



**Mary Taylor, CPA**  
Auditor of State



**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Village of Mayfield  
Cuyahoga County  
6622 Wilson Mills Road  
Mayfield Village, Ohio 44143

To the Village Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Mayfield, Cuyahoga County, Ohio (the Village), as of and for the year ended December 31, 2009, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Mayfield, Cuyahoga County, Ohio, as of December 31, 2009, and the respective changes in cash financial position and the respective budgetary comparison for the General fund thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2010, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the Village's basic financial statements. The accompanying schedule of federal awards expenditures is required by U.S. Office Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

**Mary Taylor, CPA**  
Auditor of State

August 23, 2010

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY  
Management's Discussion and Analysis  
For the Year Ended December 31, 2009  
Unaudited**

This discussion and analysis of the performance of the Village of Mayfield, Cuyahoga County, Ohio (the Village) provides an overall review of the Village's financial activities for the year ended December 31, 2009, within the limitations of the Village's cash basis accounting. The intent of this discussion and analysis is to look at the Village's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

**Financial Highlights**

Highlights for 2009 are as follows:

- Net assets of governmental activities increased \$151,209 or 2.3 percent as compared to 2008. This increase in assets is primarily attributable to an increase in Inheritance Tax proceeds of \$721,875 offset by decreases in the following: the General Bond Retirement Fund in the amount of \$115,315 for the payment of principal and interest; the Municipal Complex Center Fund in the amount of \$246,597 for the construction of the new Police Station, and net expenditures in the amount of \$283,958 for the Raleigh Drive, Seneca Road and Highland/Metro/Zorn infrastructure projects.
- The Village's general receipts are primarily made up of municipal income taxes, property taxes, and tax incremental financing revenue or payments in lieu of taxes. These items account for 67.8 percent of total general receipts. Municipal income taxes decreased by \$314,498 or 3.1 percent, property taxes decreased by \$651 or .1 percent and payments in lieu of taxes increased by \$113,052 or 12.9 percent as compared to 2008. Intergovernmental receipts, which account for 14.1 percent of total receipts, increased by \$1,812,379 or 198.1 percent as compared to 2008 primarily due to an increase in Inheritance Tax proceeds of \$721,875 and proceeds of an Assistance to Firefighters Grant from the U.S. Department of Homeland Security and Cuyahoga County in the amount of \$1,076,152.
- Total disbursements increased \$411,590 or 2.2 percent as compared to 2008. General Fund disbursements decreased by \$726,281 or 6.0 percent primarily due to cost cutting measures implemented to combat declining revenues. Other Governmental Funds disbursements increased by \$1,043,895 or 104.4 percent primarily due to expenditures associated with the Assistance to Firefighters Grant project.

**Using the Basic Financial Statements**

**Report Components**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Village's cash basis of accounting.

The statement of net assets and the statement of activities provide information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY  
Management's Discussion and Analysis  
For the Year Ended December 31, 2009  
Unaudited  
(Continued)**

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting the Village as a Whole**

The statement of net assets and the statement of activities reflect how the Village did financially during 2009, within the limitations of the cash basis of accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other nonfinancial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes. The statement of net assets and the statement of activities reflect how the Village did financially during 2009, within the limitations of cash basis accounting.

In the statement of net assets and the statement of activities, we express the Village's activities as the following:

***Governmental activities.*** The Village's basic services are reported here, including police, fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY  
Management's Discussion and Analysis  
For the Year Ended December 31, 2009  
Unaudited  
(Continued)**

**Reporting the Village's Most Significant Funds**

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are split into two categories: governmental and fiduciary.

**Governmental Funds** - Most of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Village's major governmental funds are the General Fund, the General Bond Retirement Fund, and the Municipal Complex Center Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Village's programs.

**The Village as a Whole**

**Table 1** provides a summary of the Village's net assets for 2009 compared to 2008 on a cash basis:

(Table 1)  
**Net Assets**

Governmental Activities

**Assets**

Equity in Pooled Cash and

Cash Equivalents	\$6,807,952	\$6,656,743	\$151,209
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**Net Assets**

Restricted for:

Debt Service	\$2,878	\$118,193	(\$115,315)
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Capital Projects	4,479,044	5,071,963	(592,917)
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Other Purposes	650,094	532,215	117,879
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Unrestricted	1,675,936	934,372	741,564
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Total Net Assets	\$6,807,952	\$6,656,743	\$151,209
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**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY  
Management's Discussion and Analysis  
For the Year Ended December 31, 2009  
Unaudited  
(Continued)**

Net assets of governmental activities increased \$151,209 or 2.3 percent as compared to 2008. As previously mentioned, this increase in assets is primarily attributable to an increase in Inheritance Tax proceeds of \$721,875 offset by decreases in the following: the General Bond Retirement Fund in the amount of \$115,315 for the payment of principal and interest; the Municipal Complex Center Fund in the amount of \$246,597 for the construction of the new Police Station, and net expenditures in the amount of \$283,958 for the Raleigh Drive, Seneca Road and Highland/Metro/Zorn infrastructure projects.

