which represented 62% 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 38% 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, 2017 was:

Net General Bonded Debt	\$ 22,532,332
Ratio of Net Bonded Debt to Assessed Valuation	1.57%
Net General Bonded Debt Per Capita	\$ 480.42

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 \$150,725,002 and unvoted debt limit (5.5 percent) is

\$78,951,192. These debt limitations are not expected to affect the financing of any currently planned facilities or services.

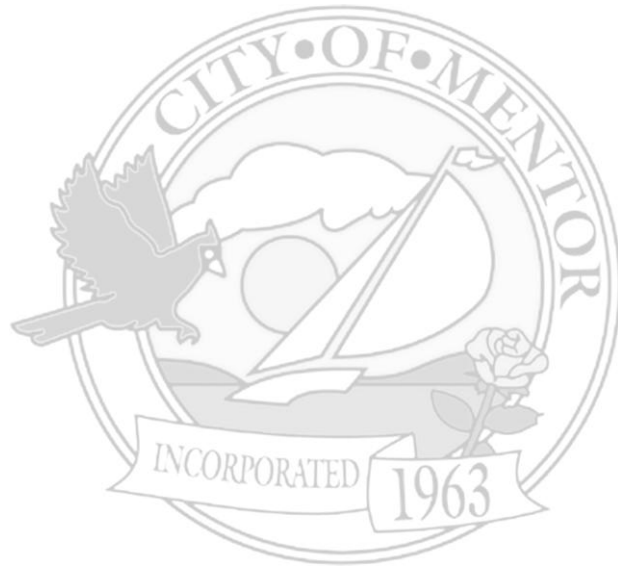
Additional information on the City's long-term debt can be found in Note 7 to the financial statements.

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

On a cash basis the City's general fund budget for 2018 projects a year-end unencumbered balance of \$6.1 million. This includes estimated income tax collections of \$40.6 million which is less than the record year actual 2017 collections. For the four months through April 30, 2017, income tax collections were up 8.2% from the comparable 2017 period. The general fund unencumbered balance at April 30, 2018 was \$9.3 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, 2017

ASSETS

Cash and investments	\$ 36,403,948
Receivables, net of allowance for doubtful accounts	26,032,001
Due from other governments	3,319,498
Inventory	593,564
Prepaid items	918,080
Net Pension Asset	22,987
Land held for resale	677,521
Nondepreciable capital assets	74,830,417
Depreciable capital assets, net of accumulated depreciation	93,430,607
Total assets	236,228,623

DEFERRED OUTFLOWS OF RESOURCES

Deferred charge on refunding	83,842
Pension	16,579,500
Total deferred outflows of resources	16,663,342

LIABILITIES

Accounts payable and accrued liabilities	4,839,405
Deposits	536,321
Notes Payable	265,000
Long-term obligations:	
Due within one year	2,349,050
Due in more than one year:	
Net Pension Liability	63,941,436
Other Amounts	35,646,130
Total liabilities	107,577,342

DEFERRED INFLOWS OF RESOURCES

Property tax	4,698,580
PILOT	941,593
Pension	1,310,056
Total deferred inflows of resources	6,950,229

NET POSITION

Net investment in capital assets	136,899,308
Restricted for:	
Debt service	11,868,132
Capital projects	4,367,153
Streets and public safety	7,091,103
Unrestricted	(21,861,302)
Total net position	\$ 138,364,394

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

CITY OF MENTOR, OHIO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

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	\$ 11,323,070	\$ 2,704,324	\$ 70,607	\$ -	\$ (8,548,139)
Police	16,903,833	1,771,577	232,639	-	(14,899,617)
Fire	15,295,734	2,724,188	104,189	-	(12,467,357)
Streets and highways	22,720,873	2,064,896	2,585,613	2,763,982	(15,306,382)
Parks, recreation and public facilities	10,239,656	4,946,887	424,561	-	(4,868,208)
Economic and community development	3,908,087	304,604	132,409	-	(3,471,074)
Engineering and building	2,649,925	1,144,468	-	-	(1,505,457)
Interest and fiscal charges	835,607	-	-	-	(835,607)
Total governmental activities	<u>\$ 83,876,785</u>	<u>\$ 15,660,944</u>	<u>\$ 3,550,018</u>	<u>\$ 2,763,982</u>	<u>\$ (61,901,841)</u>
General revenues:					
Municipal income taxes					43,380,853
Property taxes levied for:					
General purpose					984,273
Special revenue					1,817,622
Debt service					2,189,989
Other local taxes					682,693
Payments in Lieu of Taxes					726,140
Grants and Entitlements not Restricted to Specific Programs					2,264,634
Unrestricted investment earnings					581,993
Other					688,775
Total general revenues					<u>53,316,972</u>
Changes in net position					(8,584,869)
Net position at beginning of year					146,949,263
Net position at end of year					<u>\$ 138,364,394</u>

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

CITY OF MENTOR, OHIO
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2017

	General	Special Assessment Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 11,908,234	\$ 18,353	\$ 20,812,228	\$ 32,738,815
Receivables, net	11,958,486	10,238,821	3,834,694	26,032,001
Due from other funds	11,615,617	-	263,320	11,878,937
Due from other governments	760,015	-	2,559,483	3,319,498
Inventory	593,564	-	-	593,564
Prepaid items	291,089	-	875	291,964
Land held for resale	-	677,521	-	677,521
Total Assets	<u>37,127,005</u>	<u>10,934,695</u>	<u>27,470,600</u>	<u>75,532,300</u>
Liabilities				
Accounts payable	\$ 505,859	\$ -	\$ 719,341	\$ 1,225,200
Accrued payroll and employee benefits	1,593,805	-	-	1,593,805
Accrued liabilities	6,465	-	-	6,465
Matured Compensated Absences	41,418	-	-	41,418
Construction, security and bid deposits	536,321	-	-	536,321
Due to other funds	-	12,513	11,866,424	11,878,937
Due to other governments	-	139,570	-	139,570
Notes payable	-	-	265,000	265,000
Total Liabilities	<u>2,683,868</u>	<u>152,083</u>	<u>12,850,765</u>	<u>15,686,716</u>
Deferred Inflows of Resources				
Property tax	988,448	-	3,710,132	4,698,580
PILOT	-	-	941,593	941,593
Unavailable Revenue - Delinquent property tax	30,764	-	42,823	73,587
Unavailable Revenue - Income tax	2,790,394	-	-	2,790,394
Unavailable Revenue - Intergovernmental revenue	-	-	32,940	32,940
Unavailable Revenue - Other	118,160	-	-	118,160
Unavailable Revenue - Shared revenue	472,601	-	933,261	1,405,862
Unavailable Revenue - Special assessments	-	10,638,331	15,813	10,654,144
Total Deferred Inflows of Resources	<u>4,400,367</u>	<u>10,638,331</u>	<u>5,676,562</u>	<u>20,715,260</u>
Fund Balances				
Nonspendable	884,653	-	875	885,528
Restricted	-	144,281	11,122,548	11,266,829
Committed	1,291,036	-	395,516	1,686,552
Assigned	6,119,744	-	-	6,119,744
Unassigned	21,747,337	-	(2,575,666)	19,171,671
Total Fund Balances	<u>30,042,770</u>	<u>144,281</u>	<u>8,943,273</u>	<u>39,130,324</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 37,127,005</u>	<u>\$ 10,934,695</u>	<u>\$ 27,470,600</u>	<u>\$ 75,532,300</u>

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

CITY OF MENTOR, OHIO

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017**

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

Total fund balances - governmental funds		\$ 39,130,324
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. (See note 6.)		168,261,024
An internal service fund is used by management to charge the cost of workers' compensation claims to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		(1,219,469)
An internal service fund is used by management to charge the cost of self-funded health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		1,506,590
The net pension liability/asset is not due and payable in the current period: therefore, the liability/asset and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	16,579,500	
Deferred Inflows - Pension	(1,310,056)	
Net Pension Liability/Asset	<u>(63,918,449)</u>	(48,649,005)
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	83,842	
Unavailable revenues	<u>15,075,087</u>	15,158,929
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds. (See note 7.)		
Long term obligations	(37,995,180)	
Internal service portion	3,865,000	
Accrued vacation	(1,626,199)	
Accrued interest	<u>(67,620)</u>	(35,823,999)
Net position of governmental activities		<u>\$ 138,364,394</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, 2017

	General	Special Assessment Bond Retirement	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 1,032,230	\$ -	\$ 4,039,418	\$ 5,071,648
Municipal income taxes	42,862,290	-	-	42,862,290
Other local taxes	-	-	679,093	679,093
Payments in Lieu of Taxes	-	-	726,140	726,140
Intergovernmental	1,851,778	-	6,590,855	8,442,633
Charges for services	6,415,069	-	79,830	6,494,899
Fines and forfeitures	874,765	-	325,875	1,200,640
Licenses, permits, and inspections	1,655,456	-	21,200	1,676,656
Special assessments	-	971,519	1,288,764	2,260,283
Investment income	527,441	-	54,552	581,993
Donations and other	337,491	-	193,905	531,396
Total revenues	<u>55,556,520</u>	<u>971,519</u>	<u>13,999,632</u>	<u>70,527,671</u>
EXPENDITURES				
Current:				
General government	8,492,214	39,668	369,301	8,901,183
Police	13,077,002	-	567,536	13,644,538
Fire	10,557,410	-	1,390,040	11,947,450
Streets and highways	8,645,402	-	6,128,784	14,774,186
Parks, recreation and public facilities	7,394,808	-	618,241	8,013,049
Economic and community development	3,363,595	-	169,970	3,533,565
Engineering and building	2,011,498	-	253,989	2,265,487
Capital outlay	811,210	-	6,095,878	6,907,088
Debt service:				
Principal retirement	2,531,323	664,601	2,601,250	5,797,174
Interest and fiscal charges	8,420	325,787	388,431	722,638
Bond Issuance Costs	-	-	114,670	114,670
Total expenditures	<u>56,892,882</u>	<u>1,030,056</u>	<u>18,698,090</u>	<u>76,621,028</u>
Excess (deficiency) of revenues over (under) expenditures	(1,336,362)	(58,537)	(4,698,458)	(6,093,357)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	2,250,000	2,250,000
Premium on bonds	-	3,400	89,151	92,551
OPWC loan proceeds	-	-	150,000	150,000
Bond refunding proceeds	-	375,000	2,295,000	2,670,000
Bond refund escrow payment	-	(375,000)	(2,249,533)	(2,624,533)
Issuance of Notes	2,500,000	-	4,735,000	7,235,000
Transfers in	-	-	1,316,288	1,316,288
Transfers out	(1,195,106)	-	(471,182)	(1,666,288)
Total other financing sources (uses)	<u>1,304,894</u>	<u>3,400</u>	<u>8,114,724</u>	<u>9,423,018</u>
NET CHANGE IN FUND BALANCES	(31,468)	(55,137)	3,416,266	3,329,661
FUND BALANCES AT BEGINNING OF YEAR	30,165,509	199,418	5,527,007	35,891,934
CHANGE IN INVENTORY	(91,271)	-	-	(91,271)
FUND BALANCES AT END OF YEAR	<u>\$ 30,042,770</u>	<u>\$ 144,281</u>	<u>\$ 8,943,273</u>	<u>\$ 39,130,324</u>

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

CITY OF MENTOR, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES OF GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 2017

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

Net change in fund balances - total governmental funds \$ 3,329,661

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

Capital asset additions	\$ 3,604,992	
Current year depreciation	<u>(5,206,746)</u>	(1,601,754)

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. (54,069)

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	438,799	
Intergovernmental	(425,209)	
Special Assessment	(357,795)	
Other	<u>(48,929)</u>	(393,134)

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. (3,974,283)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 4,740,782

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (9,924,519)

The internal service fund used by management to charge the cost of workers' compensation claims to individual funds is not reported in entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. 126,166

The internal service fund used by management to charge the cost of self insured health care claims to individual funds is not reported in entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. (69,203)

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. (764,516)

Changes in net position of governmental activities \$ (8,584,869)

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

CITY OF MENTOR, OHIO

GENERAL FUND

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

(NON-GAAP BUDGETARY BASIS)

For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:				
Property taxes	\$ 1,101,000	\$ 1,601,000	\$ 1,032,230	\$ (568,770)
Municipal income tax	39,000,000	42,203,500	42,203,505	5
Intergovernmental	1,590,500	1,984,194	1,928,152	(56,042)
Charges for services	5,959,800	6,598,442	6,415,069	(183,373)
Fines and forfeitures	945,100	1,027,932	854,670	(173,262)
Licenses, permits and inspections	1,484,000	1,712,452	1,667,101	(45,351)
Investment income	400,000	470,000	519,371	49,371
Other	166,900	293,238	305,278	12,040
Total revenues	<u>50,647,300</u>	<u>55,890,758</u>	<u>54,925,376</u>	<u>(965,382)</u>
EXPENDITURES:				
Function:				
General government	9,181,373	9,393,355	8,016,405	1,376,950
Police	12,378,363	12,380,274	11,702,898	677,376
Fire	9,978,025	9,978,025	9,453,179	524,846
Streets and highways	9,427,540	9,173,361	8,455,972	717,389
Parks, recreation and public facilities	8,031,267	8,221,894	7,251,661	970,233
Economic and community development	6,243,470	6,243,469	6,035,951	207,518
Engineering and building	2,528,768	2,513,257	2,067,143	446,114
Debt Service:				
Principal retirement	100,000	2,600,000	2,531,323	68,677
Interest and other expenditures	-	25,000	25,000	-
Total expenditures	<u>57,868,806</u>	<u>60,528,635</u>	<u>55,539,532</u>	<u>4,989,103</u>
Excess (deficiency) of revenues over expenditures	(7,221,506)	(4,637,877)	(614,156)	4,023,721
OTHER FINANCING SOURCES (USES):				
Advances in	8,000,000	11,500,000	11,475,932	(24,068)
Advances out	(2,800,000)	(12,410,487)	(12,410,487)	-
Transfers out	(5,594,454)	(6,494,454)	(6,494,215)	239
Issuance of Notes	-	2,500,000	2,500,000	-
Total other financing sources (uses)	<u>(394,454)</u>	<u>(4,904,941)</u>	<u>(4,928,770)</u>	<u>(23,829)</u>
NET CHANGE IN FUND BALANCE	(7,615,960)	(9,542,818)	(5,542,926)	3,999,892
Adjustment for prior year encumbrances	4,141,698	4,141,698	4,141,698	-
FUND BALANCES, BEGINNING OF YEAR	<u>6,392,362</u>	<u>6,392,362</u>	<u>6,392,362</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,918,100</u>	<u>\$ 991,242</u>	<u>\$ 4,991,134</u>	<u>\$ 3,999,892</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, 2017

	Governmental Activities
	Internal Service Funds
ASSETS	
Current assets:	
Cash and investments	\$ 3,665,133
Prepaid Items	626,116
Total assets	<u>4,291,249</u>
LIABILITIES	
Current liabilities:	
Claims payable	139,128
Employee benefits payable	85,831
Noncurrent liabilities:	
Employee benefits payable	3,779,169
Total liabilities	<u>4,004,128</u>
NET POSITION	
Unrestricted	287,121
Total net position	<u>\$ 287,121</u>

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

CITY OF MENTOR, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2017

	Governmental Activities
	Internal Service Funds
OPERATING REVENUES:	
Charges for services	\$ 5,000,000
Donations and other	208,676
Total operating revenues	<u>5,208,676</u>
OPERATING EXPENSES:	
Employee benefits	<u>5,501,713</u>
Total operating expenses	<u>5,501,713</u>
Net loss from operations	(293,037)
Transfer in	350,000
CHANGE IN NET POSITION	56,963
NET POSITION AT BEGINNING OF YEAR	<u>230,158</u>
NET POSITION AT END OF YEAR	<u>\$ 287,121</u>

The notes to the 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, 2017

	Governmental Activities
	Internal Service Funds
Cash flows from operating activities:	
Charges for services	\$ 5,000,000
Donations and other	208,676
Payments to vendors	(5,374,640)
Net cash used for operating activities	<u>(165,964)</u>
Transfer in	350,000
Net Increase in cash and cash equivalents	184,036
Cash and cash equivalents at beginning of year	3,481,097
Cash and cash equivalents at end of year	<u>\$ 3,665,133</u>
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	(\$293,037)
Changes in assets and liabilities:	
(Increase) decrease in prepaid assets	(23,111)
Increase (decrease) in accrued employee benefits	150,184
Total adjustments	<u>127,073</u>
Net cash used for operating activities	<u>\$ (165,964)</u>

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

CITY OF MENTOR, OHIO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2017

	CEMETERY BEQUEST and ENDOWMENT PRIVATE-PURPOSE TRUST FUND	MUNICIPAL COURT AGENCY FUND
	<hr/>	<hr/>
ASSETS		
Cash	\$ 22,501	\$ 113,279
	<hr/>	<hr/>
LIABILITIES		
Deposits held and due to others	-	113,279
Total liabilities	-	113,279
	<hr/>	<hr/>
NET POSITION		
Held in trust for decoration of specific graves	\$ 22,501	\$ -
	<hr/>	<hr/>

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

CITY OF MENTOR, OHIO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2017

	CEMETERY BEQUEST and ENDOWMENT PRIVATE- PURPOSE TRUST FUND
	<hr/>
ADDITIONS	
Investment Income	\$ 356
Total additions	<hr/> 356 <hr/>
DEDUCTIONS	
General expenses	307
Total deductions	<hr/> 307 <hr/>
Change in net position	49
Net position - beginning of year	<hr/> 22,452 <hr/>
Net position - end of year	<hr/> \$ 22,501 <hr/> <hr/>

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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

NOTE 1 – DESCRIPTION OF CITY OPERATIONS AND REPORTING ENTITY

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

Reporting Entity: The accompanying financial statements as of December 31, 2017 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, 2017

Basic Financial Statements:

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

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

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

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

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

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

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

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

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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

funds which are Internal Service Funds for Workers' Compensation and Self Insurance. Operating revenues within those funds are generated directly from the General Fund as Charges for Services. Operating expenses are the payment of premiums and claims which are the primary purposes of the funds.

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

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

B. Financial reporting presentation

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

GOVERNMENTAL FUNDS

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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

may be used for purposes that support the reporting government's programs. During 2017, 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 2017, 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 2017, the City did not utilize any such trust funds.

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

C. Measurement focus and basis of accounting

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

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

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. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance. These budgetary documents are subject to amendment

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

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, 2017, 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 2017 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, 2017

<u>Net Change in Fund Balance</u>	
Budget Basis	\$ (5,542,926)
Adjustments:	
Revenue accruals	299,823
Advances in	(11,475,932)
Advances out	12,410,487
Expenditure accruals	93,269
Funds with separate legally adopted budget	(56,633)
Encumbrances	<u>4,240,444</u>
GAAP Basis	<u>\$ (31,468)</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, 2017, the City's commitments for encumbrances in the governmental funds were as follows:

	Encumbrances <u>Outstanding</u>
General	\$ 4,240,444
Nonmajor funds	<u>11,676,725</u>
Total	<u>\$ 15,917,169</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, 2017

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.

Prepaids: Payments made to vendors for services that will benefit periods beyond December 31, 2017, 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
Buildings and improvements	20-40
Equipment	5-20
Infrastructure	25-50

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

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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

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.

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

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

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

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

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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

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 are presented below:

Fund Balances	General	Special Assessment Bond Retirement	Other Governmental Funds	Total
<i>Nonspendable</i>				
Inventories	\$ 593,564	\$ -	\$ -	\$ 593,564
Prepaid items	291,089	-	875	291,964
<i>Total Nonspendable</i>	884,653	-	875	885,528
<i>Restricted for</i>				
Land held for resale	-	144,281	-	144,281
Parks and recreation	-	-	615,435	615,435
Safety forces	-	-	1,707,895	1,707,895
Streets and highways	-	-	5,472,452	5,472,452
Economic development	-	-	2,303,312	2,303,312
Debt service	-	-	942,668	942,668
Issue II	-	-	80,786	80,786
<i>Total Restricted</i>	-	144,281	11,122,548	11,266,829
<i>Committed to</i>				
Payroll stabilization	1,291,036	-	-	1,291,036
Parks and recreation	-	-	319,178	319,178
Street trees	-	-	76,338	76,338
<i>Total Committed</i>	1,291,036	-	395,516	1,686,552
<i>Assigned to</i>				
Parks and recreation	94,851	-	-	94,851
Planned 2018 appropriations	2,008,917	-	-	2,008,917
Encumbrances	4,015,976	-	-	4,015,976
<i>Total Assigned</i>	6,119,744	-	-	6,119,744
<i>Unassigned (Deficit)</i>	21,747,337	-	(2,575,666)	19,171,671
Total Fund Balances	\$ 30,042,770	\$ 144,281	\$ 8,943,273	\$ 39,130,324

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

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

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, pension and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance year 2018 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, 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 are reported on the government-wide statement of net position. (See Note 13)

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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

F. Recently Issued Accounting Pronouncements

During the year, the City implemented the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The implementation of GASB Statement No. 74 did not have an effect on the financial statements of the City.

GASB Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the City.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The object of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the City.

GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on City's beginning net position.

NOTE 3 - DEPOSITS AND INVESTMENTS

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

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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio and any of its taxing subdivisions;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that the investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio). No derivative, securities, or investment "pools" with the exception of STAROhio are permitted. STAROhio is an investment pool professionally managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. The fund follows all state statutes from the Ohio Revised Code under the Uniform Depository Act. The fund is audited by the State of Ohio to ensure compliance with these laws;
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed three million dollars face amount invested in the acceptances of any one bank at any time; and,
8. Under limited circumstances, consistent with the City's investment policy, three mutual funds which invest in corporate and GNMA bonds: Vanguard Short-Term Corporate Fund, Vanguard Intermediate-Term Corporate Fund, and Vanguard GNMA Fund.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

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, 2017.