**Table 2** reflects the changes in net assets on a cash basis in 2009 and 2008 for governmental activities.

(Table 2)  
**Changes in Net Assets  
Governmental Activities**

	2009	2008	Change
<b>Receipts:</b>			
Program Receipts:			
Charges for Services and Sales	\$1,162,306	\$966,649	\$195,657
Operating Grants	8,364	82,430	(74,066)
Capital Grants and Special Assessments	1,460,300	330,673	1,129,627
<b>Total Program Receipts</b>	<b>2,630,970</b>	<b>1,379,752</b>	<b>1,251,218</b>
General Receipts:			
Property Taxes	680,722	681,373	(651)
Municipal Income Taxes	9,689,556	10,004,054	(314,498)
Hotel Taxes	160,674	106,953	53,721
Payment in Lieu of Taxes	988,392	875,340	113,052
Grants and Entitlements Not Restricted to Specific Programs	1,409,619	699,358	710,261
Franchise Taxes	28,989	30,804	(1,815)
Interest	76,276	61,864	14,412
Notes Issued	3,600,000	3,700,000	(100,000)
Sale of Capital Assets	9,100	18,560	(9,460)
Miscellaneous	99,360	88,677	10,683
<b>Total General Receipts</b>	<b>16,742,688</b>	<b>16,266,983</b>	<b>475,705</b>
<b>Total Receipts</b>	<b>19,373,658</b>	<b>17,646,735</b>	<b>1,726,923</b>
<b>Disbursements:</b>			
General Government	2,825,006	2,596,984	228,022
Security of Persons and Property	5,118,010	5,087,034	30,976
Public Health Services	15,060	16,263	(1,203)
Leisure Time Activities	966,648	1,178,033	(211,385)
Basic Utility Services	214,604	423,641	(209,037)
Community Development	354,335	435,573	(81,238)
Transportation	2,171,257	2,370,371	(199,114)
Capital Outlay	2,018,208	1,130,675	887,533
Debt Service			
Principal Retirement	4,906,832	4,838,230	68,602
Interest and Fiscal Charges	615,246	716,812	(101,566)
<b>Total Disbursements</b>	<b>19,205,206</b>	<b>18,793,616</b>	<b>411,590</b>
<b>Increase (Decrease) in Net Assets before Transfers</b>	<b>168,452</b>	<b>(1,146,881)</b>	<b>1,315,333</b>
Transfer Out	(17,243)	0	(17,243)
<b>Change in Net Assets</b>	<b>151,209</b>	<b>(1,146,881)</b>	<b>1,298,090</b>
<i>Net Assets, Beginning of Year</i>	<i>6,656,743</i>	<i>7,803,624</i>	<i>(1,146,881)</i>
<i>Net Assets, End of Year</i>	<i>\$6,807,952</i>	<i>\$6,656,743</i>	<i>\$151,209</i>

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY  
Management's Discussion and Analysis  
For the Year Ended December 31, 2009  
Unaudited  
(Continued)**

Program receipts represent 13.6 percent of total receipts in 2009 and are comprised of charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program.

General receipts represent 86.4 percent of the Village's total receipts, and of this amount, 67.8 percent represents municipal income taxes, property taxes and payment in lieu of taxes and 21.5 percent represents proceeds from notes issued. State and federal grants and entitlements, hotel taxes, franchise taxes, proceeds from sale of capital assets, investment income and miscellaneous receipts make up the balance of the Village's general receipts.

Disbursements for General Government represent the overhead costs of running the Village and the support services provided for the other Village activities. These include the costs of the Mayor's Office, Council, the Finance and Economic Development Office, the Law Department and other departments.

Security of Persons and Property are the costs of police, fire protection and emergency medical services. Public Health Services consist of payments to the Dog Warden, payments to the Cuyahoga County Board of Health and the Flu Shot program. Leisure Time Activities is the maintenance of the parks and playing fields. Transportation is the cost of maintaining the Village roads.

**Table 3** presents a summary for governmental activities for 2009 and 2008, the total cost of services and the net cost of providing those services.

(Table 3)  
**Governmental Activities**

	Total Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2009	Net Cost of Services 2008
General Government	\$2,825,006	\$2,596,984	\$2,606,759	\$2,367,824
Security of Persons and Property	5,118,010	5,087,034	4,638,467	4,785,957
Public Health Services	15,060	16,263	10,140	15,263
Leisure Time Activities	966,648	1,178,033	544,510	736,517
Basic Utility Services	214,604	423,641	214,604	423,641
Community Development	354,335	435,573	354,031	408,738
Transportation	2,171,257	2,370,371	2,128,607	2,324,221
Capital Outlay	2,018,208	1,130,675	706,245	916,343
Debt Service:				
Principal Retirement	4,906,832	4,838,230	4,755,627	4,718,548
Interest and Fiscal Charges	615,246	716,812	615,246	716,812
<b>Total</b>	<b>\$19,205,206</b>	<b>\$18,793,616</b>	<b>\$16,574,236</b>	<b>\$17,413,864</b>

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY  
Management's Discussion and Analysis  
For the Year Ended December 31, 2009  
Unaudited  
(Continued)**

**The Village's Funds**

Total governmental funds had receipts and other financing sources of \$19,591,046 and disbursements and other financing uses of \$19,439,837. The greatest change within governmental funds occurred within the General Fund where the fund balance increased by \$741,564 or 79.4 percent. This increase is primarily attributable to an increase in Inheritance Tax proceeds of \$721,875.

**General Fund Budgeting Highlight**

The Village's budget is prepared according to the laws of the State of Ohio and is based on accounting for certain transactions on a cash basis for receipts, expenditures, and encumbrances. The most significant budgeted fund is the General Fund. The legal level of budgetary control is at the fund level for all funds.

During 2009, the Village amended its General Fund budget to reflect changing circumstances. Original and final budgeted revenues were \$13,223,016 and \$12,348,285, respectively, and actual receipts were \$12,296,196. Original and final budgeted appropriations were \$12,424,988 and \$12,040,000 respectively, and actual expenditures were \$12,159,565.

**Debt Administration**

The outstanding debt for the Village as of December 31, 2009 was \$16,317,184. This balance reflects a decrease of \$1,306,832 from the balance at December 31, 2008 of \$17,624,016.