At year-end, the carrying amount of the City's deposits including certificates of deposit was \$4,976,057 and the bank balance was \$6,618,056. Of the bank balance, \$750,000 was covered by Federal depository insurance and \$5,868,056 was uninsured. Of the remaining uninsured bank balance, \$5,868,056 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 following identify the City's recurring fair value measurement as of December 31, 2017. As previously discussed Star Ohio is reported at its net asset value. All other investments of the City are valued using quoted market prices (Level 1 and 2 inputs).

CITY OF MENTOR, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

As of December 31, 2017, the City had the following investments:

	Measurement Value	Maturity		
		Less than 1 year	1 to 2 years	Greater than 2 years
Vanguard Short-Term Corporate Bond Fund	\$ 3,021,320	\$ -	\$ 3,021,320	\$ -
Vanguard Intermediate-Term Corporate Bond Fund	4,132,147	-	-	4,132,147
Vanguard GNMA Fund	5,040,255	-	-	5,040,255
STAROhio	19,369,949	19,369,949	-	-
Total Portfolio	<u>\$ 31,563,671</u>	<u>\$ 19,369,949</u>	<u>\$ 3,021,320</u>	<u>\$ 9,172,402</u>

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

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

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

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.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

The following is the City's allocation as of December 31, 2017; Vanguard Short-Term Corporate Bond Fund – 9.6%, Vanguard Intermediate Term Corporate Bond Fund – 13.1%, Vanguard GNMA Fund – 16.0%, and STAROhio – 61.3%.

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

<i>Government-Wide Financial Statements</i>	
Cash and investments	\$ 36,403,948
<i>Fund Financial Statements</i>	
Cash and investments	\$ 32,738,815
<i>Proprietary Fund Financial Statements</i>	
Cash and investments	3,665,133
<i>Statement of Fiduciary Net Position</i>	
Cash	135,780
Total	\$ 36,539,728

NOTE 4 – RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables consist of the following at December 31, 2017:

	Income Taxes	Property Taxes	Special Assess- ments	Other	Gross Receivables	Allowance for uncol- lectibles	Net
Governmental Activities							
Governmental Funds							
General Fund	\$ 10,603,367	\$ 1,047,679	\$ -	\$ 335,907	\$ 11,986,953	\$ (28,467)	\$ 11,958,486
Special Assessment Bond Retirement Fund	-	-	10,239,445	-	10,239,445	(624)	10,238,821
Other Governmental Funds	-	3,872,397	15,813	65,926	3,954,136	(119,442)	3,834,694
Total Receivables	\$ 10,603,367	\$ 4,920,076	\$ 10,255,258	\$ 401,833	\$ 26,180,534	\$ (148,533)	\$ 26,032,001

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.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

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	\$ 988,448	\$ 1,019,212
Income tax receivable	-	2,790,394
Cable TV franchise fees	-	118,160
State shared revenue receivable	-	472,601
Total general fund	<u>988,448</u>	<u>4,400,367</u>
Special Assessment Bond Retirement Fund:		
Special assessment receivable	<u>-</u>	<u>10,638,331</u>
Other Governmental Funds:		
Property tax receivable	3,710,132	3,752,955
Special assessment receivable	-	15,813
State shared revenue receivable	-	933,261
Intergovernmental revenue receivable	-	32,940
Payments in lieu of taxes receivable	<u>941,593</u>	<u>941,593</u>
Total other governmental funds	<u>4,651,725</u>	<u>5,676,562</u>
Total deferred inflows of resources	<u>\$ 5,640,173</u>	<u>\$ 20,715,260</u>

NOTE 5 – MUNICIPAL COURT

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

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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

NOTE 6 – CAPITAL ASSETS

Capital Asset Activity: Capital asset activity for the year ended December 31, 2017 was as follows:

	<u>Balance December 31, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2017</u>
	(Amounts in 000's)			
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 65,438	\$ 636	\$ -	\$ 66,074
Construction in progress	13,876	3,338	(8,458)	8,756
Total capital assets, not being depreciated	<u>79,314</u>	<u>3,974</u>	<u>(8,458)</u>	<u>74,830</u>
Capital assets, being depreciated:				
Land improvements	7,728	-	-	7,728
Buildings and improvements	42,827	2,815	-	45,642
Equipment	24,732	1,837	(54)	26,515
Infrastructure	119,713	3,434	-	123,147
Cost	<u>195,000</u>	<u>8,086</u>	<u>(54)</u>	<u>203,032</u>
Less accumulated depreciation for:				
Land improvements	(6,476)	(133)	-	(6,609)
Buildings and improvements	(24,998)	(1,085)	-	(26,083)
Equipment	(17,211)	(1,428)	3	(18,636)
Infrastructure	(55,712)	(2,561)	-	(58,273)
Total accumulated depreciation	<u>(104,397)</u>	<u>(5,207)</u>	<u>3</u>	<u>(109,601)</u>
Total accumulated assets being depreciated, net	<u>90,603</u>	<u>2,879</u>	<u>(51)</u>	<u>93,431</u>
Capital Assets, net	<u>\$ 169,917</u>	<u>\$ 6,853</u>	<u>\$ (8,509)</u>	<u>\$ 168,261</u>

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

	<u>(Amounts in 000's)</u>
Governmental Activities:	
General government	\$ 161
Police	461
Fire	625
Streets and highways	2,972
Parks, recreation and public facilities	984
Economic and community development	2
Engineering and building	2
	<u>2</u>
Total depreciation expense charged to governmental activities	<u>\$ 5,207</u>

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

NOTE 7 – DEBT

A. Short Term Obligations

Changes in the City's note activity for the year ended December 31, 2017 were as follows:

	Balance January 1, 2017	Additions	(Reductions)	Balance December 31, 2017
2016 Various Improvement - 2.0%	\$ 1,700,000		\$(1,700,000)	\$ -
2017 Various Purpose - 2.25%	-	265,000	-	265,000
Total Notes Payable	<u>\$ 1,700,000</u>	<u>\$ 265,000</u>	<u>\$(1,700,000)</u>	<u>\$ 265,000</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.

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, 2017 is as follows:

	Balance January 1, 2017	Additions	(Reductions)	Balance December 31, 2017	Due Within One Year
Governmental Activities					
General Obligation Bonds due through 2037 2% to 5%	\$ 16,075,000	\$ 4,545,000	\$ (4,380,000)	\$ 16,240,000	\$ 1,155,000
Special Assessment Bonds due through 2029, 2% to 7.15%	7,760,000	375,000	(1,030,000)	7,105,000	685,000
Unamortized Premium on Debt	129,834	92,551	(14,138)	208,247	-
Other obligations:					
Compensated absences	2,158,317	922,819	(312,672)	2,768,464	373,102
Claims and judgements	3,713,000	921,785	(769,785)	3,865,000	85,831
Notes Payable	3,015,000	7,235,000	(3,015,000)	7,235,000	-
OWDA and OPWC loans	469,393	150,000	(45,924)	573,469	50,117
Net Pension Liability:					
OPERS	19,498,199	5,089,212	-	24,587,411	-
OP&F	40,958,957	-	(1,604,932)	39,354,025	-
Total Debt and Long-Term Obligations	<u>\$ 93,777,700</u>	<u>\$ 19,331,367</u>	<u>\$(11,172,451)</u>	<u>\$ 101,936,616</u>	<u>\$ 2,349,050</u>

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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

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. See Note 16 for additional information.

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 insubstance debt defeasance and the bonds were removed from the City's government wide financial statements. The as result of the advance refunding the City had an economic gain of \$45,467.

In a prior year, the City defeased a bond issue by creating a separate irrevocable trust fund. New debt was issued and the proceeds were used to purchase U.S. government securities that were placed in the trust fund. The investments and earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. The outstanding balance is \$3,255,000 on December 31, 2017.

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, 2017 is \$143,346. The City also made principal payments on its five existing Ohio Public Works Commission 20 year, 0% loans during 2017. The Chillicothe Road Widening & Resurfacing loan, the Hopkins Road Bridge development loan, the Kellogg Creek Culvert Improvement loan, the Stoneybrook Culvert Improvement loan, and the SR306 Concrete Repair loan have outstanding December 31, 2017 principal amounts of \$12,675, \$176,729, \$20,471, \$37,500 and \$36,498 respectively. During 2017, the City finalized a \$150,000 20 year, 0% interest loan through the Ohio Public Works Commission for the Murray Avenue Storm Sewer Improvement. The outstanding principal amount on that loan is \$146,250 on December 31, 2017.

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 penion liability are generally liquidated by the fund where the corresponding employee's salary and pension expenditure is recorded. See Note 13 for further information regarding net pension liability.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

Bonds payable at December 31, 2017 are comprised of the following issues:

	Amount of Original Issuance	Bonds Outstanding December 31, 2017
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	185,000
2011 Various Purpose Bonds due in annual installments ranging from \$175,000 to \$270,000 through 2030 plus interest rates varying between 2.0% and 3.375%	4,355,000	3,135,000
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	8,375,000
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>4,545,000</u>	<u>4,545,000</u>
Total general obligation bonds	<u>22,335,000</u>	<u>16,240,000</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	1,705,000
2008 Street Improvement Bonds due in annual installments ranging from \$225,000 to \$570,000 through 2028, plus interest at rates varying between 3.0% to 4.55%	7,505,000	5,000,000
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>375,000</u>
Total special assessment bonds	<u>13,320,000</u>	<u>7,105,000</u>
Total bonds	<u>\$ 35,655,000</u>	<u>\$ 23,345,000</u>

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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

The following is a summary of the City's future debt service requirements as of December 31, 2017:

Year Ending December 31	Governmental Activities						
	General Obligation Bonds		Special Assessment Bonds		OWDA and OPWC Loans		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2018	\$ 1,155,000	\$ 500,733	\$ 685,000	\$ 319,308	\$ 50,117	\$ 4,188	\$ 2,714,346
2019	995,000	467,625	700,000	275,010	50,571	3,734	2,491,940
2020	1,200,000	347,150	765,000	245,485	51,039	3,265	2,611,939
2021	1,215,000	322,000	795,000	213,180	51,522	2,783	2,599,485
2022	1,220,000	296,500	840,000	178,853	52,019	2,286	2,589,658
2023-2027	5,420,000	1,084,875	2,670,000	495,720	220,213	3,864	9,894,672
2028-2032	3,320,000	510,306	650,000	28,935	59,940	-	4,569,181
2033-2037	1,715,000	125,856	-	-	38,048	-	1,878,904
	<u>\$ 16,240,000</u>	<u>\$ 3,655,045</u>	<u>\$ 7,105,000</u>	<u>\$ 1,756,491</u>	<u>\$ 573,469</u>	<u>\$ 20,120</u>	<u>\$ 29,350,125</u>

Under the Ohio Revised Code, at December 31, 2017, the City legally could issue approximately \$55.5 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, 2017, there was one series of industrial revenue bonds outstanding. The aggregate principal amount payable for the series was \$0.100 million. The City also acts as a conduit for the Lake County Communities Energy Special Improvement District. As of December 31, 2017 there was one special assessed bond series outstanding with an aggregate principal amount payable of \$2.415 million.

NOTE 8 – COMPLIANCE AND ACCOUNTABILITY

At December 31, 2017, the Internal Service Fund – Workers Compensation, and the Capital Projects Funds – Amphitheater, Two Town Detention Basin, Murray Avenue Storm, Heisley Road Improvement Phase III, SR306 Resurfacing, US20 Widening and Resurfacing, and SR84 Resurfacing had deficit fund balances of \$1,219,469, \$1,862,425, \$93,906, \$57,537, \$18,092, \$28,632, \$148,642, and \$366,432, respectively. All deficits will be eliminated through transfers or the receipt of grant and bond proceeds during 2018. No other funds had deficit balances as of December 31, 2017.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

NOTE 9 – RISK MANAGEMENT

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

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

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

The City's financial activity relating to its self-insured risk is accounted for in the General Fund. Changes in the estimated claims payable for self-insured risk (vehicle collision claims) during the years ended December 31, 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>
Estimated claims payable, January 1	\$ -	\$ -
Current year claims and changes in estimates	43,020	38,540
Claim payments	<u>(43,020)</u>	<u>(38,540)</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 2017. There was no significant decrease in any insurance coverages in 2017. In addition, there were no insurance settlements in excess of insurance coverage during the past three fiscal years.

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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

The claims liability of \$3,865,000 reported in the fund at December 31, 2017, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claim, be reported. Changes in the fund's claims liability amount in 2016 and 2017 were as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2016	\$ 4,383,000	\$ 47,322	\$ 717,322	\$ 3,713,000
2017	3,713,000	921,785	769,785	3,865,000

In 2016, the City established a formal self-insurance program for its employer provided medical coverage to its employees. Previously, coverage was provided through commercial insurance provided by two different insurers. Activity is accounted for in the Self-Insurance Internal Service Fund, which is responsible for collecting all claims and fees, and other transactions affecting net position. Changes in the fund's claims liability amount in 2016 and 2017 were as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2016	\$ -	\$ 4,010,242	\$ 3,869,298	\$ 140,944
2017	140,944	5,068,827	5,070,643	139,128

NOTE 10 – CONTINGENCIES

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

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

NOTE 11 – INTERFUND TRANSACTIONS AND BALANCES

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

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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

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

For the year ended December 31, 2017 transfers (\$471,182 related to debt, \$299,963 related to grants, and \$545,144 related to fund closeouts) consisted of the following:

	Transfers Out	Transfers In		
		Total	Other Governmental Funds	Workers Compensation Fund
Governmental Funds:				
General	\$ (1,195,106)	\$ -	\$ -	\$ -
Other governmental	(471,182)	1,316,288	-	1,316,288
Workers Compensation Fund	-	-	350,000	350,000
Total	\$ (1,666,288)	\$ 1,316,288	\$ 350,000	\$ 1,666,288

Interfund balances: Interfund balances at December 31, 2017 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, 2017 are as follows:

	Receivable Fund	Payable Fund		
		Special Assessment Bond Retirement Fund	Other Governmental Funds	Total
Governmental Funds:				
General	\$ 11,615,617	\$ -	\$ -	\$ -
Special Assessment Bond Retirement	-	12,513	-	12,513
General Obligation Bond Retirement	258,197	-	-	-
Other governmental	5,123	-	11,866,424	11,866,424
Total	\$ 11,878,937	\$ 12,513	\$ 11,866,424	\$ 11,878,937

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

NOTE 12 – TAXES

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

Property Taxes – Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property (other than public utility) in one calendar year are levied in October of the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued by appraisal every six years and, three years after each revaluation, all property values are reviewed and revised, as necessary, as part of a triennial update based on recent sales of properties. The last revaluation was completed in 2015. Real property taxes are payable annually or semi-annually. If paid annually, payment is due February 19; if paid semiannually, the first payment is due January 20, with the remainder payable July 17. In certain instances, State statute permits earlier or later payment dates to be established.

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

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

The assessed value upon which the 2016 levy (collected in 2017) was approximately \$1.4 billion. Ohio law limits unvoted property taxation, combined for all overlapping taxing authorities, to 10 mills. The City's current share of the unvoted property tax is 3 mills of assessed value, and the City's total property tax levy, including all voted levies is 4.50 mills of assessed value.

NOTE 13 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

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 within 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 COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

	State and Local
2017 Statutory Maximum Contribution Rates	
Employer	14.0%
Employee	10.0%
2016 Actual Contribution Rates	
Employer:	
Pension	13.0%
Post employment Health Care Benefits	<u>1.0%</u>
Total Employer	<u>14.0%</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions was \$1,869,741 for 2017. Of this amount, \$40,669 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 (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available finance report that includes financial and required supplementary information and detailed information about OPF fiduciary net position. The report may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors. Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

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

	<u>Police</u>	<u>Firefighters</u>
2017 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2017 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	12.25%	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$2,871,041 for 2017. Of this amount, \$55,343 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, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OPF Police	OPF Fire	Total
Proportion of the Net Pension Liability/Asset					
Prior Measurement Date	0.112568%	0.04287%	0.3104294%	0.3262644%	
Proportion of the Net Pension Liability/Asset					
Prior Measurement Date	0.108275%	0.04130%	0.3006210%	0.3207028%	
Change in Proportionate Share	<u>-0.004293%</u>	<u>-0.00157%</u>	<u>-0.0098084%</u>	<u>-0.0055616%</u>	
Proportionate Share of the Net Pension					
Liability/(Asset)	\$24,587,411	-\$22,987	\$19,041,032	\$20,312,993	\$63,918,449
Pension Expense	\$5,091,082	\$16,221	\$2,338,900	\$2,478,316	\$9,924,519

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OPF Police	OPF Fire	Total
Deferred Outflows of Resources				
Net difference between projected and actual earnings on pension plan investments	\$ 3,667,241	\$ 1,851,657	\$ 1,975,351	\$ 7,494,249
Differences between expected and actual experience	33,327	5,387	5,746	44,460
Changes of assumptions	3,905,463	0	0	3,905,463
Changes in proportion and differences between City contributions and proportionate share of contributions	61,010	303,178	30,358	394,546
City contributions subsequent to the measurement date	<u>1,869,741</u>	<u>1,374,227</u>	<u>1,496,814</u>	<u>4,740,782</u>
Total Deferred Outflows of Resources	<u>\$ 9,536,782</u>	<u>\$ 3,534,449</u>	<u>\$ 3,508,269</u>	<u>\$ 16,579,500</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$ 158,088	\$ 43,841	\$ 46,769	\$ 248,698
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>366,918</u>	<u>443,158</u>	<u>251,282</u>	<u>1,061,358</u>
Total Deferred Inflows of Resources	<u>\$ 525,006</u>	<u>\$ 486,999</u>	<u>\$ 298,051</u>	<u>\$ 1,310,056</u>

\$4,740,782 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

	<u>OPERS</u>	<u>OPF Police</u>	<u>OPF Fire</u>	<u>Total</u>
Year Ending December 31:				
2018	\$ 2,950,111	\$ 688,138	\$ 707,587	\$ 4,345,836
2019	3,016,521	688,138	707,588	4,412,247
2020	1,287,270	520,340	528,580	2,336,190
2021	(108,704)	(140,731)	(176,648)	(426,083)
2022	(1,165)	(74,081)	(48,887)	(124,133)
Thereafter	<u>(1,998)</u>	<u>(8,581)</u>	<u>(4,816)</u>	<u>(15,395)</u>
 Total	 <u>\$ 7,142,035</u>	 <u>\$ 1,673,223</u>	 <u>\$ 1,713,404</u>	 <u>\$ 10,528,662</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, 2016, 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 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% simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

The total pension asset in the December 31, 2016, 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% simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

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

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

period base of 2006 and then established the base year as 2015. For females, the 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 assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016. 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 investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3 percent for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

Asset Class	Target Allocation	Long Term Expected Weighted Average Long-Term Expected Rate of Return (Arithmetic)
Fixed Income	23.00%	2.75%
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other Investments	18.00	4.92
Total	<u>100.00%</u>	<u>5.66%</u>

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the 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 represents 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	\$ 37,562,763	\$ 24,587,411	\$ 13,774,746
Combined Plan	\$ 1,652	\$ (22,987)	\$ (42,128)

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimated of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

Valuation Date	January 1, 2016
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2016 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	0.00%		
Domestic Equity	16.00	4.46%	5.21%
Non-US Equity	16.00	4.66	5.4
Core Fixed Income*	20.00	1.67	2.37
Global Inflation Protected*	20.00	0.49	2.33
High Yield	15.00	3.33	4.48
Real Estate	12.00	4.71	5.65
Private Markets	8.00	7.31	7.99
Timber	5.00	6.87	6.87
Master Limited Partnerships	8.00	6.92	7.36
Total	<u>120.00%</u>		

* levered 2x

**numbers are net of expected inflation

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduced overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship

CITY OF MENTOR, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City’s proportionate share of the net pension liability	\$ 52,414,897	\$ 39,354,025	\$ 28,284,758

Changes Between Measurement Date and Report Date In October 2017, the OP&F Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8 percent. Although the exact amount of these changes is not known, it has the potential to impact the City’s net pension liability.

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit.

Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2014 CAFR for details. The Ohio Revised Code permits, but does not require, OPERS to provide healthcare to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, State and Local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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

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

The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. The City's approximated contributions which were used to fund health care were \$148,857 for 2017, \$293,825 for 2016, and \$293,376 for 2015. 92.4 percent was contributed in 2017 and the full amount has been contributed in 2016 and 2015. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2017 was 4.5%.

Ohio Police and Fire Pension Fund: The City of Mentor contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing, multiple employer defined post-employment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

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

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

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50 percent and 24.00 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50 percent of the covered payroll for police employer units and 24.00 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB plan.

OP&F maintains funds for health care in two separate accounts: one for health care benefits under an IRS Code Section 115 trust and the other for Medicare Part B reimbursements administered under the Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was .5 percent of covered payroll from January 1, 2017 thru December 31, 2017. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 115 and 401(h).

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

The City's contributions to OP&F's healthcare plan for the years ending December 31, 2017, 2016, and 2015, were \$36,055, \$35,909, and \$35,536, respectively, for police and \$31,769, \$31,125, and \$30,018, respectively, for firefighters. 92.8 percent was contributed in 2017 for fire, and 92.5 percent was contributed in 2017 for police. The full amount has been contributed in 2016 and 2015 for both fire and police.

Social Security: Effective in August of 1992, all newly hired part-time firefighters were no longer eligible to be members of the OPERS retirement system. The part-time firefighters hired after this time contribute to social security, with a contribution rate of 6.2 percent.

CITY OF MENTOR, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

NOTE 15 – TAX ABATEMENT DISCLOSURES

As of December 31, 2017, the City of Mentor provided tax incentives under two programs: The Community Reinvestment Area (CRA) and the Mentor Incentive Tax Credit program.