(Table 4)

**Outstanding Debt at December 31**

	<u>Governmental Activities</u>		Change
	<u>2009</u>	<u>2008</u>	
Notes Payable	\$3,600,000	\$3,700,000	(\$100,000)
General Obligation Bonds	6,355,000	6,725,000	(370,000)
OPWC Loans	924,380	984,466	(60,086)
OWDA Loans	878,914	925,470	(46,556)
State Infrastructure Bank Loans	4,558,890	5,289,080	(730,190)
<b>Totals</b>	<b><u>\$16,317,184</u></b>	<b><u>\$17,624,016</u></b>	<b><u>(\$1,306,832)</u></b>

The notes payable were issued for the purpose of acquiring certain real estate, existing buildings and other structures located thereon for the purpose of improving the parks and recreation system and to conserve, preserve and enhance the availability of open spaces in the Village. They are dated September 3, 2009, mature on September 2, 2010 and bear interest at the rate of 1.50 percent.

The general obligation bonds include \$1,400,000 issued for construction of the fire station, \$4,050,000 issued for the construction of the police station, and \$905,000 issued for construction of the Highland Road underpass.

The OPWC loans are interest free and include \$112,249 relating to the 1996 Worton Park Sanitary Sewer System Project and \$812,131 relating to the 2003 S.O.M. Center Road Widening Project.

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY  
Management's Discussion and Analysis  
For the Year Ended December 31, 2009  
Unaudited  
(Continued)**

The OWDA loans include \$137,752 relating to the 1996 Worton Park Sanitary Sewer System Project and \$741,162 relating to the 2008 Highland Road, Metro Park Drive and Zorn Lane septic systems conversion project.

The Village has two State Infrastructure Bank (S.I.B.) Loans from the Ohio Department of Transportation. The first S.I.B. loan is being repaid over a seventeen year period with a 4% interest rate. As of December 31, 2009, the outstanding balance of the first S.I.B. loan was \$2,176,792. The second S.I.B. loan will be repaid over nine years with a 3% interest rate. The outstanding balance of the second S.I.B. loan as of December 31, 2009 was \$2,382,098. The debt service payments for both S.I.B. loans are offset by annual special assessments and Tax Incremental Financing Payments or Payments in Lieu of Taxes exceeding \$900,000 per year.

For further information regarding the Village's debt, refer to Notes 10 and 11 to the basic financial statements.

**Current Issues**

The recession has caught up with Mayfield Village. This hasn't happened overnight, but it has certainly accelerated over the past 12 months. Revenues across the board have declined gradually since the peak year of 2006.

Mayfield Village is a community where the people employed in the Village outnumber the people who live in the Village by about 2 ½ to 1. The Village has worked hard to maintain services, steadily looking to solutions that minimize the impact on residents, employers and their employees. To avoid layoffs of Village personnel and to sustain services, the Village has continued to implement reductions in operating expenses including a wage freeze being shared by both our union and non-union employees along with further reductions in overtime and part-time staffing. In 2010 alone, this should save \$750,000.

On May 4, 2010, Mayfield Village residents approved a one-half percent increase in the municipal income tax rate. This tax rate increase will go into effect on July 1, 2010 and is expected to generate approximately \$3 million of additional revenue annually. These annual proceeds will be used to retire debt, grow reserves, offer economic development incentives to existing and prospective businesses, support daily operations and fund capital equipment and infrastructure needs.

**Contacting Mayfield Village's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Ronald C. Wynne, CPA, Director of Finance, Mayfield Village, 6622 Wilson Mills Road, Mayfield Village, Ohio 44143. Mr. Wynne can be contacted via email at [wynne@mayfieldvillage.com](mailto:wynne@mayfieldvillage.com) or via the Village website at [www.mayfieldvillage.com](http://www.mayfieldvillage.com).

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**Village of Mayfield**  
**Cuyahoga County**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2009*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$6,807,952</u>
<b>Net Assets</b>	
Restricted for:	
Capital Projects	\$4,479,044
Debt Service	2,878
Other Purposes	650,094
Unrestricted	<u>1,675,936</u>
<i>Total Net Assets</i>	<u>\$6,807,952</u>

See accompanying notes to the basic financial statements



**Village of Mayfield  
Cuyahoga County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2009*

	General	General Bond Retirement	Municipal Complex Center	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$1,675,936	\$2,878	\$4,137,913	\$991,225	\$6,807,952
<b>Fund Balances</b>					
Reserved:					
Reserved for Encumbrances	\$604,933	\$0	\$3,761,322	\$202,166	\$4,568,421
Unreserved:					
Undesignated, Reported in:					
General Fund	1,071,003	0	0	0	1,071,003
Special Revenue Funds	0	0	0	486,958	486,958
Debt Service Fund	0	2,878	0	0	2,878
Capital Projects Funds	0	0	376,591	302,101	678,692
<i>Total Fund Balances</i>	<u>\$1,675,936</u>	<u>\$2,878</u>	<u>\$4,137,913</u>	<u>\$991,225</u>	<u>\$6,807,952</u>