Real Estate tax abatements: Pursuant to Ohio Revised Code Chapter 3735.65-70, the City established its first Community Reinvestment Area in 1984 with amendments in 1987, 1988 and 2015. A second CRA was created in 1988 encompassing the area of the Great Lakes Mall. Both CRAs provide for administratively-approved applications for a five-year duration at 100%. A third CRA was created in 2010 under ORC 5709 for the Old Village area. City Council authorizes the property tax abatement through passage of a public ordinance, based upon each business' investment criteria, and through a contractual application process with each business including proof that the improvements have been made. The abatement equals an agreed-upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The establishment of the Community Reinvestment area gave the City the ability to maintain and expand businesses located in the City and created new jobs by abating assessed valuation of properties, from new or improved commercial or industrial real estate. The City of Mentor would contract with the Mentor Exempted School District for payments in lieu of taxes when required by Section 5709.82 of the Ohio Revised Code. The total amount of taxes abated (for the five-year period ending December 31, 2017) equals \$201,382.

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, 2017, the total amount of taxes abated through this program equaled \$634,000.

NOTE 16 – SUBSEQUENT EVENTS

In January 2018, the City issued \$9,805,000 of General Obligation Bonds for the purpose of financing certain capital and infrastructure improvements and to reimburse the City's general fund for \$2,500,000 expended in prior years for the cost of acquiring the real estate formerly known as Springbrook Gardens. The City does not anticipate issuing any additional debt in 2018 beyond the \$9,805,000.





REQUIRED SUPPLEMENTARY INFORMATION



CITY OF MENTOR, OHIO

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

Traditional Plan	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.108275%	0.112568%	11.116000%	11.116000%
City's Proportionate Share of the Net Pension Liability	\$24,587,411	\$19,498,199	\$13,407,139	\$13,104,316
City's Covered-Employee Payroll	\$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 Employee Payroll	175.67%	139.74%	98.05%	95.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%
Combined Plan	2017	2016	2015	2014
City's Proportion of the Net Pension (Asset)	0.041302%	0.042870%	0.032691%	0.032691%
City's Proportionate Share of the Net Pension (Asset)	(\$22,987)	(\$20,861)	(\$12,586)	(\$3,430)
City's Covered-Employee Payroll	\$160,767	\$155,375	\$120,400	\$98,846
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Employee Payroll	14.30%	13.43%	10.45%	3.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	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.

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 FOUR YEARS**

Police	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.3006210%	0.3104294%	0.3016210%	0.3016210%
City's Proportionate Share of the Net Pension Liability	\$19,041,032	\$19,970,139	\$15,625,226	\$14,689,889
City's Covered-Employee Payroll	\$7,217,895	\$7,135,279	\$6,643,853	\$8,102,149
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	263.80%	279.88%	235.18%	181.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	71.71%	73.00%
Fire	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.3207028%	0.3262644%	0.3253824%	0.3253824%
City's Proportionate Share of the Net Pension Liability	\$20,312,993	\$20,988,818	\$16,856,165	\$15,847,144
City's Covered-Employee Payroll	\$6,266,813	\$5,975,817	\$5,822,255	\$6,798,497
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	324.14%	351.23%	289.51%	233.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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.

CITY OF MENTOR, OHIO

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Contractually Required Contributions</u>					
Traditional Plan	1,844,578	1,679,565	1,674,414	1,640,804	1,776,077
Combined Plan	<u>25,162</u>	<u>19,292</u>	<u>18,645</u>	<u>14,448</u>	<u>12,850</u>
Total Required Contributions	\$1,869,740	\$1,698,857	\$1,693,059	\$1,655,252	\$1,788,927
Contributions in Relation to the Contractually Required Contribution	<u>(\$1,869,740)</u>	<u>(\$1,698,857)</u>	<u>(\$1,693,059)</u>	<u>(\$1,655,252)</u>	<u>(\$1,788,927)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>City's Covered-Employee Payroll</u>					
Traditional Plan	\$14,189,062	\$13,996,375	\$13,953,450	\$13,673,367	\$13,662,131
Combined Plan	\$193,554	\$160,767	\$155,375	\$120,400	\$98,846
<u>Pension Contributions as a Percentage of Covered-Employee Payroll</u>					
Traditional Plan	13.00%	12.00%	12.00%	12.00%	13.00%
Combined Plan	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.

CITY OF MENTOR, OHIO

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Contractually Required Contributions</u>										
Police	\$1,374,227	\$1,371,400	\$1,355,703	\$1,262,332	\$1,274,468	\$814,932	\$786,098	\$795,207	\$792,956	\$769,956
Fire	\$1,496,814	\$1,472,701	\$1,404,317	\$1,368,230	\$1,375,336	\$1,023,405	\$970,230	\$995,264	\$999,343	\$978,578
Total Required Contributions	\$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	\$1,748,534
Contributions in Relation to the Contractually Required Contribution	<u>(\$2,871,041)</u>	<u>(\$2,844,101)</u>	<u>(\$2,760,020)</u>	<u>(\$2,630,562)</u>	<u>(\$2,649,804)</u>	<u>(\$1,838,337)</u>	<u>(\$1,756,328)</u>	<u>(\$1,790,471)</u>	<u>(\$1,792,299)</u>	<u>(\$1,748,534)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>City's Covered-Employee Payroll</u>										
Police	\$7,232,774	\$7,217,895	\$7,135,279	\$6,643,853	\$8,102,149	\$6,391,624	\$6,165,475	\$6,236,918	\$6,219,263	\$6,038,871
Fire	\$6,369,421	\$6,266,813	\$5,975,817	\$5,822,255	\$6,798,497	\$5,932,783	\$5,624,522	\$5,769,646	\$5,793,293	\$5,672,916
<u>Pension Contributions as a Percentage of Covered- Employee Payroll</u>										
Police	19.00%	19.00%	19.00%	19.00%	[1]	12.75%	12.75%	12.75%	12.75%	12.75%
Fire	23.50%	23.50%	23.50%	23.50%	[1]	17.25%	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.

CITY OF MENTOR, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED DECEMBER 31, 2017

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2017.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. 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 remales (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.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2017.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. See the notes to the basic financial statements for the methods and assumptions in this calculation.





SUPPLEMENTARY INFORMATION



CITY OF MENTOR, OHIO
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Property taxes	\$ 1,601,000	\$ 1,032,230	\$ (568,770)
Municipal income tax	42,203,500	42,203,505	5
Intergovernmental	1,984,194	1,928,152	(56,042)
Charges for services	6,598,442	6,415,069	(183,373)
Fines and forfeitures	1,027,932	854,670	(173,262)
Licenses, permits and inspections	1,712,452	1,667,101	(45,351)
Investment income	470,000	519,371	49,371
Other	293,238	305,278	12,040
Total revenues	<u>55,890,758</u>	<u>54,925,376</u>	<u>(965,382)</u>
EXPENDITURES:			
GENERAL GOVERNMENT:			
Council:			
Employee compensation	168,805	157,403	11,402
Other	162,836	77,313	85,523
Total council	<u>331,641</u>	<u>234,716</u>	<u>96,925</u>
Court:			
Employee compensation	907,239	770,465	136,774
Other	284,891	226,847	58,044
Total court	<u>1,192,130</u>	<u>997,312</u>	<u>194,818</u>
City manager:			
Employee compensation	1,327,795	1,327,794	1
Other	2,367,483	2,121,010	246,473
Total city manager	<u>3,695,278</u>	<u>3,448,804</u>	<u>246,474</u>
Finance:			
Employee compensation	659,830	659,830	-
Other	1,866,701	1,536,119	330,582
Total finance	<u>2,526,531</u>	<u>2,195,949</u>	<u>330,582</u>
Legal:			
Employee compensation	396,406	390,650	5,756
Other	179,169	176,858	2,311
Total legal	<u>575,575</u>	<u>567,508</u>	<u>8,067</u>
Other	<u>1,072,200</u>	<u>572,116</u>	<u>500,084</u>
Total general government	<u>9,393,355</u>	<u>8,016,405</u>	<u>1,376,950</u>

Continued

CITY OF MENTOR, OHIO
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
POLICE:			
Employee compensation	\$ 9,435,835	\$ 9,134,237	\$ 301,598
Other	2,944,439	2,568,661	375,778
Total police	<u>12,380,274</u>	<u>11,702,898</u>	<u>677,376</u>
FIRE:			
Employee compensation	7,180,333	6,968,332	212,001
Other	2,797,692	2,484,847	312,845
Total fire	<u>9,978,025</u>	<u>9,453,179</u>	<u>524,846</u>
STREETS AND HIGHWAYS:			
Employee compensation	3,702,477	3,375,717	326,760
Other	5,470,884	5,080,255	390,629
Total streets and highways	<u>9,173,361</u>	<u>8,455,972</u>	<u>717,389</u>
PARKS, RECREATION AND PUBLIC FACILITIES:			
Employee compensation	3,812,201	3,403,716	408,485
Other	4,409,693	3,847,945	561,748
Total parks, recreation and public facilities	<u>8,221,894</u>	<u>7,251,661</u>	<u>970,233</u>
ECONOMIC AND COMMUNITY DEVELOPMENT:			
Employee compensation	1,023,106	917,083	106,023
Other	5,220,363	5,118,868	101,495
Total economic and community development	<u>6,243,469</u>	<u>6,035,951</u>	<u>207,518</u>
ENGINEERING AND BUILDING:			
Employee compensation	1,076,134	970,136	105,998
Other	1,437,123	1,097,007	340,116
Total engineering and building	<u>2,513,257</u>	<u>2,067,143</u>	<u>446,114</u>
DEBT SERVICE			
Other	2,625,000	2,556,323	68,677
Total expenditures	<u>60,528,635</u>	<u>55,539,532</u>	<u>4,989,103</u>
Excess (deficiency) of revenues over expenditures	(4,637,877)	(614,156)	4,023,721
OTHER FINANCING SOURCES (USES):			
Advances in	11,500,000	11,475,932	(24,068)
Advances out	(12,410,487)	(12,410,487)	-
Transfers out	(6,494,454)	(6,494,215)	239
Issuance of notes	2,500,000	2,500,000	-
Total other financing sources (uses)	<u>(4,904,941)</u>	<u>(4,928,770)</u>	<u>(23,829)</u>
NET CHANGE IN FUND BALANCE	(9,542,818)	(5,542,926)	3,999,892
Adjustment for prior year encumbrances	4,141,698	4,141,698	-
FUND BALANCES, BEGINNING OF YEAR	<u>6,392,362</u>	<u>6,392,362</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 991,242</u>	<u>\$ 4,991,134</u>	<u>\$ 3,999,892</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Special assessments	\$ 1,215,678	\$ 971,519	\$ (244,159)
EXPENDITURES:			
Debt service:			
Principal retirement	1,039,602	1,039,601	1
Interest and other charges	411,752	374,195	37,557
Total expenditures	<u>1,451,354</u>	<u>1,413,796</u>	<u>37,558</u>
NET CHANGE IN FUND BALANCE	(235,676)	(442,277)	(206,601)
OTHER FINANCING SOURCES:			
Bond premium	3,400	3,400	-
Bond refunding proceeds	383,740	383,740	-
Total other financing sources	<u>387,140</u>	<u>387,140</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	151,464	(55,137)	(206,601)
Adjustment for prior year encumbrances	-	-	-
FUND BALANCES, BEGINNING OF YEAR	<u>73,490</u>	<u>73,490</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 224,954</u>	<u>\$ 18,353</u>	<u>\$ (206,601)</u>

CITY OF MENTOR, OHIO NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

SPECIAL REVENUE FUNDS (Continued)

Court Computer Fund	To accumulate fees collected for computerization of the Mentor Municipal Court.
Court Special Projects Fund	To accumulate filing fees collected for special projects of the Mentor Municipal Court.
Enforcement and Education Fund	To account for fines received from the Mentor Municipal Court to be used by the Mentor Police Department to cover costs incurred in enforcing DUI laws and educating the public regarding such laws.
Court Probation Services Fund	To accumulate probation fees collected for the operation of Mentor Municipal Court's Probation Department.
Indigent Driver Alcohol Treatment Fund	To account for fines and fees received from the Mentor Municipal Court and the Ohio Department of Alcohol and Drug Addiction Services for the purpose of providing indigent drivers with alcohol and/or drug treatment.
Indigent Driver Alcohol Monitoring Fund	To account for fines and fees received from the Mentor Municipal Court and the Ohio Department of Alcohol and Drug Addiction Services for the purpose of providing indigent drivers with alcohol and/or drug monitoring devices.
Law Enforcement Trust Fund	To account for monies received from the seizure and sale of contraband and property used in criminal activity.
Payroll Stabilization Fund	To account for the accumulation of resources for termination benefits and for the payment of salaries during any fiscal year when the number of pay periods exceeds the usual and customary number of pay periods. This fund is combined with General Fund on a GAAP basis as a result of the implementation of GASB-S54.
Police Canine Fund	To account for monies received for the Police Department's canine unit.
Seat Belt Grant Fund	To account for monies received from the Ohio Department of Highway Safety for the encouragement of seat belt use.
VOCA Victims Assistance Grant Fund	To account for monies received from the Crime Victims Assistance Office to assist victims of crime.
CDBG NSP Fund	To account for monies received from the U.S. Department of Housing and Urban Development for neighborhood stabilization.
Community Development Block Grant Fund	To account for monies received from the U.S. Department of Housing and Urban Development for various community development block grant programs.

SPECIAL REVENUE FUNDS (Continued)

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

DEBT SERVICE FUNDS

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

CAPITAL PROJECT FUNDS

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

CAPITAL PROJECT FUNDS (Continued)

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.
Roosevelt Culvert Fund	To account for the financing of replacing the existing culvert at Roosevelt Avenue South of Jackson Street.
Rice Detention Basin Fund	To account for the financing of the construction of a detention basin at the former Rice Elementary School property to reduce flooding for residential property.
Jackson Street Resurfacing Fund	To account for the financing of resurfacing of Jackson Street from Heisley Road to Mentor Avenue.
Murray Avenue Storm Sewer Improvement Fund	To account for the financing of storm sewer improvements on Murray Avenue from Forestview Avenue to US20 including a portion of Forestview Avenue.
Marigold Road Fund	To account for the financing of the reconstruction and/or rehabilitation for failing Marigold Road in the Headlands Area.
State Grants – Other Fund	To account for the financing of various small state grants.
Heisley Road Improvement – Phase III Fund	To account for the financing of the widening of Heisley Road to four through lanes between Jackson Street and Mentor Avenue.
Newell Creek Bikeway Fund	To account for the financing of a bike path system north of the Norton Parkway.
I90/SR615 Interchange Fund	To account for the financing of an enhancement of the I90/SR615 interchange as part of the City Gateway project.
SR 306 Resurfacing Fund	To account for the financing of resurfacing SR306 between SR84 and SR283.
US 20 Widening and Resurfacing Fund	To account for the financing of widening and resurfacing US20 from SR615 to just east of the intersection at Hart Street.
SR 84 Resurfacing Fund	To account for the resurfacing of SR84 between SR306 and SR615.
Federal Grants – Other Fund	To account for the financing of various small federal grants.

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2017

	Special Revenue Funds			
	<u>Street</u>	<u>TIF</u>	<u>Police Pension</u>	<u>Fire Pension</u>
Assets				
Cash and investments	\$ 1,524,345	\$ 2,143,994	\$ 27,287	\$ 27,287
Receivables, net	-		372,146	372,146
Due from other funds	-	-	-	-
Due from other governments	1,102,332	941,593	22,516	22,516
Prepaid items	-	-	-	-
Total Assets	<u>2,626,677</u>	<u>3,085,587</u>	<u>421,949</u>	<u>421,949</u>
Liabilities				
Accounts payable	\$ 101,160	\$ 54,918	\$ -	\$ -
Due to other funds	1,300,000	226,197	-	-
Notes payable	-		-	-
Total Liabilities	<u>1,401,160</u>	<u>281,115</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Property tax	-	-	367,877	367,877
PILOT	-	941,593	-	-
Unavailable Revenue:				
Delinquent property tax	-	-	4,269	4,269
Intergovernmental revenue	-	-	-	-
Shared revenue	709,043	-	22,516	22,516
Special assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>709,043</u>	<u>941,593</u>	<u>394,662</u>	<u>394,662</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	516,474	1,862,879	27,287	27,287
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>516,474</u>	<u>1,862,879</u>	<u>27,287</u>	<u>27,287</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,626,677</u>	<u>\$ 3,085,587</u>	<u>\$ 421,949</u>	<u>\$ 421,949</u>

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2017

	Special Revenue Funds			
	<u>Fire Levy</u>	<u>Senior Citizens Services Levy</u>	<u>Community Recreation Facilities</u>	<u>Cemetery</u>
Assets				
Cash and investments	\$ 428,562	\$ 335,684	\$ 306,110	\$ 225,085
Receivables, net	1,021,619	-	51,918	-
Due from other funds	2,271	-	-	-
Due from other governments	52,001	57,804	-	-
Prepaid items	-	-	-	-
Total Assets	<u>1,504,453</u>	<u>393,488</u>	<u>358,028</u>	<u>225,085</u>
Liabilities				
Accounts payable	\$ -	\$ 5,840	\$ 35,250	\$ -
Due to other funds	-	-	-	-
Notes payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>5,840</u>	<u>35,250</u>	<u>-</u>
Deferred Inflows of Resources				
Property tax	1,012,372	-	-	-
PILOT	-	-	-	-
Unavailable Revenue:				
Delinquent property tax	11,518	-	-	-
Intergovernmental revenue	-	-	-	-
Shared revenue	52,001	-	3,600	-
Special assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>1,075,891</u>	<u>-</u>	<u>3,600</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	428,562	387,648	-	225,085
Committed	-	-	319,178	-
Unassigned	-	-	-	-
Total Fund Balances	<u>428,562</u>	<u>387,648</u>	<u>319,178</u>	<u>225,085</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,504,453</u>	<u>\$ 393,488</u>	<u>\$ 358,028</u>	<u>\$ 225,085</u>

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2017

	Special Revenue Funds			
	Economic Development	Subdivision Street Tree	Street Lighting	Court Computer
Assets				
Cash and investments	\$ 72,533	\$ 76,338	\$ 928,928	\$ 96,749
Receivables, net	-	-	12,961	4,045
Due from other funds	-	-	2,852	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	875
Total Assets	<u>72,533</u>	<u>76,338</u>	<u>944,741</u>	<u>101,669</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	185,000	-
Notes payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>185,000</u>	<u>-</u>
Deferred Inflows of Resources				
Property tax	-	-	-	-
PILOT	-	-	-	-
Unavailable Revenue:				
Delinquent property tax	-	-	-	-
Intergovernmental revenue	-	-	-	-
Shared revenue	-	-	-	-
Special assessments	-	-	15,813	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>15,813</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	875
Restricted	72,533	-	743,928	100,794
Committed	-	76,338	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>72,533</u>	<u>76,338</u>	<u>743,928</u>	<u>101,669</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 72,533</u>	<u>\$ 76,338</u>	<u>\$ 944,741</u>	<u>\$ 101,669</u>

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2017

	Special Revenue Funds			
	Court Special Projects	Enforcement and Education	Court Probation Services	Indigent Driver Alcohol Treatment
Assets				
Cash and investments	\$ 324,394	\$ 14,367	\$ 111,628	\$ 64,108
Receivables, net	8,090	197	4,002	1,065
Due from other funds	-	-	-	-
Due from other governments	-	-	-	3,500
Prepaid items	-	-	-	-
Total Assets	<u>332,484</u>	<u>14,564</u>	<u>115,630</u>	<u>68,673</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Notes payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Property tax	-	-	-	-
PILOT	-	-	-	-
Unavailable Revenue:				
Delinquent property tax	-	-	-	-
Intergovernmental revenue	-	-	-	-
Shared revenue	-	-	-	3,500
Special assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,500</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	332,484	14,564	115,630	65,173
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>332,484</u>	<u>14,564</u>	<u>115,630</u>	<u>65,173</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 332,484</u>	<u>\$ 14,564</u>	<u>\$ 115,630</u>	<u>\$ 68,673</u>

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2017

	Special Revenue Funds			
	Indigent Driver Alcohol Monitoring	Law Enforcement Trust	Police Canine	Seat Belt Grant
Assets				
Cash and investments	\$ 120,687	\$ 104,237	\$ 12,948	\$ 6,295
Receivables, net	635	1,097	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	-
Total Assets	<u>121,322</u>	<u>105,334</u>	<u>12,948</u>	<u>6,295</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Notes payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Property tax	-	-	-	-
PILOT	-	-	-	-
Unavailable Revenue:				
Delinquent property tax	-	-	-	-
Intergovernmental revenue	-	-	-	-
Shared revenue	-	-	-	-
Special assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	121,322	105,334	12,948	6,295
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>121,322</u>	<u>105,334</u>	<u>12,948</u>	<u>6,295</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 121,322</u>	<u>\$ 105,334</u>	<u>\$ 12,948</u>	<u>\$ 6,295</u>

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2017

	Special Revenue Funds		
	VOCA Victims Assistance Grant	CDBG NSP	Community Development Block Grant
Assets			
Cash and investments	\$ 63,092	\$ 367,900	\$ 214,557
Receivables, net	-	-	-
Due from other funds	-	-	-
Due from other governments	3,288	-	443
Prepaid items	-	-	-
Total Assets	<u>66,380</u>	<u>367,900</u>	<u>215,000</u>
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	49,451	-	215,000
Notes payable	-	-	-
Total Liabilities	<u>49,451</u>	<u>-</u>	<u>215,000</u>
Deferred Inflows of Resources			
Property tax	-	-	-
PILOT	-	-	-
Unavailable Revenue:			
Delinquent property tax	-	-	-
Intergovernmental revenue	-	-	-
Shared revenue	-	-	-
Special assessments	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	16,929	367,900	-
Committed	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>16,929</u>	<u>367,900</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 66,380</u>	<u>\$ 367,900</u>	<u>\$ 215,000</u>

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2017

	Special Revenue Funds			
	Forfeited Property - U.S. Department of Justice	Council Donation	Police Donation	Fire Donation
Assets				
Cash and investments	\$ 268,117	\$ 301	\$ 17,358	\$ 874
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	-
Total Assets	<u>268,117</u>	<u>301</u>	<u>17,358</u>	<u>874</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Notes payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Property tax	-	-	-	-
PILOT	-	-	-	-
Unavailable Revenue:				
Delinquent property tax	-	-	-	-
Intergovernmental revenue	-	-	-	-
Shared revenue	-	-	-	-
Special assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	268,117	301	17,358	874
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>268,117</u>	<u>301</u>	<u>17,358</u>	<u>874</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 268,117</u>	<u>\$ 301</u>	<u>\$ 17,358</u>	<u>\$ 874</u>

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2017

	<u>Special Revenue Funds</u>		<u>Total Special Revenue Funds</u>	<u>Debt Service Fund</u>
	<u>Parks and Recreation Donation</u>	<u>Local Grant</u>		<u>General Obligation Bond Retirement</u>
Assets				
Cash and investments	\$ 2,702	\$ 10,259	\$ 7,896,726	\$ 684,471
Receivables, net	-	-	1,849,921	1,984,773
Due from other funds	-	-	5,123	258,197
Due from other governments	-	-	2,205,993	120,085
Prepaid items	-	-	875	-
Total Assets	<u>2,702</u>	<u>10,259</u>	<u>11,958,638</u>	<u>3,047,526</u>
Liabilities				
Accounts payable	\$ -	\$ 5,000	202,168	\$ -
Due to other funds	-	-	1,975,648	-
Notes payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>5,000</u>	<u>2,177,816</u>	<u>-</u>
Deferred Inflows of Resources				
Property tax	-	-	1,748,126	1,962,006
PILOT	-	-	941,593	-
Unavailable Revenue:				
Delinquent property tax	-	-	20,056	22,767
Intergovernmental revenue	-	-	-	-
Shared revenue	-	-	813,176	120,085
Special assessments	-	-	15,813	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>3,538,764</u>	<u>2,104,858</u>
Fund Balances				
Nonspendable	-	-	875	-
Restricted	2,702	5,259	5,845,667	942,668
Committed	-	-	395,516	-
Unassigned	-	-	-	-
Total Fund Balances	<u>2,702</u>	<u>5,259</u>	<u>6,242,058</u>	<u>942,668</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,702</u>	<u>\$ 10,259</u>	<u>\$ 11,958,638</u>	<u>\$ 3,047,526</u>

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2017

	Capital Project Funds			
	Plaza Boulevard Extension	Amphitheater	Springbrook Park	Two Town Detention Basin
Assets				
Cash and investments	\$ 913,847	\$ 98,575	\$ 3,896,954	\$ 1,141,094
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	18,887	-	-	-
Prepaid items	-	-	-	-
Total Assets	<u>932,734</u>	<u>98,575</u>	<u>3,896,954</u>	<u>1,141,094</u>
Liabilities				
Accounts payable	\$ 101,958		\$ -	\$ -
Due to other funds	76,531	1,961,000	1,900,000	1,235,000
Notes payable	105,000	-	-	-
Total Liabilities	<u>283,489</u>	<u>1,961,000</u>	<u>1,900,000</u>	<u>1,235,000</u>
Deferred Inflows of Resources				
Property tax	-	-	-	-
PILOT	-	-	-	-
Unavailable Revenue:				
Delinquent property tax	-	-	-	-
Intergovernmental revenue	-	-	-	-
Shared revenue	-	-	-	-
Special assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	649,245	-	1,996,954	-
Committed	-	-	-	-
Unassigned	-	(1,862,425)	-	(93,906)
Total Fund Balances	<u>649,245</u>	<u>(1,862,425)</u>	<u>1,996,954</u>	<u>(93,906)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 932,734</u>	<u>\$ 98,575</u>	<u>\$ 3,896,954</u>	<u>\$ 1,141,094</u>

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2017

	Capital Project Funds			
	Roosevelt Culvert	Rice Detention Basin	Jackson Street	Murray Avenue Storm
Assets				
Cash and investments	\$ -	\$ 90,780	\$ -	\$ 47,463
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	-
Total Assets	<u>-</u>	<u>90,780</u>	<u>-</u>	<u>47,463</u>
Liabilities				
Accounts payable	\$ -	\$ 44,726	\$ -	\$ -
Due to other funds	-	-	-	75,000
Notes payable	-	-	-	30,000
Total Liabilities	<u>-</u>	<u>44,726</u>	<u>-</u>	<u>105,000</u>
Deferred Inflows of Resources				
Property tax	-	-	-	-
PILOT	-	-	-	-
Unavailable Revenue:				
Delinquent property tax	-	-	-	-
Intergovernmental revenue	-	-	-	-
Shared revenue	-	-	-	-
Special assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	46,054	-	-
Committed	-	-	-	-
Unassigned	-	-	-	(57,537)
Total Fund Balances	<u>-</u>	<u>46,054</u>	<u>-</u>	<u>(57,537)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ 90,780</u>	<u>\$ -</u>	<u>\$ 47,463</u>

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2017

	Capital Project Funds			
	<u>Marigold Road</u>	<u>State Grant - Other</u>	<u>Heisley Road Improvement- Phase III</u>	<u>Newell Creek Bikeway</u>
Assets				
Cash and investments	\$ 2,439,122	\$ 134,180	\$ 56,908	\$ -
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	15,636	-	-	-
Prepaid items	-	-	-	-
Total Assets	<u>2,454,758</u>	<u>134,180</u>	<u>56,908</u>	<u>-</u>
Liabilities				
Accounts payable	\$ 174,961	\$ -	\$ -	\$ -
Due to other funds	630,000	53,695	75,000	-
Notes payable	130,000	-	-	-
Total Liabilities	<u>934,961</u>	<u>53,695</u>	<u>75,000</u>	<u>-</u>
Deferred Inflows of Resources				
Property tax	-	-	-	-
PILOT	-	-	-	-
Unavailable Revenue:				
Delinquent property tax	-	-	-	-
Intergovernmental revenue	-	-	-	-
Shared revenue	-	-	-	-
Special assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	1,519,797	80,485	-	-
Committed	-	-	-	-
Unassigned	-	-	(18,092)	-
Total Fund Balances	<u>1,519,797</u>	<u>80,485</u>	<u>(18,092)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,454,758</u>	<u>\$ 134,180</u>	<u>\$ 56,908</u>	<u>\$ -</u>

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2017

	Capital Project Funds		
	I90/SR615 Interchange	SR306 Resurfacing	US20 Widening & Resurfacing
Assets			
Cash and investments	\$ -	\$ 3,368	\$ 2,428,439
Receivables, net	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	119,241
Prepaid items	-	-	-
Total Assets	<u>-</u>	<u>3,368</u>	<u>2,547,680</u>
Liabilities			
Accounts payable	\$ -	\$ -	\$ 113,382
Due to other funds	-	32,000	2,550,000
Notes payable	-	-	-
Total Liabilities	<u>-</u>	<u>32,000</u>	<u>2,663,382</u>
Deferred Inflows of Resources			
Property tax	-	-	-
PILOT	-	-	-
Unavailable Revenue:			
Delinquent property tax	-	-	-
Intergovernmental revenue	-	-	32,940
Shared revenue	-	-	-
Special assessments	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>32,940</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Unassigned	-	(28,632)	(148,642)
Total Fund Balances	<u>-</u>	<u>(28,632)</u>	<u>(148,642)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ 3,368</u>	<u>\$ 2,547,680</u>

Continued

CITY OF MENTOR, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2017

	<u>Capital Project Funds</u>			Total All Nonmajor Funds
	SR84 Resurfacing	Federal Grants- Other	Total Capital Project Funds	
Assets				
Cash and investments	\$ 931,863	\$ 48,438	\$ 12,231,031	\$ 20,812,228
Receivables, net	-	-	-	3,834,694
Due from other funds	-	-	-	263,320
Due from other governments	61,401	18,240	233,405	2,559,483
Prepaid items	-	-	-	875
Total Assets	<u>993,264</u>	<u>66,678</u>	<u>12,464,436</u>	<u>27,470,600</u>
Liabilities				
Accounts payable	\$ 82,146	\$ -	517,173	719,341
Due to other funds	1,277,550	25,000	9,890,776	11,866,424
Notes payable	-	-	265,000	265,000
Total Liabilities	<u>1,359,696</u>	<u>25,000</u>	<u>10,672,949</u>	<u>12,850,765</u>
Deferred Inflows of Resources				
Property tax	-	-	-	3,710,132
PILOT	-	-	-	941,593
Unavailable Revenue:				
Delinquent property tax	-	-	-	42,823
Intergovernmental revenue	-	-	32,940	32,940
Shared revenue	-	-	-	933,261
Special assessments	-	-	-	15,813
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>32,940</u>	<u>5,676,562</u>
Fund Balances				
Nonspendable	-	-	-	875
Restricted	-	41,678	4,334,213	11,122,548
Committed	-	-	-	395,516
Unassigned	(366,432)	-	(2,575,666)	(2,575,666)
Total Fund Balances	<u>(366,432)</u>	<u>41,678</u>	<u>1,758,547</u>	<u>8,943,273</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 993,264</u>	<u>\$ 66,678</u>	<u>\$ 12,464,436</u>	<u>\$ 27,470,600</u>

CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	<u>Special Revenue Funds</u>			
	<u>Street</u>	<u>TIF</u>	<u>Police Pension</u>	<u>Fire Pension</u>
REVENUES				
Property taxes	\$ -	\$ -	\$ 386,862	\$ 386,862
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	726,140	-	-
Intergovernmental	2,584,165	-	47,355	47,355
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	34,081	-	-	-
Donations and other	3,451	184,007	-	-
Total revenues	<u>2,621,697</u>	<u>910,147</u>	<u>434,217</u>	<u>434,217</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Police	-	-	443,799	-
Fire	-	-	-	443,799
Streets and highways	2,444,606	126,049	-	-
Parks, recreation and public facilities	-	-	-	-
Economic and community development	-	12,000	-	-
Engineering and building	66,244	38,122	-	-
Capital outlay	762,594	82,431	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Bond Issuance Costs	-	-	-	-
Total expenditures	<u>3,273,444</u>	<u>258,602</u>	<u>443,799</u>	<u>443,799</u>
Excess (deficiency) of revenues over (under) expenditures	(651,747)	651,545	(9,582)	(9,582)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Premium on bonds	-	-	-	-
OPWC loan proceeds	-	-	-	-
Bond refunding proceeds	-	-	-	-
Bond refund escrow payment	-	-	-	-
Issuance of Notes	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(26,666)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(26,666)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(651,747)	624,879	(9,582)	(9,582)
FUND BALANCES AT BEGINNING OF YEAR	<u>1,168,221</u>	<u>1,238,000</u>	<u>36,869</u>	<u>36,869</u>
FUND BALANCES AT END OF YEAR	<u>\$ 516,474</u>	<u>\$ 1,862,879</u>	<u>\$ 27,287</u>	<u>\$ 27,287</u>

Continued

CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	Special Revenue Funds			
	Fire Levy	Senior Citizens Services Levy	Community Recreation Facilities	Cemetery
REVENUES				
Property taxes	\$ 1,062,285	\$ -	\$ -	\$ -
Other local taxes	-	-	679,093	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	109,375	411,783	-	-
Charges for services	-	-	-	33,150
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>1,171,660</u>	<u>411,783</u>	<u>679,093</u>	<u>33,150</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	836,339	-	-	-
Streets and highways	-	-	-	-
Parks, recreation and public facilities	-	400,721	79,673	16,250
Economic and community development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay	274,921	89,014	81,141	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Bond Issuance Costs	-	-	-	-
Total expenditures	<u>1,111,260</u>	<u>489,735</u>	<u>160,814</u>	<u>16,250</u>
Excess (deficiency) of revenues over (under) expenditures	60,400	(77,952)	518,279	16,900
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Premium on bonds	-	-	-	-
OPWC loan proceeds	-	-	-	-
Bond refunding proceeds	-	-	-	-
Bond refund escrow payment	-	-	-	-
Issuance of Notes	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(350,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(350,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	60,400	(77,952)	168,279	16,900
FUND BALANCES AT BEGINNING OF YEAR	<u>368,162</u>	<u>465,600</u>	<u>150,899</u>	<u>208,185</u>
FUND BALANCES AT END OF YEAR	<u>\$ 428,562</u>	<u>\$ 387,648</u>	<u>\$ 319,178</u>	<u>\$ 225,085</u>

Continued

CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	Special Revenue Funds			
	Economic Development	Subdivision Street Tree	Street Lighting	Court Computer
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	46,680	-	-	-
Fines and forfeitures	-	-	-	58,452
Licenses, permits, and inspections	-	21,200	-	-
Special assessments	-	-	1,288,764	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>46,680</u>	<u>21,200</u>	<u>1,288,764</u>	<u>58,452</u>
EXPENDITURES				
Current:				
General government	-	-	2,884	69,665
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	-	-	1,249,367	-
Parks, recreation and public facilities	-	-	-	-
Economic and community development	25,561	-	-	-
Engineering and building	-	-	-	-
Capital outlay	-	-	437,320	7,946
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Bond Issuance Costs	-	-	-	-
Total expenditures	<u>25,561</u>	<u>-</u>	<u>1,689,571</u>	<u>77,611</u>
Excess (deficiency) of revenues over (under) expenditures	21,119	21,200	(400,807)	(19,159)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Premium on bonds	-	-	-	-
OPWC loan proceeds	-	-	-	-
Bond refunding proceeds	-	-	-	-
Bond refund escrow payment	-	-	-	-
Issuance of Notes	-	-	1,200,000	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,200,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	21,119	21,200	799,193	(19,159)
FUND BALANCES AT BEGINNING OF YEAR	<u>51,414</u>	<u>55,138</u>	<u>(55,265)</u>	<u>120,828</u>
FUND BALANCES AT END OF YEAR	<u>\$ 72,533</u>	<u>\$ 76,338</u>	<u>\$ 743,928</u>	<u>\$ 101,669</u>

Continued

CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	Special Revenue Funds			
	Court Special Projects	Enforcement and Education	Court Probation Services	Indigent Driver Alcohol Treatment
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	119,332	3,681	73,922	22,343
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>119,332</u>	<u>3,681</u>	<u>73,922</u>	<u>22,343</u>
EXPENDITURES				
Current:				
General government	5,812	-	98,148	19,050
Police	-	8,020	-	-
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks, recreation and public facilities	-	-	-	-
Economic and community development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Bond Issuance Costs	-	-	-	-
Total expenditures	<u>5,812</u>	<u>8,020</u>	<u>98,148</u>	<u>19,050</u>
Excess (deficiency) of revenues over (under) expenditures	113,520	(4,339)	(24,226)	3,293
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Premium on bonds	-	-	-	-
OPWC loan proceeds	-	-	-	-
Bond refunding proceeds	-	-	-	-
Bond refund escrow payment	-	-	-	-
Issuance of Notes	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(94,516)	-	-	-
Total other financing sources (uses)	<u>(94,516)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	19,004	(4,339)	(24,226)	3,293
FUND BALANCES AT BEGINNING OF YEAR	<u>313,480</u>	<u>18,903</u>	<u>139,856</u>	<u>61,880</u>
FUND BALANCES AT END OF YEAR	<u>\$ 332,484</u>	<u>\$ 14,564</u>	<u>\$ 115,630</u>	<u>\$ 65,173</u>

Continued

CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	Special Revenue Funds			
	Indigent Driver Alcohol Monitoring	Law Enforcement Trust	Police Canine	Seat Belt Grant
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	14,924	33,221	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	1,285	-
Total revenues	<u>14,924</u>	<u>33,221</u>	<u>1,285</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	10,514	-	-	-
Police	-	-	3,052	7
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks, recreation and public facilities	-	-	-	-
Economic and community development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Bond Issuance Costs	-	-	-	-
Total expenditures	<u>10,514</u>	<u>-</u>	<u>3,052</u>	<u>7</u>
Excess (deficiency) of revenues over (under) expenditures	4,410	33,221	(1,767)	(7)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Premium on bonds	-	-	-	-
OPWC loan proceeds	-	-	-	-
Bond refunding proceeds	-	-	-	-
Bond refund escrow payment	-	-	-	-
Issuance of Notes	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	4,410	33,221	(1,767)	(7)
FUND BALANCES AT BEGINNING OF YEAR	<u>116,912</u>	<u>72,113</u>	<u>14,715</u>	<u>6,302</u>
FUND BALANCES AT END OF YEAR	<u>\$ 121,322</u>	<u>\$ 105,334</u>	<u>\$ 12,948</u>	<u>\$ 6,295</u>

Continued

CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	<u>Special Revenue Funds</u>		
	VOCA Victims Assistance Grant	CDBG NSP	Community Development Block Grant
REVENUES			
Property taxes	\$ -	\$ -	\$ -
Other local taxes	-	-	-
Payments in Lieu of Taxes	-	-	-
Intergovernmental	45,891	-	132,409
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Licenses, permits, and inspections	-	-	-
Special assessments	-	-	-
Investment income	-	5,752	-
Donations and other	-	-	-
Total revenues	45,891	5,752	132,409
EXPENDITURES			
Current:			
General government	-	-	-
Police	36,116	-	-
Fire	-	-	-
Streets and highways	-	-	-
Parks, recreation and public facilities	-	-	-
Economic and community development	-	-	132,409
Engineering and building	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and other expenditures	-	-	-
Bond Issuance Costs	-	-	-
Total expenditures	36,116	-	132,409
Excess (deficiency) of revenues over (under) expenditures	9,775	5,752	-
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	-	-
Premium on bonds	-	-	-
OPWC loan proceeds	-	-	-
Bond refunding proceeds	-	-	-
Bond refund escrow payment	-	-	-
Issuance of Notes	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
NET CHANGE IN FUND BALANCES	9,775	5,752	-
FUND BALANCES AT BEGINNING OF YEAR	7,154	362,148	-
FUND BALANCES AT END OF YEAR	\$ 16,929	\$ 367,900	\$ -

Continued

CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	Special Revenue Funds			
	Forfeited Property - U.S. Department of Justice	Council Donation	Police Donation	Fire Donation
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	119,088	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	2,452	-	-	-
Donations and other	-	-	4,962	-
Total revenues	<u>121,540</u>	<u>-</u>	<u>4,962</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	125	-	-
Police	6,785	-	4,026	-
Fire	-	-	-	670
Streets and highways	-	-	-	-
Parks, recreation and public facilities	-	-	-	-
Economic and community development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Bond Issuance Costs	-	-	-	-
Total expenditures	<u>6,785</u>	<u>125</u>	<u>4,026</u>	<u>670</u>
Excess (deficiency) of revenues over (under) expenditures	114,755	(125)	936	(670)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Premium on bonds	-	-	-	-
OPWC loan proceeds	-	-	-	-
Bond refunding proceeds	-	-	-	-
Bond refund escrow payment	-	-	-	-
Issuance of Notes	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	114,755	(125)	936	(670)
FUND BALANCES AT BEGINNING OF YEAR	<u>153,362</u>	<u>426</u>	<u>16,422</u>	<u>1,544</u>
FUND BALANCES AT END OF YEAR	<u>\$ 268,117</u>	<u>\$ 301</u>	<u>\$ 17,358</u>	<u>\$ 874</u>

Continued

CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	<u>Special Revenue Funds</u>		Total Special Revenue Funds	<u>Debt Service Fund</u>
	Parks and Recreation Donation	Local Grant		General Obligation Bond Retirement
REVENUES				
Property taxes	\$ -	\$ -	\$ 1,836,009	\$ 2,203,409
Other local taxes	-	-	679,093	-
Payments in Lieu of Taxes	-	-	726,140	-
Intergovernmental	-	11,000	3,508,421	252,574
Charges for services	-	-	79,830	-
Fines and forfeitures	-	-	325,875	-
Licenses, permits, and inspections	-	-	21,200	-
Special assessments	-	-	1,288,764	-
Investment income	-	-	42,285	12,267
Donations and other	200	-	193,905	-
Total revenues	<u>200</u>	<u>11,000</u>	<u>8,701,522</u>	<u>2,468,250</u>
EXPENDITURES				
Current:				
General government	-	-	206,198	24,577
Police	-	2,043	503,848	-
Fire	-	5,859	1,286,667	-
Streets and highways	-	969	3,820,991	-
Parks, recreation and public facilities	565	1,003	498,212	-
Economic and community development	-	-	169,970	-
Engineering and building	-	-	104,366	-
Capital outlay	-	-	1,735,367	-
Debt service:				
Principal retirement	-	-	-	2,086,250
Interest and other expenditures	-	-	-	380,970
Bond Issuance Costs	-	-	-	114,670
Total expenditures	<u>565</u>	<u>9,874</u>	<u>8,325,619</u>	<u>2,606,467</u>
Excess (deficiency) of revenues over (under) expenditures	(365)	1,126	375,903	(138,217)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	16,717
Premium on bonds	-	-	-	89,151
OPWC loan proceeds	-	-	-	-
Bond refunding proceeds	-	-	-	2,295,000
Bond refund escrow payment	-	-	-	(2,249,533)
Issuance of Notes	-	-	1,200,000	-
Transfers in	-	5,000	5,000	121,182
Transfers out	-	-	(471,182)	-
Total other financing sources (uses)	<u>-</u>	<u>5,000</u>	<u>733,818</u>	<u>272,517</u>
NET CHANGE IN FUND BALANCES	(365)	6,126	1,109,721	134,300
FUND BALANCES AT BEGINNING OF YEAR	<u>3,067</u>	<u>(867)</u>	<u>5,132,337</u>	<u>808,368</u>
FUND BALANCES AT END OF YEAR	<u>\$ 2,702</u>	<u>\$ 5,259</u>	<u>\$ 6,242,058</u>	<u>\$ 942,668</u>