See accompanying notes to the basic financial statements

**Village of Mayfield**  
**Cuyahoga County**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2009*

	General	General Bond Retirement	Municipal Complex Center	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>					
Municipal Income Taxes	\$9,689,556	\$0	\$0	\$0	\$9,689,556
Property Taxes	167,649	412,441	0	100,632	680,722
Hotel Taxes	42,304	0	0	118,370	160,674
Special Assessments	0	151,205	0	93,232	244,437
Payments in Lieu of Taxes	0	988,392	0	0	988,392
Charges for Services	635,111	0	0	9,868	644,979
Fees, Licenses and Permits	72,040	0	0	304	72,344
Fines and Forfeitures	189,477	0	0	0	189,477
Intergovernmental	1,195,082	43,215	0	1,488,781	2,727,078
Franchise Taxes	0	0	0	28,989	28,989
Rentals	129,459	0	0	25,475	154,934
Contributions and Donations	3,383	0	0	3,957	7,340
Interest	63,675	0	12,112	489	76,276
Miscellaneous	99,360	0	0	0	99,360
<i>Total Receipts</i>	<u>12,287,096</u>	<u>1,595,253</u>	<u>12,112</u>	<u>1,870,097</u>	<u>15,764,558</u>
<b>Disbursements</b>					
Current:					
General Government	2,760,516	5,878	0	58,612	2,825,006
Security of Persons and Property	5,005,936	0	0	112,074	5,118,010
Public Health Services	13,108	0	0	1,952	15,060
Leisure Time Activities	963,071	0	0	3,577	966,648
Basic Utility Services	212,057	0	0	2,547	214,604
Community Development	352,708	0	0	1,627	354,335
Transportation	1,983,161	0	0	188,096	2,171,257
Capital Outlay	84,143	0	258,709	1,675,356	2,018,208
Debt Service:					
Principal Retirement	0	4,906,832	0	0	4,906,832
Interest and Fiscal Charges	0	615,246	0	0	615,246
<i>Total Disbursements</i>	<u>11,374,700</u>	<u>5,527,956</u>	<u>258,709</u>	<u>2,043,841</u>	<u>19,205,206</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>912,396</u>	<u>(3,932,703)</u>	<u>(246,597)</u>	<u>(173,744)</u>	<u>(3,440,648)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	9,100	0	0	0	9,100
Notes Issued	0	3,600,000	0	0	3,600,000
Transfers In	0	217,388	0	0	217,388
Transfers Out	(179,932)	0	0	(54,699)	(234,631)
<i>Total Other Financing Sources (Uses)</i>	<u>(170,832)</u>	<u>3,817,388</u>	<u>0</u>	<u>(54,699)</u>	<u>3,591,857</u>
<i>Net Change in Fund Balances</i>	741,564	(115,315)	(246,597)	(228,443)	151,209
<i>Fund Balances, Beginning of Year</i>	<u>934,372</u>	<u>118,193</u>	<u>4,384,510</u>	<u>1,219,668</u>	<u>6,656,743</u>
<i>Fund Balances, End of Year</i>	<u>\$1,675,936</u>	<u>\$2,878</u>	<u>\$4,137,913</u>	<u>\$991,225</u>	<u>\$6,807,952</u>

See accompanying notes to the basic financial statements

**Village of Mayfield  
Cuyahoga County**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
General Fund  
For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Municipal Income Taxes	\$11,219,352	\$9,729,925	\$9,689,556	(\$40,369)
Property Taxes	190,588	168,347	167,649	(698)
Hotel Taxes	32,779	42,480	42,304	(176)
Charges for Services	525,088	637,757	635,111	(2,646)
Fees, Licenses and Permits	108,767	72,340	72,040	(300)
Fines and Forfeitures	239,764	190,266	189,477	(789)
Intergovernmental	521,118	1,200,061	1,195,082	(4,979)
Rentals	158,325	129,998	129,459	(539)
Contributions and Donations	1,150	3,397	3,383	(14)
Interest	120,000	63,940	63,675	(265)
Miscellaneous	96,085	99,774	99,360	(414)
<i>Total Receipts</i>	<u>13,213,016</u>	<u>12,338,285</u>	<u>12,287,096</u>	<u>(51,189)</u>
<b>Disbursements</b>				
Current:				
General Government	2,794,518	2,862,628	3,128,803	(266,175)
Security of Persons and Property	5,313,365	5,158,882	5,165,646	(6,764)
Public Health Services	16,000	13,508	13,108	400
Leisure Time Activities	1,005,223	992,496	994,518	(2,022)
Basic Utility Services	244,936	218,536	212,057	6,479
Community Development	424,121	363,484	371,820	(8,336)
Transportation	2,224,465	2,043,752	2,008,164	35,588
Capital Outlay	102,300	86,714	85,518	1,196
<i>Total Disbursements</i>	<u>12,124,928</u>	<u>11,740,000</u>	<u>11,979,633</u>	<u>(239,633)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,088,088</u>	<u>598,285</u>	<u>307,463</u>	<u>(290,822)</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	10,000	10,000	9,100	(900)
Transfers Out	(300,000)	(300,000)	(179,932)	120,068
<i>Total Other Financing Sources (Uses)</i>	<u>(290,000)</u>	<u>(290,000)</u>	<u>(170,832)</u>	<u>119,168</u>
<i>Net Change in Fund Balance</i>	798,088	308,285	136,631	(171,654)
<i>Fund Balance, Beginning of Year</i>	265,264	265,264	265,264	0
Prior Year Encumbrances Appropriated	669,108	669,108	669,108	0
<i>Fund Balance, End of Year</i>	<u>\$1,732,460</u>	<u>\$1,242,657</u>	<u>\$1,071,003</u>	<u>(\$171,654)</u>

See accompanying notes to the basic financial statements

**Village of Mayfield**  
**Cuyahoga County**  
*Statement of Fiduciary Assets and Net Assets - Cash Basis*  
*Agency Funds*  
*December 31, 2009*

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**Assets**

Equity in Pooled Cash and Cash Equivalents	<u><u>\$65,939</u></u>
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**Net Assets**

Unrestricted	<u><u>\$65,939</u></u>
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See accompanying notes to the basic financial statements

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**NOTE 1. DESCRIPTION OF THE VILLAGE AND REPORTING ENTITY**

The Village of Mayfield, Cuyahoga County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected seven-member Council and Mayor. The Village provides general government services, maintenance of roads, garbage collection, sanitary sewer and storm sewer facilities, building, zoning, and police and fire protection.

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Village is obligated for the debt of the organization. The Village is also financially accountable for any organizations for which the Village approves the budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Village, are accessible to the Village and are significant in amount to the Village. The Village has no component units.

The Village participates in the Northeast Ohio Public Energy Council (NOPEC), Eastern Suburban Regional Council of Governments, and Mayfield Union Cemetery, jointly governed organizations. Note 13 to the financial statements provides additional information for these entities.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America ("GAAP"). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board ("GASB") pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Village's accounting policies.

**A. Basis of Presentation**

The Village's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The statement of net assets and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements usually distinguish between those activities of the Village that are governmental and those that are considered business-type activities. The Village, has no business-type activities.

The government-wide statement of net assets presents the cash balances of the governmental activities of the Village at year end. The government-wide statement of activities compares disbursements with program receipts for each program or function of the Village's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the Village's general receipts.

**FUND FINANCIAL STATEMENTS**

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**B. Fund Accounting**

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Village are divided into two categories, governmental and fiduciary.

**GOVERNMENTAL FUNDS**

Governmental funds are those through which most governmental functions of the Village are financed. Governmental funds are financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions. Monies are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the Village's major governmental funds:

**General Fund** – The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred accordingly to the Charter of the Village and/or general laws of Ohio.

**General Bond Retirement Fund** – This fund receives property taxes and the note proceeds for the retirement of the Village bonds and notes.

VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)

**Municipal Complex Center Fund** – This fund receives the proceeds from public debt and transfers from the General Fund to finance the construction of various buildings that make up the Municipal Center.

The other governmental funds of the Village account for grants and other resources whose use is restricted to a particular purpose.

**FIDUCIARY FUNDS**

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Village under a trust agreement for individuals, private organizations or other governments and are therefore not available to support the Village's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Village's only fiduciary funds are agency funds which account for the collection and distribution of contractor's performance bonds and to receive bail bond money which is remitted to the Lyndhurst Municipal Court.

**C. Basis of Accounting**

The Village's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Village are described in the appropriate section in the notes.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

**D. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village Council may appropriate.

The appropriations ordinance is the Village Council's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established at the fund level for all funds. Budgetary modifications may only be made by ordinance of the Village Council at the legal level of control.

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Director of Finance. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Village Council during the year.

**E. Cash and Investments**

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through the Village's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2009, investments were limited to STAR Ohio, a savings bond, WellPoint stock, and repurchase agreements.

Except for non-participating investment contracts, investments are reported at fair value which is based on quoted market prices or, in the case of mutual funds, current share price. Non-participating investment contracts such as repurchase agreements are reported at cost.

STAR Ohio is an investment pool, managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2009.

Interest earnings are allocated to Village funds according to State statutes, the Charter and Codified Ordinances of the Village, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2009 were \$5,244 which includes \$1,809 assigned from other Village funds. The Village realized a gain on the sale of stock in the amount of \$58,431, which added to interest receipts of \$5,244 brought total General Fund interest revenue to \$63,675.

VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)

**F. Inventory and Prepaid Items**

The Village reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**G. Capital Assets**

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**H. Interfund Receivables/Payables**

The Village reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

**I. Accumulated Leave**

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's cash basis of accounting.

**J. Employer Contributions to Cost-Sharing Pension Plans**

The Village recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for post-retirement health care benefits.

**K. Long-Term Obligations**

The Village's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor capital outlay expenditures are reported at inception. Lease payments are reported when paid.

**L. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The government-wide statement of net assets reports \$5,132,016 of restricted assets, none of which is restricted by enabling legislation. Net assets restricted for other purposes include resources restricted for the civic center and law enforcement. The Village's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**M. Fund Balance Reserves**

The Village reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

**N. Interfund Transactions**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**NOTE 3. BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis), and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis). The encumbrances outstanding at year end (budgetary basis) in the General Fund amounted to \$604,933.

**NOTE 4. DEPOSITS AND INVESTMENTS**

The Village has elected to follow the provisions of State statutes. State statutes classify monies held by the Village into three categories.

Active deposits are public deposits determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village treasury, in commercial accounts payable withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. 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 deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Village Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, 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 the market value of the securities subject to the repurchase agreement exceeds the principal value of the agreement by at least two percent and to 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 or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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 Village, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

**Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$1,033,920 of the Village's bank balance of \$1,533,920 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although the securities were held by the pledging institution's trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Village to a successful claim by the FDIC.

The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Village or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

**Investments**

As of December 31, 2009, the Village had the following investments:

Investment Type	Carrying Value	Investment Maturity
U.S. Savings Bond	\$1,000	12 Years
STAR Ohio	5,336,172	Average 60 Days
Total Portfolio	\$5,337,172	

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses caused by rising interest rates, the Village's investment policy requires that operating funds be invested primarily in investments so that securities mature to meet cash requirements for ongoing operations. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

*Credit Risk:* STAR Ohio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The Village has no policy that addresses credit risk.

*Concentration of Credit Risk:* The Village places no limit on the amount it may invest in any one issuer. The Village's investments in U.S. Savings Bond and STAR Ohio represent .02% and 99.98%, respectively.

**NOTE 5. INCOME TAXES**

The Village levies a municipal income tax of 1.5 percent on all salaries, wages, lottery winnings, commissions and other compensation, and net profits earned within the Village as well as income of residents earned outside of the Village. The Village allows a credit of the lesser of actual taxes paid to another municipality or one hundred percent of the 1.5 percent tax rate on taxable income. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

The Regional Income Tax Agency (RITA) administers and collects income taxes for the Village. Employers within the Village withhold income tax on employee compensation and remit the tax to the RITA either monthly or quarterly, as required. RITA distributes to the Village its portion of the income tax monthly. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. Income tax revenue is credited to the General Fund.

**NOTE 6. PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2009 for real and public property taxes represents collections of 2008 taxes.

2009 real property taxes are levied after October 1, 2009 on the assessed value as of January 1, 2009, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010.

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes which became a lien on December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes.

Tangible personal property assessments have been phased out. They were reduced to 6.25 percent for 2008, and zero for 2009. Tangible personal property tax is assessed by the property owners for 2008 and only against local and inter-exchange telephone companies for 2009, who must file a list of such property to the County by each April 30.