Continued

CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	Capital Project Funds			
	Plaza Boulevard Extension	Amphitheater	Springbrook Park	Two Town Detention Basin
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	158,182	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>158,182</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	1,682	-	53,841	-
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	-	-	-	-
Parks, recreation and public facilities	-	-	-	-
Economic and community development	-	-	-	-
Engineering and building	-	-	-	-
Capital outlay	1,230,853	1,619,261	182,488	71,720
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	3,705	-	-
Bond Issuance Costs	-	-	-	-
Total expenditures	<u>1,232,535</u>	<u>1,622,966</u>	<u>236,329</u>	<u>71,720</u>
Excess (deficiency) of revenues over (under) expenditures	(1,074,353)	(1,622,966)	(236,329)	(71,720)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	2,233,283	-
Premium on bonds	-	-	-	-
OPWC loan proceeds	-	-	-	-
Bond refunding proceeds	-	-	-	-
Bond refund escrow payment	-	-	-	-
Issuance of Notes	595,000	-	-	-
Transfers in	-	350,000	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>595,000</u>	<u>350,000</u>	<u>2,233,283</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(479,353)	(1,272,966)	1,996,954	(71,720)
FUND BALANCES AT BEGINNING OF YEAR	<u>1,128,598</u>	<u>(589,459)</u>	<u>-</u>	<u>(22,186)</u>
FUND BALANCES AT END OF YEAR	<u>\$ 649,245</u>	<u>\$ (1,862,425)</u>	<u>\$ 1,996,954</u>	<u>\$ (93,906)</u>

Continued

CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	Capital Project Funds			
	Roosevelt Culvert	Rice Detention Basin	Jackson Street	Murray Ave Storm
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	-	-	170,485	193,316
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>170,485</u>	<u>193,316</u>
EXPENDITURES				
Current:				
General government	-	-	-	1,322
Police	-	-	-	-
Fire	-	-	-	-
Streets and highways	-	-	188,533	630,545
Parks, recreation and public facilities	-	-	-	-
Economic and community development	-	-	-	-
Engineering and building	-	-	5,713	16,017
Capital outlay	-	59,475	-	150,000
Debt service:				
Principal retirement	-	-	-	515,000
Interest and other expenditures	-	-	1,162	1,735
Bond Issuance Costs	-	-	-	-
Total expenditures	<u>-</u>	<u>59,475</u>	<u>195,408</u>	<u>1,314,619</u>
Excess (deficiency) of revenues over (under) expenditures	-	(59,475)	(24,923)	(1,121,303)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Premium on bonds	-	-	-	-
OPWC loan proceeds	-	-	-	150,000
Bond refunding proceeds	-	-	-	-
Bond refund escrow payment	-	-	-	-
Issuance of Notes	-	-	-	520,000
Transfers in	105,423	-	272,063	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>105,423</u>	<u>-</u>	<u>272,063</u>	<u>670,000</u>
NET CHANGE IN FUND BALANCES	105,423	(59,475)	247,140	(451,303)
FUND BALANCES AT BEGINNING OF YEAR	<u>(105,423)</u>	<u>105,529</u>	<u>(247,140)</u>	<u>393,766</u>
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ 46,054</u>	<u>\$ -</u>	<u>\$ (57,537)</u>

Continued

CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	Capital Project Funds			
	Marigold Road	State Grant - Other	Heisley Road Improvement- Phase III	Newell Creek Bikeway
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	20,604	115,471	342,871	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses, permits, and inspections	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Donations and other	-	-	-	-
Total revenues	<u>20,604</u>	<u>115,471</u>	<u>342,871</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	4,446	75,553	1,682	-
Police	-	15,620	-	-
Fire	-	-	-	-
Streets and highways	173,127	-	-	-
Parks, recreation and public facilities	-	21,222	-	-
Economic and community development	-	-	-	-
Engineering and building	43,234	-	-	-
Capital outlay	-	-	681,685	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other expenditures	-	-	-	-
Bond Issuance Costs	-	-	-	-
Total expenditures	<u>220,807</u>	<u>112,395</u>	<u>683,367</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(200,203)	3,076	(340,496)	-
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Premium on bonds	-	-	-	-
OPWC loan proceeds	-	-	-	-
Bond refunding proceeds	-	-	-	-
Bond refund escrow payment	-	-	-	-
Issuance of Notes	1,720,000	-	700,000	-
Transfers in	-	6,853	-	79,879
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>1,720,000</u>	<u>6,853</u>	<u>700,000</u>	<u>79,879</u>
NET CHANGE IN FUND BALANCES	1,519,797	9,929	359,504	79,879
FUND BALANCES AT BEGINNING OF YEAR	<u>-</u>	<u>70,556</u>	<u>(377,596)</u>	<u>(79,879)</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,519,797</u>	<u>\$ 80,485</u>	<u>\$ (18,092)</u>	<u>\$ -</u>

Continued

CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	Capital Project Funds		
	I90/SR615 Interchange	SR306 Resurfacing	US20 Widening & Resurfacing
REVENUES			
Property taxes	\$ -	\$ -	\$ -
Other local taxes	-	-	-
Payments in Lieu of Taxes	-	-	-
Intergovernmental	-	287,713	725,441
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Licenses, permits, and inspections	-	-	-
Special assessments	-	-	-
Investment income	-	-	-
Donations and other	-	-	-
Total revenues	<u>-</u>	<u>287,713</u>	<u>725,441</u>
EXPENDITURES			
Current:			
General government	-	-	-
Police	-	-	-
Fire	-	-	-
Streets and highways	-	345,406	-
Parks, recreation and public facilities	-	-	-
Economic and community development	-	-	-
Engineering and building	-	15,076	-
Capital outlay	-	-	365,029
Debt service:			
Principal retirement	-	-	-
Interest and other expenditures	-	-	-
Bond Issuance Costs	-	-	-
Total expenditures	<u>-</u>	<u>360,482</u>	<u>365,029</u>
Excess (deficiency) of revenues over (under) expenditures	-	(72,769)	360,412
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	-	-
Premium on bonds	-	-	-
OPWC loan proceeds	-	-	-
Bond refunding proceeds	-	-	-
Bond refund escrow payment	-	-	-
Issuance of Notes	-	-	-
Transfers in	87,779	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>87,779</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	87,779	(72,769)	360,412
FUND BALANCES AT BEGINNING OF YEAR	<u>(87,779)</u>	<u>44,137</u>	<u>(509,054)</u>
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ (28,632)</u>	<u>\$ (148,642)</u>

Continued

CITY OF MENTOR, OHIO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	<u>Capital Project Funds</u>			Total All Nonmajor Funds
	SR84 Resurfacing	Federal Grants- Other	Total Capital Project Funds	
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ 4,039,418
Other local taxes	-	-	-	679,093
Payments in Lieu of Taxes	-	-	-	726,140
Intergovernmental	684,614	131,163	2,829,860	6,590,855
Charges for services	-	-	-	79,830
Fines and forfeitures	-	-	-	325,875
Licenses, permits, and inspections	-	-	-	21,200
Special assessments	-	-	-	1,288,764
Investment income	-	-	-	54,552
Donations and other	-	-	-	193,905
Total revenues	<u>684,614</u>	<u>131,163</u>	<u>2,829,860</u>	<u>13,999,632</u>
EXPENDITURES				
Current:				
General government	-	-	138,526	369,301
Police	-	48,068	63,688	567,536
Fire	-	103,373	103,373	1,390,040
Streets and highways	970,182	-	2,307,793	6,128,784
Parks, recreation and public facilities	-	98,807	120,029	618,241
Economic and community development	-	-	-	169,970
Engineering and building	69,583	-	149,623	253,989
Capital outlay	-	-	4,360,511	6,095,878
Debt service:				
Principal retirement	-	-	515,000	2,601,250
Interest and other expenditures	859	-	7,461	388,431
Bond Issuance Costs	-	-	-	114,670
Total expenditures	<u>1,040,624</u>	<u>250,248</u>	<u>7,766,004</u>	<u>18,698,090</u>
Excess (deficiency) of revenues over (under) expenditures	(356,010)	(119,085)	(4,936,144)	(4,698,458)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	2,233,283	2,250,000
Premium on bonds	-	-	-	89,151
OPWC loan proceeds	-	-	150,000	150,000
Bond refunding proceeds	-	-	-	2,295,000
Bond refund escrow payment	-	-	-	(2,249,533)
Issuance of Notes	-	-	3,535,000	4,735,000
Transfers in	-	288,109	1,190,106	1,316,288
Transfers out	-	-	-	(471,182)
Total other financing sources (uses)	<u>-</u>	<u>288,109</u>	<u>7,108,389</u>	<u>8,114,724</u>
NET CHANGE IN FUND BALANCES	(356,010)	169,024	2,172,245	3,416,266
FUND BALANCES AT BEGINNING OF YEAR	<u>(10,422)</u>	<u>(127,346)</u>	<u>(413,698)</u>	<u>5,527,007</u>
FUND BALANCES AT END OF YEAR	<u>\$ (366,432)</u>	<u>\$ 41,678</u>	<u>\$ 1,758,547</u>	<u>\$ 8,943,273</u>

CITY OF MENTOR, OHIO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended December 31, 2017

	<u>Balance</u> <u>January 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 2017</u>
Municipal Court Fund:				
ASSETS:				
Cash	\$ 112,945	\$ 1,178,924	\$ 1,178,590	\$ 113,279
LIABILITIES:				
Deposits held and due to others	\$ 112,945	\$ 1,178,924	\$ 1,178,590	\$ 113,279

CITY OF MENTOR, OHIO
STREET FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 2,525,000	\$ 2,587,821	\$ 62,821
Investment income	15,000	34,081	19,081
Other	-	3,451	3,451
Total revenues	<u>2,540,000</u>	<u>2,625,353</u>	<u>85,353</u>
EXPENDITURES:			
Engineering and building	86,298	71,298	15,000
Streets and highways	4,618,687	4,307,721	310,966
Total expenditures	<u>4,704,985</u>	<u>4,379,019</u>	<u>325,966</u>
Excess (deficiency) of revenues over expenditures	(2,164,985)	(1,753,666)	411,319
OTHER FINANCING SOURCES (USES):			
Advances in	1,300,000	1,300,000	-
Advances out	(1,213,000)	(1,213,000)	-
Total other financing sources (uses)	<u>87,000</u>	<u>87,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(2,077,985)	(1,666,666)	411,319
Adjustment for prior year encumbrances	1,661,485	1,661,485	-
FUND BALANCES, BEGINNING OF YEAR	<u>931,429</u>	<u>931,429</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 514,929</u>	<u>\$ 926,248</u>	<u>\$ 411,319</u>

CITY OF MENTOR, OHIO**TIF FUND****SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL****(NON-GAAP BUDGETARY BASIS)****Year Ended December 31, 2017**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Payments in Lieu of Taxes	\$ 500,000	\$ 726,140	\$ 226,140
Other	-	136,897	136,897
Total revenues	<u>500,000</u>	<u>863,037</u>	<u>363,037</u>
EXPENDITURES:			
Economic and community development	12,000	12,000	-
Streets and highways	277,470	84,000	193,470
Engineering and building	168,083	124,354	43,729
Total expenditures	<u>457,553</u>	<u>220,354</u>	<u>237,199</u>
Excess (deficiency) of revenues over expenditures	42,447	642,683	600,236
OTHER FINANCING USES:			
Advances out	(46,399)	(46,399)	-
Transfers out	(1,230,845)	(26,666)	1,204,179
Total other financing uses	<u>(1,277,244)</u>	<u>(73,065)</u>	<u>1,204,179</u>
NET CHANGE IN FUND BALANCE	(1,234,797)	569,618	1,804,415
Adjustment for prior year encumbrances	195,553	195,553	-
FUND BALANCES, BEGINNING OF YEAR	<u>1,318,826</u>	<u>1,318,826</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 279,582</u>	<u>\$ 2,083,997</u>	<u>\$ 1,804,415</u>

CITY OF MENTOR, OHIO
POLICE PENSION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 44,400	\$ 47,355	\$ 2,955
Property taxes	369,017	386,862	17,845
Total revenues	<u>413,417</u>	<u>434,217</u>	<u>20,800</u>
EXPENDITURES:			
Police	<u>446,150</u>	<u>443,799</u>	<u>2,351</u>
NET CHANGE IN FUND BALANCE	(32,733)	(9,582)	23,151
FUND BALANCES, BEGINNING OF YEAR	<u>36,869</u>	<u>36,869</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 4,136</u>	<u>\$ 27,287</u>	<u>\$ 23,151</u>

CITY OF MENTOR, OHIO
FIRE PENSION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 44,400	\$ 47,355	\$ 2,955
Property taxes	<u>369,017</u>	<u>386,862</u>	<u>17,845</u>
Total revenues	<u>413,417</u>	<u>434,217</u>	<u>20,800</u>
EXPENDITURES:			
Fire	<u>446,150</u>	<u>443,799</u>	<u>2,351</u>
NET CHANGE IN FUND BALANCE	(32,733)	(9,582)	23,151
FUND BALANCES, BEGINNING OF YEAR	<u>36,869</u>	<u>36,869</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 4,136</u>	<u>\$ 27,287</u>	<u>\$ 23,151</u>

CITY OF MENTOR, OHIO
FIRE LEVY FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 108,000	\$ 109,375	\$ 1,375
Property taxes	1,007,635	1,062,285	54,650
Total revenues	<u>1,115,635</u>	<u>1,171,660</u>	<u>56,025</u>
EXPENDITURES:			
Fire:			
Employee compensation	824,509	824,509	-
Other	652,921	615,004	37,917
Total expenditures	<u>1,477,430</u>	<u>1,439,513</u>	<u>37,917</u>
NET CHANGE IN FUND BALANCE	(361,795)	(267,853)	93,942
Adjustment for prior year encumbrances	274,921	274,921	-
FUND BALANCES, BEGINNING OF YEAR	<u>93,241</u>	<u>93,241</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 6,367</u>	<u>\$ 100,309</u>	<u>\$ 93,942</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 577,667	\$ 395,218	\$ (182,449)
EXPENDITURES:			
Parks, recreation and public facilities:			
Employee compensation	105,000	105,000	-
Other	810,207	399,994	410,213
Total expenditures	<u>915,207</u>	<u>504,994</u>	<u>410,213</u>
NET CHANGE IN FUND BALANCE	(337,540)	(109,776)	227,764
Adjustment for prior year encumbrances	93,411	93,411	-
FUND BALANCES, BEGINNING OF YEAR	<u>330,951</u>	<u>330,951</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 86,822</u>	<u>\$ 314,586</u>	<u>\$ 227,764</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	\$ 610,000	\$ 677,654	\$ 67,654
EXPENDITURES:			
Parks, recreation and public facilities	279,344	197,476	81,868
Excess (deficiency) of revenues over expenditures	330,656	480,178	149,522
OTHER FINANCING USES:			
Advances out	(383,000)	(383,000)	-
Transfers out	(350,000)	(350,000)	-
Total other financing uses	(733,000)	(733,000)	-
NET CHANGE IN FUND BALANCE	(402,344)	(252,822)	149,522
Adjustment for prior year encumbrances	50,052	50,052	-
FUND BALANCES, BEGINNING OF YEAR	447,009	447,009	-
FUND BALANCES, END OF YEAR	<u>\$ 94,717</u>	<u>\$ 244,239</u>	<u>\$ 149,522</u>

CITY OF MENTOR, OHIO
CEMETERY FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	\$ 31,900	\$ 33,150	\$ 1,250
EXPENDITURES:			
Parks, recreation and public facilities			
Employee compensation	10,000	10,000	-
Other	10,000	6,250	3,750
Total expenditures	<u>20,000</u>	<u>16,250</u>	<u>3,750</u>
NET CHANGE IN FUND BALANCE	11,900	16,900	5,000
FUND BALANCES, BEGINNING OF YEAR	<u>208,185</u>	<u>208,185</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 220,085</u>	<u>\$ 225,085</u>	<u>\$ 5,000</u>

CITY OF MENTOR, OHIO
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	\$ 61,000	\$ 46,680	\$ (14,320)
EXPENDITURES:			
Economic and community development	79,851	30,560	49,291
NET CHANGE IN FUND BALANCE	(18,851)	16,120	34,971
Adjustment for prior year encumbrances	13,851	13,851	-
FUND BALANCES, BEGINNING OF YEAR	37,563	37,563	-
FUND BALANCES, END OF YEAR	<u>\$ 32,563</u>	<u>\$ 67,534</u>	<u>\$ 34,971</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Licenses, permits and inspections	\$ 15,000	\$ 21,200	\$ 6,200
EXPENDITURES:			
Streets and highways	30,000	-	30,000
NET CHANGE IN FUND BALANCE	(15,000)	21,200	36,200
FUND BALANCES, BEGINNING OF YEAR	55,138	55,138	-
FUND BALANCES, END OF YEAR	<u>\$ 40,138</u>	<u>\$ 76,338</u>	<u>\$ 36,200</u>

CITY OF MENTOR, OHIO
STREET LIGHTING FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Special assessments	\$ 1,148,000	\$ 1,288,764	\$ 140,764
EXPENDITURES:			
General government	2,884	2,884	-
Streets and highways	2,413,979	2,292,777	121,202
Engineering and building	60,000	-	60,000
Total expenditures	<u>2,476,863</u>	<u>2,295,661</u>	<u>181,202</u>
Excess (deficiency) of revenues over expenditures	(1,328,863)	(1,006,897)	321,966
OTHER FINANCING SOURCES (USES):			
Advances in	1,015,000	185,000	(830,000)
Issuance of Notes	1,200,000	1,200,000	-
Transfers in	390,000	-	(390,000)
Advances out	(841,000)	(841,000)	-
Total other financing sources (uses)	<u>1,764,000</u>	<u>544,000</u>	<u>(1,220,000)</u>
NET CHANGE IN FUND BALANCE	435,137	(462,897)	(898,034)
Adjustment for prior year encumbrances	479,529	479,529	-
FUND BALANCES, BEGINNING OF YEAR	<u>308,921</u>	<u>308,921</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,223,587</u>	<u>\$ 325,553</u>	<u>\$ (898,034)</u>

CITY OF MENTOR, OHIO
COURT COMPUTER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 65,000	\$ 58,582	\$ (6,418)
EXPENDITURES:			
General government			
Employee compensation	50,000	42,691	7,309
Other	121,540	32,966	88,574
Total expenditures	<u>171,540</u>	<u>75,657</u>	<u>95,883</u>
NET CHANGE IN FUND BALANCE	(106,540)	(17,075)	89,465
Adjustment for prior year encumbrances	190	190	-
FUND BALANCES, BEGINNING OF YEAR	<u>113,634</u>	<u>113,634</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 7,284</u>	<u>\$ 96,749</u>	<u>\$ 89,465</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 125,000	\$ 119,551	\$ (5,449)
EXPENDITURES:			
General government	310,920	6,568	304,352
Excess (deficiency) of revenues over expenditures	(185,920)	112,983	298,903
OTHER FINANCING SOURCES (USES):			
Transfers out	(95,000)	(94,516)	484
Total other financing sources (uses)	(95,000)	(94,516)	484
NET CHANGE IN FUND BALANCE	(280,920)	18,467	299,387
Adjustment for prior year encumbrances	420	420	-
FUND BALANCES, BEGINNING OF YEAR	304,751	304,751	-
FUND BALANCES, END OF YEAR	<u>\$ 24,251</u>	<u>\$ 323,638</u>	<u>\$ 299,387</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 3,000	\$ 3,579	\$ 579
EXPENDITURES:			
Police	15,000	8,020	6,980
NET CHANGE IN FUND BALANCE	(12,000)	(4,441)	7,559
FUND BALANCES, BEGINNING OF YEAR	18,808	18,808	-
FUND BALANCES, END OF YEAR	<u>\$ 6,808</u>	<u>\$ 14,367</u>	<u>\$ 7,559</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 80,000	\$ 74,679	\$ (5,321)
EXPENDITURES:			
General government:			
Employee compensation	61,250	61,250	-
Other	152,347	36,898	115,449
Total expenditures	<u>213,597</u>	<u>98,148</u>	<u>115,449</u>
NET CHANGE IN FUND BALANCE	(133,597)	(23,469)	110,128
Adjustment for prior year encumbrances	367	367	-
FUND BALANCES, BEGINNING OF YEAR	<u>134,730</u>	<u>134,730</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,500</u>	<u>\$ 111,628</u>	<u>\$ 110,128</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 7,000	\$ 9,677	\$ 2,677
Intergovernmental	10,000	12,079	2,079
Total revenues	<u>17,000</u>	<u>21,756</u>	<u>4,756</u>
EXPENDITURES:			
General government	<u>60,000</u>	<u>19,050</u>	<u>40,950</u>
NET CHANGE IN FUND BALANCE	(43,000)	2,706	45,706
FUND BALANCES, BEGINNING OF YEAR	<u>61,402</u>	<u>61,402</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 18,402</u>	<u>\$ 64,108</u>	<u>\$ 45,706</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 22,000	\$ 15,486	\$ (6,514)
EXPENDITURES:			
General government	120,000	10,514	109,486
NET CHANGE IN FUND BALANCE	(98,000)	4,972	102,972
FUND BALANCES, BEGINNING OF YEAR	115,715	115,715	-
FUND BALANCES, END OF YEAR	<u>\$ 17,715</u>	<u>\$ 120,687</u>	<u>\$ 102,972</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Fines and forfeitures	\$ 5,000	\$ 32,607	\$ 27,607
EXPENDITURES:			
Police	15,000	-	15,000
NET CHANGE IN FUND BALANCE	(10,000)	32,607	42,607
FUND BALANCES, BEGINNING OF YEAR	71,630	71,630	-
FUND BALANCES, END OF YEAR	<u>\$ 61,630</u>	<u>\$ 104,237</u>	<u>\$ 42,607</u>