The full tax rate for all Village operations for the year ended December 31, 2009, was \$7.30 per \$1,000 of assessed value. The assessed values of real property, public utility tangible property, and tangible personal property upon which 2009 property tax receipts were based are as follows:

Real Estate:	
Residential/Agricultural	\$105,908,470
Other Real Estate	58,935,280
Tangible Personal Property:	
Public Utility	3,376,200
General	2,079,267
Total Assessed Values	\$170,299,217

**NOTE 7. RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2009, the Village contracted with Selective Insurance Company for various types of insurance coverage as follows:

Types of Coverage	Amount of Coverage
Commercial Property	\$19,291,710
General Liability	1,000,000
Commercial Crime	100,000
Inland Marine	1,036,550
Automobile	1,000,000
Police Liability	1,000,000
Employment Practices Liability	1,000,000
Public Officials	1,000,000
Fidelity and Deposits	1,000,000
Umbrella Coverage	5,000,000

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

Workers' compensation coverage is provided by the State. The Village pays the State Workers' Compensation System a premium based on a rate of \$1.79 per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The Village provides all of its full-time employees and two of its part-time employees with hospitalization through WellPoint Insurance, and dental insurance through Guardian Insurance Company.

**NOTE 8. DEFINED BENEFIT PENSION PLANS**

**A. Ohio Public Employees Retirement System**

Plan Description - The Village participates 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 in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the traditional plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, members in state and local classifications contributed 10.0 percent of covered payroll and public safety and law enforcement members contributed 10.1 percent. The Village's contribution rate for 2009 was 14.00 percent, except for those plan members in public safety and law enforcement, for whom the Village's contribution rate was 17.63 percent. For 2009, a portion of the Village's contributions equal to 7.0 percent of covered payroll from January 1 through March 31, 2009 and 5.5 percent of covered payroll from April 1 through December 31, 2009 was allocated to fund the post-employment health care plan.

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$285,058, \$251,683, and \$289,880, respectively; 100 percent has been contributed for 2009, 2008 and 2007. Contributions to the member-directed plan for 2009 were \$6,780 made by the Village and \$4,843 made by the plan members.

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

**B. Ohio Police and Fire Pension Fund**

Plan Description - The Village contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Plan members are required to contribute 10.0 percent of their annual covered salary to fund pension obligations. The Village's contribution was 19.5 percent for police officers and 24.0 percent for firefighters. Contribution rates are established by State statute. For 2009, a portion of the Village's contributions equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The Village's contributions to OP&F for police and firefighters were \$168,662 and \$135,157 for the year ended December 31, 2009, \$164,670 and \$131,833 for the year ended December 31, 2008 and \$163,688 and \$132,333 for the year ended December 31, 2007. The full amount has been contributed for 2009, 2008 and 2007.

**NOTE 9. POST-EMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System**

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit post employment health care plan for qualifying members of both the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including post employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age-and-service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-retirement health care.

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, state and local government employers contributed at a rate of 14.0 percent of covered payroll (17.63 percent for public safety and law enforcement). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2009, the amount of the employer contributions which was allocated to fund the post-employment health care plan was 7.0 percent of covered payroll from January 1 through March 31, 2009 and 5.5 percent of covered payroll from April 1 through December 31, 2009.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retirees or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008, and 2007 were \$206,146, \$251,683, and \$190,940 respectively; 100 percent has been contributed for 2009, 2008 and 2007.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

**B. Ohio Police and Fire Pension Fund**

Plan Description – The Village 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 reimbursement 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 survivor benefit check 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 45.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – OP&F's post-employment health care plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employer units, respectively.

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an 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 to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2009, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 115 and 401(h).

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

The Village's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$89,231 and \$52,822 for the year ended December 31, 2009, \$87,178 and \$51,587 for the year ended December 31, 2008, and \$86,659 and \$51,782 for the year ended December 31, 2007. The full amount has been contributed for 2009, 2008, and 2007.

**NOTE 10. NOTES PAYABLE**

The changes in the Village's notes payable during 2009 were as follows:

<b>Governmental Activities</b>	Interest Rate	Outstanding 12/31/2008	Additions	(Reductions)	Outstanding 12/31/2009
2008 Bond Anticipation Notes	2.50%	\$3,700,000	\$0	(\$3,700,000)	\$0
2009 Bond Anticipation Notes	1.50%	0	3,600,000	0	3,600,000
<b>Total Governmental Activities</b>		<u>\$3,700,000</u>	<u>\$3,600,000</u>	<u>(\$3,700,000)</u>	<u>\$3,600,000</u>

The bond anticipation notes are backed by the full faith and credit of the Village and mature within one year. They will be paid from the general obligation bond retirement debt service fund. The bond anticipation notes were issued to acquire land and real estate to conserve, preserve, and enhance the availability of open spaces, and for recreational purposes.

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

**NOTE 11. DEBT**

Original issue amounts and year of maturity of the Village's loans were as follows:

Debt Issue	Interest Rate	Original Issue	Year of Maturity
<b>Governmental Activities</b>			
General Obligation Bonds:			
2006 Fire Station Refunding	3.7%-5.0%	\$1,890,000	2016
2006 Police Station Refunding	3.7%-5.0%	4,500,000	2026
2006 Highland Road Underpass Refunding	3.7%-5.0%	1,000,000	2026
OPWC Loans:			
1996 Worton Park	0%	299,329	2017
2003 S.O.M. Center Road Widening	0%	902,368	2027
OWDA Loans:			
1996 Sewer Construction	4.04% - 4.16%	253,846	2016
2008 Sewer Construction	3.25%	800,000	2027
1998 State Infrastructure Bank Loan	4.00%	3,445,275	2018
2004 State Infrastructure Bank Loan	3.00%	3,990,000	2014

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

A schedule of changes in long-term obligations of the Village during 2009 follows:

	Outstanding <u>12/31/2008</u>	Additions	(Reductions)	Outstanding <u>12/31/2009</u>	Due in <u>One Year</u>
<b>Governmental Activities</b>					
General Obligation Bonds:					
2006 Fire Station Refunding	\$1,570,000	\$0	(\$170,000)	\$1,400,000	\$180,000
2006 Police Station Refunding	4,215,000	0	(165,000)	4,050,000	170,000
2006 Highland Road Underpass Refunding	<u>940,000</u>	<u>0</u>	<u>(35,000)</u>	<u>905,000</u>	<u>40,000</u>
Total General Obligation Bonds	<u>6,725,000</u>	<u>0</u>	<u>(370,000)</u>	<u>6,355,000</u>	<u>390,000</u>
OPWC Loans:					
1996 Worton Park	127,216	0	(14,967)	112,249	14,966
2003 S.O.M. Center Road Widening	<u>857,250</u>	<u>0</u>	<u>(45,119)</u>	<u>812,131</u>	<u>45,118</u>
Total OPWC Loans	<u>984,466</u>	<u>0</u>	<u>(60,086)</u>	<u>924,380</u>	<u>60,084</u>
OWDA Loans:					
1996 Sewer Construction	154,415	0	(16,663)	137,752	17,357
2008 Sewer Construction	<u>771,055</u>	<u>0</u>	<u>(29,893)</u>	<u>741,162</u>	<u>30,873</u>
Total OWDA Loans	<u>925,470</u>	<u>0</u>	<u>(46,556)</u>	<u>878,914</u>	<u>48,230</u>
State Infrastructure Bank Loans:					
1998 State Infrastructure Bank Loan	2,471,662	0	(294,870)	2,176,792	211,868
2004 State Infrastructure Bank Loan	<u>2,817,418</u>	<u>0</u>	<u>(435,320)</u>	<u>2,382,098</u>	<u>448,477</u>
Total State Infrastructure Bank Loans	<u>5,289,080</u>	<u>0</u>	<u>(730,190)</u>	<u>4,558,890</u>	<u>660,345</u>
Total Governmental Activities	<u>\$13,924,016</u>	<u>\$0</u>	<u>(\$1,206,832)</u>	<u>\$12,717,184</u>	<u>\$1,158,659</u>

In 2006, the Village issued \$7,390,000 in general obligation refunding bonds and at varying interest rates. Proceeds were used to fully refund the outstanding 1996 Fire Station general obligation bonds and to fund the construction of a new police station and underpass on Highland Road.

Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 1996 Fire Station general obligation bonds. As a result, \$1,990,000 of these bonds were considered defeased. The amount still outstanding at December 31, 2009 is \$1,390,000.

The Worton Park and S.O.M. Center Road OPWC loans, and the Sewer Construction OWDA loans will be paid from the general obligation bond retirement debt service fund.

The State Infrastructure Bank Loans were issued for the completion of the North Commons Boulevard and Parkview Drive Construction on the interior roadway project and the engineering and the right-of-way acquisition for the widening of S.O.M. Center Road. The loan will be repaid in part by the proceeds of a Tax Incremental Financing Plan agreed between the Progressive Casualty Insurance Company and the Village in 1999. The Village has assigned the future proceeds to the Ohio Department of Transportation.

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2009, are as follows:

**Governmental Activities**

Year	General Obligation Bonds		OPWC Loans		OWDA Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$390,000	\$255,018	\$60,084	\$0	\$48,229	\$29,333
2011	400,000	239,418	60,085	0	49,963	27,600
2012	415,000	223,418	60,085	0	51,759	25,803
2013	425,000	205,780	60,085	0	53,621	23,941
2014	455,000	186,655	60,085	0	55,551	22,011
2015-2019	1,800,000	675,795	263,008	0	237,087	82,173
2020-2024	1,680,000	364,943	225,592	0	227,514	46,044
2025-2028	790,000	47,800	135,356	0	155,190	8,887
Total	<u>\$6,355,000</u>	<u>\$2,198,825</u>	<u>\$924,380</u>	<u>\$0</u>	<u>\$878,914</u>	<u>\$265,793</u>

Year	State Infrastructure Bank Loans		Total	
	Principal	Interest	Principal	Interest
2010	\$660,345	\$137,163	\$1,158,658	\$421,513
2011	680,843	116,666	1,190,890	383,683
2012	701,977	95,532	1,228,821	344,752
2013	723,768	73,741	1,262,474	303,462
2014	746,236	51,272	1,316,873	259,938
2015-2019	1,045,721	77,607	3,345,816	835,574
2020-2024	0	0	2,133,106	410,986
2025-2028	0	0	1,080,546	56,687
Total	<u>\$4,558,890</u>	<u>\$551,979</u>	<u>\$12,717,184</u>	<u>\$3,016,597</u>

The Ohio Revised Code provides that net general obligation debt of the Village, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Village. The Revised Code further provides that total voted and unvoted net debt of the Village less the same exempt debt shall never exceed an amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2009, were an overall debt margin of \$11,521,946 and an unvoted debt margin of \$3,070,570.

VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)

**NOTE 12. INTERFUND TRANSACTIONS**

Transfers made during the year ended December 31, 2009 were as follows:

Transfers from the General Fund to:	
Agency Performance Bond Fund	\$17,243
General Bond Retirement Fund	162,689
Total Transfers from the General Fund	<u>\$179,932</u>
Transfers from Other Governmental Funds to:	
General Bond Retirement Fund	\$54,699
Total Transfers from Other Governmental Funds	<u>\$54,699</u>

Transfers from the General Fund represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers from Other Governmental Funds represent remaining debt proceeds from the Highland/Metro/Zorn Sewer Capital Project Fund.