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Economic and community development	27,436	10,042	17,394
Fire	149,570	135,255	14,315
General government	20,319	2,372	17,947
Parks, recreation and public facilities	45,341	45,341	-
Police	109,838	96,530	13,308
Streets and highways	75,706	28,465	47,241
Engineering and building	42,914	41,311	1,603
Total expenditures	<u>471,124</u>	<u>359,316</u>	<u>111,808</u>
Excess (deficiency) of revenues over expenditures	(471,124)	(359,316)	111,808
OTHER FINANCING USES:			
Transfers in	581,000	299,109	(281,891)
Total other financing uses	<u>581,000</u>	<u>299,109</u>	<u>(281,891)</u>
NET CHANGE IN FUND BALANCE	109,876	(60,207)	(170,083)
FUND BALANCES, BEGINNING OF YEAR	<u>1,351,244</u>	<u>1,351,244</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,461,120</u>	<u>\$ 1,291,037</u>	<u>\$ (170,083)</u>

CITY OF MENTOR, OHIO
POLICE CANINE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ 1,000	\$ 1,285	\$ 285
EXPENDITURES:			
Police	8,000	3,052	4,948
NET CHANGE IN FUND BALANCE	(7,000)	(1,767)	5,233
FUND BALANCES, BEGINNING OF YEAR	14,715	14,715	-
FUND BALANCES, END OF YEAR	<u>\$ 7,715</u>	<u>\$ 12,948</u>	<u>\$ 5,233</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Police	6,000	7	5,993
NET CHANGE IN FUND BALANCE	(6,000)	(7)	5,993
FUND BALANCES, BEGINNING OF YEAR	6,302	6,302	-
FUND BALANCES, END OF YEAR	<u>\$ 302</u>	<u>\$ 6,295</u>	<u>\$ 5,993</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 39,560	\$ 45,826	\$ 6,266
EXPENDITURES:			
Police:			
Employee Compensation	38,984	35,540	3,444
Other	576	576	-
Total Expenditures	<u>39,560</u>	<u>36,116</u>	<u>3,444</u>
Excess (deficiency) of revenues over expenditures	-	9,710	9,710
OTHER FINANCING SOURCES (USES):			
Advances in	49,451	49,451	-
Advances out	(70)	(70)	-
Total other financing sources (uses)	<u>49,381</u>	<u>49,381</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	49,381	59,091	9,710
FUND BALANCES, BEGINNING OF YEAR	<u>4,001</u>	<u>4,001</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 53,382</u>	<u>\$ 63,092</u>	<u>\$ 9,710</u>

CITY OF MENTOR, OHIO
CDBG NSP FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Investment income	\$ -	\$ 5,752	\$ 5,752
EXPENDITURES:			
Economic and community development	362,087	15,554	346,533
NET CHANGE IN FUND BALANCE	(362,087)	(9,802)	352,285
Adjustment for prior year encumbrances	15,554	15,554	-
FUND BALANCES, BEGINNING OF YEAR	346,594	346,594	-
FUND BALANCES, END OF YEAR	<u>\$ 61</u>	<u>\$ 352,346</u>	<u>\$ 352,285</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 231,152	\$ 131,966	\$ (99,186)
EXPENDITURES:			
Economic and community development			
Employee compensation	6,140	6,140	-
Other	234,752	126,977	107,775
Total expenditures	<u>240,892</u>	<u>133,117</u>	<u>107,775</u>
Excess (deficiency) of revenues over expenditures	(9,740)	(1,151)	8,589
OTHER FINANCING SOURCES (USES):			
Advances in	10,000	215,000	205,000
Advances out	(201,760)	(201,760)	-
Total other financing sources (uses)	<u>(191,760)</u>	<u>13,240</u>	<u>205,000</u>
NET CHANGE IN FUND BALANCE	(201,500)	12,089	213,589
FUND BALANCES, BEGINNING OF YEAR	<u>201,760</u>	<u>201,760</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 260</u>	<u>\$ 213,849</u>	<u>\$ 213,589</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Investment income	<u>\$1,000</u>	<u>\$2,452</u>	<u>\$1,452</u>
EXPENDITURES:			
Police	<u>53,000</u>	<u>16,336</u>	<u>36,664</u>
NET CHANGE IN FUND BALANCE	(52,000)	(13,884)	38,116
FUND BALANCES, BEGINNING OF YEAR	<u>153,362</u>	<u>153,362</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 101,362</u>	<u>\$ 139,478</u>	<u>\$ 38,116</u>

CITY OF MENTOR, OHIO
COUNCIL DONATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ 150	\$ -	\$ (150)
EXPENDITURES:			
General government	500	125	375
NET CHANGE IN FUND BALANCE	(350)	(125)	225
FUND BALANCES, BEGINNING OF YEAR	426	426	-
FUND BALANCES, END OF YEAR	<u>\$ 76</u>	<u>\$ 301</u>	<u>\$ 225</u>

CITY OF MENTOR, OHIO
POLICE DONATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ 1,000	\$ 4,962	\$ 3,962
EXPENDITURES:			
Police	11,550	4,026	7,524
NET CHANGE IN FUND BALANCE	(10,550)	936	11,486
FUND BALANCES, BEGINNING OF YEAR	16,422	16,422	-
FUND BALANCES, END OF YEAR	<u>\$ 5,872</u>	<u>\$ 17,358</u>	<u>\$ 11,486</u>

CITY OF MENTOR, OHIO
FIRE DONATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ 1,000	\$ -	\$ (1,000)
EXPENDITURES:			
Fire	1,800	670	1,130
NET CHANGE IN FUND BALANCE	(800)	(670)	130
FUND BALANCES, BEGINNING OF YEAR	1,544	1,544	-
FUND BALANCES, END OF YEAR	<u>\$ 744</u>	<u>\$ 874</u>	<u>\$ 130</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	\$ 2,200	\$ 627	\$ (1,573)
EXPENDITURES:			
Parks, recreation and public facilities	3,950	844	3,106
NET CHANGE IN FUND BALANCE	(1,750)	(217)	1,533
FUND BALANCES, BEGINNING OF YEAR	27,473	27,473	-
FUND BALANCES, END OF YEAR	<u>\$ 25,723</u>	<u>\$ 27,256</u>	<u>\$ 1,533</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Donations and other	\$ 1,000	\$ 200	\$ (800)
EXPENDITURES:			
Parks, recreation and public facilities	2,762	564	2,198
NET CHANGE IN FUND BALANCE	(1,762)	(364)	1,398
FUND BALANCES, BEGINNING OF YEAR	3,067	3,067	-
FUND BALANCES, END OF YEAR	<u>\$ 1,305</u>	<u>\$ 2,703</u>	<u>\$ 1,398</u>

CITY OF MENTOR, OHIO
CULTURAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	\$ 21,000	\$ 23,395	\$ 2,395
Donations and other	6,000	8,150	2,150
Total revenues	<u>27,000</u>	<u>31,545</u>	<u>4,545</u>
EXPENDITURES:			
Parks, recreation and public facilities:			
Employee compensation	7,000	5,040	1,960
Other	58,516	23,224	35,292
Total expenditures	<u>65,516</u>	<u>28,264</u>	<u>37,252</u>
NET CHANGE IN FUND BALANCE	(38,516)	3,281	41,797
Adjustment for prior year encumbrances	66	66	-
FUND BALANCES, BEGINNING OF YEAR	<u>61,520</u>	<u>61,520</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 23,070</u>	<u>\$ 64,867</u>	<u>\$ 41,797</u>

CITY OF MENTOR, OHIO
BEAUTIFICATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Charges for services	\$ -	\$ 40	\$ 40
EXPENDITURES:			
Parks, recreation and public facilities	1,800	-	1,800
NET CHANGE IN FUND BALANCE	(1,800)	40	1,840
FUND BALANCES, BEGINNING OF YEAR	2,218	2,218	-
FUND BALANCES, END OF YEAR	<u>\$ 418</u>	<u>\$ 2,258</u>	<u>\$ 1,840</u>

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other	\$ 11,500	\$ 11,000	\$ (500)
EXPENDITURES:			
Parks, recreation and public facilities	1,006	1,003	3
Police	3,172	2,043	1,129
Fire	10,000	5,859	4,141
Streets and highways	1,469	969	500
Total expenditures	<u>15,647</u>	<u>9,874</u>	<u>5,773</u>
Excess (deficiency) of revenues over expenditures	(4,147)	1,126	5,273
OTHER FINANCING SOURCES (USES):			
Transfers in	5,015	5,000	(15)
Advances out	(5,500)	(5,500)	-
Total other financing sources (uses)	<u>(485)</u>	<u>(500)</u>	<u>(15)</u>
NET CHANGE IN FUND BALANCE	(4,632)	626	5,258
Adjustment for prior year encumbrances	3	3	-
FUND BALANCES, BEGINNING OF YEAR	<u>4,630</u>	<u>4,630</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1</u>	<u>\$ 5,259</u>	<u>\$ 5,258</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 252,488	\$ 252,574	\$ 86
Investment income	-	12,267	12,267
Property taxes	2,202,852	2,203,409	557
Total revenues	<u>2,455,340</u>	<u>2,468,250</u>	<u>12,910</u>
EXPENDITURES:			
Debt service:			
Principal retirement	4,519,399	2,099,399	2,420,000
Interest and other charges	680,992	560,864	120,128
Total expenditures	<u>5,200,391</u>	<u>2,660,263</u>	<u>2,540,128</u>
Excess (deficiency) of revenues over expenditures	(2,745,051)	(192,013)	2,553,038
OTHER FINANCING SOURCES (USES):			
Advances in	-	14,399	14,399
Issuance of Notes	52,000	52,950	950
Issuance of Bonds	4,400,000	53,489	(4,346,511)
Bond premium	-	36,201	36,201
Bond refunding proceeds	-	2,295,000	2,295,000
Bond refund escrow payment	(2,295,000)	(2,295,000)	-
Transfers in	121,000	121,182	182
Total other financing sources (uses)	<u>2,278,000</u>	<u>278,221</u>	<u>(1,999,779)</u>
NET CHANGE IN FUND BALANCE	(467,051)	86,208	553,259
FUND BALANCES, BEGINNING OF YEAR	<u>856,461</u>	<u>856,461</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 389,410</u>	<u>\$ 942,669</u>	<u>\$ 553,259</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 362,419	\$ 139,295	\$ (223,124)
EXPENDITURES:			
General government	1,682	1,682	-
Streets and highways	2,574,250	1,541,889	1,032,361
Engineering and building	68,106	37,334	30,772
Total expenditures	<u>2,644,038</u>	<u>1,580,905</u>	<u>1,063,133</u>
Excess (deficiency) of revenues over expenditures	(2,281,619)	(1,441,610)	840,009
OTHER FINANCING SOURCES (USES):			
Advances in	25,000	76,531	51,531
Note proceeds	700,000	700,000	-
Bond proceeds	971,581	-	(971,581)
Advances out	(300,000)	(300,000)	-
Total other financing sources (uses)	<u>1,396,581</u>	<u>476,531</u>	<u>(920,050)</u>
NET CHANGE IN FUND BALANCE	(885,038)	(965,079)	(80,041)
Adjustment for prior year encumbrances	1,427,824	1,427,824	-
FUND BALANCES, BEGINNING OF YEAR	<u>52,764</u>	<u>52,764</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 595,550</u>	<u>\$ 515,509</u>	<u>\$ (80,041)</u>

CITY OF MENTOR, OHIO
AMPHITHEATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Debt service:			
Principal retirement	1,100,000	1,100,000	-
Interest and other charges	11,000	11,000	-
Parks, recreation and public facilities	1,879,033	1,879,033	-
Total expenditures	<u>2,990,033</u>	<u>2,990,033</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(2,990,033)	(2,990,033)	-
OTHER FINANCING SOURCES (USES):			
Advances in	2,311,000	2,311,000	-
Transfers in	350,000	350,000	-
Advances out	(1,350,000)	(1,350,000)	-
Total other financing sources (uses)	<u>1,311,000</u>	<u>1,311,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,679,033)	(1,679,033)	-
Adjustment for prior year encumbrances	1,754,033	1,754,033	-
FUND BALANCES, BEGINNING OF YEAR	<u>23,575</u>	<u>23,575</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 98,575</u>	<u>\$ 98,575</u>	<u>\$ -</u>

CITY OF MENTOR, OHIO
SPRINGBROOK PARK FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
General government	70,000	53,841	16,159
Parks, recreation and public facilities	3,730,000	3,728,184	1,816
Engineering and building	370,000	109,483	260,517
Total expenditures	<u>4,170,000</u>	<u>3,891,508</u>	<u>278,492</u>
Excess (deficiency) of revenues over expenditures	(4,170,000)	(3,891,508)	278,492
OTHER FINANCING USES:			
Advances in	1,800,000	1,900,000	100,000
Issuance of Bonds	2,400,000	2,233,283	(166,717)
Total other financing uses	<u>4,200,000</u>	<u>4,133,283</u>	<u>(66,717)</u>
NET CHANGE IN FUND BALANCE	30,000	241,775	211,775
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 30,000</u>	<u>\$ 241,775</u>	<u>\$ 211,775</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 499,900	\$ -	\$ (499,900)
EXPENDITURES:			
Streets and highways	1,480,400	1,009,293	471,107
Engineering and building	225,000	104,350	120,650
Total expenditures	<u>1,705,400</u>	<u>1,113,643</u>	<u>591,757</u>
Excess (deficiency) of revenues over expenditures	(1,205,500)	(1,113,643)	91,857
OTHER FINANCING SOURCES (USES):			
Advances in	185,000	1,235,000	1,050,000
Note proceeds	1,043,000	-	(1,043,000)
Advances out	(23,000)	(23,000)	-
Total other financing sources (uses)	<u>1,205,000</u>	<u>1,212,000</u>	<u>7,000</u>
NET CHANGE IN FUND BALANCE	(500)	98,357	98,857
FUND BALANCES, BEGINNING OF YEAR	<u>814</u>	<u>814</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 314</u>	<u>\$ 99,171</u>	<u>\$ 98,857</u>

CITY OF MENTOR, OHIO
ROOSEVELT CULVERT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 45,000	\$ -	\$ (45,000)
EXPENDITURES:			
Streets and highways	9,383	9,269	114
Excess (deficiency) of revenues over expenditures	35,617	(9,269)	(44,886)
OTHER FINANCING SOURCES (USES):			
Transfers in	105,423	105,423	-
Advances out	(183,000)	(183,000)	-
Total other financing sources (uses)	<u>(77,577)</u>	<u>(77,577)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(41,960)	(86,846)	(44,886)
Adjustment for prior year encumbrances	16,383	16,383	-
FUND BALANCES, BEGINNING OF YEAR	<u>70,463</u>	<u>70,463</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 44,886</u>	<u>\$ -</u>	<u>\$ (44,886)</u>

CITY OF MENTOR, OHIO
RICE DETENTION BASIN
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ -	\$ -
EXPENDITURES:			
Engineering and building	87,830	67,830	20,000
NET CHANGE IN FUND BALANCE	(87,830)	(67,830)	20,000
OTHER FINANCING USES:			
Advances in	70,000	-	(70,000)
Total other financing uses	70,000	-	(70,000)
NET CHANGE IN FUND BALANCE	(17,830)	(67,830)	(50,000)
Adjustment for prior year encumbrances	17,830	17,830	-
FUND BALANCES, BEGINNING OF YEAR	90,751	90,751	-
FUND BALANCES, END OF YEAR	<u>\$ 90,751</u>	<u>\$ 40,751</u>	<u>\$ (50,000)</u>

CITY OF MENTOR, OHIO
JACKSON STREET
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 250,000	\$ 178,257	\$ (71,743)
EXPENDITURES:			
Debt service:			
Principal retirement	345,000	345,000	-
Interest and other charges	3,450	3,450	-
Streets and highways	419,632	419,259	373
Engineering and building	8,495	8,113	382
Total expenditures	<u>776,577</u>	<u>775,822</u>	<u>755</u>
Excess (deficiency) of revenues over expenditures	(526,577)	(597,565)	(70,988)
OTHER FINANCING SOURCES (USES):			
Advances in	348,450	348,450	-
Transfers in	272,063	272,063	-
Advances out	(539,550)	(539,550)	-
Total other financing sources (uses)	<u>80,963</u>	<u>80,963</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(445,614)	(516,602)	(70,988)
Adjustment for prior year encumbrances	510,127	510,127	-
FUND BALANCES, BEGINNING OF YEAR	<u>6,475</u>	<u>6,475</u>	-
FUND BALANCES, END OF YEAR	<u>\$ 70,988</u>	<u>\$ -</u>	<u>\$ (70,988)</u>

CITY OF MENTOR, OHIO
MURRAY AVENUE
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 249,000	\$ 237,387	\$ (11,613)
EXPENDITURES:			
Debt service:			
Principal retirement	515,000	515,000	-
Interest and other charges	5,150	5,150	-
General government	1,322	1,322	-
Streets and highways	727,838	719,364	8,474
Engineering and building	85,019	66,019	19,000
Total expenditures	<u>1,334,329</u>	<u>1,306,855</u>	<u>27,474</u>
Excess (deficiency) of revenues over expenditures	(1,085,329)	(1,069,468)	15,861
OTHER FINANCING SOURCES (USES):			
Advances in	87,613	75,000	(12,613)
Note proceeds	550,000	550,000	-
Advances out	(341,500)	(341,500)	-
Total other financing sources (uses)	<u>296,113</u>	<u>283,500</u>	<u>(12,613)</u>
NET CHANGE IN FUND BALANCE	(789,216)	(785,968)	3,248
Adjustment for prior year encumbrances	793,857	793,857	-
FUND BALANCES, BEGINNING OF YEAR	<u>16,501</u>	<u>16,501</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 21,142</u>	<u>\$ 24,390</u>	<u>\$ 3,248</u>

CITY OF MENTOR, OHIO
MARIGOLD ROAD FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ 4,968	\$ 4,968
EXPENDITURES:			
General government	4,446	4,446	-
Streets and highways	2,245,000	2,244,840	160
Engineering and building	230,000	230,000	-
Total expenditures	<u>2,479,446</u>	<u>2,479,286</u>	<u>160</u>
Excess (deficiency) of revenues over expenditures	(2,479,446)	(2,474,318)	5,128
OTHER FINANCING SOURCES (USES):			
Advances in	630,000	630,000	-
Issuance of Notes	1,850,000	1,850,000	-
Total other financing sources (uses)	<u>2,480,000</u>	<u>2,480,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	554	5,682	5,128
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 554</u>	<u>\$ 5,682</u>	<u>\$ 5,128</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 111,603	\$ 126,581	\$ 14,978
EXPENDITURES:			
General government:			
Employee compensation	82,575	53,840	28,735
Other	34,268	21,713	12,555
Parks, recreation and public facilities	57,033	21,722	35,311
Police	15,620	15,620	-
Engineering and building	2,395	2,395	-
Total expenditures	<u>191,891</u>	<u>115,290</u>	<u>76,601</u>
Excess (deficiency) of revenues over expenditures	\$ (80,288)	\$ 11,291	\$ 91,579
OTHER FINANCING SOURCES (USES):			
Advances in	40,683	53,805	13,122
Transfers in	75,135	6,853	(68,282)
Advances out	(114,461)	(73,776)	40,685
Total other financing sources (uses)	<u>1,357</u>	<u>(13,118)</u>	<u>(14,475)</u>
NET CHANGE IN FUND BALANCE	(78,931)	(1,827)	77,104
Adjustment for prior year encumbrances	2,395	2,395	-
FUND BALANCES, BEGINNING OF YEAR	<u>133,111</u>	<u>133,111</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 56,575</u>	<u>\$ 133,679</u>	<u>\$ 77,104</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 809,617	\$ 980,245	\$ 170,628
EXPENDITURES:			
General government	1,682	1,682	-
Streets and highways	657,012	639,226	17,786
Engineering and building	176,392	61,684	114,708
Total expenditures	<u>835,086</u>	<u>702,592</u>	<u>132,494</u>
Excess (deficiency) of revenues over expenditures	(25,469)	277,653	303,122
OTHER FINANCING SOURCES (USES):			
Advances in	-	75,000	75,000
Issuance of Notes	700,000	700,000	-
Issuance of Bonds	747,333	-	(747,333)
Advances out	(1,900,000)	(1,900,000)	-
Total other financing sources (uses)	<u>(452,667)</u>	<u>(1,125,000)</u>	<u>(672,333)</u>
NET CHANGE IN FUND BALANCE	(478,136)	(847,347)	(369,211)
Adjustment for prior year encumbrances	543,404	543,404	-
FUND BALANCES, BEGINNING OF YEAR	<u>356,950</u>	<u>356,950</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 422,218</u>	<u>\$ 53,007</u>	<u>\$ (369,211)</u>

CITY OF MENTOR, OHIO
NEWELL CREEK BIKEWAY FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES):			
Transfers in	79,879	79,879	-
Advances out	(200,000)	(200,000)	-
Total other financing sources (uses)	<u>(120,121)</u>	<u>(120,121)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(120,121)	(120,121)	-
FUND BALANCES, BEGINNING OF YEAR	<u>120,121</u>	<u>120,121</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MENTOR, OHIO
I90/SR615 INTERCHANGE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES):			
Transfers in	87,779	87,779	-
Advances out	(95,000)	(95,000)	-
Total other financing sources (uses)	<u>(7,221)</u>	<u>(7,221)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(7,221)	(7,221)	-
Adjustment for prior year encumbrances	1,424	1,424	-
FUND BALANCES, BEGINNING OF YEAR	<u>5,797</u>	<u>5,797</u>	-
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MENTOR, OHIO
SR306 RESURFACING
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 2,713,642	\$ 2,112,732	\$ (600,910)
EXPENDITURES:			
Streets and highways	751,025	348,131	402,894
Engineering and building	163,167	23,743	139,424
Total expenditures	<u>914,192</u>	<u>371,874</u>	<u>542,318</u>
Excess (deficiency) of revenues over expenditures	1,799,450	1,740,858	(58,592)
OTHER FINANCING SOURCES (USES):			
Advances in	-	32,000	32,000
Advances out	(2,577,395)	(2,577,395)	-
Total other financing sources (uses)	<u>(2,577,395)</u>	<u>(2,545,395)</u>	<u>32,000</u>
NET CHANGE IN FUND BALANCE	(777,945)	(804,537)	(26,592)
Adjustment for prior year encumbrances	729,185	729,185	-
FUND BALANCES, BEGINNING OF YEAR	<u>78,720</u>	<u>78,720</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 29,960</u>	<u>\$ 3,368</u>	<u>\$ (26,592)</u>

CITY OF MENTOR, OHIO
US20 WIDENING/RESURFACING
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ 639,140	\$ 639,140
EXPENDITURES:			
Streets and highways	2,320,299	2,078,704	241,595
Engineering and building	272,000	269,876	2,124
Total expenditures	<u>2,592,299</u>	<u>2,348,580</u>	<u>243,719</u>
Excess (deficiency) of revenues over expenditures	(2,592,299)	(1,709,440)	882,859
OTHER FINANCING SOURCES (USES):			
Advances in	3,150,000	2,550,000	(600,000)
Transfers in	269,800	-	(269,800)
Advances out	(632,000)	(632,000)	-
Total other financing sources (uses)	<u>2,787,800</u>	<u>1,918,000</u>	<u>(869,800)</u>
NET CHANGE IN FUND BALANCE	195,501	208,560	13,059
Adjustment for prior year encumbrances	74,299	74,299	-
FUND BALANCES, BEGINNING OF YEAR	<u>48,647</u>	<u>48,647</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 318,447</u>	<u>\$ 331,506</u>	<u>\$ 13,059</u>

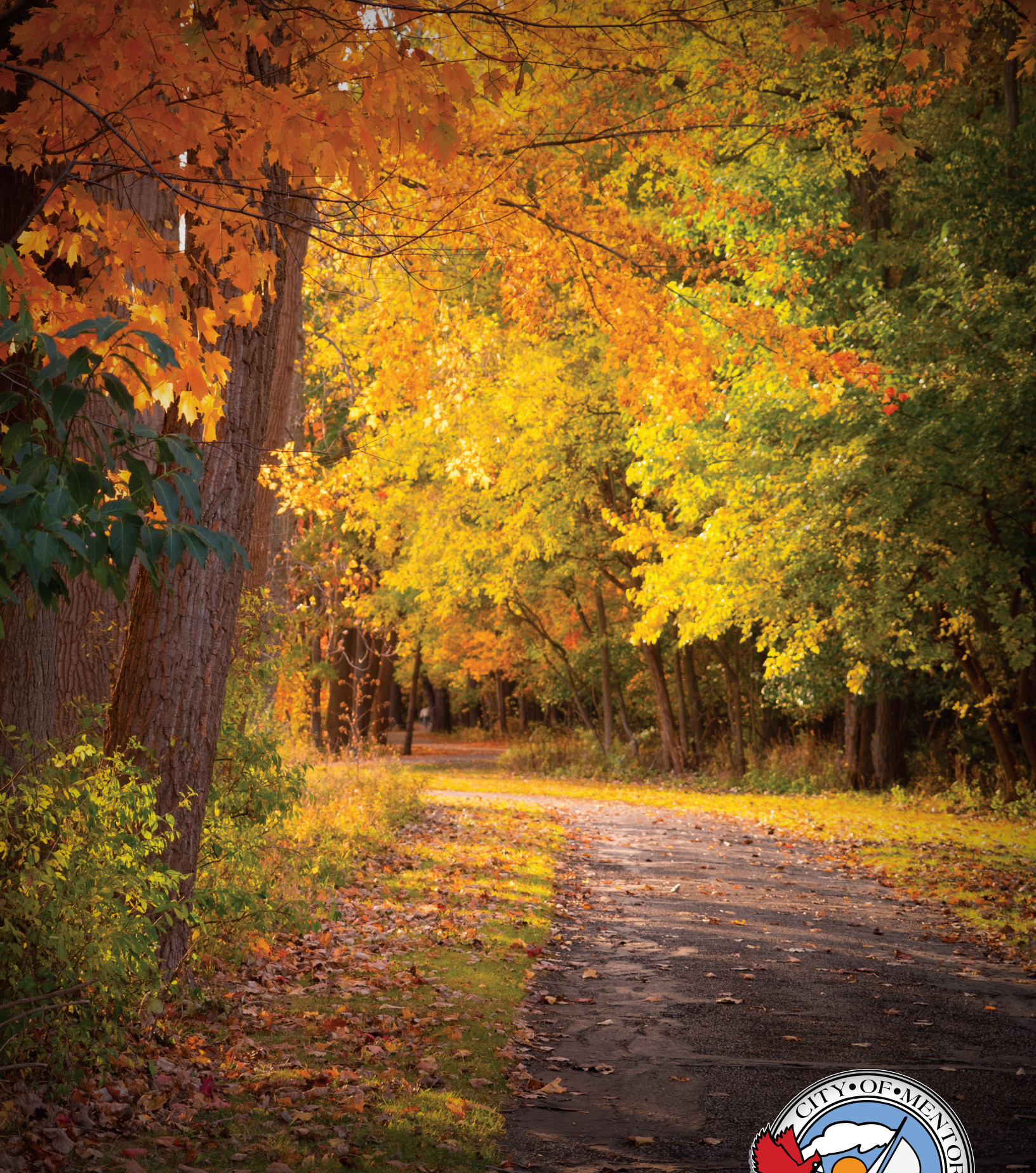
CITY OF MENTOR, OHIO
SR84 RESURFACING
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
Year Ended December 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ -	\$ 623,213	\$ 623,213
EXPENDITURES:			
Debt service:			
Principal retirement	255,000	255,000	-
Interest and other charges	2,550	2,550	-
Streets and highways	1,137,000	1,088,963	48,037
Engineering and building	133,900	132,329	1,571
Total expenditures	<u>1,528,450</u>	<u>1,478,842</u>	<u>49,608</u>
Excess (deficiency) of revenues over expenditures	(1,528,450)	(855,629)	672,821
OTHER FINANCING SOURCES (USES):			
Advances in	1,277,550	1,277,550	-
Transfers in	255,000	-	(255,000)
Advances out	(8,750)	(8,750)	-
Total other financing sources (uses)	<u>1,523,800</u>	<u>1,268,800</u>	<u>(255,000)</u>
NET CHANGE IN FUND BALANCE	(4,650)	413,171	417,821
Adjustment for prior year encumbrances	8,900	8,900	-
FUND BALANCES, BEGINNING OF YEAR	<u>246,119</u>	<u>246,119</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 250,369</u>	<u>\$ 668,190</u>	<u>\$ 417,821</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 178,612	\$ 117,653	\$ (60,959)
EXPENDITURES:			
Fire	114,311	103,373	10,938
Parks, recreation and public facilities:			
Employee compensation	17,586	-	17,586
Other	168,217	98,807	69,410
Police:			
Employee compensation	73,700	26,497	47,203
Other	38,600	21,571	17,029
Total expenditures	<u>412,414</u>	<u>250,248</u>	<u>162,166</u>
Excess (deficiency) of revenues over expenditures	(233,802)	(132,595)	101,207
OTHER FINANCING SOURCES (USES):			
Advances in	129,198	128,700	(498)
Transfers in	352,643	288,109	(64,534)
Advances out	(607,632)	(607,631)	1
Total other financing sources (uses)	<u>(125,791)</u>	<u>(190,822)</u>	<u>(65,031)</u>
NET CHANGE IN FUND BALANCE	(359,593)	(323,417)	36,176
Adjustment for prior year encumbrances	92,478	92,478	-
FUND BALANCES, BEGINNING OF YEAR	<u>279,377</u>	<u>279,377</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 12,262</u>	<u>\$ 48,438</u>	<u>\$ 36,176</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.	180 – 185
<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.	186 – 190
<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.	191 – 195
<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.	196 – 197
<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.	198 - 200

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
 12/31/2017
 (Accrual Basis of Accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 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	\$ 143,782,111
Restricted -										
Debt Service	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	21,055,145
Capital Projects	4,367,153	1,845,743	1,425,815	467,369	1,516,773	820,719	1,862,140	896,332	-	655,800
Streets and Public Safety	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	4,883,112
Unrestricted (Deficit)	<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>	<u>21,036,657</u>
<i>Total Governmental Net Position</i>	<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>	<u>\$ 191,412,825</u>

CITY OF MENTOR, OHIO
Changes in Net Position
 12/31/2017
 (Accrual Basis of Accounting)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 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	\$ 2,247,383
Police	1,771,577	1,786,625	125,394	298,684	629,535	722,001	647,865	136,909	201,537	59,522
Fire	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	1,208,016
Streets & Highways	2,064,896	1,984,987	1,177,684	1,133,114	1,424,203	1,365,463	1,251,159	1,080,564	1,094,893	1,174,704
Parks, Recreation & Public Facilities	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	4,050,431
Economic & Community Development	304,604	271,767	128,066	144,848	142,889	117,985	79,196	60,462	64,594	51,657
Engineering & Building	1,144,468	1,148,087	675,899	768,592	790,052	744,530	670,800	607,475	493,255	535,210
<i>Subtotal - Charges for Services</i>	<u>15,660,944</u>	<u>15,922,052</u>	<u>9,801,411</u>	<u>10,602,631</u>	<u>11,988,367</u>	<u>12,320,678</u>	<u>11,261,822</u>	<u>9,993,431</u>	<u>9,577,077</u>	<u>9,326,923</u>
Operating Grants and Contributions:										
General Government	70,607	185,170	55,371	356,674	505,247	43,264	190,468	45,317	43,077	107,462
Police	232,639	202,891	58,971	59,262	90,591	165,764	78,606	140,216	71,067	56,516
Fire	104,189	897,547	4,459	4,840	13,982	19,551	337,690	221,667	48,748	43,180
Streets & Highways	2,585,613	2,425,344	253,017	129,572	749,191	548,119	374,048	3,416,057	281,441	601,810
Parks, Recreation & Public Facilities	424,561	535,252	278,030	260,403	254,010	340,684	438,115	191,134	299,751	264,543
Economic & Community Development	132,409	196,093	205,426	150,052	218,902	613,097	1,128,963	201,388	155,132	239,008
Engineering & Building	-	11,400	591	-	-	-	-	383	-	-
<i>Subtotal - Operating Grants and Contributions</i>	<u>3,550,018</u>	<u>4,453,697</u>	<u>855,865</u>	<u>960,803</u>	<u>1,831,923</u>	<u>1,730,479</u>	<u>2,547,890</u>	<u>4,216,162</u>	<u>899,216</u>	<u>1,312,519</u>
Capital Grants and Contributions:										
General Government	-	-	-	33,527	-	-	-	-	-	-
Police	-	8,316	-	233,530	9,700	3,570	71,580	986,000	6,640	7,000
Fire	-	-	-	-	-	119,600	1,103,268	-	-	-
Streets & Highways	2,763,982	4,556,152	1,116,596	1,478,995	335,588	-	31,884	70,464	352,618	11,149,879
Parks, Recreation & Public Facilities	-	-	-	-	-	-	-	140,000	69,432	50,364
Engineering & Building	-	-	-	-	-	-	240	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	582,594	293,916
<i>Subtotal - Capital Grants and Contributions</i>	<u>2,763,982</u>	<u>4,564,468</u>	<u>1,116,596</u>	<u>1,746,052</u>	<u>345,288</u>	<u>123,170</u>	<u>1,206,972</u>	<u>1,196,464</u>	<u>1,011,284</u>	<u>11,501,159</u>
<i>Total Governmental Activities Program Revenues</i>	<u>21,974,944</u>	<u>24,940,217</u>	<u>11,773,872</u>	<u>13,309,486</u>	<u>14,165,578</u>	<u>14,174,327</u>	<u>15,016,684</u>	<u>15,406,057</u>	<u>11,487,577</u>	<u>22,140,601</u>
<i>Total Governmental Program Revenues</i>	<u>\$21,974,944</u>	<u>\$24,940,217</u>	<u>\$11,773,872</u>	<u>13,309,486</u>	<u>14,165,578</u>	<u>14,174,327</u>	<u>15,016,684</u>	<u>15,406,057</u>	<u>11,487,577</u>	<u>22,140,601</u>

CITY OF MENTOR, OHIO
Changes in Net Position (continued)
 12/31/2017
 (Accrual Basis of Accounting)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental Activities:										
General Government	\$ 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	\$ 7,889,366
Police	16,903,833	16,427,987	14,356,357	13,527,805	13,430,646	13,646,699	12,950,663	12,727,229	12,350,647	12,274,557
Fire	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	11,790,289
Streets and Highways	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	16,405,625
Parks, Recreation & Public Facilities	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	7,763,173
Economic & Community Development	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	1,680,361
Engineering & Building	2,649,925	2,356,039	1,895,626	2,004,928	2,316,314	1,680,518	2,094,279	2,245,519	2,057,180	2,191,074
Interest and Fiscal Charges	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	1,577,022
<i>Total Governmental Activities Expenses</i>	<u>83,876,785</u>	<u>76,858,924</u>	<u>64,890,827</u>	<u>64,205,211</u>	<u>63,860,085</u>	<u>63,864,367</u>	<u>62,093,427</u>	<u>63,457,800</u>	<u>57,411,770</u>	<u>61,571,467</u>
Net (Expense)/Revenue										
<i>Total Governmental Net Expense</i>	<u>(61,901,841)</u>	<u>(51,918,707)</u>	<u>(53,116,955)</u>	<u>(50,895,725)</u>	<u>(49,694,507)</u>	<u>(49,690,040)</u>	<u>(47,076,743)</u>	<u>(48,051,743)</u>	<u>(45,924,193)</u>	<u>(39,430,866)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes:										
Municipal Income Taxes Levied	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	32,831,801
Property Taxes Levied										
<i>General Purposes</i>	984,273	570,255	763,762	707,790	708,495	1,453,136	1,853,917	1,637,370	1,784,878	1,943,948
<i>Special Revenue</i>	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	2,215,269
<i>Debt Service</i>	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	1,901,892
Other Local Taxes	682,693	628,145	602,640	568,536	544,058	514,501	477,642	437,875	443,167	424,852
Payments in Lieu of Taxes	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	2,264,634	4,789,030	5,001,823	5,463,036	5,673,886	6,419,066	6,285,208	7,115,438	6,872,454	7,692,358
Other Grants and Contributions	-	-	-	-	-	-	-	-	20,047	79,068
Unrestricted Investment Earnings	581,993	488,385	218,794	665,650	(100,371)	684,403	790,645	982,759	982,064	307,232
Other	688,775	1,214,899	75,287	44,650	89,862	138,873	104,196	49,798	23,966	92,459
<i>Total Governmental Activities</i>	<u>53,316,972</u>	<u>54,810,653</u>	<u>50,484,416</u>	<u>50,395,885</u>	<u>49,762,692</u>	<u>51,533,655</u>	<u>45,795,590</u>	<u>45,638,396</u>	<u>44,233,572</u>	<u>47,488,879</u>
<i>Total Governmental General Revenues and Other Changes in Net Position</i>	<u>53,316,972</u>	<u>54,810,653</u>	<u>50,484,416</u>	<u>50,395,885</u>	<u>49,762,692</u>	<u>51,533,655</u>	<u>45,795,590</u>	<u>45,638,396</u>	<u>44,233,572</u>	<u>47,488,879</u>
Change in Net Position										
Governmental Activities	<u>(8,584,869)</u>	<u>2,891,946</u>	<u>(2,632,539)</u>	<u>(499,840)</u>	<u>68,185</u>	<u>1,843,615</u>	<u>(1,281,153)</u>	<u>(2,413,347)</u>	<u>(1,690,621)</u>	<u>8,058,013</u>
<i>Total Governmental Change in Net Position</i>	<u>\$ (8,584,869)</u>	<u>\$ 2,891,946</u>	<u>\$ (2,632,539)</u>	<u>\$ (499,840)</u>	<u>\$ 68,185</u>	<u>\$ 1,843,615</u>	<u>\$ (1,281,153)</u>	<u>\$ (2,413,347)</u>	<u>\$ (1,690,621)</u>	<u>\$ 8,058,013</u>

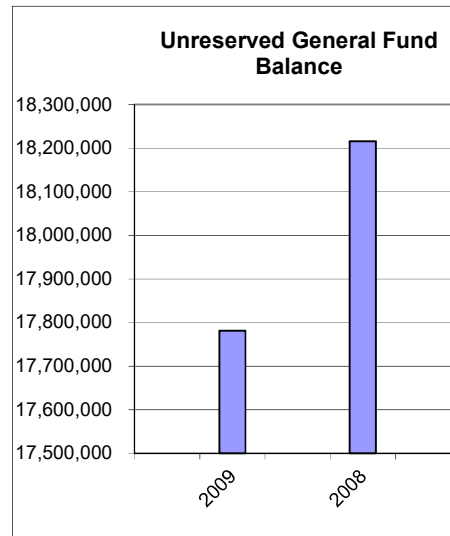
CITY OF MENTOR, OHIO
Fund Balances, Governmental Funds
 12/31/2017
 (Modified Accrual Basis of Accounting)

	2017	2016	2015	2014	2013	2012	2011	2010
General Fund								
Nonspendable	884,653	937,735	1,158,489	894,279	567,849	690,160	632,706	703,444
Committed	1,291,036	1,351,244	1,216,132	2,469,531	2,402,465	2,245,778	817,000	-
Assigned	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	<u>21,747,337</u>	<u>20,412,107</u>	<u>18,687,445</u>	<u>15,952,502</u>	<u>17,823,688</u>	<u>17,581,342</u>	<u>18,404,064</u>	<u>15,888,488</u>
Total General Fund	<u>30,042,770</u>	<u>30,165,509</u>	<u>29,222,794</u>	<u>28,479,965</u>	<u>29,893,972</u>	<u>28,883,321</u>	<u>24,934,208</u>	<u>21,633,928</u>
All Other Governmental Funds								
Nonspendable	875	-	-	-	-	-	-	-
Restricted	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	395,516	206,037	577,267	355,064	182,354	733,437	578,649	510,106
Unassigned	<u>(2,575,666)</u>	<u>(2,212,416)</u>	<u>(679,951)</u>	<u>(2,672,885)</u>	<u>(1,723,109)</u>	<u>(1,074,469)</u>	<u>(510,660)</u>	<u>(3,004,949)</u>
Total All Other Governmental Funds	<u>9,087,554</u>	<u>5,726,425</u>	<u>7,941,512</u>	<u>3,748,227</u>	<u>5,503,317</u>	<u>6,242,603</u>	<u>7,050,584</u>	<u>2,333,507</u>
Total Governmental Funds	<u><u>39,130,324</u></u>	<u><u>35,891,934</u></u>	<u><u>37,164,306</u></u>	<u><u>32,228,192</u></u>	<u><u>35,397,289</u></u>	<u><u>35,125,924</u></u>	<u><u>31,984,792</u></u>	<u><u>23,967,435</u></u>

Note: The City implemented GASB 54 in 2011

CITY OF MENTOR, OHIO
Fund Balances, Governmental Funds
 12/31/2017
 (Modified Accrual Basis of Accounting)

	2009	2008
General Fund		
Reserved	\$ 2,162,956	\$ 1,462,499
Unreserved	<u>17,781,308</u>	<u>18,215,631</u>
Total General Fund	<u>19,944,264</u>	<u>19,678,130</u>
All Other Governmental Funds		
Reserved	2,460,771	2,848,063
Unreserved, Reported in:		
Special Revenue Funds	3,587,542	3,008,409
Debt Service Fund		
Capital Projects Funds	<u>(715,738)</u>	<u>(4,300,077)</u>
Total All Other Governmental Funds	<u>5,332,575</u>	<u>1,556,395</u>
Total Governmental Funds	<u><u>\$ 25,276,839</u></u>	<u><u>\$ 21,234,525</u></u>



CITY OF MENTOR, OHIO
Changes in Fund Balances, Governmental Funds
 12/31/2017
 (Modified Accrual Basis of Accounting)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Property Taxes	\$ 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	\$ 6,061,110
Municipal Income Taxes	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	32,960,086
Other Local Taxes	679,093	628,145	602,640	568,536	544,058	514,501	477,642	437,902	443,137	424,852
Payments in Lieu of Taxes	726,140	490,529	490,817	478,572	407,065	662,591	203,186	230,725	232,416	-
Intergovernmental	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	8,698,588
Charges for Services	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	5,478,221
Fines and Forfeitures	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	1,434,560
Licenses, Permits and Inspections	1,676,656	1,791,810	1,614,463	1,655,379	1,621,125	1,562,892	1,419,526	1,382,489	1,380,055	1,191,262
Special Assessments	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	1,874,013
Investment Income	581,993	488,385	218,794	665,650	(100,371)	684,403	790,645	982,759	1,002,111	386,300
Donations and Other	531,396	1,110,350	189,903	278,727	447,287	778,324	344,518	171,152	143,618	352,944
Total Revenues	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	58,861,936
Expenditures										
Current:										
General Government	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	7,742,983
Security of Persons and Property:										
Police	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	11,710,603
Fire	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	10,991,511
Streets & Highways	14,774,186	14,862,663	11,935,643	11,646,576	12,408,097	11,864,164	11,355,744	14,580,839	10,618,043	12,137,320
Parks, Recreation and Public Facilities	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	6,556,010
Economic & Community Development	3,533,565	3,264,323	3,158,699	2,865,376	2,387,632	2,652,103	2,084,967	1,946,043	754,252	1,718,496
Engineering and Building	2,265,487	2,106,260	1,895,502	2,015,105	2,304,524	1,728,863	2,010,053	2,214,863	2,030,867	2,127,362
Capital Outlay	6,907,088	9,125,288	4,643,960	7,594,659	2,571,347	2,383,744	2,554,372	2,201,521	2,881,089	5,743,075
Debt Service:										
Principal Retirement	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	1,997,389
Interest and Fiscal Charges	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	1,429,490
Total Expenditures	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	62,154,239
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(6,093,357)</i>	<i>(3,996,194)</i>	<i>(1,117,432)</i>	<i>(3,411,807)</i>	<i>469,122</i>	<i>3,090,307</i>	<i>3,718,041</i>	<i>(1,346,270)</i>	<i>(407,423)</i>	<i>(3,292,303)</i>
Other Financing Sources (Uses)										
Issuance of Bonds	2,250,000	-	5,565,000	-	-	-	4,355,000	-	4,335,000	7,505,000
Issuance of Notes/OPWC Loans	7,385,000	3,015,000	11,596	-	-	50,000	-	-	34,116	-
Premium on Bonds	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	1,316,288	1,542,836	1,588,383	1,035,791	977,660	908,428	362,099	711,190	543,863	663,300
Transfers Out	(1,666,288)	(1,542,836)	(1,588,383)	(1,035,791)	(977,660)	(908,428)	(362,099)	(711,190)	(543,863)	(663,300)
Other	-	-	-	-	-	-	-	-	21,485	49,498
Total Other Financing Sources (Uses)	9,423,018	3,015,000	5,756,017	-	-	50,000	4,370,054	-	4,390,601	7,554,498
Net Change in Fund Balances	\$ 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	\$ 4,262,195
Debt Service as a Percentage of Noncapital Expenditures	8.9%	6.3%	6.2%	6.2%	6.7%	6.8%	7.1%	6.8%	7.0%	5.9%