**NOTE 13. JOINTLY GOVERNED ORGANIZATIONS**

**Northeast Ohio Public Energy Council (NOPEC)**

The Village is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 126 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities. The Village did not contribute to NOPEC during 2009.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, 31320 Solon Road, Suite 20, Solon, Ohio 44139 or at the website, [www.nopecinfo.org](http://www.nopecinfo.org).

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

**Eastern Suburban Regional Council of Governments**

The Village is a member of The Eastern Suburban Regional Council of Governments (ESRCOG), which was formed in 1972 to foster cooperation between member municipalities through sharing of facilities for mutual benefit. The governing body of ESRCOG is a council comprised of one representative from each of the six participating municipalities. The Council operates in accordance with a written agreement establishing ESRCOG pursuant to Ohio Revised Code Chapter 167. The Council established one subsidiary organization, the Suburban Police Anti-Crime Network (SPAN), which provides for the mutual interchange and sharing of police personnel and police equipment to be utilized by all six (6) participating member municipalities. In 2009, all participating municipalities contributed \$84,000. The Council adopts a budget for ESRCOG annually. Each member municipality's degree of control is limited to its representation on the Council. In 2009, the City contributed \$14,000, which represents 16.67 percent of the total contributions.

**The Mayfield Union Cemetery**

The Mayfield Union Cemetery is a jointly governed organization among three local communities (Village of Mayfield, Highland Heights and Mayfield Heights). The jointly governed organization was formed based on the boundaries in relation to the cemetery. Each of the communities contributes a nominal fee for the maintenance of the cemetery. In 2009, Mayfield Village contributed \$1,000. The Village of Mayfield assumes the daily accounting and reporting of the cemetery finances. The Cemetery Board consists of three Board members; one council member appointed from each of the three communities. Financial information can be obtained by contacting the Director of Finance at the Village of Mayfield, 6621 Wilson Mills Road, Mayfield Village, Ohio 44143.

**NOTE 14. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

At December 31, 2009, the Village's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
Cuyahoga County Public Safety Interoperable Communications Prime Site Upgrade	\$110,000	\$0	\$110,000
Fiber Ring Installation	328,000	164,000	164,000
Police Station Construction	4,000,000	239,044	3,760,956
Seneca Road Reconstruction	194,715	173,566	21,149
<b>Total</b>	<b>\$4,632,715</b>	<b>\$576,610</b>	<b>\$4,056,105</b>

VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)

**NOTE 15. CONTINGENT LIABILITIES**

***A. Federal and State Grants***

The Village receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the Village at December 31, 2009.

**NOTE 16. SUBSEQUENT EVENTS**

On May 4, 2010, Mayfield Village residents approved a one-half percent increase in the municipal income tax rate. This tax rate increase will go into effect on July 1, 2010 and is expected to generate approximately \$3 million of additional revenue annually.

On June 7, 2010, Mayfield Village issued a Notice of Intent to Award to Great Lakes Crushing, LTD. in the amount of \$506,273. This Award relates to the Wilson Mills Road Culvert #9 replacement over Beechers Brook.

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**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i>	Pass Through Entity Number	Federal CFDA Number	Expenditures
Program Title			
<b><u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u></b>			
<i>Direct Program:</i>			
Assistance to Firefighters Grant Program	EMW-2008-FR-00059	97.044	<u>\$801,716</u>
Total Federal Emergency Management Agency			<u>801,716</u>
<b><u>U.S DEPARTMENT OF HIGHWAY PLANNING AND CONSTRUCTION</u></b>			
<i>Passed through Ohio Department of Transportation:</i>			
<i>Passed through Northeast Ohio Areawide Coordinating Agency:</i>			
Transportation for Livable Communities Initiative	PID #76640	20.205	<u>17,552</u>
Total U.S. Department of Highway Planning and Construction			<u>17,552</u>
<b>Total</b>			<b><u><u>\$819,268</u></u></b>

*The accompanying notes are an integral part of this schedule.*

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
DECEMBER 31, 2009**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) reports the Village of Mayfield's (the Village's) federal award programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - MATCHING REQUIREMENTS**

Certain Federal programs require the Village to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Village has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



# Mary Taylor, CPA

Auditor of State

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

Village of Mayfield  
Cuyahoga County  
6622 Wilson Mills Road  
Mayfield Village, Ohio 44143

To the Village Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Mayfield, Cuyahoga County, (the Village) as of and for the year ended December 31, 2009, which collectively comprise the Village's basic financial statements and have issued our report thereon dated August 23, 2010, wherein we noted the Village uses a comprehensive accounting basis other than generally accepted accounting principles. 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 the Comptroller General of the United States' *Government Auditing Standards*.

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

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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### **Compliance and Other Matters**

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

We did note certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated August 23, 2010.

We intend this report solely for the information and use of management, the audit committee, Village Council, federal awarding agencies and pass through entities. We intend it for no one other than these specified parties.

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

**Mary Taylor, CPA**  
Auditor of State

August 23, 2010



**Mary Taylor, CPA**  
Auditor of State

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Village of Mayfield  
Cuyahoga County  
6622 Wilson Mills Road  
Mayfield Village, Ohio 44143

To the Village Council:

**Compliance**

We have audited the compliance of the Village of Mayfield, Cuyahoga County, Ohio (the Village) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 31, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the Village's major federal program. The Village's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the Village's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Village's compliance with those requirements.

In our opinion, the Village of Mayfield, Cuyahoga County, Ohio complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2009.

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### Internal Control Over Compliance

The Village's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Village's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of opining on compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Village's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We intend this report solely for the information and use of the audit committee, management, Village Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

August 23, 2010

**VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2009**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	CFDA #97.044 - Assistance to Firefighters Grant Program
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None

VILLAGE OF MAYFIELD  
CUYAHOGA COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
DECEMBER 31, 2009

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2008-001	Timely Depositing of Public Money	No	Reissued in Management Letter



**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF MAYFIELD**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 21, 2010**