CITY OF MENTOR, OHIO
Assessed Valuation and Estimated Actual Values of Taxable Property
 12/31/2017

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				
2007/2008	1,579,845,340	32,454,480	64,709,171	1,677,008,991	4.50	4,513,843,829	37.15%
2008/2009	1,603,670,200	34,261,250	1,776,147	1,639,707,597	4.50	4,581,914,857	35.79%
2009/2010	1,477,190,810	36,652,720	888,073	1,514,731,603	4.50	4,220,545,171	35.89%
2010/2011	1,475,204,850	37,440,430	-	1,512,645,280	4.50	4,214,871,000	35.89%
2011/2012	1,469,235,210	38,586,070	-	1,507,821,280	4.50	4,197,814,886	35.92%
2012/2013	1,321,408,400	41,671,040	-	1,363,079,440	4.50	3,775,452,571	36.10%
2013/2014	1,326,669,050	45,563,900	-	1,372,232,950	4.50	3,790,483,000	36.20%
2014/2015	1,335,052,680	48,478,930	-	1,383,531,610	4.50	3,814,436,229	36.27%
2015/2016	1,378,653,230	49,669,630	-	1,428,322,860	4.50	3,939,009,229	36.26%
2016/2017	1,382,527,800	52,948,410	-	1,435,476,210	4.50	3,950,079,429	36.34%

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
12/31/2017
Last Ten Fiscal Years

<u>Tax Year/ Collection Year</u>	<u>City of Mentor Direct Rates</u>				<u>Total</u>	<u>Mentor Exempted Village School District ¹</u>	<u>Lake County</u>	<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>				
2007/2008	1.20	2.10	1.20	4.50	77.325	15.80	97.625	
2008/2009	1.10	2.10	1.30	4.50	77.990	15.80	98.290	
2009/2010	1.00	2.10	1.40	4.50	78.740	15.80	99.040	
2010/2011	1.40	2.10	1.00	4.50	78.710	15.80	99.010	
2011/2012	1.10	2.10	1.30	4.50	78.060	15.80	98.360	
2012/2013	0.60	2.10	1.80	4.50	79.800	15.30	99.600	
2013/2014	0.60	2.10	1.80	4.50	79.420	15.30	99.220	
2014/2015	0.60	2.10	1.80	4.50	79.420	15.30	99.220	
2015/2016	0.40	2.10	2.00	4.50	77.160	15.70	97.360	
2016/2017	0.80	2.10	1.60	4.50	84.010	15.70	104.210	

¹Includes Mentor Public Library

SOURCE: Office of the Lake County Auditor

CITY OF MENTOR, OHIO
Principal Property Tax Payers
 12/31/2017

<u>Taxpayer</u>	<u>2017</u>		<u>2008</u>	
	<u>Taxable Assessed Value</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Cleveland Electric Illuminating Co.	\$ 26,064,940	1.82%	\$ 18,361,200	1.15%
Mall at Great Lake LLC/Simon Property	22,571,720	1.57%	27,595,230	1.73%
Aqua Ohio/Consumers Ohio Water	18,793,500	1.31%	11,526,230	0.72%
DFG Mentor Erie Commons LLC	6,422,520	0.45%	-	0.00%
Steris Corporation	5,800,890	0.40%	10,703,340	0.67%
Points East	5,442,500	0.38%	7,223,610	0.45%
Inland Creekside Commons	4,129,140	0.29%	-	0.00%
American Transmission Systems Inc.	5,615,640	0.39%	-	0.00%
Lake Hospital Systems Inc.	3,463,490	0.24%	-	0.00%
F I Mentor I LLC	3,237,380	0.23%	4,603,940	0.29%
Cleveland Cugahoga	-	0.00%	7,339,250	0.46%
F I Mentor II Ltd.	-	0.00%	3,444,680	0.22%
First Interstate	-	0.00%	4,861,210	0.30%
Sears Roebuck Co.	-	0.00%	3,269,560	0.20%
Deepwood North Company	-	0.00%	3,785,250	0.24%
Michaels, Inc.	-	0.00%	3,466,810	0.22%
 Total Principal Taxpayers	 <u>\$ 101,541,720</u>		 <u>\$ 106,180,310</u>	
 Total Real City Property (including other real estate and public utility property)	 <u>\$ 1,435,476,210</u>		 <u>\$ 1,598,032,480</u>	

SOURCE: Office of the Lake County Auditor

CITY OF MENTOR, OHIO
Property Tax Levies and Collections
 12/31/2017
 Last Ten Fiscal Years

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

* 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
 12/31/2017
 (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>
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%
2008	32,250,399	24,971,625	3,636,082	3,642,692	2.0%

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

<u>2017</u>		<u>2008</u>	
<u>Rank</u>	<u>Name</u>	<u>Rank</u>	<u>Name</u>
1	Steris Corporation	1	Mentor Exempted School District
2	Avery Dennison Corporation	2	Steris Corporation
3	Mentor Exempted Village Schools	3	Avery Dennison Corporation
4	Lincoln Electric	4	Lake County Auditor
5	Jim Brown Chevrolet Inc.	5	City of Mentor
6	City of Mentor	6	PCC Airfoils Inc.
7	Component Repair Technologies	7	Classic
8	University Hospital Health System	8	Lincoln Electric Company
9	Lake County Auditor	9	Parker Hannifan Corp.
10	PCC Airfoils LLC	10	Component Repair Technologies

Source: City of Mentor, Finance Department

CITY OF MENTOR, OHIO
Ratios of Outstanding Debt by Type
 12/31/2017

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			
2008	17,770,131	12,574,869	4,760,736	35,105,736	2.84%	698
2009	19,991,107	12,413,893	642,126	33,047,126	2.67%	657
2010	18,310,006	11,599,237	3,347,346	33,256,589	2.87%	705
2011	20,854,387	10,730,613	572,208	32,157,208	2.26%	682
2012	18,826,580	10,163,420	586,700	29,576,700	1.99%	627
2013	16,699,216	9,570,784	548,312	26,818,312	1.79%	569
2014	14,792,294	8,997,706	509,532	24,299,532	1.59%	515
2015	18,475,926	8,394,074	511,139	27,381,139	1.75%	581
2016	16,075,000	7,760,000	3,484,393	27,319,393	1.71%	582
2017	16,448,247	7,105,000	7,808,469	31,361,716	1.93%	671

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
12/31/2017*

<u>Year</u>	<u>Population ¹</u>	<u>Assessed Value ²</u>	<u>Gross General Bond Debt</u>	<u>Less Balance in General Bond Retirement Fund</u>	<u>Total</u>	<u>Percentage of Net General Bonded Debt to Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>
2008	50,278	1,677,008,991	17,770,131	1,062,796	16,707,335	1.00%	332.30
2009	50,278	1,639,707,597	19,991,107	1,521,782	18,469,325	1.13%	367.34
2010	47,159	1,514,731,603	18,310,006	1,308,750	17,001,256	1.12%	360.51
2011	47,159	1,512,645,280	20,854,387	538,389	20,315,998	1.34%	430.80
2012	47,159	1,507,821,280	18,826,580	175,590	18,650,990	1.24%	395.49
2013	47,159	1,363,079,440	16,699,216	312,834	16,386,382	1.20%	347.47
2014	47,159	1,372,232,950	14,792,294	465,825	14,326,469	1.04%	303.79
2015	47,159	1,383,531,610	18,475,926	638,317	17,837,609	1.29%	378.24
2016	46,901	1,428,322,860	16,075,000	808,368	15,266,632	1.07%	325.51
2017	46,732	1,435,476,210	16,448,247	942,668	15,505,579	1.08%	331.80

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, 2017

	<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	\$ 31,361,716	100.00%	\$ 31,361,716
Overlapping:			
Mentor Exempted Village School District and Mentor Public Library	-		-
Lake County	<u>940,000</u>	24.42%	<u>\$ 229,548</u>
Total Overlapping	<u>940,000</u>		<u>229,548</u>
 TOTAL	 <u>\$ 32,301,716</u>		 <u>\$ 31,591,264</u>

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

SOURCES

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

CITY OF MENTOR, OHIO
Legal Debt Margin
December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Overall Legal Debt Limit (10.5 % of Assessed Valuation)	\$ 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	\$ 176,085,944
Net Debt Within 10.5% Limitations	<u>23,475,000</u>	<u>19,090,000</u>	<u>18,475,926</u>	<u>14,792,294</u>	<u>16,699,216</u>	<u>18,826,580</u>	<u>20,854,387</u>	<u>15,552,526</u>	<u>19,991,107</u>	<u>21,286,131</u>
Legal Debt Margin Within 10.5% Limitation	<u><u>127,250,002</u></u>	<u><u>130,883,900</u></u>	<u><u>126,794,893</u></u>	<u><u>129,292,166</u></u>	<u><u>\$ 126,424,125</u></u>	<u><u>\$ 139,494,654</u></u>	<u><u>\$ 137,973,367</u></u>	<u><u>\$ 143,494,292</u></u>	<u><u>\$ 152,178,191</u></u>	<u><u>\$ 154,799,813</u></u>
Total Net Debt Applicable to the 10.5% Limit as a Percentage of the Debt Limit	15.57%	12.73%	12.72%	10.27%	11.67%	11.89%	13.13%	9.78%	11.61%	12.09%
Unvoted Debt Limitation - 5.5% of Assessed Valuation	78,951,192	78,557,757	76,094,239	75,472,812	74,969,369	82,930,170	83,195,490	83,310,238	90,183,918	92,235,495
Debt Within 5.5% Limitations	<u>23,475,000</u>	<u>19,090,000</u>	<u>18,475,926</u>	<u>14,792,294</u>	<u>16,699,216</u>	<u>18,826,580</u>	<u>20,854,387</u>	<u>15,552,526</u>	<u>19,991,107</u>	<u>21,286,131</u>
Legal Debt Margin Within 5.5% Limitations	<u><u>55,476,192</u></u>	<u><u>59,467,757</u></u>	<u><u>57,618,313</u></u>	<u><u>60,680,518</u></u>	<u><u>\$ 58,270,153</u></u>	<u><u>\$ 64,103,590</u></u>	<u><u>\$ 62,341,103</u></u>	<u><u>\$ 67,757,712</u></u>	<u><u>\$ 70,192,811</u></u>	<u><u>\$ 70,949,364</u></u>
Total Debt Applicable to the 5.5% Limit as a Percentage of the Debt Limit	29.73%	24.30%	24.28%	19.60%	22.27%	22.70%	25.07%	18.67%	22.17%	23.08%

LEGAL DEBT MARGIN CALCULATION FOR 2017

Assessed Valuation	\$ 1,435,476,210
Overall Debt Limitation - 10.5% of Assessed Valuation	150,725,002
Gross Indebtedness	31,153,469
Less: OWDA/OPWC	573,469
Special Assessment Bonds & Notes	<u>7,105,000</u>
Net Debt Within 10.5% Limitations-General Obligation Bonds	<u>23,475,000</u>
Legal Debt Margin Within 10.5% Limitation	<u><u>\$ 127,250,002</u></u>
Unvoted Debt Limitation - 5.5% of Assessed Valuation	78,951,192
Gross Indebtedness Authorized by Council	23,475,000
Less Debt Outside Limitations-Voted	-
Debt Within 5.5% Limitations	<u>23,475,000</u>
Legal Debt Margin Within 5.5% Limitation	<u><u>\$ 55,476,192</u></u>

CITY OF MENTOR, OHIO

Pledged-Revenue Coverage

December 31, 2017

SPECIAL ASSESSMENT BONDS

<u>Year</u>	<u>Special Assessment Collections</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
2008	771,433	490,755	310,154	0.96
2009	1,266,401	750,976	680,205	0.88
2010	1,196,808	816,419	545,253	0.88
2011	1,572,556	866,861	497,061	1.15
2012	1,053,137	567,193	453,662	1.03
2013	1,066,176	592,636	432,144	1.04
2014	959,357	573,078	409,035	0.98
2015	1,253,733	603,632	386,707	1.27
2016	1,003,752	634,074	362,925	1.01
2017	971,519	650,000	337,121	0.98

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, 2017

Year	Population¹	Total Personal Income²	Per Capita Personal Income¹	Median Household Income¹	Unemployment Rate³
2008	50,278	1,236,436,576	24,592	65,322	7.1%
2009	50,278	1,236,436,576	24,592	65,322	7.8%
2010	47,159	1,159,734,128	24,592	65,322	6.9%
2011	47,159	1,422,126,804	30,156	62,546	5.8%
2012	47,159	1,485,649,977	31,503	65,044	5.4%
2013	47,159	1,499,231,769	31,791	65,446	5.2%
2014	47,159	1,531,960,115	32,485	65,888	5.9%
2015	47,159	1,562,660,624	33,136	67,983	4.7%
2016	46,901	1,596,369,337	34,037	69,902	4.3%
2017	46,732	1,627,161,508	34,819	70,058	4.0%

SOURCES:

¹ U.S. Bureau of Census 2000, 2010, 2016 estimate.

² Computation of per capita personal income multiplied by population

³ Local Area Employment Statistics

CITY OF MENTOR, OHIO

Principal Employers

December 31, 2017

<u>Employer</u>	<u>2017</u>			<u>2008</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Steris/U.S. Endoscopy	1,700	1	4.90%	809	3	2.40%
City of Mentor ¹	931	2	2.69%	928	2	2.75%
Mentor Public Schools	919	3	2.65%	1,045	1	3.10%
Classic Auto Group	624	4	1.80%	-		0.00%
Lincoln Electric	450	5	1.30%	354	6	1.05%
Component Repair Technologies	450	5	1.30%	285	8	0.85%
Avery Dennison	400	7	1.15%	400	5	1.19%
PCC Airfoils	350	8	1.01%	484	4	1.44%
Princeton Tool, Inc.	300	9	0.87%	-		0.00%
Deepwood Industries	236	10	0.68%	340	7	1.01%
Super K-Mart	-	-	0.00%	236	9	0.70%
JC Penney Co.	-	-	0.00%	310	10	0.92%
Wiseco Piston Company	-	-	0.00%	-		0.00%
Total Employees within the City:	<u><u>34,669</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, 2017

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
Council	1	1	1	1	1	1	1	2	2	2
Finance	11	11	11	11	11	12	12	10	11	13
City Manager/Personnel	15	15	14	12	13	13	13	14	15	15
Law	3	3	3	3	2	2	2	2	2	2
Engineering/Building*	12	12	12	10	12	13	18	19	20	21
Court	19	19	19	19	20	20	22	21	21	22
Security of Persons and Property										
Police	110	108	111	107	110	105	107	110	112	112
Fire	73	73	74	73	73	73	75	76	76	79
Public Health Services										
Cemetery	3	3	3	3	3	3	3	3	4	5
Parks, Recreation & Public Facilities	30	31	32	22	22	22	23	24	23	23
Economic & Community Development										
Economic Development/Planning*	12	12	12	13	14	13	9	8	8	7
Streets & Highways	55	56	55	65	67	65	64	69	72	75
Totals:	344	344	347	339	348	342	349	358	366	376

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, 2017

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental										
General Government										
Council - Ordinances & Resolutions	165	140	120	148	122	138	124	138	143	149
Personnel - Civil Service Exams (taken)	11	332	-	155	134	158	136	29	421	-
Court - Number of Cases	9,894	9,491	7,807	8,267	10,733	10,968	10,962	12,506	12,069	11,515
Finance										
Number of A/P Checks Processed	9,468	9,623	10,852	10,833	11,156	8,885	9,034	9,593	9,002	9,976
Number of Purchase Orders Issued	1,379	1,633	1,547	2,379	3,521	3,997	4,364	4,074	4,215	4,477
Security of Persons and Property										
Police										
Criminal Arrests	2,058	1,830	1,956	2,200	3,514	3,281	2,241	2,433	2,390	2,417
Traffic Citations	5,408	5,473	6,063	6,394	7,028	6,617	6,838	7,974	7,319	6,525
Parking Citations	166	115	141	394	601	814	1,341	1,718	1,588	1,083
Fire - Total Number of Calls	8,157	7,852	7,714	7,508	7,148	7,264	6,975	6,579	6,513	6,467
Building & Engineering										
Building Permits Issued	3,999	3,972	2,401	4,007	3,431	3,336	3,194	2,576	2,296	2,558
Inspections - Residential	6,675	5,847	4,441	5,470	5,025	4,742	4,363	4,211	4,691	4,235
Inspections - Commercial	3,363	3,763	1,667	3,801	2,972	3,719	3,106	4,220	3,957	4,154
Parks, Recreation & Public Facilities										
Pools - Attendance	64,545	81,256	76,189	74,075	81,196	98,506	99,696	102,570	83,426	101,133
Senior Center - Program Participants	4,855	4,825	5,005	4,860	4,782	4,592	5,227	5,583	5,439	5,189
Golf Course - Rounds of Golf	30,343	34,597	32,636	28,493	31,536	39,354	35,720	40,168	40,897	41,019
Marina - Dock Rentals	533	539	538	538	539	539	528	519	500	510
Arena - Tournaments/Special Events	19	17	14	12	10	10	12	13	9	9
Arena - Number of Admissions	16,646	19,832	20,525	23,246	19,543	18,500	18,853	12,291	12,609	13,736
Cemetery - Number of Internments	258	220	247	226	229	200	204	227	211	239
Amphitheater - Concerts/Special Events	17	-	-	-	-	-	-	-	-	-
Streets and Highways										
Streets Resurfaced (miles)	7	6	8	4	7.7	7.5	0.3	2.6	3.9	2.1
Concrete Pavement Replacements (sq yd)	5,373	7,092	-	-	-	-	-	-	-	-
Concrete Pavement Replacements (cu yd)	-	-	1,196	785	1,504	608	130	57	596	526
Hazardous Ditch Enclosures (In ft)	-	-	-	-	-	-	-	1,900	2,385	6,551
Drainage Assistance Projects (In ft)	1,470	-	5,127	2,453	2,868	1,200	1,360	1,519	5,407	4,224

SOURCE: Various Mentor Departments

CITY OF MENTOR, OHIO
Capital Assets Statistics by Function/Program
 December 31, 2017

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
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	52	47	48	46	47	47	46	46	50
ATV	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	37	41	33	41	41	41	41	41	41
Recreation										
Number of Parks	12	12	12	11	11	11	11	11	11	11
Number of Dog Parks	1	1	1	1	1	1	1	1	1	1
Number of Spray Parks	2	2	2	2	2	2	2	2	2	2
Number of Pools	3	3	3	3	3	3	3	3	3	3
Number of Ice Rinks	2	2	2	2	2	2	2	2	2	2
Number of Community Centers	6	6	6	6	6	6	6	6	6	6
Number of Tennis Courts	8	8	9	13	15	15	17	17	17	17
Number of Skateboarding Areas	2	2	1	1	1	1	2	2	2	2
Number of Baseball Diamonds	19	19	19	19	19	19	19	19	19	19
Number of Soccer Fields	12	12	12	12	12	12	12	12	12	12
Number of Basketball Courts	5	5	5	5	5	5	5	5	5	5
Number of Golf Courses	1	1	1	1	1	1	1	1	1	1
Number of Marinas	1	1	1	1	1	1	1	1	1	1
Number of Pickle Ball Courts	15	12	12	12	6	6	-	-	-	-
Number of Amphitheaters	1	-	-	-	-	-	-	-	-	-
Vehicles	47	35	35	15	15	15	15	15	15	49
Square Footage of PRPF Facilities	269,902	261,502	261,502	261,502	261,502	261,502	261,502	261,502	261,502	261,502
Streets & Highways										
Streets (miles)	243	241	241	241	241	241	241	241	241	241
Number of Streetlights (per light bill)	5,460	5,420	5,420	5,408	5,408	5,408	5,408	5,254	5,254	5,254
Number of Traffic Signals	746	720	718	710	710	710	710	707	707	707
Number of Pedestrian Signals	508	480	474	472	472	472	472	470	470	470
Number of Signalized Intersections	92	88	87	86	86	86	86	85	85	85
Service Vehicles	67	67	67	67	67	67	67	70	70	70
Square Footage Buildings	74,000	74,000	74,000	72,053	72,053	72,053	72,053	72,053	72,053	72,053

SOURCE: Various Mentor Departments